



45th ANNUAL REPORT
2015 - 16

**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
M S Shanmugam I.A.S	DIN 02475286	Director (from 4th Feb 2016)
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
S R Ramakrishnan	DIN 00120126	Whole-time Director

Secretary

M B Ganesh

Chief Financial Officer

A V Kumar
(upto 30th June 2016)

K R Anandan
(from 1st July 2016)

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	8
Secretarial Audit Report	28
Corporate Governance Report	31
Auditors' Report	40
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	86
(c) Statement of Profit and Loss	87
(d) Cashflow Statement	88
(e) Notes to Financial Statements	90

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 FIFTH ANNUAL GENERAL MEETING of the Members of Southern Petrochemical Industries Corporation Limited will be held on Tuesday the 20th September, 2016 at 10.30 A.M at Rajah Annamalai Mandram, No 5, Esplanade Road, Chennai - 600 108, to transact the following business:

ORDINARY BUSINESS:

1. Adoption of Financial Statements

"RESOLVED THAT

- a.The audited financial statement of the Company for the year ended 31st March 2016 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 2016 and the Report of the Auditors thereon;
be and are hereby received and adopted."

2. Appointment of Director

"RESOLVED THAT Mr. B Elangovan, Director (DIN No: 00133452), 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, 142 and other applicable provisions, if any, of the Companies Act, 2013, and the Rules made there under, M/s Deloitte Haskins & Sells (DHS), Chartered Accountants, Chennai (Firm Registration No.008072S), be and are hereby appointed as Statutory Auditors of the Company and to hold Office from the conclusion of this Annual General Meeting until the conclusion of the 46th Annual General Meeting of the Company on a remuneration as may be fixed by the Board of Directors of the Company."

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification(s), the following Resolutions as **ORDINARY RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of

the Companies Act, 2013 and the 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 Mr. 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 31st March, 2017, on a remuneration of Rs. 1,00,000/- (Rupees One lakh only) subject to applicable taxes and levies 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."

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

"RESOLVED THAT pursuant to the provisions of Section 186 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made there under (including any statutory modification thereof for the time being in force and as may be enacted from time to time), subject to such approvals, consents, sanctions and permissions, as may be necessary, and the Articles of Association of the Company, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include any Committee constituted by the Board or any person(s) authorized by the Board) to exercise the powers conferred on the Board by this resolution, to make investments by way of subscription, purchase or otherwise, the securities of any body corporate upto an aggregate amount not exceeding Rs.75 lakhs notwithstanding that the aggregate of the loans given or guarantees provided or securities subscribed / acquired or loans / guarantees to be given and / or securities to be subscribed / acquired by the Company may collectively exceed the limits prescribed under Section 186 of the Act."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorised to take from time to time all decisions and such steps as may be necessary, expedient or desirable for making such investments and

to execute agreements, documents, deeds, writings, papers as may be required, settle any question or doubt that may arise thereto and do all such acts, deeds, matters and things, as it may in its absolute discretion, deem fit, necessary or appropriate”.

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

Place: Chennai
Date : 1 August 2016

M B GANESH
Secretary

NOTES:

- (A) a. Share Transfer Register of the Company will remain closed from 12th September 2016 to 20th September 2016 (both days inclusive).
- b. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013, (the Act) in respect of item 4 and 5 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 VOTE INSTEAD OF HIMSELF/ HERSELF. SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- The instrument appointing proxy should be deposited at the Registered Office of the Company not less than forty-eight hours before commencement of the AGM. Proxy forms 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 Act, 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 carrying voting rights 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 Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Directors seeking appointment / re-appointment at the Annual General Meeting 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 45th Annual General Meeting (45th AGM) of the Company inter alia indicating the process and manner of electronic-voting (e-voting) along with Attendance Slip and Proxy Form are 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 45th 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 (Registered Post/ Speed Post / Courier).

Members are advised to register/update their e-mail addresses and enable the Company to send Notice, Financial Statements and other documents in electronic form.

- h. Members may also note that the Notice of the 45th Annual General Meeting and the Annual Report will be available on the website of the Company.
- 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 of the Act 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 and Listing Regulations.
- 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 13 September 2016, the cut-off-date.
- 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 Act, 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. The Nomination Form is also available in the website of the Company. Members holding shares in electronic form may

contact their respective Depository Participant(s) for availing this facility.

Inspection of Documents:

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

(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 45th 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:-

- (i) The voting period begins on 17th September 2016 (9.00 a.m.) and ends on 19th September 2016 (5.00 p.m.). During this period, the shareholders of the Company, holding shares either in physical form or in dematerialized form, as on 13th September 2016 (cut off date) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date will not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and 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)
	<ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.
	<ul style="list-style-type: none"> • 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 as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach 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.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant on which you choose to vote.
- (xiii) 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

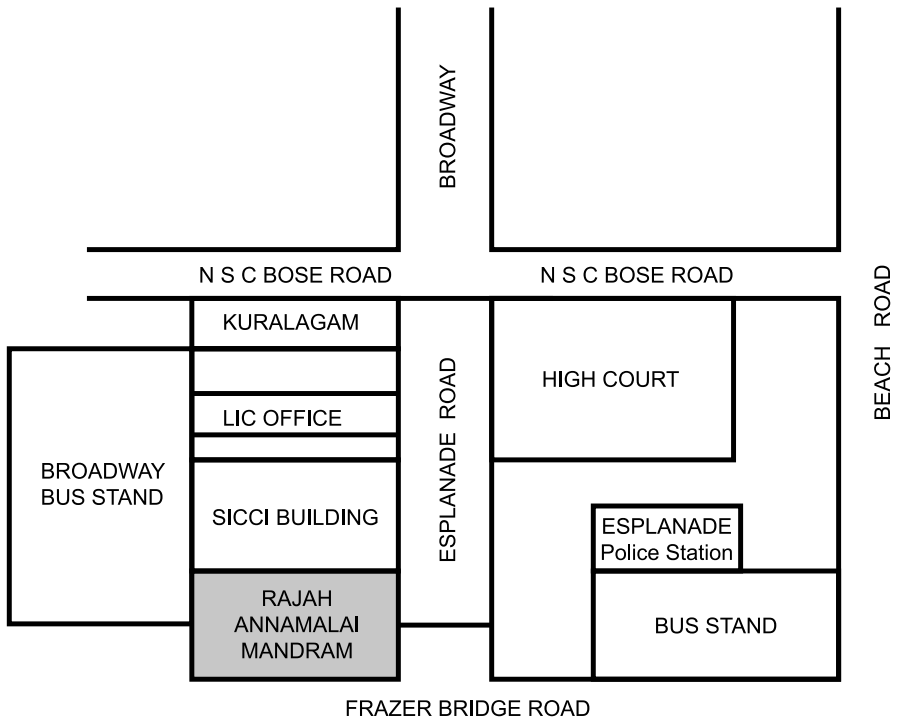
as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page. 4
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on

to www.evotingindia.com and register themselves as Corporates.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) 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.com, under help section or write an email to helpdesk.evoting@cdslindia.com

ROUTE MAP TO RAJAH ANNAMALAI MANDRAM (AGM VENUE)



Annexure to Notice
EXPLANATORY STATEMENT
PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

The following Explanatory Statement sets out the material facts referred to in Item Nos. 4 & 5 of the Notice convening the 45th AGM:

ITEM No. 4

The Board of Directors, on the recommendation of the Audit Committee, at their meeting held on 26th May, 2016, appointed Mr. P.R.Tantri, Cost Accountant, (M. No 2403) as Cost Auditor at a remuneration of Rs.1,00,000/- (Rupees One lakh only) subject to applicable tax and levies to conduct the cost audit of the cost accounts and records of the Fertilizers Division of the Company for the financial year ending 31 March, 2017. In accordance with the provisions of Section 148 of the Act, and the Rules made thereunder, the remuneration payable to the Cost Auditor shall be ratified by the Members of the Company.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution set out in Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending 31 March, 2017.

Memorandum of Interest:

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

ITEM No. 5

The Company has an annual power requirement of 110 million units which is met through 80 million units from TANGEDCO and 30 million units from captive sources. The cost of TANGEDCO power is Rs. 6.90 per unit. The cost incurred works out to Rs. 55.20 Crores, excluding the Maximum Demand Charges. The cost of power from Private Power Generating Companies, as a captive user is considerably cheaper than TANGEDCO power and therefore would help the Company to save substantially on the power bill.

Under The Electricity Rules, 2005, to qualify as a captive power user, atleast 26% of the equity capital of the power generation company shall be held by the captive user and atleast 51% of the aggregated electricity generated shall be consumed by the captive user. The Company is in discussion with Power Generation companies and propose to invest in the equity. This is expected to be about Rs 5.1 to 5.5 lakhs/ MW, returnable at the time of exiting from the Power Purchase Contract. Under such arrangement, the Company proposes to receive about 10 MW power as against the TANGEDCO sanctioned power of 17 MW.

The aggregate amount of investments so far made is in excess of the limits the Board is authorised to invest. Hence pursuant to Section 186 and other applicable provisions of the Act, if any, and the Rules made thereunder, approval of the Members is sought for the proposed investment.

The Board recommends the Special Resolution seeking consent of the Members for investing in the equity capital of the power generation company(s) upto an aggregate amount not exceeding Rs 75 lakhs.

Memorandum of Interest:

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

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

Place: Chennai
Date : 1 August 2016

M B GANESH
Secretary

Details of the Directors seeking appointment/re-appointment at the 45th Annual General Meeting
[Pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Mr. B Elangovan, aged 52 years, TIDCO Nominee Director is a Mechanical Engineer holding a Master's degree in Engineering (ME-Mech) from Coimbatore Institute of Technology, Coimbatore. Presently he is pursuing the Phd – Doctoral Programme in Aerospace, "Application of analytical tools in building aerospace manufacturing eco system in Tamilnadu State". He has 32 years of experience in various fields covering Manufacturing, Training, Industrial Promotion, Project Management etc.

He is also a Member of the Audit Committee and Stakeholders' Relationship Committee in Tamilnadu Telecommunication Limited. He is also a Director on the Boards of Arkonam Castings and Forgings Limited, Tamil Nadu Telecommunication Limited, Jayamkondam Lignite Power Corporation Limited, Tamilnadu Trade Promotion Organisation, Tidel Park Limited and Tidel Park Coimbatore Limited. He does not hold any equity shares in the Company. There is no relationships between the Directors inter-se.

DIRECTORS' REPORT AND MANAGEMENT DISCUSSION & ANALYSIS REPORT

Your Directors present their 45th Annual Report together with the Audited Financial Statements of the Company for the year ended 31 March 2016.

FINANCIAL SUMMARY

Particulars	(Rs. in Crores)	
	31.03.2016	31.03.2015
Revenue from Operations	1837.91	2094.16
Add: Other Income	17.94	8.64
Total Income	1855.85	2102.80
Profit before interest, depreciation and tax	57.01	76.23
Less: Finance Cost	12.05	28.26
Less: Depreciation & amortisation expenses	29.36	30.39
Add: Exceptional Items	9.17	-
Profit Before Tax	24.77	17.59
Less: Tax Expenses	-	-
Profit After Tax	24.77	17.59

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

Since all the Debentures have been redeemed in earlier years, a sum of Rs.38 crores available in Debenture Redemption Reserve was transferred to Profit and Loss.

STATE OF COMPANY'S AFFAIR

Production

During the year under review, the plant had a steady run between 1 April 2015 to 19 April 2015 and again between 20 May 2015 to 27 March 2016. The stoppage of plant for 30 days during April - May 2015 was due to delay in Government according approval for continuation of subsidy for Naphtha based Urea Plants. During this period of shutdown, the Company undertook repairs and maintenance activities to improve reliability, energy efficiency levels and increase production. Also Government has made it mandatory to produce only neem coated Urea from June 2015 onwards. Your Company had installed neem coating facility and produced 100% neem coated urea since June 2015. Urea production achieved during the year 2015-16 was 620,426 MTs compared to 491,905 MTs in the previous year. During the year, sale of Manufactured Urea was 623,475.20 MTs and sale of Imported Urea was 146,700.35 MTs

Your Company during this year, has also achieved the best ever energy efficiency levels of 6.8484 GCal/PMT of Urea since commissioning.

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 by mainly importing Naphtha and Furnace Oil.

The Naphtha handling facility in the Tuticorin port premises was commissioned during July 2015 and taken on lease by your Company.

Handling of Imported Urea:

Government of India allotted SPIC, two coastal ports for handling imported urea in Karaikal and Tuticorin. Your Company has handled Imported Urea which are 100% neem coated.

Progress in conversion of ammonia plant from naphtha to gas:

The contract for laying pipeline from Ennore to Tuticorin has been given to IOC and they have completed the reconnaissance studies. Government of India has permitted your Company to continue producing Urea using naphtha as feed stock and hence was able to sustain its operation during the year. In respect of conversion of the existing facility from naphtha based to natural gas, your Company is in the state of readiness to complete the process as and when gas connectivity is established. During the Global Investor Meet, Tamilnadu in September 2015, your Company entered into a Memorandum of Understanding with Government of Tamil Nadu for gas conversion, modernization and capacity enhancement.

PUBLIC DEPOSITS

There are no deposits covered under Chapter V of the Companies Act, 2013 (the Act) during the year 2015-16, the details of which are required to be furnished.

FINANCIAL STATEMENTS 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 Statements. As regards the annual accounts of subsidiaries and their contribution to the overall performance is given therein, refer Notes to the Form AOC-1. During the year under review, no Company has become or ceased to be its subsidiaries, associates and joint venture companies.

During the year under review, the Board of Directors of your Company had approved in principle to wind up the subsidiary, SPIC Fertilizers and Chemicals, Mauritius and its step down subsidiary SPIC Fertilizers and Chemicals FZE (SFC FZE), Dubai, subject to requisite statutory approvals. The Company's investment in SPIC Fertilizers and Chemicals, Mauritius, which has invested in a wholly owned subsidiary Company SFC FZE, Dubai, whose objective was production of ammonia and urea

in Jebel Ali Free Zone Dubai, did not materialize due to non allocation of gas. The Board of Directors & shareholders of SFC FZE, Dubai have approved the commencement of winding up.

TAMILNADU PETROPRODUCTS LIMITED (TPL)

During the year under review, revenue from operations was Rs. 700.63 crores as against Rs. 949.87 crores in 2014-15. The profit was Rs. 38.15 crores after exceptional item of Rs.57.71 crores against a loss of Rs.53.07 crores in the previous year. TPL had achieved an operating profit of Rs. 12.77 crores with a overall cash profit of Rs. 55.73 crores. The finance cost was lower at Rs. 14.74 crores against Rs. 19.57 crores during the previous year. This was made possible through lower borrowings and repayment of long term loans out of the proceeds from sale of property.

The Plant which was under shutdown for a period of 55 days from 2nd December 2015 due to unprecedented rainfall and flooding resumed operations on 26th January 2016. In spite of this, production was maintained at normal levels of 255-260 MTD.

TUTICORIN ALKALI CHEMICALS AND FERTILIZERS LIMITED (TFL)

During the year 2015-16, TFL operated comparatively better than last year and achieved a turnover of Rs.156.54 crores. Efforts were made to complete the settlement offered by the Asset Reconstruction Company and the consequent reduced interest write backs resulted in a net profit of Rs.33.64 crores. The Company is implementing its own CO₂ facility, recovering it from the boiler flue gases. The Plant is expected to be ready by August 2016. The Company has submitted a revised Draft Rehabilitation Scheme with the above changes.

POLICY ON MATERIAL SUBSIDIARY

The Board had approved the Policy on Material Subsidiary as per the Listing Regulations and is available on the Company's website under the web link: <http://spic.in/wp-content/uploads/2016/01/Determining-Material-Subsidiary-Policy.pdf>

CONSOLIDATED FINANCIAL STATEMENTS

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 is certified with ISO 9001 and ISO 14001 by External Auditors M/s. Det Norske Veritas (DNV).

HUMAN RESOURCE AND INDUSTRIAL RELATIONS

Your Company has taken several initiatives to ensure that the knowledge gained over decades is shifted down to the next generation of employees. The Company has conducted Management Development and Supervisory Development Programmes as well as put in place "Succession Plan and Long term career growth plans". Your Company continues to provide a conducive work environment and opportunities for development of its employees. Industrial Relations in the Company have been cordial during the year under review. The number of employees as on 31st March, 2016 is 657.

EXTRACT OF ANNUAL RETURN

Form MGT-9 as on 31st March 2016 as required under Section 92 of the Act is given in Annexure-I to this Report.

DIRECTORS

Consequent to the resignation of Ms. G Latha, I.A.S with effect from 15th December 2015, the Board of Directors at their Meeting held on 4th February 2016, pursuant to Sec 161(4) of the Act and on the recommendation of Nomination and Remuneration Committee appointed Mr. M S Shanmugam, I.A.S as Director representing Tamilnadu Industrial Development Corporation Limited (TIDCO) in the place of Ms. G Latha I.A.S. The Board of Directors placed on record the invaluable services rendered by Ms. G Latha I.A.S during her tenure as Director of the Company.

Mr. B Elangovan, TIDCO Nominee shall retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-election.

All the Independent Directors of the Company on the date of this Report have duly submitted the disclosures to the Board stating that they have fulfilled the requirements set out in Section 149 (6) of the Act and the Listing Regulations, so as to qualify themselves to act as Independent Directors.

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company has familiarised the Independent Directors with their roles, responsibilities in the Company, nature of the industry, business model etc., through a familiarisation programme. 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 to help the Independent Directors to enhance their understanding of the plant operations of the Company.

Details of the familiarization programme imparted to the Independent Directors have been disclosed on the Company's

website under the following web link: <http://spic.in/wp-content/uploads/2015/12/Familiarization-Programmes-Imparted-to-Independent-Directors.pdf>

KEY MANAGERIAL PERSONNEL

During the year under review, there were no changes in the Key Managerial Personnel (KMP) of your Company. The Board of Directors at their Meeting held on 26th May 2016 decided to relieve Mr. A V Kumar, Chief Financial Officer from service on his attaining superannuation w.e.f. 30th June 2016. In his place Mr. K R Anandan was appointed as Chief Financial Officer of the Company w.e.f. 1st July 2016.

NOMINATION AND REMUNERATION POLICY

Your Company has a Nomination and Remuneration Policy as required under Section 178(3) of the Act and the Listing Regulations. 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 for the year ended March 31, 2016 and forming part of this Report is given in Annexure-III to this Report.

STATUTORY AUDITORS

At the 44th Annual General Meeting held on 21st September 2015, the appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants, as Statutory Auditors of the Company to hold office until the conclusion of the 45th AGM was ratified by the Members. 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 appointed at the 45th 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 for 2016-17, to hold office from the conclusion of the 45th AGM to the conclusion of the 46th AGM is being proposed.

BOARD'S REPLY TO AUDIT QUALIFICATION

Audit Qualification

We refer to Note No 2(b)(i) of the consolidated financial statements relating to non-consolidation of the financial statements of a subsidiary to reflect the adjustments relating to the period 1 April 2011 to 31 March 2016 due to the following reasons:

- a) *The proposed voluntary winding up of the step down subsidiary Company effective February 29, 2016 has been approved by their Shareholders and the Board of Directors of the subsidiary. The Board of Directors of the Holding*

Company have also approved the commencement of the winding up of the subsidiary Company.

- b) *The preparation of the financial statements of the subsidiary Company on a going concern basis despite the intention of the ultimate holding Company to wind up the operations of the subsidiary Company. The independent auditor of the subsidiary Company has qualified his report for preparation of the accounts on a going concern basis for the years ended 31 March 2010 to 31 March 2015 and has also stated that there may be material adjustments required to the reclassification and carrying amount of assets and liabilities as disclosed in these consolidated financial statements. The impact of such adjustments, if any, is currently not ascertainable.*
- c) *The Financial statements of the subsidiary for the year ended 31 March 2016 have not been prepared by the management for the reasons mentioned in the Note.*

We are unable to determine the impact of the above matters on the consolidated financial statements for the year ended 31 March 2016

Our report on consolidated financial statements for the year ended 31 March 2015 was similarly qualified.

Reply:

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 Fertilizer 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 decided to be wound up as on 29 February 2016. SFCL Mauritius has approved the decision of SFC FZE, Dubai to effect winding up. The Board of Directors of Holding Company have also approved the commencement of winding up.

The independent auditor of SFCL Mauritius, in his audit report has expressed a qualified opinion regarding the preparation of financial statements on going concern basis for the years ended March 31, 2010 to March 31, 2015 and has stated that there may be material adjustment to the reclassification and carrying amount of assets and liabilities as disclosed in these consolidated financial statements, the impact of which cannot be assessed currently. The financial statements of SFC FZE, Dubai as on the date of winding up is under finalization and therefore the financial statements of SFCL Mauritius for the year ended March 31, 2016 are also under preparation.

In view of above matters, the accounts relating to subsidiary Company SFCL Mauritius included in the consolidated financial statements is as at March 31, 2011 which is based on management accounts and do not include the

adjustments relating to the period April 1, 2011 to March 31, 2016. Necessary adjustments would be effected on completion of the winding up proceedings.

The Board of Directors of the Company at their Meeting held on 6th November 2015, had decided to wind up SFCL Mauritius and write off the investments subject to getting the approval of the Regulatory Authorities concerned.

Hence, the consolidated financial statements for the year ended 31st March 2016 do not include the consolidated accounts of the subsidiary Company - SFCL Mauritius as the control is intended to be temporary because the subsidiary is held with a view to its winding-up in near future.

- (c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts have been prepared on a going concern basis;
- (e) they have laid down proper internal financial controls to be followed by the Company and such controls are adequate and operating effectively;
- (f) proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

COST AUDITOR

Mr. P R Tantri, Cost Accountant (M. No. 2403) was appointed as the Cost Auditor of the Company for 2015-16 to carry out the audit of your Company's cost accounts and records. The Cost Audit Report for the year ended 31st March 2015 was filed within the time stipulated under the Act. The Board of Directors at their meeting held on 26th May 2016, on the recommendation of the Audit Committee, have appointed Mr. 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 2016-17 at a remuneration of Rs.1,00,000/- plus reimbursement of actual out-of-pocket expenses for travelling and other expenses. As required under Section 148 of the Act and Rule 14 of the Companies (Audit & Auditors) Rules, 2014, ratification by Members is sought for the payment of remuneration to the Cost Auditor.

SECRETARIAL AUDIT REPORT

In terms of Section 204 of the Act, and the Rules made thereunder, your Company has appointed Ms. B Chandra, Practising Company Secretary, Chennai as Secretarial Auditor. 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, 2016, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- (b) they 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, 2016 and of the profit of the Company for the year ended on that date;

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

There were no loans, guarantees given 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 Policy on Related Party Transaction as required under the Listing Regulations is available on the Company's website under the weblink : <http://spic.in/wp-content/uploads/2016/01/Policy-on-Related-Parties.pdf>

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

There were 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 2016 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 (Top), the material of construction has been upgraded with Duplex Stainless steel make. Similarly, Degasser cooler, the material of

construction has been upgraded with Austenitic Stainless steel make in the Ammonia plant.

- As energy conservation activity, Dissociator B inner shell was painted with 2 layers of ceramic coating 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.
- Steam system audit were carried out periodically and the faulty traps and leaks has been addressed immediately.

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	2015-16	2014-15
Foreign Exchange earned	85.37	35.87
Foreign Exchange outgo	1,25,377.23	1,44,982.17

INTERNAL FINANCIAL CONTROL & RISK MANAGEMENT SYSTEM

The Company has adequate internal financial control systems to monitor business processes, financial reporting and compliance with applicable regulations. The systems are reviewed by Internal Auditors and reported to 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 GOVERNANCE

Corporate Governance Report 2015-16 along with the Certificate of the Auditors M/s. Deloitte Haskins & Sells, Chartered Accountants, confirming compliance of conditions of

Corporate Governance as stipulated in the Listing Regulations forms part of this Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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 CSR Policy, plans in line with the provisions of the Act and the Rules thereunder. Your Company is not required to spend towards CSR activities, in view of absence of profits computed under Section 198 of the Act. However, the details of CSR initiatives undertaken by your Company voluntarily are given in Annexure-V to this Report.

PERFORMANCE EVALUATION OF THE BOARD, COMMITTEES AND DIRECTORS

Your Company has a structured framework for evaluation of the Individual Directors, Chairperson, Board as a whole and its Committees.

The Independent Directors at their Meeting held on 4th February 2016 evaluated the performance of Non-Independent Directors, Board as a whole, 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 Board of Directors evaluated the performance of all Directors and the Board as a whole and its Committees were done through circulation of questionnaires, to assess the performance on select parameters related to roles, responsibilities and obligations of the Board and functioning of the Committees. The evaluation criteria 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, four Board Meetings were held, the details of which are provided in the Corporate Governance Report.

AUDIT COMMITTEE

The details of the Composition and Meetings of the Audit Committee held are provided in the Corporate Governance Report.

VIGIL MECHANISM

Pursuant to the provisions of Section 177 of the Act and the Listing Regulations, Whistle Blower Policy for Directors and employees to report genuine concerns or grievances has been put in place and a Vigil Mechanism established, the details of which are available on the website of the Company under weblink: <http://spic.in/wp-content/uploads/2016/01/Whistle-Blower-Policy-and-Vigil-Mechanism.pdf>

POLICY ON INSIDER TRADING

Your Company has 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. A policy is in place and an Internal Complaints Committee has been constituted which is monitoring the prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of Sexual Harassment of Women (POSH) at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made there under. There were no complaints reported under the POSH during the year under review.

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 Indian Agriculture, producing food grains, pulses, oil seeds, sugar, cotton, fruits, vegetables and

plantation crops like rubber, tea, coffee, cardamom, etc. Currently, India is the second largest consumer of fertilizers and third largest producer of nitrogenous and phosphatic fertilizers in the world.

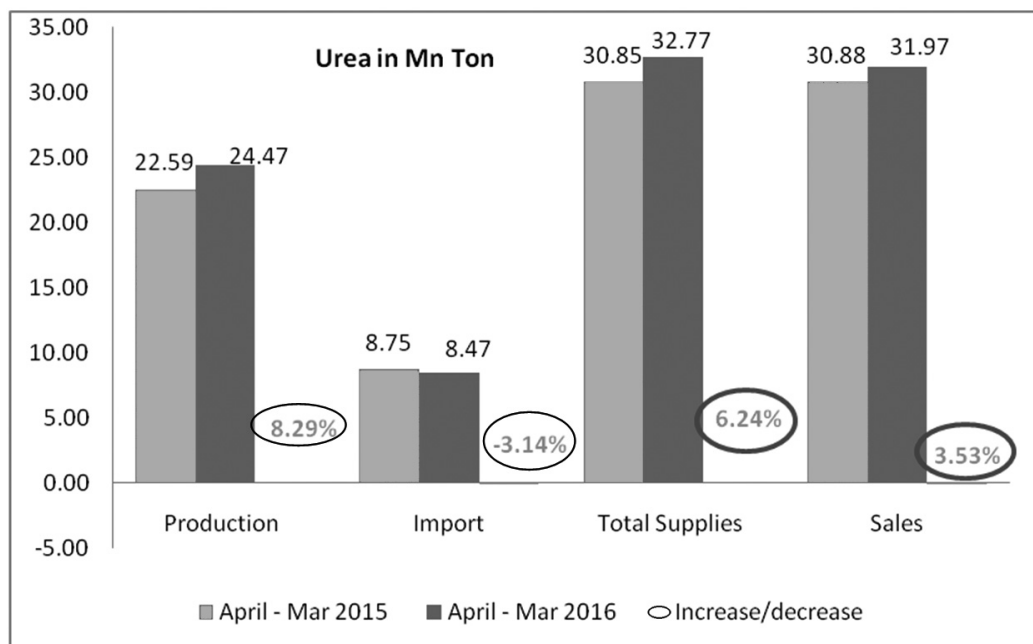
During the fiscal year 2015-16, India produced a total Urea of 24.465 million ton which is 8.3% higher than the production recorded during the previous year. With the import of 8.474 million ton, which is less by 3.1% over the previous year; the total supplies to the market stood at 32.772 million ton which is higher by 6.24% higher than that of the previous year. The sale of urea during the year recorded 31.974 million ton which is 3.5 % higher than that of the previous year. (Source: Ministry of Chemicals and Fertilizers, Government of India).

Despite a significant increase in production and sales of Urea, the food grain production enhancement is only marginal for the year due to erratic and deficient monsoon.

Based on the third crop cutting survey for the year 2015-16 crop year (July - June) the total food grain production is estimated to 252.23 million ton, which is marginally higher by 0.21 million ton over the production of 252.02 million ton recorded during 2014-15.

Production of rice, coarse cereals, pulses, oilseeds, sugarcane, cotton and jute was lower than that of the previous year. However, the wheat crop recorded a higher harvest by 7.51 million ton over the previous year; compensating the reduction in the yields of other food crops during the crop year.

Comparison of All India Urea Production, Import, Supplies and Sales with previous year.



CHALLENGES

The completion of gas pipeline infrastructure by IOC and steady supply of gas are important requirements for stable operation of your Company. It is also proposed to undertake modernization of the Ammonia/Urea Plants to achieve lower energy consumption, to improve reliability and cost effective capacity expansion with Natural Gas as feedstock. This investment will have to be in line with the gas availability so that we are ready in time.

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 : 1 August, 2016

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
MGT - 9
EXTRACT OF ANNUAL RETURN as on the financial year ended 31st March 2016

[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 Dec 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.
website:www.spic.in, E-mail : spiccorp@spic.co.in
Phone: 044-22350245
- (vi) Whether listed company : Yes
- (vii) Name, Address and Contact details of Registrar & Transfer Agent, if any : M/s Cameo Corporate Services Ltd, “Subramania Building”
No 1 Club House Road, Chennai 600002.
Ms Priya, Company Secretary
Ph: 044-8460390

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 main products / services	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)	NA	Subsidiary	83.54	2 (87)
2	SPIC Fertilizers and Chemicals Dubai	NA	Subsidiary	83.54	2 (87)
3	Tuticorin Alkali Chemicals & Fertilisers Limited	L24119TN1971PLC006083	Associate	45.15	2(6)
4	Goldnest Trading Company Limited	U65933TN1983PLC009993	Associate	32.76	2(6)

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	
(A) Promoters									
(1) Indian									
(a) Individual/HUF	45450	-	45450	0.02	45450	-	45450	0.02	-
(b) Central Govt	-	-	-	-	-	-	-	-	-
(c) State Govt (s)	8840000	-	8840000	4.34	8840000	-	8840000	4.34	-
(d) Bodies Corp.	70570419	6510604	77081023	37.85	76385319	695704	77081023	37.85	-
(e) Banks / FI	-	-	-	-	-	-	-	-	-
(f) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A) (1)	79455869	6510604	85966473	42.21	85270769	695704	85966473	42.21	-
(2) Foreign									
(a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
(b) Other - Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corp.	18914775	-	18914775	9.29	18914775	-	18914775	9.29	-
(d) Banks / FI	-	-	-	-	-	-	-	-	-
(e) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A) (2)	18914775	-	18914775	9.29	18914775	-	18914775	9.29	-
Total Shareholding of Promoter (A) = (A (1) + (A) (2)	98370644	6510604	104881248	51.50	104185544	695704	104881248	51.50	-
(B) Public Shareholding									
(1) Institutions									
(a) Mutual Funds	25795	12300	38095	0.02	25795	9900	35695	0.02	-
(b) Banks/FI	4716661	14925	4731586	2.32	4640659	13400	4654059	2.29	0.03
(c) Central Govt	-	-	-	-	-	-	-	-	-
(d) State Govt (s)	-	-	-	-	-	-	-	-	-
(e) Venture Capital funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	304220	-	304220	0.15	304220	-	304220	0.15	-
(g) FIs	351413	8150	359563	0.18	1851413	8150	1859563	0.91	0.73

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	
(h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i) Others (Specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1)	5398089	35375	5433464	2.67	6822087	31450	6853537	3.37	0.70
(2) Non- Institutions									
(a) Bodies Corp									
i. Indian	7276237	251030	7527267	3.70	9420108	267475	9782583	4.80	1.10
ii. Overseas	-	-	-	-	-	-	-	-	-
(b) Individuals									
i. Individual share holders holding nominal share capital up to Rs. 1 lakh	24835483	4230194	29065677	14.27	23995010	4196708	28191718	13.84	0.43
ii. Individual share holders holding nominal share capital in excess of Rs 1 lakh	37777595	155000	37932595	18.63	34504204	155000	34754204	17.07	1.56
C) Others									
(a) Clearing Member	132571	-	132571	0.07	69712	-	69712	0.03	0.04
(b) NRIs	1530968	12946	1543914	0.76	1970787	12946	1983733	0.97	0.21
(c) OCBs	39150	650	39800	0.02	39150	650	39800	0.02	-
(d) Trusts	17000	-	17000	0.01	17001	-	17001	0.01	-
Sub Total (B) (2)	71609004	4649820	76258824	37.45	70015972	4822779	74838751	36.75	0.70
Total Shareholding of Public = (B) (1) + (B) (2)	77007093	4685195	81692288	40.12	76838059	4854229	81692288	40.12	-
C. Shares held by custodian for GDRs & ADRs	17066800	-	17066800	8.38	17066800	-	17066800	8.38	-
Grand Total (A+B+C)	192444537	11195799	203640336	100.00	198090403	5549933	203640336	100.00	-

(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	45450	0.02	0.00	45450	0.02	0.00	0.00
2	FICON Holdings Limited	15682775	7.70	0.00	15682775	7.70	0.00	0.00
3	Ranford Investments Limited	1910000	0.94	0.00	1910000	0.94	0.00	0.00
4	Darnolly Investments Limited	1322000	0.65	0.00	1322000	0.65	0.00	0.00
5	SICAGEN India Limited	6840949	3.36	84.95	6840949	3.36	84.95	0.00
6	Gold Nest Trading Company Limited	2423400	1.19	100.00	2423400	1.19	100.00	0.00
7	South India House Estates & Properties ltd	1810450	0.89	1.72	1810450	0.89	1.72	0.00
8	SPIC Group Companies Employees Welfare Foundation	240460	0.12	0.00	240460	0.12	0.00	0.00
9	South India Travels Pvt. Ltd	208985	0.10	0.00	208985	0.10	0.00	0.00
10	SPIC Officers and Staff Welfare Foundation	150550	0.07	0.00	150550	0.07	0.00	0.00
11	ACM Educational Foundation	134075	0.07	0.00	134075	0.07	0.00	0.00
12	AMI Holdings Private Limited	37276700	18.31	0.00	37276700	18.31	0.00	0.00
13	Lotus Fertilizers Pvt Ltd	27995454	13.75	0.00	27995454	13.75	0.00	0.00
14	Tamilnadu Industrial Development Corporation Ltd	8840000	4.34	0.00	8840000	4.34	0.00	0.00
Total		104881248	51.50	-	104881248	51.50	-	-

(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	104881248	51.50	104881248	51.50
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No change			
	At the end of the year	104881248	51.50	104881248	51.50

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

S. No	For Each of the Top 10 Shareholders	Date of Transfer / Purchase	Shareholding at the beginning of the year 1 st April 2015		Shareholding at the end of the year 31 st March 2016		Reason for increase / decrease
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company	
1	MINAL B PATEL	01-Apr-15	90,50,012	4.44	90,50,012	4.44	NIL
2	LIFE INSURANCE CORPORATION LTD	01-Apr-15	39,26,725	1.93	39,26,725	1.93	NIL

S. No	For Each of the Top 10 Shareholders	Date of Transfer / Purchase	Shareholding at the beginning of the year 1 st April 2015		Shareholding at the end of the year 31 st March 2016		Reason for increase / decrease	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company		
3	VISHANJI SHAMJI DEDHIA	01-Apr-15	21,85,000	1.07	21,85,000	1.07	NIL	
4	RUCHIT BHARAT PATEL	01-Apr-15	14,43,847	0.71			PURCHASE	
		12-Jun-15	15,68,603	0.77				PURCHASE
		19-Jun-15	16,82,625	0.83				PURCHASE
		26-Jun-15	19,29,048	0.95				PURCHASE
		30-Jun-15	19,78,400	0.97				PURCHASE
		03-Jul-15	20,52,900	1.01				PURCHASE
		10-Jul-15	21,30,801	1.05				PURCHASE
		25-Dec-15	1,03,624	0.05				SALE
		31-Dec-15	97,499	0.05				SALE
		11-Mar-16	21,06,300	1.03				PURCHASE
		31-Mar-16						15,85,879
5	HITESH RAMJI JAVERI	01-Apr-15	14,01,000	0.69	14,01,000	0.69	NIL	
6	SHAREKHAN FINANCIAL SERVICES PVT LTD	01-Apr-15	11,66,471	0.57			PURCHASE	
		08-May-15	23,86,471	1.17				PURCHASE
		10-Jul-15	26,22,506	1.29				PURCHASE
		31-Jul-15	31,96,566	1.57				PURCHASE
		14-Aug-15	31,07,943	1.53				SALE
		21-Aug-15	31,06,843	1.53				SALE
		28-Aug-15	30,68,816	1.51				SALE
		11-Sep-15	31,90,191	1.57				PURCHASE
		25-Sep-15	31,92,941	1.57				PURCHASE
		16-Oct-15	32,03,941	1.57				PURCHASE
		23-Oct-15	31,78,941	1.56				SALE
		27-Nov-15	31,72,941	1.56				SALE
		18-Dec-15	26,72,941	1.31				SALE
		08-Jan-16	13,39,032	0.66				SALE
		12-Feb-16	10,10,379	0.50				SALE
		31-Mar-16						10,10,379
7	ABHIJIT PERIWAL	01-Apr-15	11,53,686	0.57			PURCHASE	
		10-Apr-15	19,23,508	0.94				SALE
		01-May-15	11,23,508	0.55				SALE
		08-May-15	7,23,508	0.36				SALE
		08-Jan-16	5,00,000	0.25				SALE
		15-Jan-16	9,00,000	0.44				PURCHASE
		22-Jan-16	13,00,000	0.64				PURCHASE
		12-Feb-16	15,00,000	0.74				PURCHASE
		31-Mar-16						15,00,000

S. No	For Each of the Top 10 Shareholders	Date of Transfer / Purchase	Shareholding at the beginning of the year 1 st April 2015		Shareholding at the end of the year 31 st March 2016		Reason for increase / decrease
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company	
8	SHAREKHAN LIMITED	01-Apr-15	10,23,838	0.50			SALE
		03-Apr-15	10,23,905	0.50			PURCHASE
		10-Apr-15	23,881	0.01			SALE
		17-Apr-15	25,481	0.01			PURCHASE
		24-Apr-15	25,491	0.01			PURCHASE
		01-May-15	8,23,430	0.40			PURCHASE
		08-May-15	28,701	0.01			SALE
		15-May-15	7,54,158	0.37			PURCHASE
		22-May-15	7,33,447	0.36			SALE
		29-May-15	8,37,800	0.41			PURCHASE
		05-Jun-15	8,43,676	0.41			PURCHASE
		12-Jun-15	8,38,008	0.41			SALE
		19-Jun-15	8,42,908	0.41			PURCHASE
		26-Jun-15	8,36,144	0.41			SALE
		03-Jul-15	8,36,297	0.41			PURCHASE
		10-Jul-15	8,43,147	0.41			PURCHASE
		17-Jul-15	8,42,669	0.41			SALE
		24-Jul-15	8,43,019	0.41			PURCHASE
		31-Jul-15	3,38,546	0.17			SALE
		07-Aug-15	3,38,996	0.17			PURCHASE
		14-Aug-15	3,59,597	0.18			PURCHASE
		21-Aug-15	3,47,907	0.17			SALE
		28-Aug-15	3,70,832	0.18			PURCHASE
		04-Sep-15	3,66,572	0.18			SALE
		07-Sep-15	3,62,937	0.18			SALE
		11-Sep-15	3,64,757	0.18			PURCHASE
		14-Sep-15	3,64,557	0.18			SALE
		18-Sep-15	3,62,456	0.18			SALE
		25-Sep-15	3,62,055	0.18			SALE
		30-Sep-15	3,62,599	0.18			PURCHASE
02-Oct-15	3,62,499	0.18			SALE		
09-Oct-15	3,65,034	0.18			PURCHASE		
16-Oct-15	3,63,254	0.18			SALE		
23-Oct-15	3,49,054	0.17			SALE		
30-Oct-15	3,49,354	0.17			PURCHASE		
06-Nov-15	3,50,954	0.17			PURCHASE		
13-Nov-15	3,56,754	0.18			PURCHASE		
20-Nov-15	3,55,573	0.17			SALE		

S. No	For Each of the Top 10 Shareholders	Date of Transfer / Purchase	Shareholding at the beginning of the year 1 st April 2015		Shareholding at the end of the year 31 st March 2016		Reason for increase / decrease
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company	
		27-Nov-15	3,50,973	0.17			SALE
		04-Dec-15	3,51,151	0.17			PURCHASE
		11-Dec-15	3,54,151	0.17			PURCHASE
		18-Dec-15	8,53,701	0.42			SALE
		25-Dec-15	8,59,431	0.42			PURCHASE
		31-Dec-15	8,64,591	0.42			PURCHASE
		01-Jan-16	8,64,259	0.42			SALE
		08-Jan-16	14,72,318	0.72			PURCHASE
		15-Jan-16	14,56,469	0.72			SALE
		22-Jan-16	10,57,618	0.52			SALE
		29-Jan-16	10,55,368	0.52			SALE
		05-Feb-16	10,83,223	0.53			PURCHASE
		12-Feb-16	8,10,402	0.40			SALE
		19-Feb-16	8,10,626	0.40			PURCHASE
		26-Feb-16	8,13,426	0.40			PURCHASE
		04-Mar-16	8,13,222	0.40			SALE
		11-Mar-16	8,14,212	0.40			PURCHASE
		18-Mar-16	8,12,808	0.40			SALE
		25-Mar-16	8,13,808	0.40			PURCHASE
		31-Mar-16			8,13,967	0.40	PURCHASE
9	HARSHA HITESH JAVERI	01-Apr-15	10,00,000	0.49	10,00,000	0.49	NIL
10	HARDHIK BHARAT PATEL	01-Apr-15	6,08,400	0.30			
		10-Apr-15	10,38,939	0.51			PURCHASE
		17-Apr-15	13,78,110	0.68			PURCHASE
		24-Apr-15	15,69,742	0.77			PURCHASE
		01-May-15	18,04,524	0.89			PURCHASE
		08-May-15	19,66,503	0.97			PURCHASE
		15-May-15	22,08,709	1.08			PURCHASE
		22-May-15	26,51,029	1.30			PURCHASE
		29-May-15	28,89,597	1.42			PURCHASE
		05-Jun-15	30,72,149	1.51			PURCHASE
		12-Jun-15	32,17,101	1.58			PURCHASE
		30-Jun-15	32,50,651	1.60			PURCHASE
		03-Jul-15	32,51,081	1.60			PURCHASE
		17-Jul-15	31,06,081	1.53			SALE
		07-Sep-15	1,84,000	0.09			SALE
		11-Mar-16	15,25,281	0.75			PURCHASE
		18-Mar-16	15,37,981	0.76			PURCHASE
		31-Mar-16			7,44,467	0.37	SALE

(v) Shareholding of Directors and Key Managerial Personnel:

S.No	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding at the end of 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	Mr Ashwin C Muthiah	45	0.00	45	0.00
2	Mr M B Ganesh	50	0.00	50	0.00
3	Mr A V Kumar	250	0.00	250	0.00
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	Mr Ashwin C Muthiah	45	0.00	45	0.00
2	Mr M B Ganesh	50	0.00	50	0.00
3	Mr A V Kumar	250	0.00	250	0.00

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

(Rupees in lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	12019.76	-	12019.75
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	59.04	-	59.04
Total (i+ii+iii)	-	12078.80	-	12078.80
Change in Indebtedness during the financial year				
Addition	-	7360.24	-	7360.24
Reduction	-	(7081.04)	-	(7081.04)
Net Change	-	279.20	-	279.20
Indebtedness at the end of the financial year				
i) Principal Amount	-	11992.28	-	11992.28
ii) Interest due but not paid	-	259.40	-	259.40
iii) Interest accrued but not due	-	106.32	-	106.32
Total (i+ii+iii)	-	12358.00	-	12358.00

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

(Amount in Rs.)

S.No	Particulars of Remuneration	S R Ramakrishnan Whole time Director
1	Gross Salary:	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	62,58,876
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	3,15,120
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--

S.No	Particulars of Remuneration	S R Ramakrishnan Whole time Director
2	Stock Option	--
3	Sweat Equity	--
4	Commission - as % of profit - others, specify...	--
5	Others, please specify	--
	Total	65,73,996
Ceiling as per the Act		1,20,00,000

B. Remuneration to other Directors:

Sl. No	Name of the Director	Fee for attending Board / committee meetings (Amt. in Rs)	Commission	Others
	<u>Independent Directors</u>			
1	Mr B Narendran	2,00,000	0.00	0.00
2	Mr S Shankar	1,50,000	0.00	0.00
3	Brig (Retd) Harish Chandra Chawla	2,00,000	0.00	0.00
4	Mrs Sashikala Srikanth	2,00,000	0.00	0.00
5	Mr Sumanjit Chaudhry	2,00,000	0.00	0.00
	<u>Other Non Executive Directors</u>			
6	Mr M S Shanmugam I A S (from 4 Feb 2016)	0.00	0.00	0.00
7	Mr T K Arun	2,00,000	0.00	0.00
8	Mr B Elangovan	50,000	0.00	0.00
9	Ms G Latha I A S (upto 15 Dec 2015)	50,000	0.00	0.00
10	Mr Ashwin C Muthiah	2,00,000	0.00	0.00
	Total	14,50,000	0.00	0.00

C. Remuneration to other Directors, Key Managerial Personnel other than MD/MANAGER/WTD: (Amount in Rs.)

S.No	Particulars of Remuneration	Key Managerial Personnel		
		CS	CFO	Total
1	Gross Salary:	15,00,000	40,64,634	55,64,634
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	2,41,968	2,41,968
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	--	--
2	Stock Option	--	--	--
3	Sweat Equity	--	--	--
4	Commission - as % of profit - others, specify...	--	--	--
5	Others, please specify	--	--	--
	Total	15,00,000	43,06,602	58,06,602

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the Financial Year ended 31st March 2016

For and on behalf of the Board of Directors

ASHWIN C MUTHIAH

(DIN:00255679)

Chairman

Place : Chennai

Date : 1st August, 2016

NOMINATION AND 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 filed. 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

For and on behalf of the Board of Directors

ASHWIN C MUTHIAH

(DIN:00255679)

Chairman

Place : Chennai

Date : 1st August, 2016

ANNEXURE - III

DETAILS OF MANAGERIAL REMUNERATION AS REQUIRED UNDER SEC 197(12) OF THE COMPANIES ACT, 2013 READ WITH 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
Mr. S R Ramakrishnan	Whole Time Director	13

Remuneration to Non - Executive Directors is only by way of sitting fees of Rs. 50,000/- for attending each Meeting of the Board. Sitting fee is not payable for attending the Meetings of the Committees.

- 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 2015-16
Mr. S R Ramakrishnan	Whole Time Director	0
Mr. A V Kumar	Chief Financial Officer	10%
Mr. M B Ganesh	Company Secretary	0

During the year, there was no increase in the sitting fees of Rs. 50,000/- payable to the Non - Executive Directors.

- iii) The percentage increase in the median remuneration of employees in the financial year - 8%.
- iv) The number of permanent employees on the rolls of Company is 657.
- v) 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 in salary of employees, other than the managerial personal was based on the inflation rate during March 2016 and this has been effected to our employees across the Organisation.

- vi) The remuneration paid is as per the Remuneration Policy of the Company.

vii) Statement showing the names of the top ten employees in terms of remuneration drawn under Rule 5(2) :

Employee Name	Designation	Qualifications	Experience	Date of Joining	Age	Last Employment & Position held	Remuneration Received (Rs.)
Ramakrishnan S R	Whole Time Director	B.E (CHEMICAL)	1 Yr 11 M	30-07-2014	65	Sri Ram Group	65,73,940
Kumar A V	Chief Financial Officer	B.E(CHEMICAL). ,M.B.A	34 Yrs 4 M	01-02-1982	58	--	43,06,600
Gopalakrishnan K	Asst Vice President (Admi & Cs)	BA,MA DIP(PR)	13 Yrs 2 M	01-05-2003	50	SICAL, Joint Manager-PR	32,72,400
Nachiappan N	General Manager - Im- ports & Distribution	B.Sc;M.B.A	34 Yrs 1 M	09-06-1982	56	--	29,49,300
Ravichandran NR	Dy General Manager - Projects & Revamp	B.TECH (ELECTRONICS)	26 Yrs 6 M	20-12-1989	51	--	27,61,000
Senthil Nayagam P	Dgm - Production	B.E(CHEMICAL)	22 Yrs 4 M	17-02-1994	45	--	24,40,000
Rajagopalan N	Head - It	DIP(ADV COM), B.SC, M.Sc	1 Yr 8 M	12-11-2014	50	FREELANCER	21,00,000
Venkata Krishnan R	General Manager - Legal	B.COM;BL;ML	1 Yr 5 M	11-02-2015	57	GIMPEX LIMITED - GM -LEGAL	20,75,000
Palanisamy V	Agm (Production) - Urea	B.E (CHEMICAL)	19 Yrs 4 M	01-03-1997	42	--	20,58,100
Syed Razak	State Marketing Man- ager - Telangana	B.SC., DIP(MKG)	33 Yrs 6 M	30-12-1982	58	EID PARRY - SALES REP	20,05,600

- The employment of Whole time Director is contractual and all others are regular employees.
- None of the employees mentioned above
 - hold either by themselves or along with their spouse and dependent children, not less than two percent of the equity shares of the Company
 - is a relative of any director or manager of the Company.

viii) There are no employees covered under Rule 5 (2) (i), (ii) and (iii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of whom the details are required to be provided.

For and on behalf of the Board of Directors

ASHWIN C MUTHIAH
(DIN:00255679)
Chairman

Place : Chennai

Date : 1st August, 2016

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2016
(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 bearing CIN L11101TN1969PLC005778 (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me 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 31.03.2016, 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 31.03.2016, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Companies Act, 1956 (to the extent applicable)
- (iii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (v) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (vi) 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 (with effect from 15th May 2015);
 - c. 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;
 - d. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (with effect from 1st December 2015)

We are informed that the Company, during the year, was not required to comply with the following regulations and consequently not required to maintain any books, papers, minute books or other records or file any forms/ returns under:

- a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
- b. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999
- c. The Securities and Exchange Board of India (Issue and Listing of Debt securities) Regulations, 2008
- d. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- e. The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998;

(vii) Based on the study of the systems and processes in place and a review of the reports of

(1) the heads of the Departments (2) Occupier/Manager of the factories located in Tuticorin which manufacture Urea, a Nitrogenous Chemical Fertilizer (3) the compliance reports made by the functional heads of various departments based on which the Whole-time Director and the Company Secretary submit a Report to the Board of Directors of the Company, I report that the Company has complied with the provisions of the following statutes and the rules made there under to the extent it is applicable to them:

- Indian Factories Act, 1948
- Explosives Act, 1884
- Public Liability and Insurance Act, 1991

- Manufacture, Storage and Import of Hazardous Chemical Rules, 1989, amended 1994 and 2000
- The Air (Prevention and Control of Pollution) Act, 1981 amended 1987
- The Water (Prevention and Control of Pollution) Act, 1974, amended 1988
- The Environment (Protection) Act, 1986, amended 1991
- The Petroleum Act, 1934
- The Fertiliser (Control) Order, 1985
- Hazardous Wastes (Management and Handling) Rules, 1989 amended 2000 and 2003
- The Customs Act, 1962
- The Merchant Shipping Act, 1958 amended in 2002 and 2003
- The Indian Ports Act, 1908
- Drugs and Cosmetics Act, 1940
- The Prevention of Food Adulteration Act, 1954
- Tamil Nadu Industrial Establishment (Conferment of Permanent Status to Workmen) Act, 1981
- Industrial Disputes Act, 1947
- The Payment of Wages Act, 1936
- The Minimum Wages Act, 1948
- Employees' State Insurance Act, 1948
- The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
- The Payment of Bonus Act, 1965
- The Payment of Gratuity Act, 1972
- The Contract Labour (Regulation & Abolition) Act, 1970
- The Maternity Benefit Act, 1961
- The Child Labour (Prohibition & Regulation) Act, 1986
- The Industrial Employment (Standing Order) Act, 1946
- The Workmen's Compensation Act, 1923
- The Apprentices Act, 1961
- Equal Remuneration Act, 1976
- The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959
- Tamil Nadu Industrial Establishment (National and Festival Holidays) Act, 1958
- Tamil Nadu Labour Welfare Fund Act, 1972
- Tamil Nadu Payment of Subsistence Allowance Act, 1981
- Tamil Nadu Shops and Establishment Act, 1947
- Trade Union Act, 1926
- Interstate Migrant Workers (Regulation of Employment and Condition of Service) Act, 1979
- The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements (Old agreements upto 30th November 2015 and new agreement with effect from 1st December 2015) entered into by the Company with National Stock Exchange of India Limited.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. 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
- 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.
- Based on the minutes made available to us, we report that decisions are carried through majority and that there were no dissenting votes from any Board member which was required to be captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor, report deviations, if any, to the Board, take corrective actions and ensure compliance with applicable laws, rules, regulations and guidelines.

Place: Chennai
Date : 14.07.2016

B.Chandra
Company Secretary in Practice
ACS No.: 20879, C P No. : 7859

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (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

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

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

(Rs. in lacs)

Year	2012-2013	2013-2014	2014-2015	Average Net Profit
Net Profit / (Net Loss)	(1549.20)	(1568.22)	(1553.84)	(1557.09)

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:

- Tree Plantation
- Flood Relief – Distribution of Food Pkts (7700 pkts)
- Food Pkts to Disabled (3000 pkts)
- Construction of water tank – Tuticorin Corporation
- Polio Immunization drive
- E-learning center
- Provision of infrastructure facilities at Tuticorin Township
- Eye camp
- Diabetic Camp
- Donation of note books and uniforms to school children.

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

Place : Chennai
Place: 1st August 2016

S R RAMAKRISHNAN
Whole-time Director
DIN No.:00120126

ASHWIN C MUTHIAH
Chairman
DIN No.:00255679

CORPORATE GOVERNANCE REPORT (2015-16)

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 2016, the Board of Directors of the Company had 10 (Ten) Directors. During the financial year 2015-16, 4 (Four) Board Meetings were held on 21st May 2015, 4th August 2015, 6th November 2015 and 4th February 2016.

COMPOSITION, DIRECTORS' ATTENDANCE AND OTHER DIRECTORSHIPS HELD

Name of the Director, DIN, Designation and Category	Attendance at Board Meetings	Attendance at previous AGM on 21st Sept 2015	No. of other Director ships (*)	No. of Membership in Board Committees of other companies (**)	
				As Chairman	As Member
Mr. Ashwin C Muthiah, (00255679) Chairman, Non-Executive Promoter Nominee	4	Yes	3(2)	1	1
Mr. T K Arun (02163427) TIDCO Nominee Non-Executive	4	Yes	9	-	5
Mr. B Elangovan (00133452) TIDCO Nominee Non-Executive	1	No	3	-	2
Ms. G Latha, IAS (02860567) TIDCO Nominee Non-Executive (upto 15th December 2015)	1	Yes	2	-	-
Mr. M S Shanmugam IAS (02475286) TIDCO Nominee Non-Executive (w.e.f 4th February 2016)	--	NA	9(2)	1	-
Mr. S Shankar (06591908) Non-Executive Independent	3	No	1	-	1
Mr. B Narendran (01159394) Non-Executive Independent	4	Yes	5	4	3
Ms. Sashikala Srikanth (01678374) Non-Executive Independent	4	Yes	6	1	3
Brig.(Retd) Harish Chandra Chawla (00085415) Non-Executive Independent	4	Yes	2	-	2
Mr. Sumanjit Chaudhry (06752672) Non-Executive Independent	4	Yes	1	-	-
Mr. S R Ramakrishnan (00120126) Whole-Time Director Professional	4	Yes	-	-	-

(*) 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 Committees of Board or Member of more than ten Committees of Board.

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 relationship between the Directors.

The details of familiarization programmes imparted to Independent Directors are disclosed in the website of the Company. <http://spic.in/wp-content/uploads/2015/12/Familiarization-Programmes-Imparted-to-Independent-Directors.pdf>

3. COMMITTEES OF THE BOARD

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 besides the role as per the Companies Act, 2013 and the Listing Regulations. 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;
- Discussion with internal auditors of any significant findings and follow up there on;
- 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;
- 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 AND MEMBERS' ATTENDANCE:

The Audit Committee has 4 (Four) members with 3 (Three) Independent Directors and 1 (One) Non-Executive Director, having sound financial management expertise. Ms. Sashikala Srikanth, Independent Director is the Chairman of the Audit Committee. During the year under review, the Committee met 5 (Five) times on 21st May 2015, 4th August 2015, 21st September 2015, 6th November 2015 and 4th February 2016. The Board at its Meeting held on 4th August 2015 appointed Ms. Sashikala Srikanth as Chairman of the Audit Committee in the place of Mr. S Shankar w.e.f 6th August 2015. The Statutory Auditor, Internal Auditor, Cost Auditor, Chief Financial Officer were 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
Ms. Sashikala Srikanth	Chairman	5	Independent
Mr. S Shankar	Member	3	Independent
Mr. T K Arun	Member	5	Non-Executive
Mr. B Narendran	Member	5	Independent

4. 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 if any and shall carry out evaluation of every Director's performance. 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 as applicable, and criteria for evaluation of Independent Directors and the Board are set out in the Nomination and Remuneration Policy.

TERMS OF REFERENCE

- Formulation of 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 AND MEMBERS' ATTENDANCE:

The Nomination and Remuneration Committee comprises of 4 (Four) Members with 2 (Two) Independent Directors and 2 (Two) Non-Executive Directors. Mr B Narendran, Independent Director is the Chairman of the Committee. During the financial year 2015-16 the Committee met once on 4th February 2016.

Name	Designation	No. of Meetings attended	Category
Mr. B Narendran	Chairman	1	Independent
Mr. Ashwin C Muthiah	Member	1	Non-Executive
Mr. S Shankar	Member	1	Independent
Mr. T K Arun	Member	1	Non-Executive

5. DIRECTORS' REMUNERATION DURING 2015-16

Name	Salary & Perquisites (*)	Special Allowance Paid/ Payable	Performance Pay	Sitting Fees
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Mr. Ashwin C Muthiah	-	-	-	2,00,000
Ms. G Latha I A S ** (upto 15th December 2015)	-	-	-	50,000
Mr. M S Shanmugam I A S ** (w.e.f 4th February 2016)	-	-	-	-
Mr. T K Arun **	-	-	-	2,00,000
Mr. B Elangovan **	-	-	-	50,000
Mr. S Shankar	-	-	-	1,50,000
Mr. B Narendran	-	-	-	2,00,000
Brig. (Retd.) Harish Chandra Chawla	-	-	-	2,00,000
Ms. Sashikala Srikanth	-	-	-	2,00,000
Mr. Sumanjit Chaudhry	-	-	-	2,00,000
Mr. S R Ramakrishnan	35,00,000	7,80,000	15,00,000	-

(*) does not include Company's contribution to provident/superannuation fund, gratuity and leave encashment.

(**) sitting fees is paid to the financial institution which the Director represents as its Nominee.

The Non-Executive Directors are paid sitting fees and out-of-pocket expenses for attending meetings of the Board.

Mr. S R Ramakrishnan, Whole-time Director is under contract 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.

The Company does not have a scheme for grant of stock options either to the Directors or to its employees.

6. STAKEHOLDERS' RELATIONSHIP COMMITTEE

TERMS OF REFERENCE

- To monitor the work relating to transfer, transmission, dematerialisation, 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 AND MEMBERS' ATTENDANCE:

The Stakeholders' Relationship Committee comprises of 3 (Three) Members with 2 (Two) Independent Directors and 1 (One) Non-Executive Director. Mr. B Narendran, Independent Director is the Chairman of the Committee. The Board at its Meeting held on 21st May 2015 appointed Mr. B Elangovan Director (TIDCO Nominee) as Member of the Stakeholders' Relationship Committee, in the place of Mr. T K Arun, Member. The Committee met 4 (four) times during the financial year 2015-16, i.e. 21 May 2015, 4 August 2015, 4 November 2015 and 4 February 2016.

Name	Designation	No of Meetings attended	Category
Mr. B Narendran	Chairman	4	Independent
Mr. S Shankar	Member	3	Independent
Mr. B Elangovan	Member	2	Non-Executive

INVESTOR COMPLAINTS

No. of complaints pending at the beginning of the year	-	NIL
No. of complaints received during the year	-	1
No. of complaints redressed during the year	-	1
No. of complaints pending at the end of the year	-	NIL

There were no share transfers pending registration as on 31 March 2016. Mr. M B Ganesh, Secretary, is the Compliance Officer of the Company.

7. ANNUAL GENERAL MEETINGS

Year	Date	Time	Venue
2013	2 September 2013	3.00 P.M.	Rajah Annamalai Mandram, Chennai 600 108
2014	8 September 2014	10.00 A.M.	Rajah Annamalai Mandram, Chennai 600 108
2015	21 September 2015	4.00 P.M.	Rajah Annamalai Mandram, Chennai 600 108

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

2 September 2013	No Special Resolution was passed
8 September 2014	<ul style="list-style-type: none"> • Re-appointment and payment of Remuneration to Mr. K K Rajagopalan, as Whole-time Director of the Company for a period of one year from 16 November 2013 – 15 November 2014; • Appointment and payment of remuneration to Mr. S R Ramakrishnan as Whole-time Director for a period of three years from 30 July 2014. • Borrowing Powers of Board of Directors u/s 180 (1) (c) of the Companies Act 2013. • Creation of Security on the immovable and movable properties of the Company u/s 180(1)(a) of the Companies Act, 2013. • Amendments to Article 164 of Articles of Association of the Company.
21 September 2015	<ul style="list-style-type: none"> • 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.

No resolution was passed through postal ballot during 2015-16.

During June 2016, a special resolution was proposed through postal ballot seeking approval of shareholders to alter Clause III (A)(4) of the Main Objects Clause of Memorandum of Association of the Company. The resolution was passed through requisite majority on 20th July 2016.

The Company has followed the procedure for Postal Ballot under the Companies Act, 2013.

8. 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 SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and were published in a leading newspapers in English language (Business Standard) and Tamil Newspaper (Makkal Kural). The Financial Results are also posted on the website of the Company.

9. GENERAL SHAREHOLDERS' INFORMATION

- (a) **DATE, TIME AND VENUE OF ANNUAL GENERAL MEETING** : 20th September 2016, at 10.30 a.m. at Raja Annamalai Mandram, Chennai 600 108
- (b) **FINANCIAL YEAR** : 1st April 2015 to 31st March 2016.
- (c) **DATES OF BOOK CLOSURE** : 12 September 2016 to 20th September 2016 (both days Inclusive)
- (d) **DIVIDEND DECLARED** : NIL
- (e) **LISTING ON STOCK EXCHANGES** : National Stock Exchange of India Limited

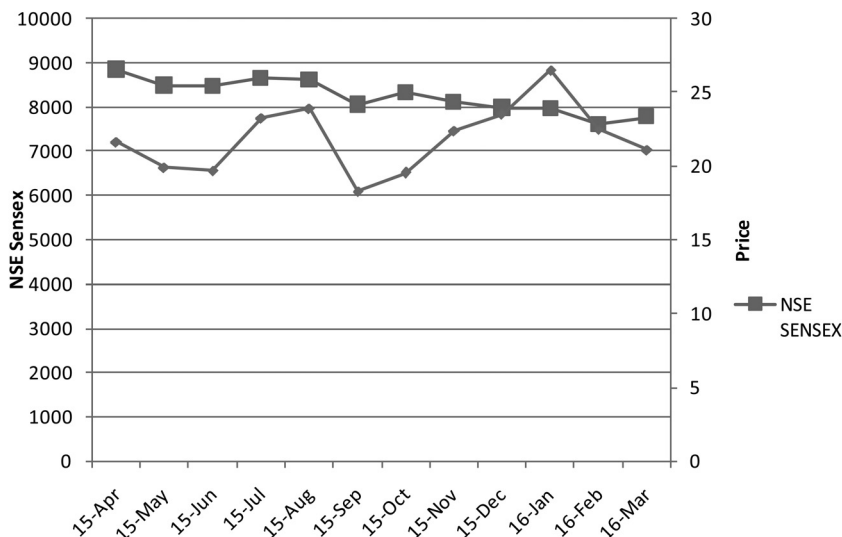
The equity shares of the Company are listed on the National Stock Exchange of India Ltd, Mumbai 400 051 [NSE] [Stock Symbol/ Code: SPIC]. The Global Depository Receipts (GDRs) of the Company are listed at Societe de la Bourse de Luxembourg, Luxembourg (Code: US8436131002). The Company paid the listing fees for the financial year 2015-16 to both NSE and Luxembourg Stock Exchange.

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

(f) MARKET/SHARE PRICE DATA (in Rs.)

Month	15-Apr	15-May	15-Jun	15-Jul	15-Aug	15-Sep	15-Oct	15-Nov.	15-Dec	16-Jan	16-Feb	16-Mar
High	21.65	19.90	19.70	23.25	23.90	18.30	19.55	22.40	23.55	26.60	22.50	21.10
Low	17.85	17.50	16.10	18.55	14.80	14.80	16.75	16.10	19.30	19.80	19.00	18.85
NSE Sensex	8845	8490	8467	8655	8622	8055	8336	8116	7979	7973	7600	7778

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



(h) 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, 4 (Four) meetings were held. The entire process including dispatch of share certificates to the shareholders, were completed within the time stipulated under the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

(i) DISTRIBUTION OF SHAREHOLDING AS OF 31st MARCH 2016.

Sl. No	Range	No. of Shares held	% to paid up Capital	No. of Members	% to total Members
1	Up to 500	78,59,583	3.86	56,522	82.08
2	501-1000	50,50,541	2.48	5,947	8.64
3	1001-2000	42,94,313	2.11	2,917	4.24
4	2001-3000	23,92,222	1.17	981	1.42
5	3001-4000	46,86,294	2.30	493	0.72
6	4001-5000	26,74,332	1.31	569	0.83
7	5001-10000	58,61,145	2.88	773	1.12
8	10001 and above	17,08,25,906	83.89	657	0.95
	Total	20,36,40,336	100.00	68,859	100.00

(j) SHAREHOLDING PATTERN AS OF 31st MARCH 2016

Particulars	Equity shares held	% to paid-up capital
PROMOTERS:		
(a) TIDCO	88,40,000	4.34
(b) Dr M A Chidambaram Group	9,60,41,248	47.16
Financial Institutions & Nationalised Banks	43,46,675	2.13
The Bank of New York Mellon (as depository for Global Depository Receipts)	1,70,66,800	8.38
Foreign Institutional Investors	8,150	0.00
Non-Resident Individuals	19,83,733	0.97
Foreign Companies	39,800	0.02
Mutual Funds	35,695	0.02
Public & Others	7,52,78,235	36.98
Total	20,36,40,336	100.00

(k) DEMATERIALISATION 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. 19,80,90,403 equity shares constituting 97.27 per cent of the paid-up equity capital of the Company stood dematerialised as on 31 March 2016. The Company's equity shares are regularly traded on the National Stock Exchange of India Limited in the compulsory demat form.

(l) 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.

(m) 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 under the Section 'Investors' or on request, will be sent to the Members.

(n) UNCLAIMED SUSPENSE ACCOUNT:

a	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year;	1,767 shareholders, 1,85,350 eq. shares
b	Number of shareholders who approached listed entity for transfer of shares from suspense account during the year;	40
c	Number of shareholders to whom shares were transferred from suspense account during the year;	22
d	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year;	1,745 shareholders, 1,84,030 eq. shares

The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

(o) PLANT LOCATION

Fertilizer Division : SPIC Nagar, Tuticorin 628 005

(p) FINANCIAL CALENDAR (TENTATIVE)

Financial year : 1 April 2016 to 31 March 2017
First quarter results : July/August 2016
Half-yearly results : October/November 2016
Third quarter results : January/February 2017
Annual results : May 2017
46th Annual General Meeting : September 2017

(q) ADDRESS FOR CORRESPONDENCE

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

REGISTRAR AND TRANSFER AGENTS

Cameo Corporate Services Ltd.
"Subramanian Building" 1 Club House Road ,
Chennai - 600 002.
Tel: 044-28460390 / 28460718; Fax : 044-28460129;
E-mail : investor@cameoindia.com

10. DISCLOSURES

- (a) 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.
- (b) There is no instance of non-compliance by the Company or penalties/strictures imposed on the Company by the Stock Exchange or SEBI or any Statutory Authority on any matter related to capital markets during the last three years.
- (c) There was no pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company.
- (d) The Company has complied with all the mandatory requirements under various Regulations in SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.
- (e) As on 31 March 2016, Mr. Ashwin C Muthiah – Non-Executive Director/ Chairman is holding 45 Equity Shares of the Company.
- (f) The Policy for determining 'material' subsidiaries is disclosed in the website of the Company under the weblink : <http://spic.in/wp-content/uploads/2016/01/Determining-Material-Subsidiary-Policy.pdf>
- (g) The Policy on Related Party Transactions is disclosed in the website of the Company under the weblink : <http://spic.in/wp-content/uploads/2016/01/Policy-on-Related-Parties.pdf>
- (h) The Policy for Determining Materiality for Disclosure of Material Events / Information is disclosed in the website of the Company under the link : <http://spic.in/wp-content/uploads/2016/01/Policy-for-Determining-Material-Events.pdf>
- (i) The Company has formulated a Policy for Preservation of Documents pursuant to Regulation 9 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

11. Non-Mandatory Requirements

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

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

12. RISK MANAGEMENT COMMITTEE

The Company has a Risk Management Committee consisting of two Members viz., Mr. T K Arun, Director and Mr. S R Ramakrishnan, Whole-time Director, as Chairman. Enterprise Risk Management Framework has been formulated and Executive Risk Management Committee headed by Chief Risk Officer monitors the Risks identified and implementation of the mitigation plans.

13. 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 provides for adequate safeguards against victimization of Director(s) / employee(s) who avail the mechanism and no personnel has been denied direct access to the Chairman of the Audit Committee.

The whistleblower policy is disclosed in the website of the Company.

14. 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. The compliance to the Code of Conduct is being affirmed annually by Board Members and Senior Management Personnel. The Code of Conduct is disclosed in the website of the Company.

15. RECONCILIATION OF SHARE CAPITAL AUDIT

The Company has obtained a certificate from a qualified Company Secretary in Practise reconciling the total issued and listed capital as required under Regulation 55A of the SEBI (Depositories and Participants) Regulations, 1996.

16. DISCLOSURE UNDER REGULATION 17 to 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The disclosures on the compliance with corporate governance requirements specified in Regulation 17 to 27 and 47 (2) (b) to (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been made in this report to the extent applicable to the Company and have been duly complied with.

DECLARATION ON CODE OF CONDUCT

To the Members of Southern Petrochemical Industries Corporation Limited

Pursuant to Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and 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 2016.

For Southern Petrochemical
Industries Corporation Limited

Place : Chennai
Date : 1st August 2016

S R RAMAKRISHNAN
Whole-time Director

INDEPENDENT AUDITORS' CERTIFICATE

TO THE MEMBERS OF SOUTHERN PETROCHEMICAL INDUSTRIES CORPORATION LIMITED

1. We have examined the compliance of conditions of Corporate Governance by Southern Petrochemical Industries Corporation Limited ("the Company") for the year ended March 31, 2016 as stipulated in :
 - Clause 49 (excluding Clause 49(VII)(E)) of the Listing Agreements of the Company with stock exchange(s) for the period from April 01, 2015 to November 30, 2015.
 - Clause 49 (VII)(E) of the Listing Agreements of the Company with the stock exchange(s) for the period from April 01, 2015 to September 01, 2015.
 - Regulation 23 (4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) for the period from September 02, 2015 to March 31, 2016 and
 - Regulations 17 to 27 (excluding regulations 23(4)) and clause (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the period from December 01, 2015 to March 31, 2016.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was 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.

3. We have examined the relevant records of the Company in accordance with the General Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India.
4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made 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 Listing Agreement and regulation 17 to 27 and clauses (b) to (i) of regulations 46(2) and Para C,D and E of Schedule V of the Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended March 31, 2016.
5. We 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
(Firm's Registration Number: 008072S)

Place : Chennai
Date : 1st August 2016

Bhavani Balasubramanian
Partner
(Membership Number: 22156)

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 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, as applicable.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions 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 and the Order under section 143 (11) of the Act.

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Emphasis of Matters

We draw attention to Note No. 27(iii) of the financial statements regarding computation of subsidy based on the provisional Retention Price (RP) in line with the Government's policy dated 17th June 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 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 prescribed under section 133 of the Act, as applicable.
 - e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer note 29 to the financial statements;
 - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Educational and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Place : Chennai
Date : 30 May 2016

Bhavani Balasubramanian
Partner
(Membership Number: 22156)

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in Paragraph 2 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.
 - According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships 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, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended 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, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
 - There were no undisputed amounts payable in respect of Provident Fund, Employee' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.
 - Details of dues of Excise duty, Service tax and cess which have not been deposited as on March 31, 2016 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates to	Amount Involved (Rs. In lac)	Amount Unpaid (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	537.01	493.65
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	234.78	182.16
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	3,904.82	3,622.57

- (viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause (viii) of CARO 2016 is not applicable to the Company.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Sections 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

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

Place : Chennai
Date : 30 May 2016

Bhavani Balasubramanian
Partner
(Membership Number: 22156)

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT (Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **SOUTHERN PETROCHEMICAL INDUSTRIES CORPORATION LIMITED** (“the Company”) as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that are operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Bhavani Balasubramanian
Partner
(Membership Number: 22156)

Place : Chennai
Date : May 30, 2016

BALANCE SHEET AS AT 31 MARCH 2016

(Rupees in lac)

S. No.	Particulars	Note No.	As at 31 March 2016	As at 31 March 2015
A	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	3	21614.03	21614.03
	(b) Reserves and surplus	4	3020.06	542.82
			24634.09	22156.85
2	Non-current liabilities			
	Other long-term liabilities	5	2479.69	3036.22
3	Current liabilities			
	(a) Short-term borrowings	6	11992.28	12019.76
	(b) Trade payables			
	(i) Micro Small and Medium Enterprises	7 (i)	0.10	-
	(ii) Other than acceptances	7	114586.51	90892.45
	(c) Other current liabilities	8	2766.15	4600.98
	(d) Short-term provisions	9	291.99	362.95
			129637.03	107876.14
	TOTAL		156750.81	133069.21
B	ASSETS			
1	Non-current assets			
	(a) Fixed assets	10		
	(i) Tangible assets		28031.80	30006.75
	(ii) Capital work-in-progress		1178.19	1253.63
	(iii) Intangible assets		47.56	-
			29257.55	31260.38
	(b) Non-current investments	11	3198.42	3198.42
	(c) Long-term loans and advances	12	29447.22	3948.58
			61903.19	38407.38
2	Current assets			
	(a) Inventories	13	9252.21	13265.81
	(b) Trade receivables	14	6278.45	1970.46
	(c) Cash and cash equivalents	15	1570.71	990.16
	(d) Short-term loans and advances	16	77412.98	77961.25
	(e) Other current assets	17	333.27	474.15
			94847.62	94661.83
	TOTAL		156750.81	133069.21
	See accompanying notes forming part of the financial statements			

In terms of our report attached.

For and on behalf of the Board of Directors

For DELOITTE HASKINS & SELLS

Chartered Accountants

BHAVANI BALASUBRAMANIAN

Partner

Place : Chennai

Date : 30 May 2016

ASHWIN C MUTHIAH

Chairman

SASHIKALA SRIKANTH

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 2016

(Rupees in lac)

S. No	Particulars	Note No.	Year ended 31 March 2016	Year ended 31 March 2015
1	Revenue from operations (gross)	18	184193.74	209738.91
	Less: Excise duty		402.19	322.48
	Revenue from operations (net)		183791.55	209416.43
2	Other income	19	1793.66	864.01
3	Total revenue (1+2)		185585.21	210280.44
4	Expenses			
	(a) Cost of materials consumed	20	101765.93	126328.29
	(b) Purchases of stock-in-trade	21	6225.88	-
	(c) Changes in inventories of finished goods and work-in-progress	22	(1718.73)	(80.01)
	(d) Employee benefits expense	23	4264.52	4381.42
	(e) Finance costs	24	1205.53	2825.89
	(f) Depreciation and amortisation expense	10	2935.62	3038.53
	(g) Other expenses	25	69346.31	72027.64
	Total expenses		184025.06	208521.76
5	Profit before exceptional items and tax (3-4)		1560.15	1758.68
6	Exceptional items	26	917.09	-
7	Profit before tax (5+6)		2477.24	1758.68
8	Tax expense		-	-
9	Profit after Tax (7-8)		2477.24	1758.68
10	Earnings per share of Rs. 10 each	37		
	(a) Basic		1.13	0.77
	(b) Diluted		1.13	0.77
	See accompanying notes forming part of the financial statements			

In terms of our report attached.

For and on behalf of the Board of Directors

For DELOITTE HASKINS & SELLS

Chartered Accountants

BHAVANI BALASUBRAMANIAN

Partner

Place : Chennai

Date : 30 May 2016

ASHWIN C MUTHIAH

Chairman

SASHIKALA SRIKANTH

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 2016

(Rupees in lac)

S. No.	Particulars	Year ended 31 March 2016		Year ended 31 March 2015	
A.	CASH FLOW FROM OPERATING ACTIVITIES:				
	Profit for the year before exceptional items and tax		1560.15		1758.68
	Add : Exceptional items				
	Profit on sale of asset		917.09		-
	Profit for the year before tax and after exceptional item		2477.24		1758.68
	Adjustment for :				
	Depreciation	2935.62		3038.53	
	Loss on sale /retirement of assets (Net)	120.62		159.46	
	Provision for doubtful debts and advances	25.92		1.86	
	Provisions no longer required written back	(1378.27)		(246.29)	
	Bad debts and advances written off	153.75		0.61	
	Exchange difference	1406.70		1413.55	
	Finance Costs	1205.53		2825.89	
	Income from investments	(3.61)		(5.75)	
	Interest income	(134.16)		(110.95)	
			4332.10		7076.91
	Operating profit before working capital changes		6809.34		8835.59
	Adjustments for :				
	(Increase)/Decrease in trade receivables	(4307.49)		(438.20)	
	(Increase)/Decrease in inventories	4013.60		5109.07	
	(Increase)/Decrease in long-term loans and advances	(24673.33)		(95.68)	
	(Increase)/Decrease in short-term loans and advances	540.69		120.76	
	(Increase)/Decrease in other current assets	223.36		245.29	
	Increase/(Decrease) in long-term liabilities	(556.53)		466.54	
	Increase/(Decrease) in trade payables	23246.13		25964.68	
	Increase/(Decrease) in other current liabilities	(2141.51)		(1336.17)	
	Increase/(Decrease) in short-term provisions	(70.96)		52.56	
			(3726.04)		30088.85
	Cash from operations		3083.30		38924.44
	Direct taxes (paid) / Refund received		(63.76)		(52.17)
	NET CASH FROM OPERATING ACTIVITIES		3019.54		38872.27

Cash Flow Statement (Continued)

(Rupees in lac)

S. No.	Particulars	Year ended 31 March 2016		Year ended 31 March 2015	
B.	CASH FLOW FROM INVESTING ACTIVITIES :				
	Purchase of fixed assets	(1583.62)		(1390.48)	
	Proceeds from sale of fixed assets	15.68		0.61	
	Income from investments	3.61		5.75	
	Interest income	51.67		42.86	
	Bank balances not considered as cash and cash equivalents	(68.90)		(11.52)	
			(1581.56)		(1352.78)
	NET CASH (USED IN) INVESTING ACTIVITIES		(1581.56)		(1352.78)
C.	CASH FLOW FROM FINANCING ACTIVITIES :				
	Repayment of Long term borrowings	-		(9982.58)	
	Short term borrowings	7152.52		18904.15	
	Repayment of Short term borrowings	(7180.00)		(43652.86)	
	Finance Costs	(898.85)		(3417.97)	
			(926.33)		(38149.26)
	NET CASH (USED IN) FINANCING ACTIVITIES		(926.33)		(38149.26)
	NET CASH FLOWS DURING THE YEAR (A+B+C)		511.65		(629.77)
	Cash and cash equivalents (opening balance) *		621.81		1251.58
	Cash and cash equivalents (closing balance) *		1133.46		621.81
	Disclosure of non cash transactions				
	Purchase of fixed assets	-		1600.00	
	See accompanying notes forming part of the financial statements				

* Excludes Margin Money Deposit with Scheduled Banks Rs. 426.79 lac (Previous Year Rs. 364.51 lac) and Escrow account balance of Rs. 10.46 lac (Previous Year Rs. 3.84 lac).

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

In terms of our report attached.

For DELOITTE HASKINS & SELLS

Chartered Accountants

BHAVANI BALASUBRAMANIAN

Partner

Place : Chennai

Date : 30 May 2016

For and on behalf of the Board of Directors

ASHWIN C MUTHIAH

Chairman

SASHIKALA SRIKANTH

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 2016

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.

During the year, the Company has been appointed as the Handling Agent by Government of India for handling, packaging, transporting and sale of imported fertilizers at Karaikal and Tuticorin Ports.

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 prescribed under Section 133 of the Companies Act, 2013 ("the Act") and the relevant provisions of the Act. The financial statements have been prepared on accrual basis under the historical cost convention. 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 which 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 12 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 2016	As at 31 March 2015
Authorised:		
31,60,00,000 (31,60,00,000) Equity shares of Rs.10 each	31600.00	31600.00
55,00,00,000 (55,00,00,000) Redeemable cumulative preference shares of Rs.100 each	5500.00	5500.00
3,00,00,000 (3,00,00,000) Fully Compulsorily Convertible Preference (FCCP) shares of Rs.18 each	5400.00	5400.00
	42500.00	42500.00
Issued, subscribed and fully paid up:		
20,36,40,336 (20,36,40,336) Equity shares of Rs.10 each	20364.03	20364.03
3,00,000 (3,00,000) 14.50% Redeemable cumulative non-convertible preference shares of Rs.100 each	300.00	300.00
8,50,000 (8,50,000) 11.50% Redeemable cumulative non-convertible preference shares of Rs.100 each	850.00	850.00
1,00,000 (1,00,000) 10.00% Redeemable cumulative non-convertible preference shares of Rs.100 each	100.00	100.00
	21614.03	21614.03
(Refer note 3(i) to 3(iv) below)		

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

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

Class of shares / Name of shareholder	As at 31 March 2016		As at 31 March 2015	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
FICON Holdings Limited	15682775	7.70	15682775	7.70
The Bank of Newyork Mellon	17066800	8.38	17066800	8.38
AMI Holdings Private Limited	37276700	18.31	37276700	18.31
Lotus Fertilizers Private Ltd	27995454	13.75	27995454	13.75
Preference Shares				
14.50% Redeemable cumulative non-convertible preference shares				
Bajaj Auto Ltd	300000	100.00	300000	100.00
11.50% Redeemable cumulative non-convertible preference shares				
Punjab and Sind Bank	150000	17.65	150000	17.65
State Bank of Mysore	100000	11.76	100000	11.76
United India Insurance Company Ltd	100000	11.76	100000	11.76
The Jammu and Kashmir Bank Ltd	500000	58.83	500000	58.83
10.00% Redeemable cumulative non-convertible preference shares				
Mrs. Brish Darbari Seth & Mrs Biya Sanjay Thukral	25000	25.00	25000	25.00
Ms Mina Rohit Chand	25000	25.00	25000	25.00
Mrs Dolly Robin Lai & Robin Diwan Lai	25000	25.00	25000	25.00
Mrs Sindhu Seth	25000	25.00	25000	25.00

Note: 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 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.

Note: 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 2016		As at 31 March 2015	
Capital Reserve		97.24		97.24
Capital Redemption Reserve		6500.00		6500.00
Securities Premium Account		21047.71		21047.71
Debenture Redemption Reserve				
Opening balance	3800.00		3800.00	
Less: Transfer to Profit and Loss (Refer Note 4(i) below)	(3800.00)		-	
		-		3800.00
Statutory Reserve		41.33		41.33
(Deficit) in Statement of Profit and Loss:				
Opening balance	(30943.46)		(32702.14)	
Add: Transfer from Debenture Redemption Reserve (Refer Note 4(i) below)	3800.00		-	
Add: Profit for the year	2477.24		1758.68	
		(24666.22)		(30943.46)
Total		3020.06		542.82

Note : 4 (i) Rs.3800 lac was transferred from Debenture Redemption Reserve to Profit and Loss, as all the Debentures have been redeemed in earlier years.

Note 5 Other long-term liabilities

(Rupees in lac)

Particulars	As at	
	31 March 2016	31 March 2015
Trade / security deposits received	2131.48	1283.28
Liabilities for expenses	348.21	1752.94
Total	2479.69	3036.22

Note 6 Short term borrowings

(Rupees in lac)

Particulars	As at	
	31 March 2016	31 March 2015
Loans repayable on demand :		
From Related Parties- Unsecured (Refer Note 35(ii))	-	7022.00
From other parties- Unsecured	11992.28	4997.76
Total	11992.28	12019.76

Note 7 Trade payables

(Rupees in lac)

Particulars	As at	
	31 March 2016	31 March 2015
Trade payables:		
- Other than acceptances	114586.51	90892.45
Total	114586.51	90892.45

Note 7 (i) Dues to Micro, Small and Medium Enterprises:

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

(Rupees in lac)

Particulars	As at 31 March 2016	As at 31 March 2015
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	0.10	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Note 8 Other current liabilities

(Rupees in lac)

Particulars	As at 31 March 2016	As at 31 March 2015
Interest accrued but not due on borrowings	106.32	59.04
Interest accrued and due on borrowings	259.40	-
Retention Money	33.67	29.29
Other payables		
- Statutory remittances	429.52	160.88
- Payable on purchase of fixed assets	-	1600.00
- Trade / security deposits including interest	7.38	271.41
- Advances from customers and other parties	1212.39	2119.73
- Gratuity payable (Refer Note 30 (ii))	310.57	144.82
- Superannuation fund payable	406.90	215.81
Total	2766.15	4600.98

Note 9 Short-term provisions

(Rupees in lac)

Particulars	As at 31 March 2016	As at 31 March 2015
Provision for employee benefits:		
- Provision for compensated absences (Refer Note 30 (iii))	291.99	362.95
Total	291.99	362.95

Note 10 Fixed Assets (Previous Year's figures are given in brackets)

(Rupees in lac)

Description	Gross block				Accumulated depreciation and impairment				Net block	
	Opening Balance as at 1 April, 2015	Additions/ Adjustments	Deletions/ Adjustments	Closing Balance as at 31 March, 2016	Opening Balance as at 1 April, 2015	Additions/ Adjustments	Deletions/ Adjustments	Closing Balance as at 31 March, 2016	As at 31 March, 2016	As at 31 March, 2015
Tangible Assets (Owned)										
(a) Land - Freehold	4692.51 (3429.54)	15.43 (1262.97)	- (-)	4707.94 (4692.51)	- (-)	- (-)	- (-)	- (-)	4707.94 (4692.51)	4692.51 (3429.54)
(b) Buildings	7631.84 (7294.81)	42.66 (337.03)	8.05 (-)	7666.45 (7631.84)	4365.56 (4240.86)	167.28 (124.70)	1.89 (-)	4530.95 (4365.56)	3135.50 (3266.28)	3266.28 (3053.95)
(c) Plant and Equipment	121419.79 (121490.01)	859.97 (620.80)	584.65 (691.02)	121695.11 (121419.79)	100800.86 (98695.43)	2578.93 (2667.02)	466.47 (561.59)	102913.32 (100800.86)	18781.79 (20618.93)	20618.93 (22794.58)
(d) Furniture and Fixtures	297.28 (456.09)	43.66 (0.60)	17.93 (159.41)	323.01 (297.28)	283.72 (429.01)	0.69 (6.96)	17.93 (152.25)	266.48 (283.72)	56.53 (13.56)	13.56 (27.08)
(e) Vehicles	175.35 (150.32)	20.53 (33.01)	42.93 (7.98)	152.95 (175.35)	113.60 (113.03)	9.95 (8.04)	38.00 (7.47)	85.55 (113.60)	67.40 (61.75)	61.75 (37.29)
(f) Office equipments	6377.31 (6873.88)	114.72 (73.58)	92.72 (570.15)	6399.31 (6377.31)	5404.22 (5750.17)	148.20 (201.24)	85.69 (547.19)	5466.73 (5404.22)	932.58 (973.09)	973.09 (1123.71)
(g) Roads	218.41 (218.41)	- (-)	- (-)	218.41 (218.41)	149.74 (132.99)	16.75 (16.75)	- (-)	166.49 (149.74)	51.92 (68.67)	68.67 (85.42)
(h) Railway Sidings	582.26 (582.26)	- (-)	- (-)	582.26 (582.26)	270.30 (256.48)	13.82 (13.82)	- (-)	284.12 (270.30)	298.14 (311.96)	311.96 (325.78)
Total	141394.75 (140495.32)	1096.97 (2327.99)	746.28 (1428.56)	141745.44 (141394.75)	111388.00 (109617.97)	2935.62 (3038.53)	609.98 (1268.50)	113713.64 (111388.00)	28031.80	30006.75
Capital Work-in-progress										
- Tangible									1178.19	1253.63
- Intangible									47.56	-

Note : 10 (i) 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 17):

(Rupees In lac)

Details of Fixed Assets Held for Sale	As at 31 March 2016	As at 31 March 2015
Land – Freehold #	-	223.34
Total	-	223.34

The Company has sold Land and the profit on sale of Rs. 917.09 lac is shown in Exceptional items (Refer note 26).

Note 11 Non-Current Investments

(Rupees in lac)

Particulars	As at 31 March 2016			As at 31 March 2015		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
NON-CURRENT INVESTMENTS (At cost)						
A Trade Investments (unless otherwise stated)						
(I) Investment in equity instruments - fully paid up						
(i) of subsidiaries						
- SPIC Fertilizers and Chemicals Limited, Mauritius (Refer Note 11 (i) below)						
3,26,40,000 (3,26,40,000) Equity Shares of USD 1 each	-	18453.62	18453.62	-	18453.62	18453.62
Total Investment in Equity instruments in Subsidiaries	-	18453.62	18453.62	-	18453.62	18453.62
(ii) of associates						
- Tuticorin Alkali Chemicals and Fertilizers Limited (Refer Note 11(ii) below)						
66,80,113 (66,80,113) Equity Shares of Rs. 10 each	1935.67	-	1935.67	1935.67	-	1935.67
- 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
Total Investment in Equity instruments in Associates	1935.67	250.25	2185.92	1935.67	250.25	2185.92
(iii) of joint ventures - jointly controlled entities						
- 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
Total Investment in Equity instruments in Joint Ventures- Jointly controlled entities	1980.47	2.50	1982.97	1980.47	2.50	1982.97
(iv) of other entities						
- 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 11(iii) below)						
5,77,681 (5,77,681) Equity Shares of Rs. 10 each (Non-trade)	-	-	-	-	-	-
- 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)						
1915 (1915) Equity Shares of Rs. 2 each	0.20	-	0.20	0.20	-	0.20
- SPIC Petrochemicals Limited (Refer Note 11 (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
Total Investment in Equity instruments in other entities	924.74	25400.00	26324.74	924.74	25400.00	26324.74

Particulars	As at 31 March 2016			As at 31 March 2015		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
(II) Investment in preference shares - fully paid up						
(i) of associates						
- 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
Total Investment in preference shares in associates	-	2000.00	2000.00	-	2000.00	2000.00
(ii) of other entities						
- SPIC Petrochemicals Limited (Refer Note 11 (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 in other entities	-	5.00	5.00	-	5.00	5.00
B Other Investments						
(I) Investment in bonds - fully paid up						
(i) of other entities						
- SPIC Petrochemicals Limited* (Refer Note 11 (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
Total Investment in Bonds	-	30609.63	30609.63	-	30609.63	30609.63
(ii) Investment in mutual funds						
- 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
GROSS VALUE OF INVESTMENTS	4840.88	76722.00	81562.88	4840.88	76722.00	81562.88
Less: Provision for diminution in value of investments	1668.46	76696.00	78364.46	1668.46	76696.00	78364.46
NET VALUE OF INVESTMENTS	3172.42	26.00	3198.42	3172.42	26.00	3198.42
Aggregate amount of quoted investments			3172.42			3172.42
Aggregate market value of quoted investments			4317.40			4760.92
Aggregate amount of unquoted investments			26.00			26.00

11 (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 decided to be wound up as on 29 February 2016. SFCL Mauritius has approved the decision of SFC FZE Dubai to effect winding up.

The Company, in the Board Meeting held on 6 November 2015, had decided to wind up SFCL Mauritius and write off the investments, subject to getting the approval of the Regulatory Authorities concerned. However full provision has been made for the Investments in earlier years.

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

11(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.

11(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 12 Long-term loans and advances

(Unsecured, Considered Good unless otherwise stated)

(Rupees in lac)

Particulars	As at 31 March 2016		As at 31 March 2015	
Capital advances		803.97		289.43
Deposits				
Considered good	2728.00		3168.67	
Doubtful	130.93		35.78	
	2858.93		3204.45	
Less: Provision for doubtful deposits	130.93		35.78	
		2728.00		3168.67
Loans and advances to employees				
Considered good	1.07		0.60	
Doubtful	20.30		5.35	
	21.37		5.95	
Less: Provision for doubtful loans and advances	20.30		5.35	
		1.07		0.60
Subsidy Receivable		24963.43		-
Advance income tax (Net of provisions Rs. 4135.56 lac (previous year Rs. 4135.56 lac))		476.72		412.96
Balances with government authorities				
Considered good	474.03		76.92	
Doubtful	210.22		210.22	
	684.25		287.14	
Less: Provision for doubtful receivables	210.22		210.22	
		474.03		76.92
Total		29447.22		3948.58

Note 13 Inventories (At lower of cost and net realisable value)

(Rupees in lac)

Particulars	As at 31 March 2016		As at 31 March 2015	
Raw materials	4772.56		6789.73	
Goods-in-transit	-		4336.11	
		4772.56		11125.84
Work-in-progress (Refer Note 13(i) below)		62.09		132.87
Finished goods		2088.30		298.79
Stores and spares	1708.15		1139.62	
Goods-in-transit	21.53		0.45	
		1729.68		1140.07
Loose tools		11.60		12.55
Fuel Oil		587.98		555.69
Total		9252.21		13265.81

Note 13 (i) Details of work-in-progress

(Rupees in lac)

Particulars	As at 31 March 2016	As at 31 March 2015
Tissue Culture	60.25	51.71
Others	1.84	81.16
Total	62.09	132.87

Note 14 Trade receivables

(Unsecured, Considered Good unless otherwise stated)

(Rupees in lac)

Particulars	As at 31 March 2016		As at 31 March 2015	
Trade receivables outstanding for a period exceeding six months from the date they were due for payment (Refer Note 14(i) below)				
Considered good	1744.09		1361.51	
Doubtful	780.64		781.14	
	2524.73		2142.65	
Less: Provision for doubtful trade receivables	780.64		781.14	
		1744.09		1361.51
Other Trade receivables (Considered good)		4534.36		608.95
Total		6278.45		1970.46

14 (i) Trade receivables of Rs.1,982.64 lac (previous year Rs.1,494.92 lac) and Short term loans and advances of Rs.61.77 lac (previous year Rs.54.64 lac) (net of provision of Rs.702.45 lac created in earlier years) represent dues receivable from an associate company (Refer Note 35 (ii)).

Note 15 Cash and cash equivalents

(Rupees in lac)

Particulars	As at 31 March 2016	As at 31 March 2015
Cash on hand	3.95	7.45
Balances with banks		
- In current accounts	1128.63	613.53
- In EEFC accounts	0.88	0.83
- In earmarked accounts		
- Balances held as margin money or security against borrowings, guarantees and other commitments	426.79	364.51
- Balance in Escrow Account	10.46	3.84
Total	1570.71	990.16
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statement is	1133.46	621.81

Note 16 Short-term loans and advances

(Unsecured, Considered Good unless otherwise stated)

(Rupees in lac)

Particulars	As at 31 March 2016		As at 31 March 2015	
Loans and advances to related parties (Refer Note 14 (i) and 35 (ii))				
Considered good	70.27		54.74	
Doubtful	4283.58		4282.70	
	4353.85		4337.44	
Less: Provision for doubtful loans and advances	4283.58		4282.70	
		70.27		54.74
Loans and advances to employees				
Considered good	2.33		1.46	
Doubtful	-		18.37	
	2.33		19.83	
Less: Provision for doubtful loans and advances	-		18.37	
		2.33		1.46
Prepaid expenses		179.13		148.65
Subsidy Receivable		76411.26		76740.35
Balances with government authorities				
Considered good	279.97		616.11	
Doubtful	37.40		37.40	
	317.37		653.51	
Less: Provision for doubtful receivables	37.40		37.40	
		279.97		616.11
Advances to Suppliers		339.03		148.92
Loans and Advances to other parties				
Considered good	130.99		251.02	
Doubtful	365.61		435.71	
	496.60		686.73	
Less: Provision for doubtful loans and advances	365.61		435.71	
		130.99		251.02
Total		77412.98		77961.25

Note 17 Other current assets

(Rupees in lac)

Particulars	As at 31 March 2016		As at 31 March 2015	
Interest accrued on deposits		333.20		250.72
Others				
- Insurance claims				
Considered good	0.07		0.09	
Doubtful	-		0.71	
	0.07		0.80	
Less: Provision for doubtful claims	-		0.71	
		0.07		0.09
- Fixed assets held for sale (Refer Note 10(i))		-		223.34
- Others receivables				
Considered good	-		-	
Doubtful	-		6.58	
	-		6.58	
Less: Provision for doubtful receivables	-		6.58	
		-		-
Total		333.27		474.15

Note 18 Revenue from operations

(Rupees in lac)

Particulars	Year ended	Year ended
	31 March 2016	31 March 2015
Sale of products	44860.88	27585.08
Subsidy Income (Refer Note 27 (iii))	138355.95	181081.55
Sales (Refer Note 18 (i) below)	183216.83	208666.63
Other operating revenues (Refer Note 18 (ii) below)	976.91	1072.28
	184193.74	209738.91
Less: Excise duty	402.19	322.48
Total	183791.55	209416.43

Note 18 (i) Sales

(Rupees in lac)

Particulars	Year ended	Year ended
	31 March 2016	31 March 2015
Manufactured goods		
Urea	35266.73	26359.45
Fertiliser and Transport Subsidy (Urea)	138355.95	181081.55
Others	1257.17	1225.63
Traded goods		
Imported Urea	8336.98	-
Total	183216.83	208666.63

Note 18 (ii) Other Operating Revenues

(Rupees in lac)

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Facility Sharing Income	913.02	975.27
Sale of scrap	30.79	75.11
Others	33.10	21.90
Total	976.91	1072.28

Note 19 Other income

(Rupees in lac)

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Interest income (Refer Note 19 (i) below)	134.16	110.95
Dividend income - from long-term investments:	3.61	5.75
Liabilities / Provision no longer required written back	1378.27	246.29
Rental Income	30.54	66.65
Profit on sale of assets (Net)	4.56	0.99
Bad debts recovered	-	233.11
Others	242.52	200.27
Total	1793.66	864.01

Note 19 (i) Interest income

(Rupees in lac)

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Interest from banks deposits	25.84	20.82
Other interest	108.32	90.13
Total	134.16	110.95

Note 20 Cost of materials consumed

(Rupees in lac)

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Naphtha		
Opening stock	6789.73	12359.55
Add: Purchases	99748.76	120758.47
	106538.49	133118.02
Less: Closing stock	4772.56	6789.73
Total	101765.93	126328.29

Note 21 Purchase of Stock-in-trade

(Rupees in lac)

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Imported urea	6225.88	-
Total	6225.88	-

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

(Rupees in lac)

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Inventories at the beginning of the year:		
Finished goods	298.79	127.56
Work-in-progress	132.87	224.09
	431.66	351.65
Inventories at the end of the year:		
Finished goods	2088.30	298.79
Work-in-progress	62.09	132.87
	2150.39	431.66
Net (Increase)	(1718.73)	(80.01)

Note 23 Employee benefits expense

(Rupees in lac)

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Salaries and wages	3447.58	3379.44
Contributions to provident and other funds	367.86	623.98
Staff welfare expenses	449.08	378.00
Total	4264.52	4381.42

Note 24 Finance costs

(Rupees in lac)

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Interest expense on:		
-Borrowings	1067.81	2156.14
-Trade payables / Trade advances	0.53	370.56
-Deposits	137.09	181.30
-Others	-	33.52
Other borrowing costs	0.10	84.37
Total	1205.53	2825.89

Note 25 Other expenses

(Rupees in lac)

Particulars	Year ended 31 March 2016		Year ended 31 March 2015	
Consumption of stores and spare parts		1600.40		843.63
Packing, transportation and handling charges		12994.42		8904.57
Power and fuel		40375.76		51782.59
Water		963.47		1751.51
Rent		454.77		466.38
Repairs to				
- Buildings	511.30		339.40	
- Machinery	1133.26		962.33	
- Others	396.61		324.23	
		2041.17		1625.96
Insurance		208.35		213.01
Rates and taxes		128.15		324.17
Port handling charges		953.00		-
Travelling and conveyance		329.48		315.32
Marketing service charges		235.22		448.28
Rebates and discount		2601.43		1773.76
Sales promotion expenses		9.76		24.46
Professional fees		283.35		375.27
Payment to auditors (Refer Note 25 (i) below)		30.85		35.14
Bad trade and other receivables, loans and advances written off	261.10		292.42	
Less: Transfer from Provision	107.35		291.81	
		153.75		0.61
Loss on sale of assets		1.73		-
Assets written off		125.18		160.45
Net loss on foreign currency transactions and translation		4019.62		2487.07
Provision for doubtful trade and other receivables, loans and advances (net)		25.92		1.86
Demurrage		149.00		-
Director's sitting fees		14.50		12.60
Miscellaneous expenses (Refer Note 25 (ii) below)		1647.03		481.00
Total		69346.31		72027.64

25 (i) Payment to Auditors

(Rupees in lac)

Particulars	Year ended	Year ended
	31 March 2016	31 March 2015
Payments to the auditors comprises (net of service tax input credit, where applicable):		
- As auditors - statutory audit	20.00	20.00
- For other services	10.00	14.20
- Reimbursement of expenses	0.85	0.94
Total	30.85	35.14

25 (ii) An amount of Rs.6347.00 lac representing certain claims of ILFS against the Company were disputed / challenged before the Courts. In view of the settlement of the said claims by payment of Rs.750.00 lac during the year by the Company as agreed through a Memorandum of Compromise, there is no further liability to the Company on this account. The amount of Rs.750 lac paid is included in Miscellaneous expenses.

Note 26 Exceptional items

(Rupees in lac)

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Profit on sale of assets (Refer Note 10(i))	917.09	-
Total	917.09	-

Note 27 Plant Operation

- (i) During the year the company achieved the maximum permissible production of 6.20 lac MT. The Company, as handling agent of Government of India for marketing urea within the country, had handled 1.88 lac MT of urea and sold 1.46 lac MT.
- (ii) Government of India vide its notification dated 17 June 2015 had permitted the Company to produce Urea using Naphtha as feedstock on existing provisions till assured supply of gas is made available. Subsidy would be paid based on the Retention Price computed on the lower of naphtha or RLNG price.
- (iii) Subsidy for the period 1 April 2015 to 31 March 2016 of Rs. 129783.44 lac has been accounted based on the provisional Retention Price (RP) computed in line with the Government's policy indicated in the notification dated 17 June 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. 911.59 lac (Previous year Rs. 1507.02 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 40 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. 2543.10 lac (Previous year Rs. 2272.22 lac) is not acknowledged as debt, as this differential value from April 2009 to March 2016 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 31.03.2016 is Rs. 714.43 lac (from 01.07.2007 to 31.03.2016) (Previous year Rs. 606.16 lac). 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. On 23.07.2015, Madurai Bench of the Hon'ble Madras High Court extended the stay until further orders.
- (iv) Other claims against the Company – Rs. 1300.00 lac (Previous year Rs. 3132.08 lac).

(b) Other Bank Guarantees outstanding Rs.31.78 lac (Previous year Rs. 31.78 lac).

(c) Cumulative amount of Preference Dividend and Dividend Tax thereon not provided for the period from 1 April 2001 to 31 March 2016 is Rs. 3006.57 lac (Previous year Rs. 2824.03 lac)

- (d) 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 2016	As at 31 March 2015
The Central Excise Act, 1944	537.01	537.01
The Finance Act, 1994 (Service Tax)	234.78	359.01
Sales Tax Act under various State enactments	3904.82	3904.82
The Tamilnadu Electricity (Taxation on Consumption) Act, 1962	1050.54	1050.54
Employees State Insurance Act, 1948*	12604.60	12141.78
Total	18331.75	17993.16

* 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.18331.75 lac (Previous year Rs. 17993.16 lac), an amount of Rs.918.63 lac (Previous year Rs. 918.63 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.233.24 lac (Previous year Rs. 178.16 lac) for Provident Fund contributions, Rs. 106.62 lac (Previous year Rs. 117.25 lac) for Superannuation Fund contributions and Rs.2.11 lac (Previous year Rs. 3.44 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	2015-16	2014-15
Projected Benefit Obligation at the beginning of the year	1081.21	845.75
Obligation on account of transferred employees	385.42	-
Service cost	59.78	55.37
Interest cost	80.69	72.81
Actuarial Loss / (Gain)	24.95	198.59
Benefits paid	(93.58)	(91.31)
Projected Benefit Obligation at the end of the year	1538.47	1081.21
Amount recognised in the Balance Sheet:		
Projected benefit obligation at the end of the year	1538.47	1081.21
Fair value of plan assets at the end of the year	1227.90	936.39
Liability recognised in the Balance Sheet	310.57	144.82

(Rupees in lac)

Particulars	2015-16	2014-15
Cost of defined benefit plan for the year		
Current service cost	59.78	55.37
Interest on obligation	80.69	72.81
Expected return on plan assets	(81.53)	(72.30)
Net actuarial gain (loss) recognized in the year	(19.61)	182.17
Net cost recognized in the Statement of Profit and Loss (included under Contributions to provident and other funds) Refer Note 23	39.33	238.05

Change in Plan assets:

(Rupees in lac)

Particulars	2015-16	2014-15
Fair value of plan assets at the beginning of the year	936.39	758.98
Expected return on plan assets	81.53	72.30
Contribution	259.00	180.00
Benefits paid (claim settled)	(93.58)	(91.31)
Actuarial gain/(loss) on plan assets	44.56	16.42
Fair value of plan assets at the end of the year	1227.90	936.39

b) Actuarial assumptions

(Rupees in lac)

Particulars	2015-16	2014-15	2013-14
Discount Rate	7.90%	7.80%	9.10%
Salary escalation rate	7.00%	7.50%	7.50%
Demographic assumptions – Mortality	IALM (2006-08) Ult	IALM (2006-08) Ult	IALM (2006-08) Ult
Demographic assumptions – Withdrawal	3%	4%	3%
Experience adjustments (Details disclosed to the extent available):			
Experience adjustments on plan liabilities – (loss) / gain	(471.62)	(113.39)	(76.28)
Experience adjustments on plan assets – (loss) / gain	44.56	16.42	(74.94)

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.

Estimated amount of contribution in the immediate next year is Rs. 203.07 lac (Previous year is Rs. 42.00 lac)

iii) Compensated absences

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

Particulars	2015-16	2014-15
Discount Rate	7.90%	7.80%
Salary escalation rate	7.00%	7.50%
Attrition rate	3%	4%

Note 31 (i) Expenditure in Foreign Currency (Rupees in lac)

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Royalty	44.48	42.39
Professional & Consultancy Fees	25.39	219.49
Finance and Other Charges	945.22	256.15
Other matters	1.86	19.36

Note 31 (ii) Earnings in Foreign Currency (Rupees in lac)

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Other income	85.37	35.87

Note 31 (iii) Value of Imports calculated on CIF Basis (Rupees in lac)

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Raw Materials (C&F)	92106.71	111128.96
Fuel Oil (C&F)	32101.13	32936.30
Components & Spare Parts	127.44	67.26
Capital Goods	25.00	312.26

Note 31 (iv) Details of consumption of imported & indigenous items (Rupees in lac)

Particulars	Year ended 31 March 2016		Year ended 31 March 2015	
	Value (Rs. In lac)	Percentage to total consumption	Value (Rs. In lac)	Percentage to total consumption
Imported				
Raw Materials	101411.76	99.65	109792.43	86.91
Components & Spare parts	143.07	20.62	41.37	7.40
Indigenous				
Raw Materials	356.54	0.35	16535.86	13.09
Components & Spare parts	550.92	79.38	517.69	92.60

Note 32 The deferred tax asset arising out of disallowances under section 43B of Income Tax Act 1961 amounting to Rs. 358.32 lac (Previous year Rs. 31.71 lac), de-escalation of subsidy amounting to Rs. 8598.00 lac (Previous year Rs. 7819.92 lac) and VRS compensation amounting to Rs. Nil (Previous year - Rs. 81.63 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. 19495.27 lac (Previous year Rs. 23950.39 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.2010.72 lac (Previous year Rs. 1546.25 lac) as given below. Accordingly, there is no net deferred tax asset or liability as at 31 March 2016 to be accounted for. (Rupees in lac)

Particulars	As at 31 March 2016	As at 31 March 2015
Depreciation	2010.72	1546.25
Deferred tax liability	2010.72	1546.25
Carry forward business losses and unabsorbed depreciation restricted to	2010.72	1546.25
Deferred tax asset	2010.72	1546.25

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
Segment revenue			
Sales to external Customers	182130.33 (207695.05)	684.31 (649.10)	182814.64 (208344.15)
Operating Income	944.11 (1050.38)	19.55 (10.92)	963.66 (1061.30)
Unallocated income			13.25 (10.98)
Inter segment Revenue	- (-)	- (-)	- (-)
Total Revenue	183074.44 (208745.43)	703.86 (660.02)	183791.55 (209416.43)
Elimination of inter segment sales	- (-)	- (-)	- (-)
Total Net Revenue	183074.44 (208745.43)	703.86 (660.02)	183791.55 (209416.43)
Segment results	6441.78 (6710.54)	(135.48) (-399.14)	6306.30 (6311.40)
Unallocated income net of unallocated expenditure			2623.53 (1726.83)
Profit before interest and taxation			3682.77 (4584.57)
Finance Cost			1205.53 (2825.89)
Profit before taxation			2477.24 (1758.68)

Segment Reporting (Continued)

(Rupees in lac)

Particulars	Agro Inputs (Urea operations)	Others (Agribusiness)	Total
Tax expense			- (-)
Profit after Taxation			2477.24 (1758.68)
Other Information			
Segment assets	147077.33 (120275.03)	2053.26 (2159.13)	149130.59 (122434.16)
Unallocated corporate Assets			7620.22 (10635.05)
Total Assets			156750.81 (133069.21)
Segment liabilities	117446.87 (94422.00)	168.61 (1810.18)	117615.48 (96232.18)
Unallocated corporate Liabilities			14501.24 (14680.18)
Total Liabilities			132116.72 (110912.35)
Capital expenditure (allocable)	982.12 (1267.77)	14.69 (1619.72)	996.81 (2887.49)
Capital expenditure (Unallocable)			90.87 (36.40)
Depreciation (allocable)	2853.35 (2695.08)	45.92 (239.47)	2899.27 (2934.55)
Depreciation (Unallocable)			36.35 (103.98)
Non-cash expenditure other than depreciation (allocable)	125.18 (383.94)	- (0.61)	125.18 (384.55)
Non-cash expenditure other than depreciation (unallocable)			179.66 (31.60)

Secondary segment Information (Geographical Segments)	Revenue	Carrying amount of segment assets	Capital Expenditure
Within India	183778.30 (209405.45)	149130.59 (122434.16)	996.81 (2887.49)
Outside India	- (-)	- (-)	- (-)
Total	183778.30 (209405.45)	149130.59 (122434.16)	996.81 (2887.49)

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.

Note 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 Fertilizers 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 September 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

Related parties disclosure (Continued)

Nature	Parties
Enterprises owned by / over which Key Management Personnel is able to exercise significant influence	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 Twinshield Consultants Private Limited
	16 AM Corporate Social Responsibility Foundation
	17 SPIC Group Companies Employees Welfare Foundation

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

(Rupees in lac)

S.No	Particulars	As at 31 March 2016	As at 31 March 2015
A	BALANCE OUTSTANDING AS AT 31.03.2016		
(a)	Receivables including Advances		
	SPIC Fertilizers and Chemicals FZE, Dubai*	1053.47	1053.47
	SPIC Fertilizers and Chemicals Limited, Mauritius*	1.93	1.93
	Tamilnadu Petroproducts Limited	0.94	-
	Tuticorin Alkali Chemicals and Fertilizers Limited	2746.85	2251.50
	Greenstar Fertilizers Limited	8.71	0.06
	National Aromatics and Petrochemicals Corporation Limited*	1487.36	1486.48
	Wilson International Trading India Private Limited	0.03	0.04
	Manali Petrochemicals Limited	0.30	0.00
	EDAC Engineering Limited	24.99	68.93
	EDAC Automation Limited	0.20	16.38
	Totalcomm Infra Services Private Limited	0.24	0.10
	SPIC Group Companies Employee Welfare Foundation	-	0.00
	Twinshield Consultants Private Limited	36.45	-
	Lotus Fertilizers Private Limited	135.02	-
(b)	Payables		
	Wilson International Trading India Private Limited	-	486.12
	Greenstar Fertilizers Limited	1274.37	1620.05
	Sicagen India Limited	8.43	3.36
	Wilson International Trading Pte. Ltd, Singapore	2113.80	41541.50
	Tamilnadu Petroproducts Limited	-	4.29
	EDAC Engineering Limited	4.01	-
	EDAC Automation Limited	16.46	-
	EDAC Staffing Solution Private Limited	0.46	0.43
	Lotus Fertilizers Private Limited	-	521.00
	SPIC Officers and Staff Welfare Foundation	-	2.96

Related parties disclosure (Continued)

(Rupees in lac)

S.No	Particulars	As at 31 March 2016	As at 31 March 2015
(c)	Advance against equity SPIC Fertilizers and Chemicals FZE, Dubai*	1038.37	1038.37
(d)	Guarantee Received Manali Petrochemicals Limited	-	2500.00
(e)	Loans including interest Greenstar Fertilizers Limited	-	7022.00
(f)	Share Capital including Securities premium AMI Holdings Private Limited	6523.42	6523.42

* Dues have been fully provided for

(Rupees in lac)

S.No	Particulars	For the year 2015-16	For the year 2014-15
B	TRANSACTIONS DURING THE YEAR		
1	Sale of goods		
	Tuticorin Alkali Chemicals and Fertilizers Limited	488.21	473.92
	Greenstar Fertilizers Limited	204.58	290.92
	Wilson International Trading India Private Limited	72.12	113.87
	Lotus Fertilizers Private Limited	304.10	-
2	Purchase of materials		
	Tuticorin Alkali Chemicals and Fertilizers Limited	0.98	0.98
	Manali Petrochemicals Limited	0.19	-
	Greenstar Fertilizers Limited	1833.70	1420.24
	Tamilnadu Petroproducts Limited	18.07	14.94
	Wilson International Trading Pte Ltd, Singapore	10196.63	64631.12
	Sicagen India Limited	74.87	184.26
	Lotus Fertilizers Private Limited	-	1775.25
3	Reimbursement of Expenses (Receipts)		
	Wilson International Trading India Private Limited	-	0.01
	Tuticorin Alkali Chemicals and Fertilizers Limited	0.01	0.01
	Greenstar Fertilizers Limited	4.59	3.95
	Sicagen India Limited	0.06	4.55
	National Aromatics and Petrochemicals Corporation Limited	0.87	1.86
	EDAC Engineering Limited	0.09	0.28
	EDAC Staffing Solution Private Limited	0.05	0.05
	Totalcomm Infra Services Private Limited	0.21	0.19
	AM Corporate Social Responsibility Foundation	0.06	-
	SPIC Officers and Staff Welfare Foundation	1.98	-

Related Party Disclosures (Continued)

(Rupees in lac)

S.No	Particulars	For the year 2015-16	For the year 2014-15
4	Reimbursement of Expenses (Payments)		
	Sicagen India Limited	3.64	10.54
	Greenstar Fertilizers Limited	-	0.82
	South India Travels Private Limited	0.19	-
5	Income from services rendered		
	Manali Petrochemicals Limited	4.18	2.19
	Tamilnadu Petroproducts Limited	1.92	1.28
	Tuticorin Alkali Chemicals and Fertilizers Limited	9.09	8.66
	Greenstar Fertilizers Limited	1038.45	1046.87
	Wilson International Trading India Private Limited	0.41	0.47
	Sicagen India Limited	2.74	2.28
	EDAC Engineering Limited	11.34	20.23
	EDAC Automation Limited	1.10	1.55
	EDAC Staffing Solution Private Limited	0.37	0.31
	Totalcomm Infra Services Private Limited	0.87	0.83
6	Services / Consultancy charges		
	Manali Petrochemicals Limited	-	84.27
	Greenstar Fertilizers Limited	392.99	598.77
	Tamilnadu Petroproducts Limited	0.11	-
	EDAC Automation Limited	211.06	53.06
	EDAC Staffing Solution Private Limited	-	1.64
	Sicagen India Limited	3.13	-
	EDAC Engineering Limited	4.03	-
7	Income from Rentals		
	Greenstar Fertilizers Limited	23.79	96.04
	Sicagen India Limited	-	7.19
	EDAC Engineering Limited	-	17.52
8	Dividend Income		
	Manali Petrochemicals Limited	0.05	0.05
	Sicagen India Limited	3.47	4.62
9	Managerial Remuneration		
	Thiru. K.K. Rajagopalan	-	23.40
	Thiru. S R Ramakrishnan	65.74	32.36
10	Rent Paid		
	Greenstar Fertilizers Limited	2249.72	270.21

S.No	Particulars	For the year 2015-16	For the year 2014-15
11	Sitting Fees Thiru. Ashwin C Muthiah	2.00	1.70
12	Trade advance received Greenstar Fertilizers Limited	5588.76	8095.71
13	Trade advance paid / returned Wilson International Trading India Private Limited Greenstar Fertilizers Limited	- 5100.00	550.00 2209.00
14	Special Rebate Paid Wilson International Trading India Private Limited	11.72	279.90
15	Loans Repaid AMI Holdings Private Limited Bengal Auto Parts Private Limited	- -	3147.58 6835.00
16	Interest on Borrowings AMI Holdings Private Limited Bengal Auto Parts Private Limited Greenstar Fertilizers Limited	- - -	210.84 457.85 488.02
17	Interest on borrowings paid AMI Holdings Private Limited Bengal Auto Parts Private Limited Greenstar Fertilizers Limited	- - 41.37	264.76 792.10 439.22
18	Borrowings Greenstar Fertilizers Limited	158.00	13906.39
19	Borrowings repaid Greenstar Fertilizers Limited	7180.00	6884.39
20	Payables Greenstar Fertilizers Limited	-	58.87
21	Payables Repaid Greenstar Fertilizers Limited	-	58.87
22	Advances Received SPIC Officers and Staff Welfare Foundation	-	3.00

Related Party Disclosures (Continued)

(Rupees in lac)

S.No	Particulars	For the year 2015-16	For the year 2014-15
23	Rental Deposits Repaid Sicagen India Limited	-	9.13
24	Demurrage Charges Wilson International Trading Pte. Ltd, Singapore	896.33	205.58
25	Car Rental Charges- (Payment) South India Travels Private Limited	34.36	42.53
26	Purchase of fixed assets Greenstar Fertilizers Limited	-	1600.00
27	Transfer of fixed assets Greenstar Fertilizers Limited	-	137.72
28	Deposit given / received for directors appointment Tuticorin Alkali Chemicals and Fertilizers Limited SPIC Officers and Staff Welfare Foundation	1.00 4.00	- -
29	Purchase of car South India Travels Private Limited	13.00	-
30	Advance given Twinshield Consultants Private Limited	36.45	-
31	Provision for doubtful advances National Aromatics and Petrochemicals Corporation Limited	-	1.86

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 2016					
		Assets	Liabilities	Income	Expenditure	Contingent liabilities	Capital commitments
Tamilnadu Petroproducts Limited, India	16.93 (16.93)	8286.54 (10064.24)	3167.66 (5570.17)	11986.09 (16294.10)	12337.96 (17209.83)	1599.69 (1577.99)	17.15 (24.06)
National Aromatics and Petrochemicals Corporation Limited, India	50.00 (50.00)	1971.32 (1970.89)	535.37 (534.93)	- (-)	- (-)	- (-)	- (-)

Note 37 Earnings per share

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Face Value per share (In Rupees)	10	10
Profit for the year (Rupees in lac)	2477.24	1758.68
Less: Arrears of Preference Dividend (Refer Note 29(c))	182.54	182.04
Profit for the year after preference dividend (Rupees in lac)	2294.70	1576.64
Basic		
Weighted Average Number of shares outstanding	203640336	203640336
Earnings per share (In Rupees)	1.13	0.77
Diluted		
Weighted Average Number of shares outstanding	203640336	203640336
Earnings per share (In Rupees)	1.13	0.77

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 statement for the year ended 31 March 2016 in its meeting held on 30 May 2016.

**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** (herein after 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 2016, 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 Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, as applicable. The respective Board of Directors of the companies included in the Group and of its associate and jointly controlled entities 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 judgements 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 judgement, 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. 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 the 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

We refer to Note No 2(b)(i) of the consolidated financial statements relating to non-consolidation of the financial statements of a subsidiary to reflect the adjustments relating to the period 1 April 2011 to 31 March 2016 due to the following reasons:

- a) The proposed voluntary winding up of the step down subsidiary company effective February 29, 2016 has been approved by their Shareholders and the Board of Directors of the subsidiary. The Board of Directors of the Holding Company have also approved the commencement of the winding up of the subsidiary company.
- b) The preparation of the financial statements of the subsidiary company on a going concern basis despite the intention of the ultimate holding company to wind up the operations of the subsidiary company. The independent auditor of the subsidiary company has qualified his report for preparation of the accounts on a going concern basis for the years ended 31 March 2010 to 31 March 2015 and has also stated that there may be material adjustments required to the reclassification and carrying

amount of assets and liabilities as disclosed in these consolidated financial statements. The impact of such adjustments, if any, is currently not ascertainable.

- c) The Financial statements of the subsidiary for the year ended 31 March 2016 have not been prepared by the management for the reasons mentioned in the Note.

We are unable to determine the impact of the above matters on the consolidated financial statements for the year ended 31 March 2016.

Our report on consolidated financial statements for the year ended 31 March 2015 was similarly qualified.

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 matters described in the Basis of 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 31 March 2016 and their consolidated profit and their consolidated cash flow for the year ended on that date.

Emphasis of Matter

We draw attention to Note No. 29(iii) of the consolidated financial statements regarding computation of subsidy based on the provisional Retention Price (RP) in line with the Government's policy dated 17 June 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 qualified in respect of this matter.

Other Matter

We did not audit the financial statements of two subsidiaries and a jointly controlled entity, whose financial statements reflect total assets of Rs. 2,434.36 lac as at 31 March 2016, total revenues of Rs.78.55 lac and net cash flows amounting to Rs. 678.05 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 2016, 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 is based solely on the reports of the other auditors.

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 reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. 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 of 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 possible effect of the matters described in the Basis of 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, except for the possible effect of the matters described in the Basis of Qualified Opinion above, for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, except for the possible effects of matters described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.
- e) The matter described in the Basis for Qualified Opinion paragraph above, 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 2016 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 Company, and its associate company and jointly controlled companies incorporated in India is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164(2) of the Act.
- g) The qualification relating to the maintenance of accounts and other matters connected there with are as stated in the Basis for Qualified Opinion paragraph above.
- h) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our Report in "Annexure A", which is based on the auditors' reports of the Holding company, associate companies and jointly controlled companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding company, associate companies' and jointly controlled companies' incorporated in India internal financial controls over financial reporting.
- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and 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 Note 31 of the consolidated financial statements.
 - ii. Except for the possible effect of the matter described in Basis for Qualified Opinion paragraph above, the Group, its associates and jointly controlled entities did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, associate companies and its jointly controlled companies incorporated in India.

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

Bhavani Balasubramanian
Partner
(Membership Number: 22156)

Place : Chennai
Date : 30 May 2016

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of **SOUTHERN PETROCHEMICAL INDUSTRIES CORPORATION LIMITED** (hereinafter referred to as "the Holding Company") and its associate companies and jointly controlled companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its associate companies and jointly controlled companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, associate companies and jointly controlled companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Holding Company, its associate companies and jointly controlled companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to two associate companies and a jointly controlled company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

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

Bhavani Balasubramanian
Partner
(Membership Number: 22156)

Place : Chennai
Date : 30 May 2016

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2016

(Rupees in Lac)

S.No.	Particulars	Note No.	As at 31 March 2016	As at 31 March 2015
A	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	3	21614.03	21614.03
	(b) Reserves and surplus	4	5843.72	2741.67
			27457.75	24355.70
2	Share application money pending allotment	3 (v)	1445.00	1445.00
3	Non-current liabilities			
	(a) Long-term borrowings	5	89.14	167.04
	(b) Other long-term liabilities	6	3015.25	3620.07
	(c) Long-term provisions	7	46.05	39.23
			3150.44	3826.34
4	Current liabilities			
	(a) Short-term borrowings	8	12956.06	13488.55
	(b) Trade payables	9		
	(i) Micro Small and Medium Enterprises		0.10	-
	(ii) Other than acceptances		115963.92	93455.76
	(c) Other current liabilities	10	3488.56	5915.30
	(d) Short-term provisions	11	299.16	370.03
			132707.80	113229.64
	TOTAL		164760.99	142856.68
B	ASSETS			
1	Non-current assets			
	(a) Fixed assets			
	(i) Tangible assets	12	31971.40	34435.52
	(ii) Capital work-in-progress		2719.13	2833.14
	(iii) Intangible assets		47.56	-
	(iv) Intangible assets under development		429.47	429.47
	(b) Non-current investments	13	956.92	984.62
	(c) Long-term loans and advances	14	29870.73	4711.98
			65995.21	43394.73
2	Current assets			
	(a) Inventories	15	10296.08	14680.60
	(b) Trade receivables	16	6809.61	3052.58
	(c) Cash and cash equivalents	17	3518.88	2271.95
	(d) Short-term loans and advances	18	77784.10	78944.17
	(e) Other current assets	19	357.11	512.65
			98765.78	99461.95
	TOTAL		164760.99	142856.68
	See accompanying notes forming part of the consolidated financial statements			

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

SASHIKALA SRIKANTH
Director

S R RAMAKRISHNAN
Whole-Time Director

Place : Chennai
Date : 30 May 2016

A V KUMAR
Chief Financial Officer

M B GANESH
Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2016

(Rupees in lac)

S.No.	Particulars	Note No.	Year ended 31 March 2016	Year ended 31 March 2015
1	Revenue from operations (gross)	20	197628.45	227865.00
	Less: Excise duty		1975.29	2367.29
	Revenue from operations (net)		195653.16	225497.71
2	Other income	21	1918.13	1076.83
3	Total revenue (1+2)		197571.29	226574.54
4	Expenses			
	(a) Cost of materials consumed	22	108924.32	136584.76
	(b) Purchases of stock-in-trade	23	6326.08	3.73
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	(1680.66)	944.65
	(d) Employee benefits expense	25	4818.31	4843.96
	(e) Finance costs	26	1455.36	3157.50
	(f) Depreciation and amortisation expense	12	3233.24	3387.27
	(g) Other expenses	27	73286.36	76809.71
	Total expenses		196363.01	225731.58
5	Profit before exceptional items and tax (3-4)		1208.28	842.96
6	Exceptional items	28	1894.19	-
7	Profit before tax (5+6)		3102.47	842.96
8	Tax expense			
	(a) Current tax expense for current year		0.42	0.39
	(b) Deferred Tax		-	(310.19)
	Net Tax benefit / expense for the year		0.42	(309.80)
9	Profit for the year after Tax before share of loss of Associates(7-8)		3102.05	1152.76
10	Share of Loss of Associates (Net)		-	(115.82)
11	Profit for the year attributable to the shareholders of the company (9-10)		3102.05	1036.94
12	Earnings per share of Rs. 10/- each	41		
	(a) Basic		1.43	0.42
	(b) Diluted		1.43	0.42
	See accompanying notes forming part of the consolidated financial statements			

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

SASHIKALA SRIKANTH
Director

S R RAMAKRISHNAN
Whole-Time Director

Place : Chennai
Date : 30 May 2016

A V KUMAR
Chief Financial Officer

M B GANESH
Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

(Rupees in lac)

S. No.	Particulars	Year ended 31 March 2016	Year ended 31 March 2015
A.	CASH FLOW FROM OPERATING ACTIVITIES:		
	Profit for the year before exceptional items and tax	2185.37	842.96
	Add : Exceptional items		
	Profit on Sale of Fixed Assets (Net)	917.09	-
	Profit for the year before tax and after exceptional items	3102.46	842.96
	Adjustments for :		
	Depreciation	3233.24	3387.27
	Exchange difference	1406.70	1415.21
	Loss on sale /retirement of assets (Net)	(1000.21)	159.46
	Provision for Impairment Loss	143.74	-
	Profit on sale of Investments	8.86	-
	Provision for doubtful debts and advances	25.92	12.98
	Provisions no longer required written back	(1377.52)	(260.83)
	Bad debts and advances written off	156.41	0.98
	Rental Income	(7.25)	(46.73)
	Finance Costs	1455.37	3157.50
	Income from investments	(3.61)	(5.75)
	Interest income	(175.23)	(163.13)
	Operating profit before working capital changes	6968.88	8499.91
	Adjustments for :		
	(Increase)/Decrease in trade receivables	(3759.94)	(224.54)
	(Increase)/Decrease in inventories	4384.52	6358.22
	(Increase)/Decrease in long-term loans and advances	(24305.43)	(239.49)
	(Increase)/Decrease in short-term loans and advances	1152.48	(55.98)
	(Increase)/Decrease in other current assets	221.26	238.59
	Increase/(Decrease) in long-term liabilities	(605.25)	466.53
	Increase/(Decrease) in long-term provisions	6.83	(2.73)
	Increase/(Decrease) in trade payables	22060.25	26014.96
	Increase/(Decrease) in current liabilities & provisions	(1670.29)	(1588.21)
	Increase/(Decrease) in short-term provisions	(70.86)	51.07
	Cash from operations	4382.46	39518.33
	Direct taxes (paid)	(92.18)	(71.13)
	Net cash from operating activities	4290.28	39447.20
B.	CASH FLOW FROM INVESTING ACTIVITIES:		
	Purchase of Fixed Assets and investments	(1730.65)	(1446.34)
	Proceeds from sale of fixed assets	345.65	0.64
	Advance received against sale of immovable property	-	677.20
	Proceeds from Redemption of Zero Coupon Bonds	27.70	-
	Income from investments	3.61	5.75
	Proceeds from sale of investments	-	(4.11)
	Rental Income	7.25	46.73
	Bank balance not considered as cash and cash equivalents	(74.28)	13.10
	Interest income	109.51	85.46
	Net Cash (Used in) Investing Activities	(1311.21)	(621.57)

Cash Flow Statement (Continued)

(Rupees in lac)

S. No.	Particulars	Year ended 31 March 2016	Year ended 31 March 2015
C.	CASH FLOW FROM FINANCING ACTIVITIES:		
	Long term borrowings		-
	Short term borrowings	7140.16	18577.16
	Net (decrease) in working capital borrowings	(505.01)	(44194.35)
	Repayment of Long Term Borrowings	(7257.90)	(10072.84)
	Dividends paid	(0.05)	(0.13)
	Finance Costs	(1183.61)	(3749.48)
	Net Cash (Used In) Financing Activities	(1806.41)	(39439.64)
	Net Cash Flows During The Year (A+B+C)	1172.66	(614.00)
	Cash and cash equivalents (opening balance) *	1742.70	2356.70
	Cash and cash equivalents (closing balance) *	2915.36	1742.70
	Disclosure of non cash transactions		
	Purchase of fixed assets	-	1600.00
	See accompanying notes forming part of the consolidated financial statements		

* Excludes Margin Money Deposit with Scheduled Banks Rs. 426.79 lac (Previous Year Rs. 364.51 lac) and Escrow account balance of Rs. 10.46 lac (Previous Year Rs. 3.84 lac).

* Excludes Rs. 156.38 lac (Previous year Rs. 150.95 lac) being money in deposit accounts with original maturity of more than three months.

* Excludes Rs. 9.90 lac (Previous year Rs. 9.95 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

SASHIKALA SRIKANTH

Director

S R RAMAKRISHNAN

Whole-Time Director

Place : Chennai

Date : 30 May 2016

A V KUMAR

Chief Financial Officer

M B GANESH

Secretary

NOTES ON THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016.

Note 1 CORPORATE INFORMATION

Southern Petrochemical Industries Corporation Limited (the Company), 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 in the manufacturing and selling of petrochemical products namely Linear Alkyl Benzene (LAB) and Caustic Soda from the manufacturing facilities situated at Manali, near Chennai.

During the year, the holding company has been appointed as the Handling Agent by Government of India for handling, packaging, transporting and sale of imported fertilizers at Karaikal and Tuticorin Ports.

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 notified under Section 133 of the Companies Act, 2013 ("the Act") and the relevant provisions of the Act. The financial statements have been prepared on accrual basis under the historical cost convention except for categories of fixed assets 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.

Note 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 2016 except for a subsidiary as mentioned in Note 2 b (i) 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 2016	Percentage of ownership interest as at 31 March 2015
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

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 Fertilizer 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 decided to wound up as on 29 February 2016. SFCL Mauritius has approved the decision of SFC FZE, Dubai to effect winding up. The Board of Directors of Holding Company have also approved the commencement of winding up.

The independent auditor of SFCL Mauritius, in his audit report has expressed a qualified opinion regarding the preparation of financial statements on going concern basis for the years ended March 31, 2010 to March 31, 2015 and has stated that there may be material adjustment to the reclassification and carrying amount of assets and liabilities as disclosed in these consolidated financial statements, the impact of which cannot be assessed currently. The financial statements of SFC FZE, Dubai as on the date of winding up is under finalization and therefore the financial statements of SFCL Mauritius for the year ended March 31, 2016 are also under preparation.

In view of above matters, the accounts relating to subsidiary company SFCL Mauritius included in the consolidated financial statements is as at March 31, 2011 which is based on management accounts and do not include the adjustments relating to the period April 1, 2011 to March 31, 2016. Necessary adjustments would be effected on completion of the winding up proceedings.

The Holding Company, in the Board Meeting held on 6th November 2015, had decided to wind up SFCL Mauritius and write off the investments subject to getting the approval of the Regulatory Authorities concerned.

Hence, the consolidated financial statement for the year ended March 2016 do not include the consolidated accounts of the subsidiary company - SFCL Mauritius as the control is intended to be temporary because the subsidiary is held with a view to its winding-up in near future.

(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 2016	Percentage of ownership interest as at 31 March 2015
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 2016	Percentage of Ownership interest as at 31 March 2015
Tuticorin Alkali Chemicals and Fertilizers Limited	India	45.15	45.15
Gold Nest Trading Company Limited	India	32.76	32.76

- (iv) Investment in Tuticorin Alkali Chemicals and Fertilizers 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 2016 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.
- (v) 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 2016 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.

Note 2.c. Significant Accounting Policies:

(i) 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.

(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 Incentives:

Export benefits in the nature of focus market schemes 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. Adjustment, 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 tangible fixed assets are not yet ready for their intended use 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 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

- (i) 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.
- (ii) 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.
- (iii) With respect to a jointly controlled entity contribution to superannuation plan which covers whole time directors and the staff of the Company and is administered by the Life Insurance Corporation of India. Contributions are made monthly at a predetermined rate to the Trust and debited to the Statement of Profit and Loss on an accrual basis. The superannuation contribution for staff is withdrawn with effect from October 1, 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 monthly 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 recognizes such shortfall as an 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 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 12 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 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.

(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 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) Taxation

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 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 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.

(xix) 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.

(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 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 2016	As at 31 March 2015
Authorised:		
31,60,00,000 (31,60,00,000) Equity shares of Rs.10 each	31600.00	31600.00
55,00,000 (55,00,000) Redeemable cumulative preference shares of Rs.100 each	5500.00	5500.00
3,00,00,000 (3,00,00,000) Fully Compulsorily Convertible preference (FCCP) shares of Rs.18 each	5400.00	5400.00
	42500.00	42500.00
Issued, subscribed and fully paid up:		
20,36,40,336 (20,36,40,336) Equity shares of Rs.10 each	20364.03	20364.03
3,00,000 (3,00,000) 14.50% Redeemable Cumulative non-convertible preference shares of Rs.100 each	300.00	300.00
8,50,000 (8,50,000) 11.50% Redeemable cumulative non-convertible preference shares of Rs.100 each	850.00	850.00
1,00,000 (1,00,000) 10.00% Redeemable cumulative non-convertible preference shares of Rs.100 each	100.00	100.00
Total	21614.03	21614.03

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

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

Class of shares / Name of shareholder	As at 31 March 2016		As at 31 March 2015	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares				
FICON Holdings Limited	15682775	7.70	15682775	7.70
The Bank of Newyork Mellon	17066800	8.38	17066800	8.38
AMI Holdings Private Ltd.	37276700	18.31	37276700	18.31
Lotus Fertilizers Private Ltd	27995454	13.75	27995454	13.75
Preference Shares				
14.50% Redeemable cumulative non-convertible preference shares				
Bajaj Auto Ltd	300000	100.00	300000	100.00
11.50% Redeemable cumulative non-convertible preference shares				
Punjab and Sind Bank	150000	17.65	150000	17.65
State Bank of Mysore	100000	11.76	100000	11.76
United India Insurance Company Ltd	100000	11.76	100000	11.76
The Jammu and Kashmir Bank Ltd	500000	58.83	500000	58.83
10.00% Redeemable cumulative non-convertible preference shares				
Mrs. Brish Darbari Seth & Mrs Biya Sanjay Thukral	25000	25.00	25000	25.00
Ms Mina Rohit Chand	25000	25.00	25000	25.00
Mrs Dolly Robin Lai & Robin Diwan Lai	25000	25.00	25000	25.00
Mrs Sindhu Seth	25000	25.00	25000	25.00

Note 3 (iii) Equity shares include :

- 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.
- 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.
- 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.
- 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.
- 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.
- 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.
- 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.

Note 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 3 (v) Share Application Money Pending allotment

As at 31 March 2016, 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

Particulars	(Rupees in lac)	
	As at 31 March 2016	As at 31 March 2015
(a) Capital reserve	97.24	97.24
(b) Capital redemption reserve	6500.00	6500.00
(c) Securities premium account	21047.71	21047.71
(d) Debenture redemption reserve		
Opening balance	3800.00	3800.00
Less: Transfer to Profit and Loss (Refer Note 4(i) below)	(3800.00)	-
Closing balance	-	3800.00
(e) Statutory reserve	41.34	41.34
(f) Foreign currency translation reserve	2844.67	2844.67
(g) (Deficit) in Statement of Profit and Loss		
Opening balance	(34777.36)	(36536.04)
Add: Transfer from Debenture redemption reserve (Refer Note 4(i) below)	3800.00	-
Profit for the year	2477.24	1758.68
Closing balance	(28500.12)	(34777.36)

(Rupees in lac)

Particulars	As at 31 March 2016	As at 31 March 2015
Add: Proportionate Share in Joint Ventures (Reserves)		
- Securities Premium Account	780.74	780.74
- Capital Reserve	7.15	7.15
- Revaluation Reserve	336.28	336.28
- General Reserve	2346.50	2346.50
- (Deficit) / Surplus in Statement of Profit and Loss		
Opening balance	(282.60)	677.95
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 Nil (Previous Year - Rs.106.80 lac))	-	(238.83)
Profit / (Loss) for the year	624.81	(721.72)
	342.21	(282.60)
Total	5843.72	2741.67

Note 4 (i) Rs.3800 lac was transferred from Debenture Redemption Reserve to Profit and Loss, as all the Debentures have been redeemed in earlier years.

Note 5: Long Term Borrowings

(Rupees in lac)

Particulars	As at 31 March 2016	As at 31 March 2015
Share in Joint ventures - Jointly controlled entities. (Refer Note 5 (i) below)	89.14	167.04
Total	89.14	167.04

With respect to Jointly Controlled entity,

Note 5 (i) Interest free deferred unsecured sales tax loan is repayable in 24 monthly instalments.

Note 6: Other Long Term Liabilities

(Rupees in lac)

Particulars	As at 31 March 2016	As at 31 March 2015
Trade / security deposits received	2131.48	1283.28
Liability for expenses	348.21	1752.94
Total	2479.69	3036.22
Share in Joint ventures - Jointly controlled entities (Refer Note 6 (i))	535.56	583.85
Total	3015.25	3620.07

Note 6 (i) With respect to Jointly Controlled Entities,

Other payable represent amount received in advance towards sale of 100000 equity shares in SEPC Power (Private) Limited during the 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

(Rupees in lac)

Particulars	As at 31 March 2016	As at 31 March 2015
Share in Joint ventures - Jointly controlled entities (Refer Note 36 (i))	46.05	39.23
Total	46.05	39.23

Note 8: Short Term Borrowings

(Rupees in lac)

Particulars	As at 31 March 2016	As at 31 March 2015
Loans repayable on demand		
From Related parties - Unsecured (Refer Note 40 (ii))	-	7022.00
From Other parties - Unsecured	11992.28	4997.76
Total	11992.28	12019.76
Share in Joint ventures - Jointly controlled entities (Refer Note 8 (i) below)	963.78	1468.79
Total	12956.06	13488.55

Note 8 (i) With respect to Jointly Controlled Entity

Loans are secured by hypothecation of 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

(Rupees in lac)

Particulars	As at 31 March 2016	As at 31 March 2015
Trade payables:		
(i) Micro Small and Medium Enterprises	0.10	-
(ii) Other than acceptances	114586.51	90892.45
Total	114586.61	90892.45
Share in Joint ventures - Jointly controlled entities	1377.41	2563.31
Total	115964.02	93455.76

Note 9 (i) Dues to Micro, Small and Medium Enterprises:

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

(Rupees in lac)

Particulars	As at 31 March 2016	As at 31 March 2015
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	0.10	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

With respect to Jointly Controlled Entity:

Note 9 (ii) There are no dues to enterprises as defined under Micro, Small and Medium enterprises Development Act, 2006, as at 31st March 2016 and as at 31st March 2015 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 2016	As at 31 March 2015
Interest accrued but not due on borrowings	106.32	59.04
Interest accrued and due on borrowings	259.40	-
Retention Money	33.67	29.29
Other payables		
(i) Statutory remittances	429.52	160.88
(ii) Payable towards purchase of fixed assets	-	1600.00
(iii) Trade / security deposits including interest.	7.38	271.41
(iv) Advances from customers and other parties	1212.39	2119.73
(v) Gratuity payable (Refer Note 36)	310.57	144.82
(vi) Superannuation fund payable	406.90	215.81
Total	2766.15	4600.98
Share in Joint ventures - Jointly controlled entities (Refer Note 10 (i))	722.41	1314.32
Total	3488.56	5915.30

Note 10 (i) The amount of unpaid dividends to be credited to the Investor Education and Protection Fund is 9.90 Lac for the FY 2015-16 (PY Rs. 9.95 Lac).

Note 11: Short Term Provisions

(Rupees in lac)

Particulars	As at 31 March 2016	As at 31 March 2015
Provision for employee benefits:		
Provision for compensated absences (Refer Note 36)	291.99	362.95
Total	291.99	362.95
Share in Joint ventures - Jointly controlled entities	7.17	7.08
Total	299.16	370.03

Note 12: Fixed Assets schedule for consolidated accounts for the year ended 31 March 2016 (Previous year figures are given in brackets)

(Rupees in lac)

Description	Gross block				Accumulated depreciation & Impairment					Net block	
	As at 1 April 2015	Additions / Adjustments	Deletions / Adjustments	Closing Balance as at 31 March 2016	Opening Balance as at 1 April 2015	Additions/ Adjustments	Impairment Loss	Deletions/ Adjustments	Closing Balance as at 31 March 2016	As at 31 March 2016	As at 31 March 2015
Tangible Assets - Owned											
(a) Land											
- Freehold	4692.51 (3429.54)	15.43 (1262.97)	- (-)	4707.94 (4692.51)	- (-)	- (-)	- (-)	- (-)	- (-)	4707.94 (4692.51)	4692.51 (3429.54)
(b) Buildings	7631.84 (7294.81)	42.66 (337.03)	8.05 (-)	7666.45 (7631.84)	4365.56 (4240.86)	167.28 (124.70)	- (-)	1.89 (-)	4530.95 (4365.56)	3135.50 (3266.28)	3266.28 (3053.95)
(c) Plant and Equipment	121419.79 (121490.01)	859.97 (620.80)	584.65 (691.02)	121695.11 (121419.79)	100800.86 (98695.43)	2578.93 (2667.02)	- (-)	466.47 (561.59)	102913.32 (100800.86)	18781.79 (20618.93)	20618.93 (22794.58)

Fixed Assets (Continued)

(Rupees in lac)

Description	Gross block				Accumulated depreciation & Impairment					Net block	
	As at 1 April 2015	Additions / Adjustments	Deletions / Adjustments	Closing Balance as at 31 March 2016	Opening Balance as at 1 April 2015	Additions/ Adjustments	Impairment Loss	Deletions/ Adjustments	Closing Balance as at 31 March 2016	As at 31 March 2016	As at 31 March 2015
(d) Furniture and Fixtures	297.28 (456.09)	43.66 (0.60)	17.93 (159.41)	323.01 (297.28)	283.72 (429.01)	0.69 (6.96)	- (-)	17.93 (152.25)	266.48 (283.72)	56.53 (13.56)	13.56 (27.08)
(e) Vehicles	175.35 (150.32)	20.53 (33.01)	42.93 (7.98)	152.95 (175.35)	113.60 (113.03)	9.95 (8.04)	- (-)	38.00 (7.47)	85.55 (113.60)	67.40 (61.75)	61.75 (37.29)
(f) Office equipments	6377.31 (6873.88)	114.72 (73.58)	92.72 (570.15)	6399.31 (6377.31)	5404.22 (5750.17)	148.20 (201.24)	- (-)	85.69 (547.19)	5466.73 (5404.22)	932.58 (973.09)	973.09 (1123.71)
(g) Roads	218.41 (218.41)	- (-)	- (-)	218.41 (218.41)	149.74 (132.99)	16.75 (16.75)	- (-)	- (-)	166.49 (149.74)	51.92 (68.67)	68.67 (85.42)
(h) Railway Sidings	582.26 (582.26)	- (-)	- (-)	582.26 (582.26)	270.30 (256.48)	13.82 (13.82)	- (-)	- (-)	284.12 (270.30)	298.14 (311.96)	311.96 (325.78)
Capital Work-in-progress											
Tangible										1178.19 (1253.63)	1253.63 (657.74)
Intangible										47.56 (-)	- (-)
Total - A	141394.75 (140495.32)	1096.97 (2327.99)	746.28 (1428.56)	141745.44 (141394.75)	111388.00 (109617.97)	2935.62 (3038.53)	- (-)	609.98 (1268.50)	113713.64 (107022.44)	29257.54 (31260.38)	31260.38 (30877.35)
Share in Joint ventures											
- Jointly controlled entities											
- Tangible Assets #	21806.19 (21806.55)	186.01 (-)	333.53 (0.36)	21658.67 (21806.19)	17377.42 (16683.32)	297.62 (694.10)	143.74 (-)	99.73 (-)	17719.05 (17377.42)	3939.62 (4428.77)	4428.77 (5123.23)
- Capital Work-in-progress											
- Tangible										1540.93 (1579.51)	1579.51 (1523.05)
- Intangible assets under development										429.47 (429.47)	429.47 (429.47)
Total - B	21806.19 (21806.55)	186.01 (-)	333.53 (0.36)	21658.67 (21806.19)	17377.42 (16683.32)	297.62 (694.10)	143.74 (-)	99.73 (-)	17719.05 (17377.42)	5910.02 (6437.75)	6437.75 (7075.75)
GRAND TOTAL (A + B)	163200.94 (162301.87)	1282.98 (2327.99)	1079.81 (1428.92)	163404.12 (163200.94)	128765.42 (-)	3233.23 (3732.63)	143.74 (-)	709.71 (1268.50)	131432.68 (124399.86)	35167.56 (37698.13)	37698.13 (37953.10)
Previous year	(162301.87)	(2327.99)	(1428.92)	(163200.94)	(-)	(3732.63)	(-)	(1268.50)	(124399.86)	(37698.13)	(37953.10)

Depreciation on Plant and Equipment with respect to Jointly controlled entities includes depreciation on R & D assets for Rs. 2.19 lac. (Previous year - Rs 5.60 lac)

Note 12 (i) Assets held for sale

Certain assets of the Holding Company have been 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	Year ended 31 March 2016	Year ended 31 March 2015
Land – Freehold*	-	223.34
Total	-	223.34

* The Company has sold Land and the profit on sale of Rs. 917.09 lac is shown in Exceptional items (Refer Note 28)

Note 13 NON-CURRENT INVESTMENTS

(Rupees in lac)

Particulars	As at 31 March 2016			As at 31 March 2015		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
NON-CURRENT INVESTMENTS (At cost)						
A Trade Investments (unless otherwise stated)						
(i) Investment in equity instruments - fully paid up of associates						
- 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	-	-	-	-	-	-
Total Investment in Equity instruments in Associates	-	-	-	-	-	-
of other entities						
- 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
Total Investment in Equity instruments in other entities	924.74	25400.00	26324.74	924.74	25400.00	26324.74

Non-Current Investments (Continued)

(Rupees in lac)

Particulars	As at 31 March 2016			As at 31 March 2015		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
(ii) Investment in preference shares - fully paid up of associates						
- Tuticorin Alkali Chemicals and Fertilizers Limited 20,00,000 (20,00,000) 5% Redeemable Cumulative Preference Shares of Rs. 100 each	-	2000.00	2000.00	-	2000.00	2000.00
of other entities						
- 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 Other Investments						
(I) Investment in bonds - fully paid up of other entities						
- 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
(II) Investment in mutual funds						
- 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
GROSS VALUE OF INVESTMENTS	924.74	58015.63	58940.37	924.74	58015.63	58940.37
Less: Provision for diminution in value of investments	-	57989.62	57989.62	-	57989.62	57989.62
NET VALUE OF INVESTMENTS	924.74	26.01	950.75	924.74	26.01	950.75
Add: Share in Joint ventures - Jointly controlled entities (Refer Note 13 (v) below)	-	6.17	6.17	-	33.87	33.87
Total	924.74	32.18	956.92	924.74	59.88	984.62

Note 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 decided to be wound up as on 29 February 2016. SFCL Mauritius has approved the decision of SFC FZE Dubai to effect winding up. The accounts of SFC FZE Dubai and SFCL Mauritius have been audited for the years ending 31.03.2010 to 31.03.2015

The Company, in the Board Meeting held on 6 November 2015, had decided to wind up SFCL Mauritius and write off the investments, subject to getting the approval of the Regulatory Authorities concerned. However full provision has been made for the Investments in earlier years.

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

Note 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.

Note 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.

Note 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. 27th March 2016) or converting the bonds into equity shares of Rs.10 each at par. Accordingly, the company has redeemed these bonds during the year.

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

Particulars	As at 31 March 2016		As at 31 March 2015	
Capital advances				
Considered good		803.97		289.43
Deposits				
Considered good	2728.00		3168.67	
Doubtful	130.93		35.78	
	2858.93		3204.45	
Less: Provision for doubtful deposits	130.93	2728.00	35.78	3168.67
Loans and advances to employees				
Considered good	1.07		0.60	
Doubtful	20.30		5.35	
	21.37		5.95	
Less: Provision for doubtful loans and advances	20.30	1.07	5.35	0.60
Subsidy Receivable		24963.43		-
Advance income tax (Net of provisions Rs. 4135.56 lac (previous year Rs. 4135.56 lac))		476.72		412.96
Balances with government authorities				
Considered good	474.03		76.92	
Doubtful	210.22		210.22	
	684.25		287.14	
Less: Provision for doubtful receivables	210.22	474.03	210.22	76.92
Total		29447.22		3948.58
Share in Joint ventures - Jointly controlled entities		423.51		763.40
Total		29870.73		4711.98

Note 15: Inventories

(Rupees in lac)

Particulars	As at 31 March 2016	As at 31 March 2015
Raw materials	4772.56	6789.73
- Goods-in-transit	-	4336.11
	4772.56	11125.84
Work-in-progress (Refer Note 15(i) below)	62.09	132.87
Finished goods	2088.30	298.79
Stores and spares	1708.15	1139.62
- Goods-in-transit	21.53	0.45
	1729.68	1140.07
Loose tools	11.60	12.55
Fuel Oil	587.98	555.69
Total	9252.21	13265.81
Share in Joint ventures - Jointly controlled entities **	1043.87	1414.79
Total	10296.08	14680.60

15 (i) Details of work-in-progress

(Rupees in lac)

Particulars	As at 31 March 2016	As at 31 March 2015
Tissue Culture	60.25	51.71
Urea	1.84	81.16
Total	62.09	132.87
Proportionate Share of Jointly Controlled entities **	18.42	46.55
Total	80.51	179.42

** Rs.18.42 lac (Previous year Rs. 46.55 lac) represents share of Work in progress in Jointly controlled entities out of Rs 1043.87 lac (Previous year Rs.1414.79 lac).

Note 16: Trade Receivable (Unsecured, considered good unless otherwise stated)

(Rupees in lac)

Particulars	As at 31 March 2016		As at 31 March 2015	
Trade receivables outstanding for a period exceeding six months from the date they were due for payment				
Considered good	1744.09		1361.51	
Doubtful	780.64		781.14	
	2524.73		2142.65	
Less: Provision for doubtful trade receivables	780.64	1744.09	781.14	1361.51
Other Trade receivables (Considered good)		4534.36		608.95
Total (Refer Note 16 (i) below)		6278.45		1970.46
Share in Joint ventures - Jointly controlled entities		531.16		1082.12
Total		6809.61		3052.58

Note 16 (i) Trade receivables of Rs. 1982.64 lac (previous year Rs.1,494.42 lac) and Short term loans and advances of Rs. 61.77 lac (Rs.54.64 lac (net of provision of Rs.702.45 lac created in earlier years)) represent dues receivable from an associate company (Refer Note 40).

Note 17: Cash and Cash equivalents

(Rupees in lac)

Particulars	As at 31 March 2016	As at 31 March 2015
Cash on hand	3.95	7.45
Balances with banks		
(i) In current accounts	1128.63	613.53
(ii) In EEFC accounts	0.88	0.83
- Balances held as margin money or security against borrowings, guarantees and other commitments	426.79	364.51
- Balance in Escrow Account	10.46	3.84
Total	1570.71	990.16
Share in Joint ventures - Jointly controlled entities	1948.17	1281.79
Total	3518.88	2271.95
Of the above balances that meet the definition of Cash and Cash equivalents as per AS 3 Cash Flow statement is	2915.36	1742.70

Note 18: Short Term Loans and Advances (Unsecured, considered good unless otherwise stated)

(Rupees in lac)

Particulars	As at 31 March 2016	As at 31 March 2015
Loans and advances to related parties (Refer Note 16(i) & Note 40(ii))		
Considered Good	70.27	54.74
Doubtful	4283.58	4282.70
	4353.85	4337.44
Less: Provision for doubtful loans and advances	4283.58	4282.70
	70.27	54.74
Loans and advances to employees		
Considered Good	2.33	1.46
Doubtful	-	18.37
	2.33	19.83
Less: Provision for doubtful loans and advances	-	18.37
	2.33	1.46
Prepaid expenses	179.13	148.65
Subsidy Receivable	76411.26	76740.35
Balances with government authorities		
Considered good	279.97	616.11
Doubtful	37.40	37.40
	317.37	653.51
Less: Provision for doubtful receivables	37.40	37.40
	279.97	616.11
Advance to suppliers	339.03	148.92

Short Term Loans and Advances (Continued)

(Rupees in lac)

Particulars	As at 31 March 2016		As at 31 March 2015	
Loans and Advances to other parties				
Considered good	130.99		251.02	
Doubtful	365.61		435.71	
	496.60		686.73	
Less: Provision for doubtful loans and advances	365.61	130.99	435.71	251.02
Total		77412.98		77961.25
Share in Joint ventures - Jointly controlled entities		371.12		982.92
Total		77784.10		78944.17

Note 19: Other Current assets:

(Rupees in lac)

Particulars	As at 31 March 2016		As at 31 March 2015	
Interest accrued on Deposits		333.20		250.72
Others				
Insurance Claims				
Considered Good	0.07		0.09	
Considered Doubtful	-		0.71	
	0.07		0.80	
Less: Provision for doubtful claims	-	0.07	0.71	0.09
Fixed assets held for sale		-		223.34
Other receivables				
Considered Good	-		-	
Considered Doubtful	-		6.58	
	-		6.58	
Less: Provisions for Doubtful receivables	-	-	6.58	-
Total		333.27		474.15
Share in Joint ventures - Jointly controlled entities		23.84		38.50
Total		357.11		512.65

Note 20: Revenue from Operation

(Rupees in lac)

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Sale of products	44860.88	27585.08
Subsidy Income (Refer Note 29 (iii))	138355.95	181081.55
Total (Refer Note 20 (i) below)	183216.83	208666.63
Other operating revenues (Refer Note 20(ii) below)	976.91	1072.28
Total	184193.74	209738.91
Less: Excise duty	402.19	322.48
Total	183791.55	209416.43
Share in Joint Ventures - Jointly controlled entities		
Total Revenue	13434.71	18126.09
Less: Excise Duty	1573.10	2044.81
Net Sales	11861.61	16081.28
Total	195653.16	225497.71

Note 20 (i) Sales and Services

(Rupees in lac)

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Sales and Services comprises:		
Manufactured goods	35266.73	26359.45
- Fertiliser and transport subsidy (Urea)	138355.95	181081.55
- Others	1257.17	1225.63
Total	174879.85	208666.63
Traded Goods		
- Imported Urea	8336.98	-
Total	183216.83	208666.63
Share in Joint Ventures - Jointly controlled entities	13410.45	18037.54
Total	196627.28	226704.17

Note 20 (ii) Other operating Revenues

(Rupees in lac)

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Facility sharing income	913.02	975.27
Sale of scrap	30.79	75.11
Others	33.10	21.90
Total	976.91	1072.28
Share in Joint Ventures - Jointly controlled entities	24.26	88.55
Total	1001.17	1160.83

Note 21: Other Income

(Rupees in lac)

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
(a) Interest income (Refer Note 21 (i) below)	134.16	110.95
(b) Dividend income - from long-term investments	3.61	5.75
(c) Liabilities / Provisions no longer required written back		
- For Doubtful debts / advances	1378.27	246.29
(d) Rental Income	30.54	66.65
(e) Profit on sale of asset - net	4.56	0.99
(f) Bad debts recovered	-	233.11
(g) Others	242.52	200.27
Total	1793.66	864.01
Share in Joint ventures- Jointly controlled entities	124.47	212.82
Total	1918.13	1076.83

Note 21 (i) - Interest Income

(Rupees in lac)

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Interest from banks deposits	25.84	20.82
Other interest	108.32	90.13
Total	134.16	110.95
Share in Joint Ventures - Jointly controlled entities	41.07	52.18
Total	175.23	163.13

Note 22: Cost of materials consumed

(Rupees in lac)

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Opening stock	6789.73	12359.55
Add: Purchases	99748.76	120758.47
Less: Closing stock	4772.56	6789.73
Total	101765.93	126328.29
Share in Joint ventures- Jointly controlled entities	7158.39	10256.47
Total	108924.32	136584.76

Note 23: Purchase of Stock in trade

(Rupees in lac)

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Purchase of stock in Trade	6225.88	-
Total	6225.88	-
Share in Joint ventures- Jointly controlled entities	100.20	3.73
Total	6326.08	3.73

Note 24: Changes in inventories of finished goods and work-in-progress

(Rupees in lac)

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Inventories at the end of the year:		
Finished goods	2088.30	298.79
Work-in-progress	62.09	132.87
Total	2150.39	431.66
Inventories at the beginning of the year:		
Finished goods	298.79	127.56
Work-in-progress	132.87	224.09
Total	431.66	351.65
(Increase)	(1718.73)	(80.01)
Share in Joint ventures- Jointly controlled entities	38.07	1024.66
Net (Increase) / Decrease	(1680.66)	944.65

Note 25: Employee benefits expense

(Rupees in lac)

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Salaries and wages	3447.58	3379.44
Contributions to provident and other funds	367.86	623.98
Staff welfare expenses	449.08	378.00
Total	4264.52	4381.42
Share in Joint ventures- Jointly controlled entities (Refer note 25 (i) below)	553.79	462.54
Total	4818.31	4843.96

Note 25(i) Employee benefits expense for the year includes an amount of Rs.42.13 lac (previous year Nil) towards compensation to the employees who had opted for early retirement from service (ERS) during the year

Note 26: Finance cost

(Rupees in lac)

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Interest expense on:		
(i) Borrowings	1067.81	2156.14
(ii) Trade payables / Trade Advances	0.53	370.56
(iii) Deposits	137.09	181.30
(iv) Others	-	33.52
Other borrowing costs	0.10	84.37
Total	1205.53	2825.89
Share in Joint ventures - Jointly controlled entities	249.83	331.61
Total	1455.36	3157.50

Note 27: Other expenses

(Rupees in lac)

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Consumption of stores and spare parts	1600.40	843.63
Packing, transportation and handling	12994.42	8904.57
Power and fuel	40375.76	51782.59
Water	963.47	1751.51
Rent	454.77	466.38
Repairs to		
- Buildings	511.30	339.40
- Machinery	1133.26	962.33
- Others	396.61	324.23
	2041.17	1625.96
Insurance	208.35	213.01
Rates and taxes	128.15	324.17
Port handling charges	953.00	-
Travelling and conveyance	329.48	315.32
Marketing Service Charges	235.22	448.28
Rebates and Discount	2601.43	1773.76
Sales promotion expenses	9.76	24.46
Professional Fees	283.35	375.27
Payment to auditors (Refer Note 27(i) below)	30.85	35.14

(Rupees in lac)

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Bad trade and other receivables, loans and advances written off	261.10	292.42
Less: Transfer from provision	107.35	291.81
	153.75	0.61
Net loss on foreign currency transactions and translation	4019.62	2487.07
Assets written off	125.18	160.45
Provision for doubtful trade and other receivables, loans and advances (net)	25.92	1.86
Loss on sale of assets	1.73	-
Demurrage	149.00	-
Director's sitting fees	14.50	12.60
Miscellaneous expenses (Refer Note 27(ii) below)	1647.03	481.00
Total	69346.31	72027.64
Share in Joint ventures- Jointly controlled entities	3940.05	4782.07
Total	73286.36	76809.71

Note 27(i) Payment to Auditors

(Rupees in lac)

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Payments to the auditors comprises (net of service tax input credit, where applicable):		
- As auditors - statutory audit	20.00	20.00
- For other services	10.00	14.20
- Reimbursement of expenses	0.85	0.94
Total	30.85	35.14
Share in Joint Ventures - Jointly controlled entities**	5.64	5.77
Total	36.49	40.91

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

Note 27 (ii) An amount of Rs.6347.00 lac representing certain claims of ILFS against the Company were disputed / challenged before the Courts. In view of the settlement of the said claims by payment of Rs.750.00 lac during the year by the Company as agreed through a Memorandum of Compromise, there is no further liability to the Company on this account. The amount of Rs.750 lac paid is included in Miscellaneous expenses.

Note 28: Exceptional items

(Rupees in lac)

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Profit on sale of asset (Refer note 12(i))	917.09	-
Total	917.09	-
Share in Joint Ventures - Jointly controlled entities	977.10	-
Total	1894.19	-

Note 29 Plant Operation

- (i) During the year the Company achieved the maximum permissible production of 6.20 lac MT. The Company, as handling agent of Government of India for marketing urea within the country, had handled 1.88 lac MT of urea and sold 1.46 lac MT.
- (ii) Government of India vide its notification dated 17 June 2015 had permitted the Company to produce Urea using Naphtha as feedstock on existing provisions till assured supply of gas is made available. Subsidy would be paid based on the Retention Price computed on the lower of naphtha or RLNG price.
- (iii) Subsidy for the period 1 April 2015 to 31 March 2016 of Rs. 129783.44 lac has been accounted based on the provisional Retention Price (RP) computed in line with the Government's policy indicated in the notification dated 17 June 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

(a) Capital commitments:

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs.928.73 lac (Previous year Rs.1531.08 lac). (including share of Joint venture - Jointly controlled entities - Rs. 17.14 lac (Previous year Rs. 24.06 lac))

Note 31 - 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 40 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. 2543.10 lac (Previous year Rs. 2272.22 lac) is not acknowledged as debt, as this differential value from April 2009 to March 2016 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 31.03.2016 is Rs. 714.43 lac (from 01.07.2007 to 31.03.2016) (previous year 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. On 23.07.2015, Madurai Bench of the Hon'ble Madras High Court extended the stay until further orders.
- (iv) Other claims against the Company, which are being disputed / challenged before the Courts – Rs. 1300.00 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) Other Bank Guarantees outstanding Rs.31.78 lac (Previous year Rs.31.78 lac).

(c) Cumulative amount of Preference Dividend and Dividend Tax thereon not provided for the period from 1 April 2001 to 31 March 2016 is Rs. 3006.57 lac (Previous year Rs. 2824.03 lac)

(d) 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 2016	As at 31 March 2015
The Central Excise Act, 1944	537.01	537.01
The Finance Act, 1994 (Service Tax)	234.78	359.01
Sales Tax Act under various State enactments	3904.82	3904.82
The Tamilnadu Electricity (Taxation on Consumption) Act, 1962	1050.54	1050.54
Employees State Insurance Act, 1948*	12604.60	12141.78

(Rupees in lac)

Name of the Statute	As at 31 March 2016	As at 31 March 2015
<p>"With respect to joint ventures - jointly controlled entities"</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".</p> <p>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.</p> <p>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."</p> <p>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>178.60</p>	<p>178.60</p>
<p>"Renewable Energy Purchase Obligation (RPO) - With respect to joint ventures - jointly controlled entity. 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>114.08</p>	<p>92.38</p>
<p>Income tax, sales tax, Excise duty, Service tax and other demands pending before various authorities</p>	<p>458.13</p>	<p>458.13</p>
<p>Income tax cases decided in favour of the company, against which the department has filed appeal</p>	<p>848.87</p>	<p>848.87</p>
<p>Total</p>	<p>19931.43</p>	<p>19571.14</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. 19931.43 lac (Previous year Rs. 19571.14 lac), an amount of Rs.918.63 lac (Previous year Rs.918.63 lac) has been deposited under protest / adjusted by relevant authorities.

Note 32

"The deferred tax asset arising out of disallowances under section 43B of Income Tax Act 1961 amounting to Rs. 358.32 lac (Previous year Rs. 31.71 lac), de-escalation of subsidy amounting to Rs. 8598.00 lac (Previous year Rs. 7819.92 lac) and VRS compensation amounting to Rs. Nil (Previous year - Rs. 81.63 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. 19495.27 lac (Previous year Rs. 23950.39 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. 2010.72 lac (Previous year Rs. 1546.25 lac) as given below. Accordingly, there is no net deferred tax asset or liability as at 31 March 2016 to be accounted for."

(Rupees in lac)

Particulars	As at 31 March 2016	As at 31 March 2015
Depreciation	2010.72	1546.25
Deferred tax liability	2010.72	1546.25
Carry forward business losses and unabsorbed depreciation restricted to	2010.72	1546.25
Deferred tax asset	2010.72	1546.25

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.

(Rupees in lac)

With Respect to Jointly controlled entity	As at 31 March 2016	As at 31 March 2015
Tax effect of item constituting deferred tax liability :		
On difference between book balance and tax balance of fixed assets	664.58	753.32
Deferred tax liability	664.58	753.32
Tax effect of items constituting deferred tax assets :		
Unabsorbed depreciation and business losses	646.97	738.68
Provision for compensated absences	16.45	14.31
Provision for doubtful debts / advances	1.16	0.33
Deferred tax asset	664.58	753.32

Note 33

Derivative Instruments - In respect of Joint Venture - Jointly controlled entities

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

(Rupees in lac)

Particulars	Currency	Amount in Foreign Currency	Amount In Rupees (lac)
Amount receivable in foreign currency - Exports	USD	77874.78	51.34
	USD	(100000.26)	(62.49)
Amount payable in foreign currency - Imports	USD	147981.74	28.48
	USD	(322710.01)	(201.66)
	GBP	2109.48	2.01
	GBP	(-)	(-)
	EURO	-	-
	EURO	(848.36)	(0.57)
Amount payable in foreign currency - Buyers Credit	USD	-	-
	USD	(764710.49)	(477.87)

Figures in brackets are in respect of previous year

Note 34 Operating Leases

With respect to Joint venture- Jointly controlled entity

The property given under operating leases :

(Rupees in lac)

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Gross carrying amount of building	-	189.21
Accumulated depreciation	-	40.60
Depreciation for the year	1.66	3.31
Future minimum lease payments under non- cancellable operating leases		
Not later than 1 year	-	8.03
Later than 1 year and not later than 5 years	-	-
Later than 5 years	-	-

Note 35. In respect of Joint Venture - Jointly controlled entities

The Company suspended the operations of Epichlorohydrin (ECH) Plant from April 2013 owing to continuous losses . Management with the help of an associate company decided to effectively utilise the existing facility to manufacture Propylene Oxide (PO), after making necessary modifications. As at the balance sheet date, Environmental Clearance from the Ministry of Environment and Forests has been obtained and consent to Establish is awaited for the proposed project. Based on technical evaluation, certain machineries with net book value of Rs. 143.74 lac were identified as not usable in PO production and hence were written down in the books of accounts.

Note 36 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.233.24 lac (Previous year Rs. 178.16 lac) for Provident Fund contributions, Rs. 106.62 lac (Previous year Rs. 117.25 lac) for Superannuation Fund contributions and Rs.2.11 lac (Previous year Rs. 3.44 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	2015-16	2014-15
Projected Benefit Obligation at the beginning of the year	1081.21	845.75
Obligation on account of transfered employees	385.42	-
Service cost	59.78	55.37
Interest cost	80.69	72.81
Actuarial Loss / (Gain)	24.95	198.51
Benefits paid	(93.58)	(91.31)
Projected Benefit Obligation at the end of the year	1538.47	1081.21
Amount recognised in the Balance Sheet:		
Projected benefit obligation at the end of the year	1538.47	1081.21
Fair value of plan assets at the end of the year	1227.90	936.39
Liability recognised in the Balance Sheet	310.57	144.82

(Rupees in lac)

Particulars	2015-16	2014-15
Cost of defined benefits plan for the year		
Current service cost	59.78	55.37
Interest on obligation	80.69	72.81
Expected return on plan assets	(81.53)	(72.30)
Net actuarial gain / (loss) recognized in the year	(19.61)	182.17
Net cost recognized in the Statement of Profit and Loss (included under Contributions to provident and other funds) Refer Note 25	39.33	238.05

Change in Plan Assets:

(Rupees in lac)

Particulars	2015-16	2014-15
Fair value of plan assets at the beginning of the year	936.39	758.98
Expected return on plan assets	81.53	72.30
Contribution	259.00	180.00
Benefits paid (claim settled)	(93.58)	(91.31)
Actuarial gain / (loss) on plan assets	44.56	16.42
Fair value of plan assets at the end of the financial year	1227.90	936.39

b) Actuarial assumptions:

(Rupees in lac)

Particulars	2015-16	2014-15	2013-14
Discount Rate	7.90%	7.80%	9.10%
Salary escalation rate	7.00%	7.50%	7.50%
Demographic assumptions – Mortality	IALM (2006-08) Uit	IALM (2006-08) Uit	IALM (2006-08) Uit
Demographic assumptions – Withdrawal	3%	4%	3%
Experience adjustments (Details disclosed to the extent available):			
Experience adjustments on plan liabilities - (loss) / gain	(471.62)	(113.39)	(76.28)
Experience adjustments on plan assets - (loss) / gain	44.56	16.42	(74.94)

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. 203.07 lac (Previous year is Rs. 42.00 lac)

Compensated absences

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

Particulars	2015-16	2014-15
Discount Rate	7.90%	7.80%
Salary escalation rate	7.00%	7.50%
Attrition rate	3%	4%

With respect of proportionate share in Joint venture - Jointly controlled entities

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 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 2016	Year ended 31 March 2015
Statement of Profit and Loss		
Net employee benefit expense (recognised in Personnel expenses)		
Current service cost on Benefit Obligations	4.38	5.48
Interest cost on Benefit Obligations	7.46	8.87
Expected return on plan assets	(5.53)	(8.04)
Net actuarial (gains) / losses recognised in the year	32.62	(14.31)
Net (Benefit) / Expense	38.93	(8.01)
Actual return on plan assets	5.53	8.04
Balance Sheet		
Details of Provision for gratuity		
Defined benefit obligation	111.95	93.26
Plan Liability / (Asset)	70.60	86.10
	41.35	7.16
Changes in the present value of the defined benefit obligation are as follows:		
Opening defined benefit obligation	93.26	110.88
Adjustment to opening balance of past service cost	0.00	0.00
Current service cost	4.38	5.48
Interest cost	7.46	8.87
Actuarial (gains) / losses on obligation	32.62	(14.31)
Benefits paid	(25.78)	(17.65)
Closing defined benefit obligation	111.95	93.27
Changes in the fair value of the plan assets are as follows:		
Opening fair value of plan assets	86.10	95.18
Expected return	5.53	8.02
Actuarial gains / (losses)	-	-
Contributions by employer	4.75	0.55
Benefits paid	(25.78)	(17.65)
Closing fair value of plan assets	70.60	86.10

The principal actuarial assumptions used in determining gratuity obligation for the Company's plans are shown below:

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Discount rate	8.00%	8.00%
Salary Escalation	5.00%	5.00%
Expected Return on Assets	8.35%	8.35%
Attrition	10.00%	10.00%
Mortality	LIC (2006-08) Ultimate Mortality Table	IALM(2006-08) Ultimate/LIC(1994-96) Ultimate

Estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant 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 37:

A Civil suit has been filed by one of the promoters – CPCL against the Company for Breach of Trust on MoU entered into between 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 38 SEGMENT REPORTING
Primary segment information (Business segments)

(Rupees in lac)

Particulars	Agro Inputs (Urea operations)	Petro chemicals	Others (Agribusiness)	Total
Segment revenue				
Sales to external Customers	182130.33 (207695.05)	11840.79 (15993.23)	684.31 (649.10)	194655.43 (224337.38)
Operating Income	944.11 (1050.38)	20.82 (88.05)	19.55 (10.92)	984.48 (1149.35)
Other Income	- (-)	- (-)	- (-)	- (-)
Unallocated income				13.25 (10.98)
Inter segment Revenue	- (-)	- (-)	- (-)	- (-)
Total Revenue	183074.44 (208745.43)	11861.61 (16081.28)	703.86 (660.02)	195653.16 (225497.71)
Elimination of inter segment sales	- (-)	- (-)	- (-)	- (-)
Total Net Revenue	183074.44 (208745.43)	11861.61 (16081.28)	703.86 (660.02)	195653.16 (225497.71)
Segment results	6441.78 (6710.54)	(102.01) (-584.11)	(135.47) (-399.14)	6204.29 (5727.29)
Unallocated expenditure net of unallocated income				1646.45 (1726.83)
Profit before interest and taxation				4557.83 (4000.46)
Finance Cost				1455.37 (3157.50)
Profit before taxation				3102.47 (842.96)
Provision for taxation				0.42 (-309.80)
Profit after Taxation				3102.05 (1152.76)

Particulars	Agro Inputs (Urea operations)	Petro chemicals	Others (Agribusiness)	Total
Share of Profit of Associate				- (-115.82)
Net Profit for the year				3102.05 (1036.94)
Other Information				
Segment assets	147077.33 (120275.03)	10257.87 (13910.99)	2053.26 (2159.13)	159388.46 (134469.29)
Unallocated corporate Assets				7581.63 (10635.05)
Total Assets				166970.09 (145104.34)
Segment liabilities	117446.87 (94422.00)	3703.04 (6105.10)	168.61 (1810.18)	121318.52 (102337.28)
Unallocated corporate Liabilities				14501.24 (14718.70)
Total Liabilities				(117055.98) (117932.74)
Capital expenditure (allocable)	982.12 (1267.77)	- (-)	14.69 (1619.72)	996.80 (2887.49)
Capital expenditure (Unallocable)				90.87 (36.40)
Depreciation (allocable)	2853.35 (2695.08)	297.62 (348.74)	45.92 (239.47)	3196.89 (3283.29)
Depreciation (Unallocable)				36.35 (103.98)
Non-cash expenditure other than depreciation (allocable)	125.18 (383.94)	- (11.49)	- (0.61)	125.18 (396.03)
Non-cash expenditure other than depreciation (unallocable)				179.66 (31.60)

Segment Reporting (Continued)

(Rupees in lac)

Secondary segment Information (Geographical Segments)	Revenue	Carrying amount of segment assets	Capital Expenditure
Within India	195639.90 (225486.73)	159388.46 (134469.29)	996.80 (2887.49)
Outside India	- (-)	- (-)	- (-)
Total	195639.90 (225486.73)	159388.46 (134469.29)	996.80 (2887.49)

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 fertilisers
- (ii) Petrochemicals - includes Polyester Filament Yarn and Purified Terephthalic Acid
- (iii) Others - Tissue culture, Seeds, Chemicals and Power

Revenue and expenses, which relates to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated expenditure net of unallocated income."

Unallocated corporate assets and unallocated corporate liabilities include the assets and liabilities which are not directly attributable to segments.

(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.

Note 39

With respect to the holding Company, there is no provision for tax under sec 115JB of the Income Tax Act, 1961, on the basis of the adjustment permissible under that section. No provision for tax is required to be made under other provision of the aforesaid act, in view of the carry forward losses / unabsorbed depreciation.

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	1 Tuticorin Alkali Chemicals and Fertilizers Limited 2 Gold Nest Trading Company Limited 3 PAPL (upto 2nd Nov 2015) (Associate of a jointly controlled entity)
Jointly controlled entities	1 Tamilnadu Petroproducts Limited 2 National Aromatics and Petrochemicals Corporation Limited
Key Management Personnel	1 Thiru. Ashwin C Muthiah 2 Thiru. K.K. Rajagopalan - upto 30 September 2014 3 Thiru S.R. Ramakrishnan - From 30 July 2014 4 Thiru. Muthukrishnan Ravi, Managing Director of Jointly controlled entity 5 D.Senthikumar, Whole Time Director

Nature	Parties
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 Solutions Private Limited 13 EDAC Automation Limited 14 Totalcomm Infra Service Private Limited 15 Twinshield Consultants Private Limited 16 AM International Holdings Pte Ltd, Singapore 17 SPIC Group Companies Employees Welfare Foundation 18 AM Corporate Social Responsibility Foundation
Others	1 Tamilnadu Industrial Development Corporation Limited (Promoter of a Jointly controlled entity)

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

(Rupees in lac)

S.No	Particulars	As at 31 March 2016	As at 31 March 2015
A	BALANCE OUTSTANDING AS AT 31.03.2016		
(a)	Receivables including Advances		
	Tamilnadu Petroproducts Limited	0.94	-
	Tuticorin Alkali Chemicals and Fertilizers Limited	2746.85	2251.50
	Greenstar Fertilizers Limited	8.71	0.06
	National Aromatics and Petrochemicals Corporation Limited*	1487.36	1486.48
	Wilson International Trading India Private Limited	0.03	0.04
	Manali Petrochemicals Limited	0.30	21.17
	Petro Araldite Private Limited	16.75	16.75
	EDAC Engineering Limited	24.99	68.93
	EDAC Automation Limited	0.20	16.38
	Totalcomm Infra Service Private Limited	0.24	0.10
	Twinshield Consultants Private Limited	36.45	
	Lotus Fertilizers Private Limited	135.02	
(b)	Payables		
	Wilson International Trading India Private Limited	-	486.12
	Manali Petrochemicals Limited	-	18.41
	Greenstar Fertilizers Limited	1274.37	1620.05
	Sicagen India Limited	8.43	3.36
	EDAC Engineering Limited	4.01	-
	Wilson International Trading Pte. Ltd, Singapore	2113.80	41541.50
	EDAC Automation Limited	16.46	-
	Tamilnadu Petroproducts Limited	-	4.29

Related parties disclosure (Continued)

S.No	Particulars	As at 31 March 2016	As at 31 March 2015
	EDAC Staffing Solutions Private Limited	0.46	0.43
	Lotus Fertilizers Private Limited	-	521.00
	SPIC Officers and Staff Welfare Foundation	-	2.96
(c)	Guarantee Received		
	Manali Petrochemicals Limited	-	2500.00
(d)	Loans including interest		
	Greenstar Fertilizers Limited	-	7022.00
(e)	Share Capital including Securities premium		
	AMI Holdings Private Limited	6523.42	6523.42
(f)	Deposit		
	Deposit with Manali Petrochemicals Limited	-	39.86
	Deposit received from Petro Araldite Private Limited	-	49.33
(g)	Trade Advance		
	Manali Petrochemicals Limited	-	33.18

* Dues have been fully provided for.

S.No	Particulars	For the year 2015-16	For the year 2014-15
B	TRANSACTIONS DURING THE YEAR.		
1	Sale of goods		
	Tuticorin Alkali Chemicals and Fertilisers Limited	488.21	473.92
	Greenstar Fertilizers Limited	204.58	290.92
	Wilson International Trading India Private Limited	72.12	113.87
	Lotus Fertilizers Private Limited	304.10	-
	Manali Petrochemicals Limited	113.34	256.43
2	Purchase of materials		
	Tuticorin Alkali Chemicals and Fertilizers Limited	0.98	0.98
	Manali Petrochemicals Limited	-	0.12
	Greenstar Fertilizers Limited	1833.70	1420.24
	Tamilnadu Petroproducts Limited	18.07	14.94
	Wilson International Trading Pte Ltd, Singapore	10196.63	64631.12
	Sicagen India Limited	74.87	184.26
	Lotus Fertilizers Private Limited	-	1775.25
3	Reimbursement of Expenses (Receipts)		
	Wilson International Trading India Private Limited	-	0.01
	Tuticorin Alkali Chemicals and Fertilizers Limited	0.01	0.01
	Greenstar Fertilizers Limited	4.59	3.95
	Sicagen India Limited	0.06	4.55
	National Aromatics and Petrochemicals Corporation Limited	0.87	1.86
	EDAC Engineering Limited	0.09	0.28
	EDAC Staffing Solutions Private Limited	0.05	0.05
	Totalcomm Infra Service Private Limited	0.21	0.19
	AM Corporate Social Responsibility Foundation	0.06	-
	SPIC Officers and Staff Welfare Foundation	1.98	-
4	Sale of assets		
	Manali Petrochemicals Limited	4.47	2.24
5	Reimbursement of Expenses (Payments)		
	Greenstar Fertilizers Limited	3.64	10.54
	Sicagen India Limited	-	0.82
	South India Travels Private Limited	0.19	-

S.No	Particulars	For the year 2015-16	For the year 2014-15
6	Income from services rendered		
	Manali Petrochemicals Limited	4.18	4.65
	Tuticorin Alkali Chemicals and Fertilizers Limited	9.09	8.66
	Greenstar Fertilizers Limited	1038.45	1046.87
	Wilson International Trading India Private Limited	0.41	0.47
	Sicagen India Limited	2.74	2.28
	Petro Aradite Private Limited	-	106.70
	Tamilnadu Petroproducts Limited	1.92	1.28
	EDAC Engineering Limited	11.34	20.23
	EDAC Automation Limited	1.10	1.55
	EDAC Staffing Solutions Private Limited	0.37	0.31
	Totalcomm Infra Service Private Limited	0.87	0.83
7	Services / Consultancy charges		
	Manali Petrochemicals Limited	2.58	86.81
	Greenstar Fertilizers Limited	392.99	598.77
	Tamilnadu Petroproducts Limited	0.11	-
	EDAC Automation Limited	211.06	53.06
	EDAC Staffing Solutions Private Limited	-	1.64
	Sicagen India Limited	3.13	-
	EDAC Engineering Limited	4.03	-
8	Income from Rentals		
	Greenstar Fertilizers Limited	23.79	96.04
	Sicagen India Limited	-	7.19
	EDAC Engineering Limited	-	17.52
9	Dividend Income		
	Manali Petrochemicals Limited	0.05	0.05
	Sicagen India Limited	3.47	4.62
10	Managerial Remuneration		
	Thiru. K.K. Rajagopalan	-	23.40
	Relating to Jointly Controlled Entity	5.76	6.15
	Thiru. S R Ramakrishnan	65.74	32.36
11	Rent Paid		
	Greenstar Fertilizers Limited	2249.72	270.21
12	Sitting Fees		
	Thiru. Ashwin C Muthiah	2.00	1.70
	Tamilnadu Industrial Development Corporation Limited	-	0.63
13	Trade advance received		
	Greenstar Fertilizers Limited	5588.76	8095.71
	Manali Petrochemicals Limited	-	16.93
14	Trade advance repaid / returned		
	Wilson International Trading India Private Limited	-	550.00
	Greenstar Fertilizers Limited	5100.00	2209.00
15	Provision for doubtful advances		
	National Aromatics and Petrochemicals Corporation Limited	-	1.86
16	Special Rebate Paid		
	Wilson International Trading India Private Limited	11.72	279.90

Related parties disclosure (Continued)

S.No	Particulars	For the year 2015-16	For the year 2014-15
17	Loans Repaid		
	AMI Holdings Private Limited	-	3147.58
	Bengal Auto Parts Private Limited	-	6835.00
18	Interest on Borrowings paid		
	AMI Holdings Private Limited	-	264.76
	Bengal Auto Parts Private Limited	-	792.10
	Greenstar Fertilizers Limited	41.37	439.22
19	Interest on borrowings		
	AMI Holdings Private Limited	-	210.84
	Bengal Auto Parts Private Limited	-	457.85
	Greenstar Fertilizers Limited	-	488.02
20	Borrowings		
	Greenstar Fertilizers Limited	158.00	13906.39
21	Borrowings repaid		
	Greenstar Fertilizers Limited	7180.00	6884.39
22	Payables		
	Greenstar Fertilizers Limited	-	58.87
23	Payables Repaid		
	Greenstar Fertilizers Limited	-	58.87
24	Advances Received		
	SPIC Officers and Staff Welfare Foundation	-	3.00
25	Rental Deposits Repaid		
	Sicagen India Limited	-	9.13
26	Demurrage Charges		
	Wilson International Trading Pte. Ltd, Singapore	896.33	205.58
27	Car Rental Charges- (Payment)		
	South India Travels Private Limited.	34.36	42.53
28	Deposit given / received for directors appointment		
	Tuticorin Alkali Chemicals and Fertilizers Limited	1.00	-
	SPIC Officers and Staff Welfare Foundation	4.00	-
29	Purchase of fixed assets		
	Greenstar Fertilizers Limited	-	1600.00
30	Transfer of fixed assets		
	Greenstar Fertilizers Limited	-	137.72

S.No	Particulars	For the year 2015-16	For the year 2014-15
31	Purchase of car South India Travels Private Limited	13.00	-
32	Interest paid on Trade Advance Manali Petrochemicals Limited	-	23.22
33	Advance Twinshield Consultants Private Limited	36.45	-

Note 41 Earnings per share

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Face Value per share (In Rupees)	10	10
Profit for the year (Rupees in lac)	3102.05	1036.94
Less: Arrears of Preference Dividend (Refer Note 31 (c))	182.54	182.04
Profit for the year after preference dividend (Rupees in lac)	2919.51	854.90
Basic		
Weighted Average Number of shares outstanding	203640336	203640336
Earnings per share (In Rupees)	1.43	0.42
Diluted		
Weighted Average Number of shares outstanding	203640336	203640336
Earnings per share (In Rupees)	1.43	0.42

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	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%	22347.17	80%	2477.24
Joint Ventures (as per proportionate consolidation)				
Indian				
1 Tamilnadu Petroproducts Limited	19%	5118.88	20%	624.81
2 National Aromatics and Petrochemicals Corporation Limited	0%	(9.05)	0%	-
Total	100%	27457.00	100%	3102.05

Note 43**With respect to the jointly controlled entity:**

- (a) During December 2015 to January 2016, the operations of the Company was significantly impacted due to unprecedented rainfall, consequent flooding and power interruptions and LAB and HCD Plants were shut down for 55 days and 44 days respectively during that period. An interim compensation of Rs. 2100 lac was received from the Insurance company against the claims submitted by the Company. The final assessment is pending to be completed as on the Balance sheet date. The claim will be recorded in the books upon completion of assessment by the Insurance company.
- (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 power and salt, the main raw materials. 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 4752.23 lac (Proportionate share - Rs 804.55 lac (excluding land cost) (previous year 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 financial statement for the year ended 31 March 2016 in its meeting held on 30 May 2016.

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	As per Note below
Total Assets	
Total Liabilities	
Investments	
Turnover	
Profit before taxation	
Provision for taxation	
Profit after taxation	
Proposed Dividend	
% of shareholding	

Notes:

- The Company's investments included Rs. 18453.62 lac (Previous Year Rs. 18453.62 lac) in equity share capital of SPIC Fertilizers 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 Trade Zone, Dubai. Since the project did not materialize due to non allocation of gas, the said subsidiary company had decided to wound up as on 29 February 2016. SFCL Mauritius has approved the decision of SFC FZE, Dubai to effect winding up. The accounts of SFC FZE Dubai and SCFL Mauritius have been audited for the years ending 31.03.2010 to 31.03.2015.

The Company, in the Board Meeting held on 6 November 2015, had decided to wind up SFCL Mauritius and write off the investments, subject to getting the approval of the Regulatory Authorities concerned. However full provision has been made for the Investments in earlier years. Hence the financial statements of the subsidiary company, SFCL Mauritius have not been considered for consolidation“.

- 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 Fertilizers Limited	Gold Nest Trading Company Limited	National Aromatics and Petrochemicals Corporation Limited	Tamilnadu Petroproducts Limited
1. Latest audited Balance Sheet Date	31-Mar-16	31-Mar-16	31-Mar-16	31-Mar-16
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)	(5442.01)	442.06	(9.05)	5118.88
6. Profit / Loss for the year				
i. Considered in Consolidation	-	-	-	624.80
ii. Not Considered in Consolidation (Rs. in lacs)	1518.71	(0.50)	-	-

1. Names of Associates or Joint Ventures which are yet to commence operations - National Aromatics and Petrochemicals Corporation Limited

For and on behalf of the Board of Directors

ASHWIN C MUTHIAH
Chairman

T K ARUN
Director

SASHIKALA SRIKANTH
Director

S R RAMAKRISHNAN
Whole-Time Director

 Place : Chennai
Date : 30 May 2016

A V KUMAR
Chief Financial Officer

M B GANESH
Secretary

Notes



A sheet of lined paper with horizontal dotted lines for writing. The lines are evenly spaced and extend across the width of the page, providing a template for taking notes.



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) of _____ shares of the above named Company, hereby appoint

- Name : Address :
E-mail Id : Signature :, or failing him
- Name : Address :
E-mail Id : Signature :, or failing him
- 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 45th Annual General Meeting of the Company, to be held on Tuesday, the 20th day of September 2016 at 10.30 a.m. at Rajah Annamalai Mandram, Chennai and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No	Resolution / Subject	For	Against
1	To consider and adopt a. The audited financial statement of the Company for the financial year ended 31st March 2016 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 2016		
2	Appointment of Thiru B Elangovan, as Director of the Company.		
3	Appointment of Statutory Auditors.		
4	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/-		
5	Investment in Power Generation Companies		

Signed this day of 2016

Signature of the shareholder

Signature of the Proxy holder(s)

Affix Re 1/- Revenue Stamp

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.

Notes

A series of horizontal dotted lines for writing notes.



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” Esplanade, 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 **45th Annual General Meeting** of the Company at “RAJAH ANNAMALAI MANDRAM” Chennai- 600 108 on Tuesday, the **20th September 2016 at 10.30 a.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.