

SPIC Ltd

Unaudited financial results (provisional) for the quarter ended 30 June 2004 (Rupees in Lacs)

S.No.	Description	Quarter ended 30th June 2004 (Unaudited)	Quarter ended 30th June 2003 (Unaudited)	Year ended 31st March 2004 (Audited)
1	Sales/Income from Operations	33060.26	26728.56	148889.20
2	Other Income	321.09	225.97	1947.33
3	Total Expenditure			
	(Increase)/decrease in stock in trade	(4020.91)	(9125.51)	1407.01
	Consumption of raw materials	21417.93	17785.55	76890.80
	Purchase of finished goods	253.54	194.44	826.22
	Power, fuel and water charges	6168.08	6964.28	25450.39
	Staff cost	2070.07	1852.78	8775.17
	Other expenditure	7198.28	5007.61	29408.83
4	Interest	4347.20	4,553.45	4894.91
5	Depreciation	1047.58	1053.54	4124.58
6	Profit/(Loss) before tax (1+2-3-4-5)	(5100.42)	(1331.61)	(941.38)
7	Provision for Taxation	-	-	-
8	Net Profit/(loss) (6-7)	(5100.42)	(1331.61)	(941.38)
9	Paid-up Equity Share Capital (face value Rs.10 per share)	8804.77	8804.77	8804.77

10	Advance towards Share Capital	1960.49		1960.49
11	Reserves excluding Revaluation Reserves			23622.35
12	Debit balance in Profit and loss account			33524.99
13	Basic and diluted EPS (not annualised) (Rs.)	(5.84)	(1.56)	(1.26)
14	Aggregate of Non-promoter shareholding			
	- Number of Shares	61591419	61591419	61591419
	- Percentage of Shareholding	69.95	69.95	69.95

Notes

1. The Ammonia / Urea plants were stopped for turnaround maintenance from 25th March 2004 to 24th April 2004.
2. Credit for subsidies receivable from the Government of India is taken, based on the provisional rates notified by the Government, from time to time. Also, credit has been taken for increase on account of input cost escalation, which is expected to be announced by the Government of India.
3. The promoters have brought in a sum of Rs.1960.49 lacs, as of 30th June, 2004, pursuant to the Corporate Debt Restructuring package, according to which a sum of Rs.2000 lacs was to be brought in, as equity contribution, at par. The balance amount of Rs. 39.51 lacs has since been brought in by the promoters.
4. No provision has been made in these accounts for the accumulated net deferred tax liability upto 31st March, 2001 amounting to Rs.11389 lacs as an interim stay of clause 33 of Accounting Standard 22 –'Accounting for taxes on income' - has been obtained from the Madras High court. Clause 33 of the above standard provides that the net deferred tax liability accumulated up to 31st March, 2001 should be provided for, with a corresponding charge to revenue reserves. On a transfer petition filed by the Institute of Chartered Accountants of India before the Supreme Court of India, the Honourable Court directed that all similar petitions filed in different High Courts be transferred to the Calcutta High Court. The petition is yet to be disposed by the Calcutta High Court.
5. The foreign exchange fluctuation on the amounts outstanding in assets and liabilities as on 30th June 2004 amounting to Rs.2854.33 lacs has not been considered. The same will be considered in the year end. If considered, the loss for the quarter would be higher by this amount.
6. The qualifications made by the Auditors' in their audit report on the accounts of the Company for the year ended 31st

6. The qualifications made by the Auditors' in their audit report on the accounts of the Company for the year ended 31st March, 2004, the explanation of the Board thereon and updated position as on 30th June 2004 are as under:

- a) Auditor's qualification: "An advance of Rs. 24,800.00 lacs given to SPIC Petrochemicals Limited in earlier years against equity, has been converted during the year into investments in equity shares of that Company. The company has also accrued the interest on advances till 31st March 2002, amounting to Rs. 30609.63 lacs (including Rs. 10573.31 lacs recognised during the year) against which the company has issued Zero bonds repayable in ten equal half yearly instalments commencing after total repayment of the term loans to the lenders or 12 years from the commencement of commercial production whichever is earlier. Apart from the above, contract in progress (net of progress payments received) and other receivable include Rs. 214.13 lacs receivable from that company. In view of the delay in the implementation of the project we are unable to express an opinion on the amount of provision that may be required for the ultimate shortfall in realisation of these assets".

Explanation: The Company is in the process of identifying a strategic partner to invest in the project and on execution of the Memorandum of Settlement, settle the compensation payable to Chennai Petroleum Corporation Limited and have the stay vacated by the Madras High Court. The Company is hopeful that the project will be implemented on resolving all the issues.

Updated figures as on 30th June, 2004 are same as above.

- b) Auditor's qualification: "In respect of investments of Rs. 7,644.90 lacs, loans of Rs.4,900.80 lacs, advance against equity of Rs.1,000.00 lacs, Gu
Explanation: In view of the long term involvement with these companies, the Company is of the view that no provision is required to be made for the

Updated figures as on 30th June, 2004: Investments of Rs. 7,644.90 lacs, loans of Rs.4,900.80 lacs, advance against equity of Rs.1,000.00 lacs, G

- c) Auditor's qualification: "Consequent to the change in the policy parameters for the 7th and 8th pricing periods there was a revision in the retentive
Pending making the claim and the uncertainty involved in its acceptance by the Government, we are unable to express an opinion on the recoverability

Explanation: The Company is endeavoring to receive the said amount from the Government of India in a phased manner by impressing the Government

Updated figures as on 30th June, 2004 are same as above.

- d) Auditor's qualification: "The Company has preferred claims with the Government towards inventory carrying costs etc., amounting to Rs.358

Explanation : The total claim of Rs 3586.97 lacs is being followed up with Agri India and the Company expects to realise the claim
Updated figures as on 30th June, 2004 are same as above.

- e) Auditor's qualification: "Inter-corporate deposits amounting to Rs. 675 lacs given to four companies in 1999 are yet to be

Explanation: Efforts are being made to recover these amounts and the Company is of the view that no loss will arise on this
Updated figures as on 30th June, 2004 are same as above.

f) Auditor's qualification: "Interest relief of Rs.1827.88 lacs (including Rs. 943.90 lacs for the year) were availed from two len
Explanation:. With majority of the lenders giving consent, the restructuring of the Debt Portfolio under the Corporate Debt R

Updated figures as on 30th June, 2004: Interest relief is Rs.2069.74 lacs (including Rs. 241.86 lacs for the quarter).

7. During the quarter ended 30th June, 2004, three investor complaints were received and resolved. No investor compla

The above results were approved by the Board at its meeting held on 31st July 2004.

For and on behalf of the Board

31st J
Chennai

M.G. Thirunavukkarasu

Finance Director

guarantees of Rs. 1,825.00 lacs, interest and other receivables of Rs. 9529.46 lacs due from certain promoted companies, no provision has been made on the above investments, loans, advance against equity, guarantees, interest and other recoverables. Moreover, two companies have improved the

guarantees of Rs. 1,825.00 lacs, interest and other receivables of Rs. 9640.55 lacs aggregating to Rs. 25011.25 lacs

on price of urea. The Company has taken a view that some of the policy parameters cannot be amended retrospectively and has reworked the eligibility of the above referred subsidy of Rs. 36,954.74 lacs".

ment of the various issues involved.

Rs. 16.97 lacs which are outstanding for a considerable period of time. We are unable to express an opinion on the recoverability of the above amount

Rs. amounts in due course.

Rs. recovered with interest and Rs. 1156.79 lacs (net of provision) is due from a Company which is in financial difficulties. We

account.

lenders who are yet to confirm their consent for the reduction in interest rate. Pending consent from the said lenders we are restructuring Mechanism (CDR) has been implemented during the year. The company is of the view that the remaining tv

amount was pending at the beginning and end of the said quarter.

made in the accounts. In view of the poor operating performance of these companies, in our opinion, the possibility of full recovery is remote. Their operating performance and have reported profits.

subsidy disregarding these amendments to the policy parameters as well as other disallowances made by the Government in its computation of

ents”.

we are unable to express an opinion on the recoverability of the above amounts”.

is unable to express an opinion on this matter”.

No lenders would give consent for the reduction in interest rate.

he estimate of the loss has not been made by the Company. We are unable to express an opinion on the amount of provision that may be requ

retention price. As per these reworkings the Company has retained the subsidy of Rs.36,954.74 lacs accrued in the books upto 31st March 20

ired against the above investments, loans, advance against equity, guarantees, interest and other receivables aggregating to Rs. 24,900.16 lac

02 over and above the subsidy already granted by the Governmen

8".

