49th ANNUAL REPORT
2019 - 20

SOUTHERN PETROCHEMICAL INDUSTRIES CORPORATION LIMITED

SOUTHERN PETROCHEMICAL INDUSTRIES CORPORATION LIMITED

Board of Directors (as on 12th August 2020)

Ashwin C Muthiah	DIN 00255679	Chairman
Dr. K P Karthikeyan I.A.S	DIN 08218878	Director (from 24th March 2020)
E Sundaravalli I.A.S	DIN 08769721	Director (from 12th August 2020)
B Narendran	DIN 01159394	Independent Director
Sashikala Srikanth	DIN 01678374	Independent Director
S Radhakrishnan	DIN 00061723	Independent Director
Debendranath Sarangi I.A.S. (Retd)	DIN 01408349	Independent Director
Rita Chandrasekar	DIN 03013549	Independent Director (from 14th November 2019)
T K Arun	DIN 02163427	Director
S R Ramakrishnan	DIN 00120126	Whole-time Director

Secretary

M B Ganesh

Chief Financial Officer

K R Anandan

Statutory Auditors

MSKA & Associates
Chartered Accountants
5th Floor, Main Building, Guna Complex
New No. 443 & 445, Old No.304 & 305
Mount Road, Teynampet
Chennai 600 004

Registered Office

SPIC House, No. 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

Plant

SPIC Nagar, Muthiapuram,
Tuticorin 628 005
Phone : 0461-2355525
Fax : 0461 2355588
E-mail : spiccorp@spic.co.in

Registrar and Share Transfer Agents

Cameo Corporate Services Limited
“Subramanian Building”
No 1 Club House Road, Chennai 600 002
Tel: 044-28460390 / 28460718
Fax : 044–28460129
E-mail : investor@cameoindia.com

Bankers

HDFC Bank Limited
Bank of India
State Bank of India

CONTENTS

SOUTHERN PETROCHEMICAL INDUSTRIES CORPORATION LIMITED

Registered Office: "SPIC House", No. 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 NINTH ANNUAL GENERAL MEETING** of the Members of Southern Petrochemical Industries Corporation Limited will be held on Friday, 18th September 2020 at 2:00 PM (IST) through Video Conferencing (VC) / Other Audio Visual Means (OAVM), to transact the following business:

ORDINARY BUSINESS:

1. Adoption of Financial Statements

"RESOLVED THAT

a. The audited standalone financial statement of the Company for the year ended 31st March 2020 and the Reports of the Board of Directors and Auditors thereon;

b. The audited consolidated financial statement of the Company for the year ended 31st March 2020 and the Report of the Auditors thereon;

be and are hereby received and adopted."

2. Appointment of Director

"RESOLVED THAT Mr. T K Arun, Director (DIN: 02163427), retiring by rotation, eligible for re-appointment and having offered himself for re-appointment be and is hereby re-appointed as Director of the Company."

SPECIAL BUSINESS:

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

"RESOLVED THAT Dr. K P Karthikeyan, I.A.S, (DIN: 08218878), Nominee Director of Tamilnadu Industrial Development Corporation Limited, pursuant to Section 161 and other applicable provisions, if any, of the Companies Act, 2013, and the Articles of Association of the Company, be and is hereby appointed as Director of the Company liable to retire by rotation.

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

"RESOLVED THAT Ms. E Sundaravalli I.A.S, (DIN: 08769721), Nominee Director of Tamilnadu Industrial Development Corporation Limited, pursuant to Section 161 and other applicable provisions, if any, of the Companies Act, 2013, and the Articles of Association of the Company, be and is hereby appointed as Director of the Company liable to retire by rotation."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (the Act) and the Rules made there under including any statutory modification(s) or re-enactment thereof for the time being in force read with Schedule IV of the Act and Regulations 16 (1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the appointment of Ms. Rita Chandrasekar (DIN: 03013549) as Independent Director of the Company and to hold office for a period of five years from 14th November 2019 be and is hereby approved."

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

"RESOLVED THAT pursuant to the provisions of 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 M/s. B Y & Associates, Chennai, Cost Accountants, (Firm Registration No. 003498) 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 2021, on a remuneration of ₹1,50,000/- (Rupees One lakh fifty thousand only) subject to applicable taxes and levies be and is hereby approved and ratified."

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

"RESOLVED THAT pursuant to the provisions of Section 186 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under including any statutory amendment(s), modification(s) and re-enactment thereof for the time being in force, the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company to exercise its power to give guarantee and / or provide security in favour of M/s. New India Co-operative Bank Limited, Mumbai, (the Bank) for a value not exceeding ₹100 crores (Rupees One Hundred Crores only) for securing the repayment of a loan of ₹100 crores to be availed by the Dealers of the Company from the Bank, notwithstanding that the aggregate of the loans given or guarantees provided or securities subscribed/acquired or loans/guarantees to be given or securities to be subscribed/acquired by the Company exceed the limits approved by the Members for giving loans/providing guarantee/ investing in securities."

"**RESOLVED FURTHER THAT** the Board of Directors (which term shall include a Committee of Directors constituted for this purpose or any Director or Officer of the Company authorised in this regard) be and is hereby authorized to take such steps as may be necessary in relation to the above and to settle all matters arising out of and incidental thereto, to sign and to execute deeds, applications, documents and writings that may be required on behalf of the Company for giving effect to this Resolution."

(By order of the Board)
For Southern Petrochemical
Industries Corporation Limited

Place : Chennai
Date : 12th August 2020

M B Ganesh
Secretary

NOTES:

a. In view of the Covid-19 pandemic prevailing since March 2020, the Ministry of Corporate Affairs vide its Circular dated April 8, 2020, April 13, 2020 & May 5, 2020 and SEBI's Circular No. SEBI/HO/ CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 hereinafter referred to as "the Circulars" permitted the holding of the Annual General Meeting through VC / OAVM without the physical presence of the Members at a common venue. Accordingly, the 49th Annual General Meeting (AGM) of the Company will be held through VC / OAVM. Hence, Members are requested to attend and participate in the ensuing AGM through VC/OAVM.

b. Share Transfer Register of the Company will remain closed from to Saturday, 12th September 2020 to Friday, 18th September 2020 (both days inclusive).

c. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013, (the Act) in respect of items 3 to 7 is annexed hereto.

d. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since the AGM is being held through VC / OAVM, pursuant to the Circulars, physical attendance of Members has been dispensed with / is not permitted. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the Members such as the President of India or the Governor of a State or Body Corporate can attend the AGM through VC/ OAVM and cast their votes through E-Voting by forwarding the resolution authorizing them to attend and vote to the Scrutinizer or RTA.

e. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and as per the Circulars the Company the Company is providing facility of remote E-Voting to its Members in respect of the business to be transacted at the AGM. The facility of casting votes by a Member using Remote E-Voting as well as the E-Voting system on the date of the AGM will be provided by Central Depository Services (India) Limited (CDSL). The Board has appointed M/s. B Chandra & Associates. Practicing Company Secretaries, as the Scrutinizer to scrutinize the E-Voting in a fair and transparent manner.

f. The Members can join the AGM in the VC/OAVM mode 15 minutes before or after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction.

g. i) Members holding shares in physical form are advised to inform the Company of any change in address or demise of any Member. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Company / RTA, for consolidation into a single folio.

ii) Members who have not yet updated/registered their email address and in consequence could not receive the Notice and Annual Report may get their email address registered with the RTA, Cameo Corporate Services Limited by following the below instructions.

For Physical Holding -

a) Send email to the Registrar and Transfer Agents of the Company, Cameo Corporate Services Ltd. ("Cameo") at investor@ cameoindia.com along with the scanned copy of the request letter to update/register email address duly signed by sole/first shareholder quoting the Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self -attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) for registering email address.

b) Alternatively, The Member may visit https://investor.cameoindia.com/ and follow the guidance for submission of the information online for registering the email and mobile number etc.,

Demat Holding -
Please contact your Depository Participant (DP) and register your email address. Members are also requested to ensure that the option to receive the Notice of AGM and Annual Report by email has been duly exercised and registered with the DP.

iii) The Company has issued Newspaper Advertisements on 1st June 2020 in Financial Express (All Edition) & Makkal Kural and on 15th August 2020 in Business Standard (All Edition) and Makkal Kural requesting Shareholders to Update/Register their email IDs with the Company/RTA to enable the Company to send all the Notices of the Company to the Shareholders electronically.

h. As per Regulation 40 of SEBI (LODR) Regulations, as amended, effective 1st April, 2019, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository.

i. Details furnished under Regulation 26 & 36 of SEBI (LODR) Regulations, 2015 in respect of the Directors seeking appointment / re-appointment at the AGM shall form integral part of the Notice. Such Directors have furnished the requisite declarations for their appointment / re-appointment.

j. In compliance with the Circular, Notice of the AGM along with the Annual Report 2019-20 are being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories/Registrars and Share Transfer Agents.

k. Members may also note that the Notice and the Annual Report will be available on the website of the Company, website of the National Stock Exchange, and the website of CDSL www.evotingindia.com

l. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Act.

m. The voting rights of Members shall be in proportion to the shares held by him to the paid-up equity share capital in the Company held as on 11th September 2020, the cut-off date.

n. 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 the working days between 11:00 A.M. (IST) and 1:00 P.M. (IST) prior to the date of the Meeting.

THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:

(i) The Remote E-voting period begins on Tuesday, 15th September 2020 at 9:00 A.M. (IST) and ends on Thursday, 17th September 2020 at 5:00 P.M. (IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 11th September 2020 may cast their vote electronically. The E-Voting module shall be disabled by CDSL for voting thereafter.

(ii) The facility for E-voting will also be made available during the AGM. Members participating in the AGM through VC/OAVM and who have not cast their vote on the resolutions through remote E-Voting and are otherwise not barred from doing so, shall be eligible to vote through the E-Voting system during the AGM.

(iii) The shareholders should log on to the E-Voting website www.evotingindia.com.

(iv) Click on “Shareholders” module.

(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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL’s EASI/EASIEST e-services, you can log-in at https://www.cdslindia.com from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL’s EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

(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 E-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 Shareholders 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) • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number in your email indicated 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. • 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) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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 shareholders 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 "Southern Petrochemical Industries Corporation Limited" 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.

(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) Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to investor@cameoindia.com.

2. For Demat shareholders - please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to investor@cameoindia.com.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Shareholders will be provided with a facility to attend the AGM through VC/OAVM through the CDSL E-Voting system. Shareholders may access the same at https://www.evotingindia.com under shareholders/members login by using the remote E-Voting credentials. The link for VC/OAVM will be available in shareholders/members login where the EVSN of Company will be displayed.

2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.

3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. **i) Members desirous of speaking at the meeting may register through the web portal of the Registrar & Transfer Agent M/s. Cameo Corporate Services Limited through the following web-link: https://investors.cameoindia.com**

   ii) The above facility for participant registration will be open from Thursday, 10th September 2020 at 9:00 A.M (IST) to Monday, 14th September 2020 5:00 P.M (IST). It may please be noted that there will be no option for registration during the Meeting. Hence Shareholders who have registered through the above process only will be able to speak at the Meeting.

6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

7. Members who do not wish to speak during the AGM but have queries may send their queries on or before 14th September 2020, mentioning their name, demat account number/folio number, E-mail id, mobile number at shares.dep@spic.co.in. These queries will be replied to by the company suitably by email.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-

1. The procedure for E-Voting on the day of the AGM is same as the instructions mentioned above for Remote E-Voting.

2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote E-Voting and are otherwise not barred from doing so, shall be eligible to vote through E-Voting system available during the AGM.

3. If any Votes are cast by the shareholders through the E-Voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of E-Voting during the meeting is available only to the shareholders attending the meeting.

4. Shareholders who have voted through Remote E-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

(xx) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- 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.
- Alternatively, Non-Individual shareholders are required to send the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; bchandracosecy@gmail.com / shares.dep@spic.co.in (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL E-Voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & E-Voting from the E-Voting System, 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 or contact Mr. Nitin Kunder (022- 23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call 1800225533, 022-23058542 / 43.

Annexure to Notice

EXPLANATORY STATEMENT

PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

The following Explanatory Statement sets out the material facts on subjects referred in Item Nos. 3 to 7 of the Notice convening the 49th AGM:

ITEM No. 3

The Board of Directors, at their Meeting held on 24th March 2020 on the recommendation of the Nomination and Remuneration Committee had appointed Dr. K P Karthikeyan, I.A.S (DIN: 08218878), nominee of TIDCO as Additional Director of the Company pursuant to Section 161 of the Act, and will hold office upto the date of this AGM. Notice proposing his candidature has been received from TIDCO under Section 160 of the Act. The Board recommends the Ordinary Resolution in relation to the appointment of Dr. K P Karthikeyan, IAS as Director for approval by the Members of the Company as set out in Item No. 3 of the Notice.

Memorandum of Interest:

Except Dr. K P Karthikeyan, I.A.S and his Relatives, Ms. E Sundaravalli, I.A.S, Nominee Directors of TIDCO, none of the Directors, Key Managerial Personnel of the Company is interested in this Resolution.

ITEM No. 4

The Board of Directors, at their Meeting held on 12th August 2020 on the recommendation of the Nomination and Remuneration Committee had appointed Ms. E Sundaravalli, I.A.S (DIN 08769721), nominee of Tamilnadu Industrial Development Corporation Ltd. (TIDCO) as Additional Director of the Company pursuant to Section 161 of the Companies Act, 2013 (“the Act”) and will hold office upto the date of this AGM. Notice proposing her candidature has been received from TIDCO under Section 160 of the Act. The Board recommends the Ordinary Resolution in relation to the appointment of Ms. E Sundaravalli, I.A.S as Director for approval by the Members of the Company as set out in Item No. 4 of the Notice.

Memorandum of Interest:

Except Ms. E Sundaravalli, I.A.S and her Relatives, Dr. K P Karthikeyan, IAS, Nominee Director of TIDCO, none of the Directors, Key Managerial Personnel of the Company is interested in this Resolution.

ITEM No. 5

The Board of Directors, at their Meeting held on 14th November 2019 on the recommendation of Nomination and Remuneration Committee had appointed Ms. Rita Chandrasekar (DIN: 03013549) as Independent Director for a period of five years from 14th November 2019 pursuant to applicable provisions of the Act, and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (LODR). In the opinion of the Board, pursuant to proviso to Section 152 (5) of the Act, and LODR Ms. Rita Chandrasekar fulfills the conditions specified in the Act, and Rules made under for appointment as an Independent Director of the Company and is independent of the Management. Consent has been received from Ms. Rita Chandrasekar to hold Office as Independent Director of the Company. Notice proposing her candidature has been received as required under Section 160 of the Act. The Board recommends the Ordinary Resolution in relation to the appointment of Ms. Rita Chandrasekar as Independent Director, for approval by the Members of the Company as set out in Item No. 5 of the Notice.

Memorandum of Interest:

Except Ms. Rita Chandrasekar and her Relatives, none of the Directors, Key Managerial Personnel of the Company is interested in this Resolution.

ITEM No. 6

The Board of Directors, at their meeting held on 18th June 2020 on the recommendation of the Audit Committee, appointed M/s. B Y & Associates, Chennai, Cost Accountants, (Firm Registration No. 003498) as Cost Auditor at a remuneration of ₹1,50,000/- (Rupees One lakh fifty thousand only) subject to applicable tax and levies to conduct the cost audit pertaining to the cost accounts and records of the Fertilizers Division of the Company for the financial year ending 31st March 2021. 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.

The Board recommends the Ordinary Resolution as set out in Item No. 6 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending 31st March 2021.

Memorandum of Interest:

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

ITEM No. 7

The Company, as a business practice, has been receiving security deposits from the Dealers who hold Urea on behalf of the Company for sale to farmers for use in the business. The Company had approached the Dealers for increasing security deposit. The Dealers have agreed for making increased security deposit, but citing the financial crisis due to pandemic COVID-19, requested the Company to arrange for financial facility from the Bank. The Company had discussions with M/s. New India Co-operative Bank

Limited, Mumbai and the Bank has agreed to sanction loan facility not exceeding ₹100 crores to the Dealers on the following terms and conditions:

a) The loan amount shall be utilised by the Borrower (Dealer) for providing security deposit to the Company.

b) The Dealer shall create exclusive charge in favour of the Bank over the stocks and debtors of the Dealers as security.

c) The interest cost on the loan shall be borne by the Company.

d) The Company shall Guarantee the repayment of the loan to be availed by all the Dealers put together, for a value not exceeding ₹ 100 crores.

e) A Tripartite Agreement shall be executed between the Bank, Dealer(s) and the Company.

By this arrangement, the Company would be benefitted with availability of funds for meeting its working capital requirements.

As on date, the aggregate amount of the investments in shares/debentures, loans and guarantee(s)/security made, given or provided by the company to other bodies corporate are within the limits provided in Section 186 of the Companies Act, 2013. Since this proposal will be in excess of the prescribed limit specified in Section 186 of the Act, approval of the Shareholders of the Company is required.

Pursuant to the provisions of Section 186 of the Act, and Rules made thereunder, the Company is required to obtain prior approval of the Shareholders by a Special Resolution passed, if the amount of investment made, loan given, guarantee or security provided together with the value of the proposed guarantee exceeds sixty percent of the paid up share capital, free reserve and securities premium account or hundred percent of free reserves and securities premium account whichever is higher.

The Board recommends the Special Resolution as set out in Item No. 7 of the Notice to give guarantee in favour of M/s. New India Co-operative Bank Limited, Mumbai for a value not exceeding ₹ 100 Crores as security for the loan to be sanctioned to the Dealers.

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 Limited

Place : Chennai — M B Ganesh
Date : 12th August 2020 — Secretary

Details of the Directors seeking appointment/re-appointment at the 49th Annual General Meeting
[Pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

MR. T K ARUN

Mr. T K Arun, (DIN: 02163427), aged around 60 holds a Bachelor's Degree in Commerce and is an Associate Member of the Institute of Company Secretaries of India, New Delhi. He retired as the Senior General Manager and Secretary of TIDCO, wholly owned by the Government of Tamil Nadu and during his tenure with TIDCO he had served as Nominee Director of many companies assisted by TIDCO such as Titan Company Limited, Southern Petrochemical Industries Corporation Limited, Tamilnadu Petroproducts Limited, Ascendas IT Park Chennai Limited (Ascendas), Tanflora Infrastructure Park Limited, TIDEL Park Limited, Titan Time Products Ltd., TRIL Info Park Limited, Tamil Nadu Road Development Company Limited and Manali Petrochemicals Limited.

He was Member of Audit Committee and various other committees of the said companies. Has experience in investment promotion and project development in sectors like ports, water supply and infrastructure. He has wide experience in commercial negotiations, contracting and contract management, structuring of PPP infrastructure projects in Ports, Roads and IT sectors, procurement of developers for PPP projects, Management of PPP contracts, management of project contracts including financing, concession documents, arbitration and conciliation proceedings and asset re-structuring.

Presently, he is advising established corporates on legal, administrative and governance processes. He does not hold any shares in the Company and there is no relationship between the Directors inter-se.

He is also a Director of Manali Petrochemicals Limited and he is a member of Risk Management Committee in that Company.

During the year 2019-20, he has attended all the Board Meetings.

DR. K P KARTHIKEYAN, I.A.S

Dr. K P Karthikeyan, I.A.S (DIN: 08218878) aged around 34 years is an I.A.S Officer of 2014 batch. He has served in various departments in the Government of Tamil Nadu and also as Assistant Secretary, Department of Commerce, Government of India.

Presently, he is the Executive Director of Tamil Nadu Industrial Development Corporation Limited, Executive Director of State Industries Promotion Corporation of Tamil Nadu Limited and Officer on Special Duty, Investment Facilitation Cell.

Earlier, he served as Managing Director of Tamil Nadu Salt Corporation Limited and Executive Director of Guidance Tamil Nadu.

He is also a Director of Tamilnadu Petroproducts Limited; Manali Petrochemicals Limited; TIDEL Park Coimbatore Limited; TICEL Bio Park Limited; Tanflora Infrastructure Park Limited; Tamilnadu Industrial Development Corporation Limited; State Industries Promotion Corporation of Tamilnadu Limited and Tamilnadu Trade Promotion Organisation. He does not hold any shares in the Company.

Dr. K P Karthikeyan, I.A.S was inducted at the Board Meeting held on 24th March 2020 at which Meeting he was not present. Subsequent to that, the Company did not convened a Board Meeting till 31st March 2020

Membership / Chairmanship of Committees of other Boards:

Company	Committee	Position held
Manali Petrochemicals Ltd.	Audit Committee	Member
	Stakeholders Relationship Committee	Member
	Nomination and Remuneration Committee	Member
	Corporate Social Responsibility Committee	Member
	Risk Management Committee	Member
Tamilnadu Petroproducts Ltd.	Stakeholders Relationship Committee	Member
	Nomination and Remuneration Committee	Member
	Risk Management Committee	Member
TIDEL Park Coimbatore Ltd.	Nomination and Remuneration Committee	Member
Tamil Nadu Industrial Development Corporation Ltd.	Executive Sub Committee	Member
Tamil Nadu Trade Promotion Organisation	Tender Evaluation Committee	Member
	Sub-Committee	Member

MS. E SUNDARAVALLI, I.A.S

Ms. E Sundaravalli, I.A.S., (DIN: 08769721) aged around 47 years, is a 2007 batch I.A.S Officer. She has held various key positions in several departments in the Government of Tamil Nadu. Presently, she is the Additional Secretary to Government, Industries Department, Secretariat, Chennai-600 009 and she is holding Managing Director (Full Additional Charge) to Tamil Nadu Industrial Investment Corporation Limited.

She is also a Director of Tamilnadu Industrial Investment Corporation Limited; State Industries Promotion Corporation of Tamilnadu Limited; Tamilnadu Salt Corporation Limited; TNEB Limited; Tamilnadu Industrial Explosives Limited; Tamilnadu Sugar Corporation Limited; Perambalur Sugar Mills Limited; Tamilnadu Power Finance and Infrastructure Development Corporation Limited; and Tamilnadu Cements Corporation Limited. She does not hold any shares in the Company. She does not hold any Membership/ Chairmanship of Committees of other Boards.

MS. RITA CHANDRASEKAR

Ms. Rita Chandrasekar (DIN: 03013549) aged around 63 years is a Partner in the leading Advocate firm M/s. Aiyar and Dolia, since 1984. The firm was established by her father late B.R.Dolia, in the year 1957. Her firm has been retained by several Public Sector Banks and Corporates.

They are also Advisers to many multinational Companies, Resident & NRI Clients regarding investment of funds, establishment of industries, purchase of immovable properties etc., She is the Standing Counsel for Chennai Metro Rail Limited.

She is also a Director of Precision Metalform Technologies Private Limited; Tuticorin Alkali Chemicals and Fertilizers Limited; India Radiators Limited; and Sicagen India Limited. She does not hold any shares in the Company.

Ms. Rita Chandrasekar was inducted at the Board Meeting held on 14th November 2020. She has attended all the Board Meetings held thereafter, during the year 2019-20.

Membership / Chairmanship of Committees of other Boards:

Company	Committee	Position held
Tuticorin Alkali Chemicals and Fertilizers Limited	Audit Committee	Member
	Nomination and Remuneration Committee	Member
India Radiators Limited.	Audit Committee	Chairman
	Stakeholders Relationship Committee	Member
	Nomination and Remuneration Committee	Member
Sicagen India Limited.	Stakeholders Relationship Committee	Member

DIRECTORS' REPORT AND MANAGEMENT DISCUSSION & ANALYSIS

Your Directors present their 49th Annual Report together with the Audited Financial Statements of the Company for the year ended 31st March 2020.

FINANCIAL SUMMARY

(₹ in crores)

Particulars	31.03.2020	31.03.2019
Revenue from Operations	**2079.18**	2591.96
Add: Other Income	**10.46**	21.46
Total Income	**2089.64**	2613.42
Profit before interest, depreciation and tax	**123.27**	121.07
Less: Finance Cost	**34.15**	35.67
Less: Depreciation & amortization expenses	**32.14**	32.06
Profit Before Tax	**56.98**	53.34
Less: Tax Expenses	**0.04**	-
Profit After Tax	**56.94**	53.34
Add : Net Comprehensive Income/(loss)	**(4.25)**	(11.18)
Total Comprehensive Income	**52.69**	42.16

DIVIDEND

In view of the accumulated losses, the Board of Directors are unable to recommend dividend on the Preference Share Capital and Equity Share Capital of the Company.

STATE OF COMPANY'S AFFAIRS

Production

During the year under review, the Plants were in operation between 1st April 2019 to 24th September 2019 and from 03rd November 2019 to 21st February 2020.The shutdown of plants for 40 days during September and October was for renewal of the Urea reactor along with Annual Turnaround Maintenance. Plant shutdown taken again on February after achieving reassessed production. This opportunity was utilised to take up repairs of essential equipment and maintenance activities to improve the reliability and energy efficiency levels for sustained production. Your Company produced 100% Neem coated Urea and achieved 5,50,287 MTs during 2019-20 compared to 6,52,025 MTs in the previous year. During the year, sale of Manufactured Urea was 5,50,287 MTs and sale of Imported Urea was 1,14,732.695 MTs. The plants were operated using mainly imported Naphtha and Furnace Oil and achieved energy efficiency levels of 6.915 GCal/MT of Urea for 2019-20 as against 6.970 GCal/MT during the previous year.

Handling of Imported Naphtha

Your Company has an arrangement with Indian Oil Corporation for using their tank farm facility at Tuticorin Port premises for handling a part of SPIC's Imported Naphtha shipments. This arrangement is valid till 30th June 2021. This has facilitated SPIC for faster discharge of cargo and thereby minimizing the ship demurrage to a large extent.

Progress in conversion of Ammonia Plant from Naphtha to Gas

Indian Oil Corporation, authorized to lay the Natural Gas Pipeline from Ennore to Tuticorin, has made substantial progress in the Ramanathapuram – Tuticorin sector. The 145 Kms Natural Gas Pipeline along with the Gas Compression station at Ramanathapuram is expected to be completed by December 2020; a delay due to Covid restrictions. Your Company continues to be in a state of readiness to complete the final hook up as and when gas connectivity is established. As per the New Urea Policy 2015, revised target energy norm of 6.5 Gcal/MT has become effective from 1st April 2020. To adhere to the Policy, various energy saving measures in line with gas conversion are being implemented in phased manner to reduce the energy consumption.

Status of the Project Activities

As mentioned in the previous paragraph, most of the project activities viz., design, engineering, ordering of long delivery items, etc., have been completed. The new Urea Reactor, with improved material of construction and high efficiency internal trays, has been erected and commissioned. Meticulous planning is in place to complete this project within the budgeted cost and time.

One of our Associate Companies (Greenam Energy Private Limited) is putting up a 24.7 MW floating solar power project in the Company's water reservoirs which, when completed during this year, will reduce the cost of power. Your Company also has an arrangement with a company for putting up a 10 MLD Desalination project which will be completed during this year. This is expected to reduce the risk associated with supply of water from Government source.

PUBLIC DEPOSITS

There are no deposits covered under Chapter V of the Companies Act, 2013 (the Act) during the year 2019-20, the details of which are required to be furnished.

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company are prepared in accordance with Ind AS and forms part of the Annual Report.

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 Associates and Joint Ventures (in Form AOC-1) is attached to the Financial Statements. The Company has no Subsidiaries.

Tamilnadu Petroproducts Limited (TPL)

During the year under review, revenue from operations was ₹1,222.53 crores compared to ₹1,241.56 crores in 2018-19. During the year in spite of a slightly lower sales, the Company's consolidated net profits registered an increase at ₹63.29 crores as compared to ₹57.03 crores in the previous fiscal. Linear Alkyl Benzene (LAB) continues to be the main contributor for this increase in net profits. Further TPL also completed the Normal Paraffin revamp project in March 2020 increasing the annual production capacity from 70,000 MTs to 90,000 MTs. Additionally LNG interface has been commissioned for all manufacturing units replacing fuel oil; thus improving the environmental norms.

Tuticorin Alkali Chemicals and Fertilizers Limited (TFL)

The problems in the CO_2 plant came under control and the required CO_2 gas was produced for use in Soda Ash plant. However due to long periods of shutdown during 2006 and 2010 and subsequent low load operation, the Soda Ash and Ammonium Chloride process plants developed several mechanical issues, which hampered further stepping up of the production. Even though the production is better than the previous years, still it is only 50% of the capacity and hence the turnover is low and the company has not made profits during the year. The company's petition before the NCLT seeking approval for a scheme to convert the outstanding dues and the preference capital both into equity shares, was approved by SEBI on 6th September 2018. Accordingly, 4,68,50,000 equity shares were allotted on 17.9.2018 with lock in condition. BSE gave its approval for Listing & Trading in August and September 2019.

Greenam Energy Private Limited (GREENAM)

The Floating Solar Power Project of capacity 24.7 MW DC being set up in the Water Reservoirs of the Company is fast progressing. Loan documentation formalities were completed and so far around ₹79 crores out of the sanctioned amount of ₹88 crores has been drawn. The Promoters have contributed their share in full to the extent of ₹38.32 crores. Major procurement has been completed. Civil foundation work for Inverter installation has been completed. Solar Panel assembly floater completed. Inverter, Transformer, HT Panels and Cable laying are nearing completion. Main Control Room/Switch yard building activities are in progress, The Covid-19 pandemic has affected the erection activities and the commissioning is expected during November 2020.

SAFETY, HEALTH AND ENVIRONMENT

Your Company has obtained QMS.ISO 9001:2015, EMS – ISO 140001:2015 and OHS – ISO 45001: 2018 and all the requirements as per the standards are being practised. Your Company has achieved longest accident free period of about 469 days with 1.32 million man hours continuously. Health camps are conducted continuously as an on-going activity to create awareness on critical health related matters viz., eye camps and cancer / diabetes awareness camps. Premedical and periodical medical examination for employees are conducted on regular basis. Green Belt development is being given top most importance and is a continuing activity with about 700 tree plantation done during this year.

HUMAN RESOURCE AND INDUSTRIAL RELATION

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 2020 is 635. Your Company continues with the regular campus recruitment programme as a process of building the organisation from the bottom.

EXTRACT OF ANNUAL RETURN

Form MGT-9 as on 31st March 2020 as required under Section 92 of the Act is given in Annexure I to this Report and is available in the website of the Company i.e. www.spic.in.

DIRECTORS

Since the date of last Report, Mr. Arun Roy, I.A.S, Nominee Director of TIDCO ceased to be Director on 2nd August 2019. In his place, Mr. K Balasubramaniam, I.A.S, Nominee of TIDCO was appointed by the Board of Directors at their Meeting held on 8th August 2019. Subsequently, Ms. E Sundaravalli, I.A.S, Nominee of TIDCO was appointed by the Board of Directors at their Meeting held on 12th August 2020, in the place of Mr. K Balasubramaniam, I.A.S, who resigned with effect from 6th June 2020. Brig (Retd) Harish Chandra Chawla and Mr. Sumanjit Chaudhry, ceased to be Independent Directors after the expiry of their term of five years on 7th September 2019 and 9th February 2020 respectively.

The Board of Directors at their Meeting held on 14th November 2019 co-opted Ms. Rita Chandrasekhar as Additional Director as per Section 161 of the Companies Act, 2013 and appointed her as Independent Director for a period of 5 years from 14th November 2019. Approval of the Shareholders is being sought for her appointment as Independent Director at the 49th Annual General Meeting. Dr. Aneesh Sekar, I.A.S, Nominee Director of TIDCO resigned from the Board with effect from 26th February 2020 and in his place TIDCO nominated Dr. K P Karthikeyan, I.A.S, which was approved at the Board Meeting on 24th March 2020. Mr. B Elangovan, Nominee Director of TIDCO, vacated Office as Director from 29th February 2020 pursuant to Section 167(1)(b) of the Companies Act, 2013.

The Board of Directors placed on record the invaluable services rendered by Mr. Arun Roy, I.A.S., Brig (Retd) Harish Chandra Chawla, Mr. Sumanjit Chaudhry, Dr. Aneesh Sekar, I.A.S, Mr. B Elangovan and Mr. K Balasubramaniam, I.A.S during their tenure.

Mr. T K Arun, Director shall retire by rotation at the ensuing Annual General Meeting of the Company 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 SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, as amended so as to qualify themselves to act as Independent Directors.

In the opinion of the Board, Ms. Rita Chandrasekar, appointed as Independent Director during the year, is a person of integrity, with expertise, experience & proficiency. She is independent of the Management.

TRANSFER OF SHARES IN RESPECT OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF) AUTHORITY

Pursuant to Section 124 (6) of the Companies Act, 2013 read with The Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules 2016, the Company transferred to IEPF Authority, 1,66,454 equity shares in respect of 1008 shareholders during March 2018. Subsequently, no transfer of shares to IEPF Authority was required to be made during the years 2018-19 and 2019-20.

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

Independent Directors are familiar with their roles, responsibilities in the Company, nature of the industry, business model etc., through familiarisation programmes. Documents / Brochures, Reports and Internal Policies of your Company are provided to them. Presentations are made at the Board / Committee Meetings, on Company's Performance, business strategy, risks involved and global business environment. Details of means of familiarization of the business to Independent Directors are disclosed on the Company's website under the following web link: http://spic.in/wp-content/uploads/policies/Familiarisation-Program-for-Independent-Directors.pdf

PARTICULARS OF REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL 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 31st March 2020 and are forming part of this Report is given in Annexure III to this Report.

STATUTORY AUDITORS

M/s. MSKA & Associates Chartered Accountants (Firm Registration No.: 105047W) Chennai are the Statutory Auditors of the Company appointed by the shareholders for a period of 5 years from 2017-18 and to hold office until the conclusion of 51st AGM of the Company.

COST AUDITOR

Mr. P R Tantri, Cost Accountant (M. No. 2403) was appointed as the Cost Auditor of the Company for 2019-20 to carry out the audit of your Company's Cost Accounts and Records of fertilizer business. The Company is required to maintain Cost Records as specified by the Central Government under Section 148 (1) of the Act and that accordingly such accounts and records are made and maintained. The Cost Audit Report for the year ended 31st March 2019 was filed within the time stipulated under the Act.

The Board of Directors at their Meeting held on 18th June 2020, on the recommendation of the Audit Committee, have appointed M/s. B Y & Associates, Chennai, Cost Accountants, (Firm Registration No. 003498) as Cost Auditor for 2020-21 (in the place of Mr. P R Tantri, as he did not seek re-appointment due to health reasons) at a remuneration of ₹1,50,000/- plus reimbursement of actual out-of-pocket 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, Regulation 24A of Listing Regulations, your Company has appointed Ms. B Chandra, Practicing Company Secretary, Chennai as Secretarial Auditor. The Secretarial Audit Report for the year 2019-20 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 31st March 2020, the applicable Ind AS 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 31st March 2020 and of the profit of the Company for the year ended on that date;

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.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

No loans or guarantees were given by the Company under Section 186 of the Act during the year under review. During the year, your Company invested in 19,00,000 equity shares of ₹10 each at par of Greenam Energy Private Limited (Greenam) offered on rights basis and 29,700 equity shares of ₹ 10/- each at a transfer price of ₹11.50 each in M/s. OPG Power Generation Private Limited as captive user under group captive power scheme. Your Company, during October 2019, pledged 56,86,502 equity shares of ₹ 10/- each held in Greenam in favour of Indian Renewable Energy Development Agency Limited (IREDA) to secure the term loan of ₹ 88 crores sanctioned to Greenam to meet its capital expenditure for its floating solar power project.

RELATED PARTY TRANSACTIONS

The transactions entered into during the year 2019-20 with Related Parties as defined under the Act were in the ordinary course of business and at arm's length basis. Details of contracts / arrangements with related parties as required under Section 188 (1) and 134 (h) of the Act have been disclosed in Form AOC-2 and is attached as Annexure VI.

The details of transactions with entity belonging to Promoter Group which holds 10% or more shareholding in the Company as per Schedule V of LODR are included in Note No. 35 of Notes on Accounts.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY THAT HAS OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THIS REPORT.

There has been 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 2020 and the date of this Report. Further, there has been no major impact due to COVID-19 pandemic as explained in Management Discussion and Analysis Report.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Conservation of Energy

Your Company has an Energy Audit group, which 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:

- As energy conservation activity, high temperature shift convertor catalyst was renewed with new catalyst in Ammonia plant.
- As part of gas conversion projects, energy efficient exchangers were installed in reformer convection section
- To avoid energy loss through the heat exchangers, several exchangers were re-tubed / replaced.
- VAM System was installed in Syngas Compressor Suction to reduce the energy consumption of compressor
- Indirect Cooler was installed for Carbon-di-oxide cooling.
- Steam system audit were carried out periodically and the faulty traps and leaks were addressed immediately.
- New Urea reactor with high efficiency tray was installed to reduce energy consumption.

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:

(₹ in Lakhs)

Particulars	**2019-20**	2018-19
Foreign Exchange Earnings	**85.79**	2.70
Foreign Exchange Expenditure	**1,39,398.50**	2,01,457.15

INTERNAL FINANCIAL CONTROL & RISK MANAGEMENT SYSTEM

Your Company has adequate internal financial control systems to monitor business processes, financial reporting and compliance with applicable regulations. The systems were reviewed by Internal Auditors and reported to the Audit Committee of the Board, for identification of deficiencies and necessary time bound actions were taken to improve efficiency at all 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. Your Company pursuant to the Companies Act, 2013 and Listing Regulations has a Risk Management Committee and a Policy on Risk Management to identify and draw mitigation plans to manage risk. The Board of Directors 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 2019-20 along with the Certificate of the Statutory Auditors, M/s. MSKA & Associates, Chartered Accountants, confirming compliance to conditions of Corporate Governance as stipulated in the Listing Regulations forms part of 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 12th February 2020 evaluated the performance of Non-Independent Directors, Board as a whole, Chairperson and assessed 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 at their Meeting held on 18th June 2020 evaluated the performance of all Independent Directors and the Board as a whole and its Committees and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board through circulation of questionnaires, to assess the performance on select parameters relating to roles, responsibilities and obligations of the Board and functioning of the Committees. The evaluation criteria was based on the participation, contribution and guidance offered and understanding of the areas etc., 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, five Board Meetings were held on 23rd May 2019, 8th August 2019, 14th November 2019, 12th February 2020 and 24th March 2020.

AUDIT COMMITTEE

The details of the Meetings of Audit Committee and its composition are provided in the Corporate Governance Report.

POLICIES

POLICY ON MATERIAL SUBSIDIARY

The Company has a Policy on Material Subsidiary approved by the Board of Directors as per the Listing Regulations and is available on the Company's website under the web link: http://spic.in/wp-content/uploads/policies/Determining-Material-Subsidiary-Policy.pdf

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.

POLICY ON RELATED PARTY TRANSACTIONS

The Policy on Related Party Transactions as required under the Listing Regulations and the Companies Act, 2013 is available on the Company's website under the web link: http://spic.in/wp-content/uploads/policies/Policy-on-Related-Parties.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 amended SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended.

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

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 POSH and the Rules made there under. There were no complaints reported under the POSH during the year under review.

VIGIL MECHANISM

Pursuant to the provisions of Section 177 of the Act and the Listing Regulations, Whistle Blower Policy as amended for Directors and employees to report genuine concerns or grievances including reporting of instances of leakage of Unpublished Price Sensitive Information (UPSI) is 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/policies/Whistle-Blower-Policy-and-Vigil-Mechanism.pdf.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company has a CSR Policy in line with the provisions of the Act. As a responsible corporate citizen, your Company in its endeavour to contribute for the sustained development and growth of the Society has taken several initiatives. 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 voluntarily by your Company are given in Annexure V to this Report.

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Overview

The normal seasonal rainfall and post monsoon showers resulted in adequate availability of irrigation water from reservoirs, local tanks and ground water to support extensive area under cultivation. As a result of this, fertilizer sales also increased during the year when compared to the previous year.

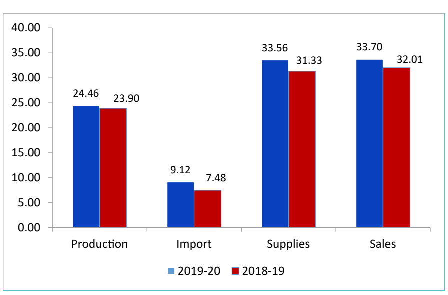
The year 2019-20 witnessed an above normal agricultural seasons and food grain production. The 2nd advanced estimate for food grain production is estimated a record level of 291.95 million MT in 2019-20, which is higher by 2.4% over the previous year's production. However, the production of Sugarcane, jute and mesta showed a slight reduction when compared to the last year.

During Kharif 2019 season, the south west monsoon (June to September'19) over the country as a whole was 110% of its Long Period Average (LPA). Southern Peninsula and Central India received rain fall of 116% and 129% of LPA respectively. During the north east monsoon (October to December'19), Tamil Nadu, Kerala, Karnataka and Telangana received 2%, 30%, 70%, and 40% excess rainfall when compared to the previous year. Whereas, Andhra Pradesh recorded a deficit of 7% rainfall over the previous year. However, the country received very good rainfall during the financial year 2019-20.

The availability of Urea in the market during the period of requirement was satisfactory without any instance of deficit. Production increased by 2.3% at 24.45 million tonnes from 23.99 million tonnes a year ago. Import of Urea was also higher by 21.9% at 9.12 million tonnes against 7.48 million tonnes last year. The supplies were higher by 7.1% at 33.56 million tonnes as against 31.33 million tonnes during 2018-19.

Sale of Urea by retailers: ePOS machines recorded during the year is 33.695 million tonnes which is higher by 5.3%. Availability of Urea from opening inventory, indigenous production and import was sufficient to take care of increased demand during the year.

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



DBT in Fertilizers:

Your Company as the Lead Fertilizer Supplier (LFS) for Tamil Nadu and Pondicherry ensured the active usage of 11,469 numbers of POS devices (93%) out of 12,333 devices deployed in the States.

For effective utilisation of ePOS devices, we have conducted various activities as given below in association with Department of Fertilisers, National Informatics Center (NIC), State Agriculture Department and other Manufacturers & Importers.

- Education and training to use ePOS machines by retailers and wholesalers.
- Conducted 150 campaigns across the states and enabled smooth up-gradation of software versions.
- Continuous support of all users of ePOS machines, other companies and state officials in times of hitches through whatsapp.
- Co-ordinating with suppliers of ePOS machines, NIC, DoF etc for smooth functioning and accounting of sales through ePOS machines.

COVID-19 and its Impact:

The later part of the last quarter of the 2019-20 marked unprecedented threat to human health and safety posed by pandemic due to corona virus disease (COVID-19). The pandemic adversely impacted the businesses & economies across the world. The Government of India announced a complete lockdown with effect from March 2020 for 21 days initially which is being further extended in phases with different conditions. Due to this most of the economic activities were significantly affected. Even though Fertilizer Sector is exempted from lock down as being an essential commodity; lockdown posed a number of challenges for continuous operation of fertilizer plants. For instance, there was shortages of availability of labour at plant sites for loading and for unloading at destination points. Availability of consumable materials such as bags and chemicals which are required for operations also posed challenge in some Plants. As a result, the movement and sale of fertilizers were affected during second fortnight of March 2020.

During the early part of April 2020, the Government addressed the issues faced by the industry and few relaxations on interstate movement of trucks, special assistance by local bodies in unloading of fertilizers helped the industry to come back in track quickly from 15th April 2020.

Prospects for 2020-21:

The pre-monsoon rainfall from 1st March 2020 to till date was 25% above normal. Indian Meteorological Department (IMD) released the forecast for south west monsoon as near normal. With the prediction of normal monsoon and higher water availability in the reservoirs for Kharif sowing, prospects of Kharif crops are bright this year. According to the Ministry of Agriculture and Farmers Welfare, the area sown till 10th April 2020 this year at 48.8 lakhs hectares is higher than the last year by 31%. As per the current predictions on monsoon, the year 2020-21 is likely to be good year for fertilizer sector.

Tissue Culture Business:

During the year, the Tissue Culture business unit entered into a production contract with Institute of Forest Genetics and Tree Breeding, Coimbatore to produce 50,000 plants of rare teak varieties developed by the Institute. The business has strengthened the strategy of supplying intermediary stages of Banana plants to other companies in distant markets. During the year, 15 lakhs numbers of intermediary plants were supplied to various clients in Maharashtra and UP. M/s Seven Star Exports Pvt Ltd., Pune, entered into an agreement for the supply of 25 lakhs plants during the next financial year. The project with ICAR-CPCRI, Kasargode for technology transfer for production of high yielding arecanut plant is in progress. The production of Gerbera is affected due to import of plastic flowers from China. It is decided to reduce the dependence on the production of ornamental plants and focus on more varieties of Banana in future.

Financial Ratios

The significant changes in the financial ratios of the Company, which are more than 25% as compared to the previous years are summarized below:

Ratios	2019-20	2018-19	Reasons for change
Net Profit Ratio (%)	**2.72%**	2.04%	Due to Improved Net Profit in current year
Debt Service coverage ratio (times)	**0.76**	1.07	Reduction due to borrowings maturing within a year
Debtors Turnover Ratio (days)	**17**	29	Improved collections during the year

CHALLENGES

Your Company's stable operations depends on completion of NG pipeline infrastructure by IOC and sustained supply of gas. DBT stabilization using ePOS machines at retail shops and addressing connectivity issues are of utmost importance. The working capital pressure will also continue to be a challenge. The policy evolution regarding urea sector decontrol is being carefully watched and proactive solutions to meet those challenges are being evolved.

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 Shipping, Ministry of Corporate Affairs and other Departments of the Central Government, the Government of Tamilnadu, Governments of other States, Tamil Nadu Industrial Development Corporation Limited, Tamil Nadu 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

Place : Singapore
Date : 12th August 2020

Ashwin C Muthiah
(DIN:00255679)
Chairman

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.

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EXTRACT OF ANNUAL RETURN as on the close of the financial year ended 31st March 2020

[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 Limited, "Subramanian Building" No. 1 Club House Road, Chennai 600 002. Ms. Priya, Company Secretary Ph: 044-28460390

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 Products / Services	% 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	Tuticorin Alkali Chemicals and Fertilizers Limited SPIC House, No. 88, Mount Road Guindy, Chennai – 600032.	L24119TN1971PLC006083	Associate	43.94	2(6)
2	Gold Nest Trading Company Limited No. 88, Mount Road Guindy Chennai – 600032.	U65933TN1983PLC009993	Associate	32.76	2(6)
3	National Aromatics and Petrochemicals Corporation Limited No. 97, Mount Road, Guindy, Chennai – 600032.	U11101TN1989PLC017403	Joint venture	50.00	2(6)
4	Tamilnadu Petroproducts Limited Manali Express Highway, Manali Chennai – 600068.	L23200TN1984PLC010931	Joint venture	16.93	2(6)
5	Greenam Energy Private Limited SPIC House, No. 88, Mount Road Guindy Chennai – 600032.	U40300TN2017PTC115941	Associate	20.00	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.	70845263	-	70845263	34.79	70845263	-	70845263	34.79	-
(e) Banks / FI	-	-	-	-	-	-	-	-	-
(f) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A) (1)	**79730713**	**-**	**79730713**	**39.15**	**79730713**	**-**	**79730713**	**39.15**	**-**
(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)	**98645488**	**-**	**98645488**	**48.44**	**98645488**	**-**	**98645488**	**48.44**	**-**
(B) Public Shareholding									
(1) Institutions	-	-	-	-	-	-	-	-	
(a) Mutual Funds	900	9900	10800	0.01	900	9850	10750	0.01	-0.0
(b) Banks/FI	4723569	18300	4741869	2.33	4251454	17785	4269239	2.10	-0.23
(c) Central Govt	166454	0	166454	0.08	166454	0	166454	0.08	-0.00
(d) State Govt (s)	-	-	-	-	-	-	-	-	-
(e) Venture Capital funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	-	550	550	0.00	-	550	550	0.00	0
(g) FIIs	-	8150	8150	0.00	-	8100	8100	0.00	-0.0
(h) Foreign Venture Capital Funds	1350191	-	1350191	0.66	-	-	-	-	-0.66
(i) Others (Specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1)	**6241114**	**36900**	**6278014**	**3.08**	**4418808**	**36285**	**4455093**	**2.19**	**-0.90**

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	
(2) Non- Institutions									
(a) Bodies Corp	-	-	-	-	-	-	-	-	-
i. Indian	18918620	241320	19159940	9.41	16670747	56975	16727722	8.21	-1.19
ii. Overseas	-	-	-	-	-	-	-	-	-
(b) Individuals									
i. Individual shareholders holding Nominal share capital up to ₹ 1 lakh	21544428	3273009	24817437	12.19	20433699	3144950	23578649	11.58	-0.61
ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	33409468	128700	33538168	16.47	39257858	128650	39386508	19.34	2.87
C) Others									
(a) Clearing Member	52433	-	52433	0.03	65214	-	65214	0.03	0.00
(b) NRIs	1082643	12746	1095389	0.54	1022527	12746	1035273	0.51	-0.03
(c) OCBs	39150	650	39800	0.02	39150	650	39800	0.02	0.00
(d) Trusts	8600	-	8600	0.00	7450	-	7450	0.00	-0.00
(e) HUF	2740184	500	2740684	1.34	2407139	200	2407339	1.18	-0.16
(f) Foreign Collaborators	-	500000	500000	0.24	-	500000	500000	0.24	0.00
Sub Total (B) (2)	**77795526**	**4156925**	**81952451**	**40.24**	**79933584**	**3844171**	**83777755**	**41.14**	**0.89**
Total Shareholding of Public = (B) (1) + (B) (2)	**84036640**	**4193825**	**88230465**	**43.33**	**84352392**	**3880456**	**88232848**	**43.33**	**0.00**
Total (A)+(B)	**182682128**	**4193825**	**186875953**	**91.76**	**182968080**	**3880456**	**186848536**	**91.76**	**0.00**
C. Shares held by custodian for GDRs & ADRs	**16791800**	**-**	**16791800**	**8.24**	**16791800**	**-**	**16791800**	**8.24**	**0.00**
Grand Total (A+B+C)	**199473928**	**4193825**	**203667753**	**100.00**	**199759880**	**3880456**	**203640336**	**100.00**	**0.00**

(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	3017349	1.48	0.00	3017349	1.48	0.00	0.00
6	Gold Nest Trading Company Limited	50800	0.02	0.00	0	0.00	0.00	-0.02

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	
7	South India House Estates & Properties Ltd.	1636900	0.88	0.00	1636900	0.88	0.00	0.00
8	South India Travels Pvt. Ltd.	208985	0.10	0.00	229985	0.11	0.00	0.01
9	ACM Educational Foundation	659075	0.32	0.00	659075	0.32	0.00	0.00
10	AMI Holdings Private Limited	37276700	18.31	0.00	37276700	18.31	0.00	0.00
11	Lotus Fertilizers Pvt. Ltd.	27995454	13.75	0.00	27995454	13.75	0.00	0.00
12	Tamilnadu Industrial Development Corporation Ltd.	8840000	4.34	0.00	8840000	4.34	0.00	0.00
13	South India Investments And Associates	0	0.00	0.00	29,800	0.01	0.00	0.01
Total		**98645488**	**48.44**	**-**	**98645488**	**48.44**	**0.00**	**0.00**

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

S. No.	Particulars	Shareholding at the beginning of the year 1st April 2019		Date of Transfer / Purchase	Increase / Decrease	Reason for Increase / Decrease	Cumulative shareholding during the year (01 04 2019 to 31 03 2020) and as on 31 03 2020	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
	Promoters' holding	9,86,45,488	48.44					
1	South India Travels Pvt Ltd.	208,985	0.10	21.11.19	21000	Purchase	229,985	0.12
2	Gold Nest Trading Company Limited	50,800	0.02	21.11.19	(21000)	Transfer	29,800	0.02
				28 02.20	(29,800)	Transfer	-	0.00
3	South India Investments And Associates	-	0.00	28 02.20	29,800	Transfer	29,800	0.02
	Promoters' holding at the end of the year						9,86,45,488	48.44

NOTE:

National Company Law Tribunal, Chennai vide it's Order dt. 28th Feb 2019 approved the Scheme of Arrrangement between Gold Nest Trading Company (Goldnest) and its Shareholders and Creditors. As per the Order Goldnest transferred the equity holding in the Company to South India Travels Private Limited & South India Investments and Associates.

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

Sl. No.	Each of the Top 10 Shareholders	Shareholding at the beginning of the year 1st April 2019		Date of Transfer / Purchase	Increase / Decrease	Reason for Increase / Decrease	Cumulative shareholding during the year (01 04 2019 to 31 03 2020) and as on 31 03 2020	
		No. of Shares	% to total shares of the Company				No. of Shares	% to total shares of the Company
1	RUCHIT BHARAT PATEL JT1 : HARDIK BHARAT PATEL	7013442	3.44	28-Jun-2019	33981	Purchase	7047423	3.46
				05-Jul-2019	13261	Purchase	7060684	3.47
				12-Jul-2019	50942	Purchase	7111626	3.49
				19-Jul-2019	210934	Purchase	7322560	3.60
				26-Jul-2019	60485	Purchase	7383045	3.63
				01-Aug-2019	38827	Purchase	7421872	3.64
				02-Aug-2019	26677	Purchase	7448549	3.66
				09-Aug-2019	5958	Purchase	7454507	3.66
				30-Aug-2019	19426	Purchase	7473933	3.67
				06-Sep-2019	78456	Purchase	7552389	3.71
				13-Sep-2019	64394	Purchase	7616783	3.74
				20-Sep-2019	10000	Purchase	7626783	3.75
				27-Sep-2019	141653	Purchase	7768436	3.81
				04-Oct-2019	17582	Purchase	7786018	3.82
				11-Oct-2019	31800	Purchase	7817818	3.84
				18-Oct-2019	128233	Purchase	7946051	3.90
				25-Oct-2019	97282	Purchase	8043333	3.95
				01-Nov-2019	88754	Purchase	8132087	3.99
				08-Nov-2019	96817	Purchase	8228904	4.04
				15-Nov-2019	4000	Purchase	8232904	4.04
				22-Nov-2019	31701	Purchase	8264605	4.06
				29-Nov-2019	42414	Purchase	8307019	4.08
				06-Dec-2019	85428	Purchase	8392447	4.12
				13-Dec-2019	34750	Purchase	8427197	4.14
				20-Dec-2019	3352	Purchase	8430549	4.14
				31-Dec-2019	21444	Purchase	8451993	4.15
				10-Jan-2020	39243	Purchase	8491236	4.17
				17-Jan-2020	126570	Purchase	8617806	4.23
				24-Jan-2020	51718	Purchase	8669524	4.26
				31-Jan-2020	5649	Purchase	8675173	4.26
				07-Feb-2020	96824	Purchase	8771997	4.31
				14-Feb-2020	42071	Purchase	8814068	4.33
				21-Feb-2020	68087	Purchase	8882155	4.36
				28-Feb-2020	21034	Purchase	8903189	4.37
				06-Mar-2020	48406	Purchase	8951595	4.40
				13-Mar-2020	48392	Purchase	8999987	4.42
				20-Mar-2020	52292	Purchase	9052279	4.45
				31-Mar-2020			**9052279**	**4.45**

Sl. No.	Each of the Top 10 Shareholders	Shareholding at the beginning of the year 1st April 2019		Date of Transfer / Purchase	Increase / Decrease	Reason for Increase / Decrease	Cumulative shareholding during the year (01 04 2019 to 31 03 2020) and as on 31 03 2020	
		No. of Shares	% to total shares of the Company				No. of Shares	% to total shares of the Company
2	FINQUEST FINANCIAL SOLUTIONS PVT. LTD.	6196897	3.04	05-Apr-2019	175498	Purchase	6372395	3.13
				12-Apr-2019	140820	Purchase	6513215	3.20
				19-Apr-2019	59041	Purchase	6572256	3.23
				26-Apr-2019	33010	Purchase	6605266	3.24
				03-May-2019	28603	Purchase	6633869	3.26
				10-May-2019	126875	Purchase	6760744	3.32
				17-May-2019	67500	Purchase	6828244	3.35
				24-May-2019	92806	Purchase	6921050	3.40
				31-May-2019	186796	Purchase	7107846	3.49
				07-Jun-2019	108862	Purchase	7216708	3.54
				14-Jun-2019	53231	Purchase	7269939	3.57
				21-Jun-2019	63686	Purchase	7333625	3.60
				28-Jun-2019	-273975	Sale	7059650	3.47
				29-Jun-2019	-494	Sale	7059156	3.47
				01-Aug-2019	773200	Purchase	7832356	3.85
				02-Aug-2019	-773200	Sale	7059156	3.47
				20-Dec-2019	-293927	Sale	6765229	3.32
				27-Dec-2019	-102015	Sale	6663214	3.27
				27-Mar-2020	-900000	Sale	5763214	2.83
				31-Mar-2020	300000	Purchase	6063214	2.98
				31-Mar-2020			**6063214**	**2.98**
3	HARDIK B PATEL	4315559	2.12	12-Apr-2019	25000	Purchase	4340559	2.13
				12-Jul-2019	8244	Purchase	4348803	2.14
				19-Jul-2019	85774	Purchase	4434577	2.18
				02-Aug-2019	782500	Purchase	5217077	2.56
				09-Aug-2019	8223	Purchase	5225300	2.57
				16-Aug-2019	50000	Purchase	5275300	2.59
				06-Sep-2019	19300	Purchase	5294600	2.60
				13-Sep-2019	12600	Purchase	5307200	2.61
				20-Sep-2019	47500	Purchase	5354700	2.63
				27-Sep-2019	21795	Purchase	5376495	2.64
				11-Oct-2019	64121	Purchase	5440616	2.67
				18-Oct-2019	12221	Purchase	5452837	2.68
				25-Oct-2019	53251	Purchase	5506088	2.70
				01-Nov-2019	15171	Purchase	5521259	2.71
				08-Nov-2019	67986	Purchase	5589245	2.74
				29-Nov-2019	11725	Purchase	5600970	2.75
				20-Dec-2019	23876	Purchase	5624846	2.76
				27-Dec-2019	14891	Purchase	5639737	2.77
				03-Jan-2020	-4982624	Sale	657113	0.32
				10-Jan-2020	84773	Purchase	741886	0.36
				17-Jan-2020	65566	Purchase	807452	0.40
				31-Jan-2020	75117	Purchase	882569	0.43
				07-Feb-2020	27000	Purchase	909569	0.45
				14-Feb-2020	60529	Purchase	970098	0.48
				31-Mar-2020	**970098**		**970098**	**0.48**
4	LIFE INSURANCE CORP. OF INDIA	3,926,725	1.93				3,926,725	1.93
				31-Mar-2020			**3,926,725**	**1.93**
5	VIBGOYAR INVESTORS & DEVELOPERS PVT. LTD.	2,500,000	1.23				2,500,000	1.23
				31-Mar-2020			**2,500,000**	**1.23**

Sl. No.	Each of the Top 10 Shareholders	Shareholding at the beginning of the year 1st April 2019		Date of Transfer / Purchase	Increase / Decrease	Reason for Increase / Decrease	Cumulative shareholding during the year (01 04 2019 to 31 03 2020) and as on 31 03 2020	
		No. of Shares	% to total shares of the Company				No. of Shares	% to total shares of the Company
6	POLARIS BANYAN HOLD. PVT. LTD.	1,974,558	0.97				1,974,558	0.97
				31-Mar-2020			**1,974,558**	**0.97**
7	MINAL BHARAT PATEL	1,937,065	0.95	12-Apr-2019	27000	Purchase	1964065	0.96
				30-Aug-2019	200000	Purchase	2164065	1.06
				11-Oct-2019	1700000	Purchase	3864065	1.90
				15-Nov-2019	28777	Purchase	3892842	1.91
				06-Mar-2020	5015534	Purchase	8908376	4.37
				20-Mar-2020	56465	Purchase	8964841	4.40
				27-Mar-2020	123511	Purchase	9088352	4.46
				31-Mar-2020	3990	Purchase	9092342	4.46
				31-Mar-2020			**9092342**	**4.46**
8	HARSHA HITESH JAVERI	1,700,000	0.83				1,700,000	0.83
				31-Mar-2020			**1,700,000**	**0.83**
9	HITESH RAMJI JAVERI	1,700,000	0.83	06-Mar-2020	20,000	Purchase	1,720,000	0.84
				31-Mar-2020			**1,720,000**	**0.84**
10	ACM Medical Foundation	1,108,560	0.54				1,108,560	0.54
				31-Mar-2020			**1,108,560**	**0.54**

(v) Shareholding of Directors and Key Managerial Personnel:

S. No	Particulars	Shareholding at the beginning of the year 1st April 2019		Date of Transfer / Purchase	Increase / Decrease	Reason for Increase / Decrease	Cumulative shareholding during the year (01 04 2019 to 31 03 2020) and as on 31 03 2020	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1	Mr. Ashwin C Muthiah	45450	0.02				45450	0.02
2	Mr. S Radhakrishnan	450	0.00				450	0.00
3	Mr. M B Ganesh	50	0.00				50	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

(₹ in lakhs)

	Secured Loans excluding deposits	Deposits	Unsecured Loans	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	14,635.82	-	21,847.03	36,482.85
ii) Interest due but not paid	-	-	3,601.21	3,601.21
iii) Interest accrued but not due	-	-	128.20	128.20
Total (i+ii+iii)	**14,635.82**	**-**	**25,576.44**	**40,212.26**
Change in indebtedness during the financial year				
Addition	23,491.53	-	84.31	23,575.84
Reduction	(14,635.82)	-	(8,292.75)	(22,928.57)
Net Change	8,855.71	-	(8,208.44)	647.27
Indebtedness at the end of the financial year				
i) Principal Amount	23,491.53	-	* 14115.50	37,607.03
ii) Interest due but not paid	-	-	* 3211.59	3,211.59
iii) Interest accrued but not due	-	-	40.91	40.91
Total (i+ii+iii)	**23,491.53**	**-**	**17,368.00**	**40,859.53**

* Includes Preference share capital of ₹ 1250 lakhs and accumulated dividend ₹ 3168.19 lakhs, classified as borrowing under Ind AS.

VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in ₹)

Sl. 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	71,24,400
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	21,600
	(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	71,46,000
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 ₹)	Commission	Others
	Independent Directors			
1	Mr. B Narendran	5,00,000	0.00	0.00
2	Mr. Debendranath Sarangi (Retd) I.A.S	5,00,000	0.00	0.00
3	Brig (Retd) Harish Chandra Chawla	2,00,000	0.00	0.00
4	Ms Sashikala Srikanth	5,00,000	0.00	0.00
5	Mr. Sumanjit Chaudhry	3,00,000	0.00	0.00
6	Mr. S Radhakrishnan	4,00,000	0.00	0.00
7	Ms. Rita Chandrasekar	2,00,000	0.00	0.00
	Other Non-Executive Directors			
8	Mr. T K Arun	5,00,000	0.00	0.00
9	Mr. B Elangovan	0.00	0.00	0.00
10	Dr. Aneesh Sekhar I.A.S	0.00	0.00	0.00
11	Mr. Arun Roy I.A.S	0.00	0.00	0.00
12	Mr. K Balasubramaniam I.A.S	1,00,000	0.00	0.00
13	Dr. K P Karthikeyan I.A.S	0.00	0.00	0.00
14	Mr. Ashwin C Muthiah	5,00,000	0.00	0.00
	Total	**37,00,000**	**0.00**	**0.00**

Sitting fee is not paid to Directors for attending Meetings of Committees of the Board

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

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		CS	CFO	Total
1	Gross Salary:			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	16,50,000	70,90,974	87,40,974
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--	--
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	--	--
2	Stock Option	--	--	--
3	Sweat Equity	--	--	--
4	Commission			
	- as % of profit	--	--	--
	- others, specify.	--	--	--
5	Others, please specify	--	--	--
	Total	**16,50,000**	**70,90,974**	**87,40,974**

VIII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

There were no penalties, punishment or compounding of offences under the Companies Act, 2013 during the Financial Year ended 31st March 2020.

For and on behalf of the Board of Directors

Ashwin C Muthiah
(DIN:00255679)
Chairman

Place : Singapore
Date : 12th August 2020

ANNEXURE – II

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 officers/personnel of the listed entity who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer.

The Whole-time Director shall finalise the list of Senior Management based on the said criteria.

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. The remuneration payable to the Senior Management shall be recommended by NRC to the Board for approval.

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.

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
S R Ramakrishnan	Whole-time Director	12

Remuneration of Non-Executive Directors is only by way of sitting fees of ₹ 1,00,000 for attending each meetings of the Board. Sitting fees 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 2019-20
S R Ramakrishnan	Whole-time Director	-
K R Anandan	Chief Financial Officer	5
M B Ganesh	Company Secretary	-

During the year, the sitting fees payable to Non-Executive Directors for attending each Meeting of the Board was increased from ₹ 50,000/- to ₹ 1,00,000/-

iii) The percentage increase in the median remuneration of employees in the financial year was **8%**.

iv) The number of permanent employees on the rolls of Company is **635**.

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 - **NIL**

The increase in salary of employees, other than the managerial personnel was based on the inflation rate during March 2019 and this has been effected to our employees across the organization.

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

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

Name	Designation & Nature of Duties	Age	Qualification	Experience	Last Employment & Position held	Date of Commencement of employment	Gross Remuneration (Actual CTC) (₹)
Ramakrishnan S R	Whole-time Director	70	BTech (Chem), MTech (Indl Mgmnt)	6 Yrs	Sri Ram Group	30-Jul-14	75,00,000
Anandan K R	Chief Financial Officer	56	B.Com, M.Com, ACA, AICWA, ACS, PGDBA, PGDPP, PGDMM	5 Yrs 1 M	TPL as Chief Financial Officer	1-Jul-15	76,23,000
Gopalakrishnan K	Asst Vice President (Corporate Affairs)	53	BA, MA, DIP(PR)	17 Yrs 3 M	SICAL, Joint Manager-PR	1-May-03	44,51,000
Senthil Nayagam P	General Manager – Works	48	BE (Chem), MS	26 Yrs 5 M	SPIC EMS Trainee	17-Feb-94	38,60,000
Palanisamy V	Deputy General Manager-Production	46	BE (Chem)	23 Yrs 5 M	SPIC EMS Trainee	1-Mar-97	32,58,000
Rajeshkumar E	Deputy General Manager – Nitrogenous	44	B.Tech (Chem)	22 Yrs 6 M	SPIC EMS Trainee	1-Jan-98	29,03,000
Manivannan S S	Deputy General Manager	46	BE (Mech)	14 Yrs	INDO Jordan Chemicals	1-Aug-06	29,03,000
Rajagopalan N	Head - IT	54	Dip (Com), B.Sc, MSc (IT)	5 Yrs 8 M	Freelance Consultant	12-Nov-14	28,06,000
Shanmugam P	Deputy General Manager	46	BE (Mech)	23 Yrs 5 M	SPIC EMS Trainee	1-Mar-97	27,65,000
Madhukar V	Head – HR	51	BA (Eng), MA (Sociology), PGDPM	5 Yrs 7 M	Freelance Consultant	1-Dec-14	26,72,000

- The employment of Whole-Time Director is contractual and all others are regular employees.
- None of the employees mentioned above
    - Hold by either themselves or along with their spouse and dependent children, not less than 2% of the equity shares of the company
    - Is a relative of any director or manager of the Company
- 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 : Singapore
Date : 12th August 2020

ANNEXURE IV

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
Southern Petrochemical Industries Corporation Limited,
"SPIC House", No. 88 Mount Road,
Guindy, Chennai – 600 032

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 31.03.2020, 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 31.03.2020, 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, 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.

I am 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, 2018
b. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
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, 2018;

(vi) In addition to compliance with laws relating to Factory and Labour Laws, 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 Nitrogeneous 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 (4) a test check on the licences and returns made available on other applicable laws (5) Management Representation letter given by the company, I report that the Company has complied with the provisions of the following industry specific statutes and the rules made there under to the extent it is applicable to them:

- Factories Act, 1948 including The Hazardous Waste (Management and Handling) Rules, 1989
- Explosives Act, 1884
- The Environment (Protection) Act, 1986
- The Water (Prevention and Control of Pollution) Act, 1974
- The Air (Prevention and Control of Pollution) Act, 1981

- The Insecticides Act, 1968
- Drugs and Cosmetics Act, 1940
- The Fertiliser (Control) Order, 1985

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 Agreement 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.

Signature:
Name of Company Secretary in Practice : B.CHANDRA
ACS No.: 20879
C P No. : 7859

Place : Chennai
Date : 25.06.2020

To
The Members,
Southern Petrochemical Industries Corporation Limited,
“SPIC House”, No. 88 Mount Road
Guindy, Chennai – 600 032

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate, also taking into account the peculiar circumstances leading to the national lockdown imposed by the Government of India due to the pandemic, to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices we followed, provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Signature:
B.CHANDRA
Practising Company Secretary
Membership No. 20879
Certificate of Practice No. 7859

Place : Chennai
Date : 25.06.2020

Annexure - V

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

1. Mr. Ashwin C Muthiah (Chairman)
2. Mr. B Narendran (Member)
3. Mr. S R Ramakrishnan (Member)

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

(₹ in Crores)

Year	2016-17	2017-18	2018-19	Average Net Profit / (Net Loss)
Net Profit / (Net Loss)	(1539.92)	(1502.82)	(1455.30)	(1499.34)

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 Companies Act, 2013. However, to continue with its activities to benefit the society as is being carried out in the past, several initiatives have been taken up namely;

Drinking water provision to Soosai Nagar, Donation of materials to Forest Department, Notebooks and cloth bags distributed to School students in nearby villages of Tuticorin, Medical Container donated to Thoothukudi City Municipal Council, VOC college Space week contribution with ISRO, Contribution to Thoothukudi district book fair 2019, Contribution towards mission clean Thamirabarani River, Tree Plantation contribution, Water bottles donated to "Govt Children's Care home", Transgender's Association donation, Contribution towards development of Sports in Tooveipuram Government School, Contribution towards providing of safe drinking water to Juvenile School, Police department.

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

	S R Ramkrishnan Whole-time Director (DIN:00120126)	Ashwin C Muthiah Chairman (DIN:00255679)
Date : 12th August 2020		

Annexure - VI

Form AOC 2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Disclosure of particulars of contracts/arrangements entered into by the Company during the year 2019-20 with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis : NIL
2. Details of material contracts or arrangements or transactions at arm's length basis : NIL

CORPORATE GOVERNANCE REPORT (2019-20)

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 31st March 2020, the Board of Directors of the Company had 10 (Ten) Directors. During the year 2019-20, 5 (Five) Board Meetings were held on 23rd May 2019, 8th August 2019, 14th November 2019, 12th February 2020 and 24th March 2020.

COMPOSITION, DIRECTORS' ATTENDANCE AND OTHER DIRECTORSHIPS HELD

Name of the Director, DIN, Designation and Category	Attendance at Board Meetings	Attendance at previous AGM held on 8th August 2019
Mr. Ashwin C Muthiah, (00255679) Chairman, Non-Executive Promoter Nominee	5	Yes
Mr. T K Arun, (02163427), Non-Executive Non Independent	5	Yes
Mr. B Elangovan,(00133452), Non-Executive, TIDCO Nominee (upto 29th Feb 2020)	-	No
Dr. Aneesh Sekhar, I.A.S. (07887010), Non-Executive, TIDCO Nominee, (from 23rd May 2019 to 26th Feb 2020)	-	No
Mr. Arun Roy, I.A.S. (01726117), Non-Executive, TIDCO Nominee (upto 2nd Aug 2019)	-	NA
Mr. K Balasubramaniam, I.A.S. (07991792), Non-Executive, TIDCO Nominee (from 8th August 2019)	1	NA
Dr. K P Karthikeyan, I.A.S. (08218878), Non-Executive, TIDCO Nominee, (from 24th March 2020)	-	NA
Mr. B Narendran (01159394), Non-Executive Independent	5	Yes
Ms. Sashikala Srikanth (01678374), Non-Executive Independent	5	Yes
Mr. Debendranath Sarangi, Retd. I.A.S. (01408349),Non-Executive Independent	5	Yes
Brig.(Retd) Harish Chandra Chawla (00085415), Non-Executive Independent (upto 7th Sep 2019)	2	Yes
Mr. Sumanjit Chaudhry (06752672), Non-Executive Independent (upto 9th Feb 2020)	3	Yes
Ms. Rita Chandrasekar (03013549), Non-Executive Independent (from 14th November 2019)	2	NA
Mr. S Radhakrishnan (00061723), Non-Executive Independent	4	Yes
Mr. S R Ramakrishnan (00120126), Whole-Time Director Professional	5	Yes

Name of the Director, DIN, Designation and Category	No. of other Director-ships (*)	No. of Membership in Board Committees of other companies (**)		Names of other Listed Entities in which he/she holds Directorship and category of Directorship
		As Chairman	As Member	
Mr. Ashwin C Muthiah, (00255679), Chairman, Non- Executive Promoter Nominee	3(2)	2	2	1. Manali Petrochemicals Limited, Chairman 2. Tamilnadu Petroproducts Limited, Vice-Chairman 3. Sicagen India Limited, Chairman
Mr. T K Arun, (02163427), Non-Executive, Non-Independent	1	-	-	1. Manali Petrochemicals Limited, Director
Mr. B Elangovan, (00133452), TIDCO Nominee Non-Executive (upto 29th Feb 2020)	8	-	2	1. Tamilnadu Telecommunication Limited, Director
Dr. Aneesh Sekhar, I.A.S. (07887010), Non-Executive, TIDCO Nominee, (from 23rd May 2019 to 26th Feb 2020)	-	-	-	Nil
Mr. Arun Roy, I.A.S. (01726117), TIDCO Nominee, Non-Executive (upto 2nd Aug 2019)	8	1	2	1. Titan Company Limited, Nominee Director
Mr. K Balasubramaniam, I.A.S. (07991792), TIDCO Nominee, Non-Executive (from 8th August 2019)	9	-	-	Nil
Dr. K P Karthikeyan, I.A.S. (08218878), TIDCO Nominee, Non-Executive (from 24th March 2020)	8	-	3	1. Tamilnadu Petroproducts Limited, Nominee Director 2. Manali Petrochemicals Limited, Nominee Director
Mr. B Narendran, (01159394), Non-Executive Independent	6	2	7	1. Tuticorin Alkali Chemicals and Fertilisers Limited, Independent Director 2. Sicagen India Limited, Independent Director 3. Mercantile Ventures Limited, Independent Director 4. India Radiators Limited, Independent Director
Ms. Sashikala Srikanth, (01678374), Non-Executive Independent	6	3	7	1. Sicagen India Limited, Independent Director 2. Tamilnadu Petroproducts Limited, Independent Director 3. Manali Petrochemicals Limited, Independent Director 4. Mercantile Ventures Limited, Independent Director
Mr. Debendranath Sarangi Retd., I.A.S. (01408349), Non-Executive Independent Director	5	-	3	1. Voltas Limited, Independent Director 2. Shriram City Union Finance Limited 3. Tamilnadu Petroproducts Limited, Independent Director, Chairman
Brig.(Retd) Harish Chandra Chawla, (00085415), Non-Executive Independent (upto 7th Sep 2019)	-	-	-	Nil

Name of the Director, DIN, Designation and Category	No. of other Director-ships (*)	No. of Membership in Board Committees of other companies (**)		Names of other Listed Entities in which he/she holds Directorship and category of Directorship
		As Chairman	As Member	
Mr. Sumanjit Chaudhry, (06752672), Non-Executive Independent (upto 9th Feb 2020)	1	-	-	--
Ms. Rita Chandrasekar, (03013549), Non-Executive Independent (from 14th November 2019)	3	2	4	1. Tuticorin Alkali Chemicals and Fertilizer Limited, Independent Director 2. India Radiators Limited, Independent Director 3. Sicagen India Limited, Independent Director
Mr. S Radhakrishnan, (00061723), Non-Executive Independent	2	-	1	1. Sicagen India Limited, Independent Director
Mr. S R Ramakrishnan, (00120126), Whole-Time Director Professional	1	-	1	1. Sicagen India Limited, Director

* 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.

** Indicates positions held in Audit Committee and Stakeholders' Relationship Committee.

Figures mentioned in brackets indicate the number of companies in which the Director is Chairman across all listed entities.

- 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.
- As on 31st March 2020, Mr. Ashwin C Muthiah – Non-Executive Director/Chairman is holding 45,450 Equity Shares and Mr. S. Radhakrishnan, Non-Executive Independent Director is holding 450 Equity Shares of the Company. There is no inter-se relationship between the Directors.
- As required under Schedule V Part C (2) (i) of SEBI (LODR) Regulations, 2015, (Regulations), the Board of Directors in their opinion confirm that, the Independent Directors fulfil the conditions specified in the Regulations and are independent of the Management.
- The details of familiarization programmes imparted to Independent Directors are disclosed in the website of the Company. http://spic.in/wp-content/uploads/policies/Familiarisation-Program-for-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 thereon;
- 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 Chairperson of the Audit Committee. During the year, the Committee met 5 (Five) times on 23rd May 2019, 8th August 2019, 14th November 2019, 12th February 2020 and 23rd March 2020. 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	Designation	No. of Meetings attended	Category
Ms. Sashikala Srikanth	Chairperson	5	Independent
Mr. T K Arun	Member	5	Non-Executive
Mr. B Narendran	Member	5	Independent
Mr. S Radhakrishnan	Member	4	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 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. During the year, the Committee met 4(Four) times on 23rd May 2019, 8th August 2019, 14th November 2019 and 23rd March 2020.

Name	Designation	No. of Meetings attended	Category
Mr. B Narendran	Chairman	4	Independent
Mr. Ashwin C Muthiah	Member	3	Non-Executive
Mr. S Radhakrishnan	Member	3	Independent

5. 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 1 (One) Independent Director, 1 (One) Non-Executive Director and 1 (One) Whole-time Director.

Mr. B Narendran, Independent Director is the Chairman of the Committee. The Committee met 7 (Seven) times during the year i.e.,15th April 2019, 23rd May 2019, 5th July 2019, 8th August 2019, 14th November 2019, 12th February 2020 and 23rd March 2020.

Name	Designation	No. of Meetings attended	Category
Mr. B Narendran	Chairman	7	Independent
Mr. T K Arun	Member	7	Non-Executive
Mr. S R Ramakrishnan	Member	6	Whole-time Director

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 31st March 2020. Mr. M B Ganesh, Secretary, is the Compliance Officer of the Company.

6 RISK MANAGEMENT COMMITTEE:

The Company has a Risk Management Committee consisting of three Members viz., Mr. T K Arun, Director, Mr. S R Ramakrishnan, Whole-time Director and Mr. S Radhakrishnan 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.

During the year, the Committee met twice on 1st August 2019 and 17th March 2020.

Name	Designation	No. of Meetings attended	Category
Mr. S Radhakrishnan	Chairman	2	Independent
Mr. T K Arun	Member	2	Non-Executive
Mr. S R Ramakrishnan	Member	2	Whole-time Director

7 DIRECTORS' REMUNERATION DURING 2019-20

Name	Salary & Perquisites (*)	Special Allowance Paid/ Payable	Performance Pay	Sitting Fees
	(₹)	(₹)	(₹)	(₹)
Mr. Ashwin C Muthiah	-	-	-	5,00,000
Dr. Aneesh Sekhar **	-	-	-	-
Mr. K Balasubramaniam **				1,00,000
Dr. K P Karthikeyan **	-	-	-	-
Mr. Arun Roy ** (Upto 2nd Aug 2019)	-	-	-	-
Mr. T K Arun	-	-	-	5,00,000
Mr. B Elangovan ** (Upto 29th Feb 2020)	-	-	-	-
Mr. B Narendran	-	-	-	5,00,000
Mr. Debendranath Sarangi	-	-	-	5,00,000
Brig. (Retd.) Harish Chandra Chawla (upto 7th Sep 2019)	-	-	-	2,00,000
Ms. Sashikala Srikanth	-	-	-	5,00,000
Mr. Sumanjit Chaudhry (upto 9th Feb 2020)	-	-	-	3,00,000
Ms. Rita Chandrasekar (from 14th Nov 2019)	-	-	-	2,00,000
Mr. S Radhakrishnan	-	-	-	4,00,000
Mr. S R Ramakrishnan	50,51,700	5,94,300	15,00,000	-

* does not include Company's contribution to provident fund and leave encashment.

** sitting fees is paid to the Tamil Nadu Industrial Development Corporation Ltd. 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.
- Whole-time Director is under contract employment with the Company which stipulates a Notice period of three months from either side for early separation and no severance fee is payable.
- There was no pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company.
- The criteria for making payments to the Non-executive Directors is disclosed in the Website of the Company under the weblink: http://spic.in/wp-content/uploads/policies/Criteria-for-making-payments-to-Non-Executive-Directors.pdf
- The Company does not have a scheme for grant of stock options either to the Directors or to its employees.

8 **List of core skills/expertise/competencies identified by the Board of Directors as required in the context of its Business and Sector for it to function effectively and the names of Directors who actually have such skills/expertise/competence.**

Major Classification	Sub-Classification		Directors Having the Skills
Industry	Specific Skills	Knowledge about the Fertiliser business and industry and the issues specific to the Company.	Ashwin C Muthiah, S. Radhakrishnan, S R Ramakrishnan.
	Professional	Technical / Marketing / Financial skills and specialist knowledge about the Company, its market, process, operations, etc. ability to analyze the financial statements presented, assess the viability of various financial proposals, oversee funding arrangements and budgets	Debendranath Sarangi I.A.S (Retd.), Sashikala Srikanth, S Radhakrishnan, S R Ramakrishnan
Strategy & Policy	Strategy	Ability to identify and critically assess strategic opportunities and threats to the business. Guiding development of strategies to achieve the overall goals	Ashwin C Muthiah, T K Arun, Debendranath Sarangi I.A.S (Retd.)
	Policies	Guidance for development of policies and other parameters within which the Company should operate for better control and management	B Narendran, S Radhakrishnan, T K Arun, Sashikala Srikanth, S R Ramakrishnan.
	Crisis Management	Ability to guide crisis management and provide leadership in hours of need.	Ashwin C Muthiah with the support of all Directors based on the nature of crisis
Risk & Compliance	Operational	Identification of risks related to each area of operation	S Radhakrishnan, S R Ramakrishnan
	Regulatory	Monitor the risks and compliances and knowledge of regulatory requirements	Debendranath Sarangi I.A.S (Retd.), T K Arun, S Radhakrishnan, B Narendran, Rita Chandrasekar, Sashikala Srikanth, K P Karthikeyan I.A.S K Balasubramaniam I.A.S S R Ramakrishnan
Management & Leadership	Behavioral	Attributes and competencies to use the skills for the effective growth of the company. Experience in organizational change management programmes.	Ashwin C Muthiah
	Leadership	Make decisions and take necessary actions for implementation thereof in the best interest of the organization. Analyze issues and contribute at board level to solutions	Ashwin C Muthiah S R Ramakrishnan, S Radhakrishnan, Debendranath Sarangi I.A.S (Retd.),
Board Conduct	Contribution	Participate actively in the matters discussed and contribute effectively at the meetings. Help in arriving at unanimous decisions in the event of difference of opinions.	All the Directors
Personal	Qualification and Experience	Having formal education, well qualified to possess the skills and competencies outlined above and previous experience as Member of Board or senior management positions in corporates.	All the Directors

9 ANNUAL GENERAL MEETINGS

Year	Date	Time	Venue
2017	26 July 2017	10.00 A.M.	Rajah Annamalai Mandram, Chennai 600 108
2018	7 August 2018	2.30 P.M.	Rajah Annamalai Mandram, Chennai 600 108
2019	8 August 2019	11:15 A.M	Rajah Annamalai Mandram, Chennai 600 108

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

26 July 2017	• To make investment in M/s. Greenam Energy Private Limited upto an aggregate amount not exceeding ₹12 crores. • Re-appointment and payment of remuneration to Mr. S R Ramakrishnan, as Whole-time Director of the Company for a period of three years from 30th July 2017. • To invest in the securities of M/s. Tuticorin Alkali Chemicals and Fertilizers Limited, arising out of conversion of outstanding unsecured loan and other receivable aggregating ₹29.81 crore.
7 August 2018	• To make investment in M/s Tuticorin Alkali Chemicals and Fertilizers Limited to the tune of ₹46.85 Crores arising out of conversion of outstanding loans aggregating to ₹29.81 Crores, and 20,00,000 5% Redeemable Cumulative Preference Shares of ₹100/- each • To provide security by way of pledge of equity shares held / to be held in Greenam Energy Private Limited in favour of Indian Renewable Energy Development Agency Limited for a value not exceeding ₹ 12 crores.
8 August 2019	• Re-appointment of Mr. B Narendran, as Independent Director of the Company. • Re-appointment of Ms. Sashikala Srikanth, as Independent Director of the Company. • To approve the investments made by the Company in Mercantile Ventures Limited and South India Travels Private Limited.

No Resolution was passed through Postal Ballot during 2019-20.

10 MEANS OF COMMUNICATION

The Financial Results (Unaudited quarterly results and Audited annual results) of the Company are submitted to National Stock Exchange of India Limited in accordance with the requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and were published in a leading newspaper in English language (Business Standard) and Tamil Newspaper (Makkal Kural). The Financial Results are also posted on the website of the Company.

During the year, there were no official news releases and presentations made to the institutional investors or to the analysts that to be displayed in the website of the Company.

11 GENERAL SHAREHOLDERS' INFORMATION

(a)	DATE AND TIME OF ANNUAL GENERAL MEETING	:	Friday 18th September 2020 at 2:00 PM (IST)
(b)	FINANCIAL YEAR	:	2019-20
(c)	DATES OF BOOK CLOSURE	:	12th September 2020 to 18th September 2020
(d)	DIVIDEND DECLARED	:	NIL
(e)	LISTING ON STOCK EXCHANGES	:	National Stock Exchange of India Limited, [Stock Symbol /Code: SPIC]
(f)	STOCK EXCHANGE ADDRESS	:	Exchange Plaza, C-1, Block G, Bandra Kurla Complex Bandra East, Mumbai - 400 051.

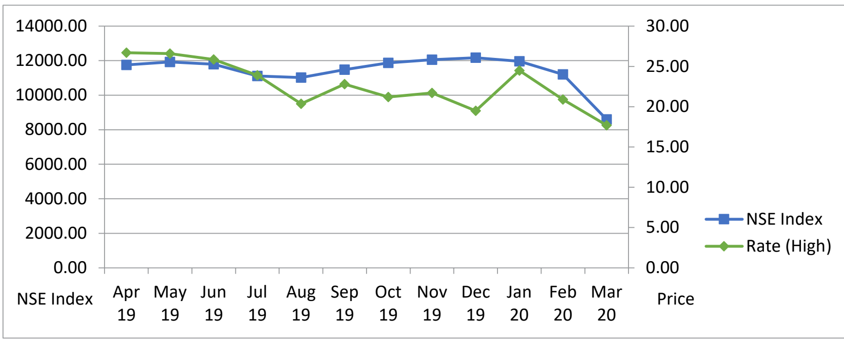
The Global Depository Receipts (GDRs) of the Company which are listed in the Luxembourg Exchange (Code: US8436131002) of Luxembourg Stock Exchange. The Company paid the listing fees for the financial year 2019-20 to both NSE and Luxembourg Stock Exchange.

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

(g) MARKET/SHARE PRICE DATA (in ₹)

Month	Apr'19	May'19	Jun'19	Jul'19	Aug'19	Sep'19	Oct'19	Nov'19	Dec'19	Jan'20	Feb'20	Mar'20
High	26.70	26.60	25.85	23.90	20.35	22.80	21.20	21.70	19.50	24.50	20.90	17.70
Low	24.10	21.75	20.60	18.75	16.10	18.05	18.00	18.80	17.35	18.30	15.60	9.40
NSE Index	11748.15	11922.80	11788.85	11118.00	111023.25	11474.45	11877.45	12056.05	12168.45	11962.10	11201.75	8597.75

PERFORMANCE OF SPIC'S EQUITY SHARES VIS-A-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 investors received by the Company. 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 2020

Sl. No	Shares Range	No. of Shares held	% to paid up Capital	No. of Members	% to total Members
1	Up to 500	76,20,834	3.74	53,126	83.53
2	501-1000	44,35,461	2.18	5,243	8.24
3	1001-2000	39,48,049	1.94	2,499	3.93
4	2001-3000	23,90,222	1.17	906	1.42
5	3001-4000	14,44,386	0.71	398	0.63
6	4001-5000	20,30,115	1.00	420	0.66
7	5001-10000	38,93,241	1.91	514	0.81
8	10001 and above	17,78,78,028	87.35	494	0.78
	Total	**20,36,40,336**	**100.00**	**63,600**	**100.00**

(j) SHAREHOLDING PATTERN AS OF 31st MARCH 2020

Particulars	Equity shares held	% to paid-up Capital
PROMOTERS:		
TIDCO	88,40,000	4.34
Dr. M A Chidambaram Group	8,98,05,488	44.10
Financial Institutions & Nationalised Banks	42,69,239	2.10
The Bank of New York Mellon (as depository for Global Depository Receipts)	1,67,91,800	8.25
Foreign Institutional Investors	8,100	0.00
Non-Resident Individuals	10,35,273	0.51
Foreign Companies	39,800	0.02
Mutual Funds	10,750	0.00
Public & Others	8,28,39,886	40.68
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. 199,759,880 equity shares constituting 98.09 per cent of the paid-up equity capital of the Company stood dematerialised as on 31st March 2020. 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;	1730 shareholders holding 1,81,420 eq. shares
b	Number of shareholders who approached listed entity for transfer of shares from suspense account during the year;	--
c	Number of shares transferred from suspense account during the year;	--
d	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year;	1730 shareholders holding 1,81,420 eq. shares

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

(o) 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 76A of the SEBI (Depositories and Participants) Regulations, 2018.

(p) COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

The Commodity Price Risk is not applicable to the Company as our raw materials are not covered in the commodity production inputs.

(q) There were no complaints filed during the Financial Year 2019-20 under Sexual Harassment of Women at Workplace (Prevention, Prohibition And Redressal) Act, 2013

(r) No Funds were raised through preferential allotment or QIP as specified under Regulation 32 (7A)

(s) The Credit rating for proposed fund based working capital limits is IND BBB. During the year there is no change in the Credit Rating obtained.

(t) There are no recommendations of committees of the Board which is mandatorily required and which has not been accepted by the Board.

(u) Total fees paid to the Statutory Auditors for all the services in connection with the audit of the Company is ₹ 25.10 lakhs. There are no subsidiary companies

(v) **PLANT LOCATION**

Fertilizer Division : SPIC Nagar, Tuticorin 628 005

(w) **FINANCIAL CALENDAR (TENTATIVE)**

Financial year	1 April 2020 to 31 March 2021
First quarter results	August 2020
Half-yearly results	November 2020
Third quarter results	February 2021
Annual results	May 2021
50th Annual General Meeting	August / September 2021

(w) **ADDRESS FOR CORRESPONDENCE**

SECRETARIAL DEPARTMENT	**REGISTRAR AND SHARE TRANSFER AGENTS**
Southern Petrochemical Industries Corporation Ltd. SPIC House, No. 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	Cameo Corporate Services Ltd. "Subramanian Building" No. 1 Club House Road, Chennai - 600 002. Tel: 044-28460390 / 28460718; Fax : 044–28460129; E-mail : investor@cameoindia.com

12 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. The Company has complied with all the mandatory requirements under various Regulations in SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

d. The Policy for determining 'material' subsidiaries is disclosed in the website of the Company under the weblink: http://spic.in/wp-content/uploads/policies/Determining-Material-Subsidiary-Policy.pdf

e. The Policy on Related Party Transactions is disclosed in the website of the Company under the weblink: http://spic.in/wp-content/uploads/policies/Policy-on-Related-Parties.pdf

f. 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/policies/Policy-for-Determining-Material-Events.pdf

g. The Company has formulated a Policy for Preservation of Documents pursuant to Regulation 9 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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 whistle blower 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 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 46 (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.

16 DISCRETIONARY REQUIREMENTS

The following non-mandatory requirements have been adopted 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.

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 31st March 2020.

For Southern Petrochemical
Industries Corporation Limited

Place : Tuticorin
Date : 12th August 2020

S R RAMKRISHNAN
Whole-time Director

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of
the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Southern Petrochemical Industries Corporation Limited,
"SPIC House" No. 88 Mount Road,
Guindy, Chennai – 600 032

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Southern Petrochemical Industries Corporation Limited having CIN L11101TN1969PLC005778 and having registered office at "SPIC House", 88 Mount Road, Guindy, Chennai – 600 032 (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Name of Director	**DIN**	**Date of appointment in Company**
SIVATHANU PILLAI RADHAKRISHNAN	00061723	07/02/2018
SILAIPILLAYARPUTHUR RAMACHANDRAN RAMAKRISHNAN	00120126	30/07/2014
ASHWIN MUTHIAH CHIDAMBARAM	00255679	18/12/1994
BHIMSINGH NARENDRAN	01159394	27/01/2009
SASHIKALA SRIKANTH	01678374	08/09/2014
THANJAVUR KANAKARAJ ARUN	02163427	07/02/2018
DEBENDRANATH SARANGI	01408349	23/05/2019
RITA CHANDRASEKAR	03013549	14/11/2019
BALASUBRAMANIAM KRISHNASAMY	07991792	08/08/2019
KARTHIKEYAN KALIAPPANPALAYAM PALANISWAMY	08218878	24/03/2020

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

B CHANDRA
PRACTISING COMPANY SECRETARY
CP 7859

Place : Chennai
Date : 26.06.2020

INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF

SOUTHERN PETROCHEMICAL INDUSTRIES CORPORATION LIMITED

We the Statutory Auditors of Southern Petrochemical Industries Corporation Limited (the 'Company') have examined the compliance of conditions of Corporate Governance by the Company for the year ended March 31, 2020 as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D, E of schedule V of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015 ('the Regulations') and as amended from time to time.

Management's Responsibility

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility

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

We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

Based on our examination of relevant records and information and according to the explanations given to us and the representation provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D, E of schedule V of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015, during the year ended March 31, 2020, as applicable.

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

MSKA & Associates
Chartered Accountants
Firm Registration No. 105047W

Geetha Jeyakumar
Partner
Membership No. 029409
UDIN:20029409AAAAFD1865

Place : Chennai
Date : June 18, 2020

Southern Petrochemical Industries Corporations Limited

BUSINESS RESPONSIBILITY REPORT

[See Regulation 34(2) (f)]

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

No.	Particulars	Details
1	Corporate Identity Number (CIN) of the Company	L11101TN1969PLC005778
2	Name of the Company	Southern Petrochemical Industries Corporation Limited
3	Registered address	SPIC House No. 88, Mount Road Guindy, Chennai 600032
4	Website	www.spic.in
5	E-mail id	spiccorp@spic.co.in
6	Financial Year reported	2019-2020
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Manufacture of Neem Coated Urea
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	Neem Coated Urea
9	Total number of locations where business activity is undertaken by the Company	
	(a) Number of International Locations (Provide details of major 5)	Nil
	(b) Number of National Locations	20 National Locations
10	Markets served by the Company – Local/State/ National/International	Local - 8 (includes Chennai & Tuticorin) States - 6 & Union Territory - 2 National - 20 International - Nil

SECTION B: FINANCIAL DETAILS OF THE COMPANY

No.	Particulars	Details
1	Paid-up Capital (INR)	203,64,03,360
2	Total Turnover (INR)	2089,64,83,000
3	Total profit after taxes (INR)	56,94,03,306
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)**	67,73,302
5	List of major activities in which expenditure in 4 above has been incurred:-	1. Soosai Nagar Drinking water provision; 2. Distribution of Notebooks and Cloth Bags to over 900 school students; 3. Donation of Container Primary Health Centre Tuticorin City Municipal Corporation (TCMC); 4. Cotribution to VOC College Space Week jointly conducted with ISRO; 5. Contribution to Thoothukudi District Book Fair; 6. Contribution towards 'Mission clean Tamirabarani'; 7. Tree Plantations 8. Distribution of Water bottles Government Childrens' Care Home 8. Donation of Plastic Bottle Crusher at Tirunelveli Railway Station 9. Donation to Transgenders' Association.

** The Company does not have net profit calculated as per Section 198 of the Companies Act, 2013. Hence, it is not mandatory to spend towards CSR activities. As a responsible corporate citizen, in its endeavor to contribute for the sustained development and growth of the Society, the Company undertook several CSR initiatives on a voluntary basis.

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/Companies? No

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s) Not applicable

3. Do any other entity/entities (e.g. suppliers, distributors, etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

The Company will initiate action to highlight the need for BR initiatives by suppliers/distributors and their need to participate.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

(a) Details of the Director responsible for implementation of the BR policy

1. DIN Number : 00120126
2. Name : Mr. S R Ramakrishnan
3. Designation : Whole-time Director

(b) Details of the BR head : Mr. K Gopalakrishnan, Assistant Vice-President (Corporate Affairs)

No.	Particulars	Details
1	DIN Number (if applicable)	00621061
2	Name	K Gopalakrishnan
3	Designation	Assistant Vice-President (Corporate Affairs)
4	Telephone number	98400 33342
5	e-mail id	gopi@spic.co.in

2. Principle-wise (as per NVGs) BR Policy/policies

(a) Details of compliance (Reply in Y/N)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/ policies for?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in Consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any National / international standards? If yes, specify? (50 words)	Y (Note 1)	Y (Note 2)	Y (Note 3)	Y (Note 4)	Y (Note 3)	Y (Note 2)	Y (Note 1)	Y (Note 4)	Y (Note 2)
4	Has the policy been approved by the Board? If yes, has it been signed by MD/Owner/CEO/ appropriate Board Director?	Y	N	N	Y	N	N	Y	Y	N
5	Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be Viewed online?	http://spic.in/policies/								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N

Note 1: The Code of Conduct and Ethics and Whistle Blower Policy of the Company conforms to the requirements of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and the Companies Act, 2013, as applicable.

Note 2: The Company's Policies are conforming to International standards. With commitment towards Quality, Environment and the health & safety of the Employees and contractors, the Company has its own Quality Policy, Environment Policy and Occupational Health and Safety Standard (OHSAS). To comply with these International standards, Company is continuously certified for ISO 9001:2015 for Quality Management Systems, ISO 14001:2015 for Environmental Management and recently certified for the Occupational Health and Safety Standard ISO 45001:2018.

Note 3: The Company follows labour law which guides the administrative ruling and addresses legal rights and restrictions on the working people in the Company. It comprises majorly of Industrial relations which contains certification of Union, Labour management–relationship and labour practices. Workplace health and safety, Employment standards which mandates working hours, minimum wages, leave, holidays and pay structures. The Company sternly follows Factories Act which directs the welfare of the Employees and the contract workers.

Note 4: Corporate Social Responsibility Policy of the Company conforms to the requirements of the Companies Act, 2013 and rules framed thereunder.

Note 5: The Policies are available on the website of the Company at the following link: http://spic.in/policies/.

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: **NA**

3. **Governance related to BR :**

(a)	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.	Annually
(b)	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	BRR for 2019-20 will form part of Annual Report 2019-20 and will be available in Company's Website immediately after circulating to the shareholders

PRINCIPLE WISE INDEX:

Principle 1 : Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

Principle 2 : Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

Principle 3 : Businesses should promote the wellbeing of all employees

Principle 4 : Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

Principle 5 : Businesses should respect and promote human rights

Principle 6 : Business should respect, protect, and make efforts to restore the environment

Principle 7 : Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

Principle 8 : Businesses should support inclusive growth and equitable development

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1 : Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the Company? : **Yes**
   Does it extend to the Suppliers/Contractors? : Company will initiate actions to educate Suppliers /Contractors.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so: **No Complaint was received.**

Principle 2 : Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

   (a) Product - 100% Neem Coated Urea for high nutrient use efficiency

   (b) Safety health and Environment Services - Which manages and monitors the safety systems, environmental monitoring and Healthy working practices of Employees and Contract workforce.

   (c) Engineering Services - Which takes care of Equipment reliability, Boiler regulatory requirements, PESO Compliances, FICC requirements and other obligations arising out of government agencies.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

   (a) Reduction during sourcing/production / distribution achieved since the previous year throughout the value chain?

      i. The Company is carrying out feedstock conversion project since 2018 which includes conversion of feedstock from Naphtha to Natural Gas and reduction of specific energy consumption from 6.9 to 5.8 Gcal/MT of Urea produced.

      ii. The Company is upgrading the equipment with improved efficiency to reduce the energy consumption. Urea reactor was replaced with new one with high efficiency and improved reliability design. In Ammonia plant, reformer convection section was replaced with better design to improve heat recovery. Syngas turbine was replaced with high efficiency turbine which has reduced the power consumption.

      iii. The Company follows Zero liquid discharge. All the effluents from cooling tower blow down and process effluents are treated in integrated effluent treatment plant and circulated back to the system.

   (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

      i. The Company has separate team to create awareness among the farmers who use our fertilizer. The Company continuously insists farming community to optimize and reduce the excess consumption of fertilizers to crops which will support a sustainable agriculture. This will reduce surplus consumption of the fertilizer thereby reduce the wastage. Our field personnel constantly advise the farmers about modern agricultural practices, namely, drip irrigation, use of specialty agro-products and cropping pattern to improve farm productivity. Soil testing and weather forecasting are also integral part of our service to our customers.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)?

   Yes

   (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

      The Company follows procedures for registration of Vendors. The Company follows Continuous Assessment of the supplier for both material and service providers. For the spares and consumables, the Company has established vendors who supply with standard and proven mechanism.

   4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work - **Yes**

      (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

         The Company has been utilizing the local contractors and service providers for all activities like Bagging and loading of finished product and encourages them for continuous improvement. Priority is being given to local service providers to enhance their productivity and performances. The Company is supporting the local community for their livelihood through training and need based development.

5. Does the Company have a mechanism to recycle products and waste? - **Yes**

   (a) If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

   The Company has been stringently following the management of hazardous wastes. The spent catalysts have been properly disposed to Tamilnadu Waste Management Limited. Used oils are disposed to Authorized recycler approved by Tamilnadu Pollution Control Board. Process condensates are recycled back to the after treatment.

Principle 3 : Businesses should promote the wellbeing of all employees

1. Please indicate the Total number of employees - 635
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis - 650
3. Please indicate the Number of permanent women employees - 25
4. Please indicate the Number of permanent employees with disabilities - Not Applicable
5. Do you have an employee association that is recognized by Management - Yes (One Union)
6. What percentage of your permanent employees is members of this recognized employee association - 28%
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year - Nil
8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

   (a) Permanent Employees 100% (Safety Orientation & Refresher courses)

   (b) Permanent Women Employees 100% (Safety Orientation & Refresher courses)

   (c) Casual/Temporary/Contractual Employees 100% (Safety Orientation)

   (d) Employees with Disabilities – Not Applicable

   The Company has a strong Training Development process. In addition to theoretical & practical training for the fresh entrants, we have five different specific training programmes, namely, Career Development Programme for junior level employees, Young Managers Programme for middle level employees, Management Development Programme for senior level employees, Leadership Development Programme for top level employees and Individual Development Programme for selected employees who are essential for taking the business forward. In addition to these in-Company programmes, we also depute our employees to external programmes both for technical/functional development and skill development. The Company also has a partnership with a well reputed Management institution for running our in-Company development programmes. Special Programmes are also organized exclusively for women employees.


"Need for Paradigm Shift in Fertiliser Policy"

Principle 4 : Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. Has the Company mapped its internal and external stakeholders? **Yes**

   Over the years, the Company has promoted local contractors and service providers and provided them work opportunities. The Company also encourages partners and suppliers to use services of local vendors wherever possible. Additionally, the Company has also promoted skills and livelihood development in the neighbouring community through various training and community development programs.

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized Stakeholders - **Yes**

   Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

   During the year, Women Farmer Training Programmes were organized and classes were conducted on Mushroom Cultivation, Kitchen Gardening, Terrace Farming, Agri Value Addition Products, Fish Culture, Poultry and Goat Farming. Farmer Training Programmes were organized and experts addressed farmers on various topics.

Principle 5 : Businesses should respect and promote human rights

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others? :

   The Policy covers only the Company. We will extend this to our suppliers/contractors in a phased manner.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management? :

   No complaint was received.

Principle 6 : Business should respect, protect, and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/others? **Yes**

   The Company's Policy on Environment covers the Company employees and the contract workforce working in the plant. The suppliers and contractors must adhere to the norms and code of conduct which include the environment and sustainability aspects.

2. Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? **Yes**

   The Company has Safety Health and environmental policy which intends safe work place and reduction of potential hazard to environment. The shift of feedstock from Naphtha to Natural Gas for Urea production will reduce the emission of SO_2. Furnace oil fired Boilers will be replaced with cleaner fuel Natural Gas. The Energy saving project will reduce the Specific electrical power consumption of the Urea to 50 percent of present level.

3. Does the Company identify and assess potential environmental risks? - **Yes**

   The Company is ISO certified (9001:2015, 14001:2015 and 45001:2018). As a part of ISO, the Environmental aspects and its impact are studied and significant issues were identified. The Operational Control Procedure has been devised for control of environmental risks.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed? - **Yes.**

   The Company has taken up projects towards clean development, eg., conversion of feed stock from Naptha and Furnace oil to Natural gas. Environmental Impact Analysis & Environmental Management Reports have been filed. Tree plantation programmes were organized towards Green Development with a target of 730 tree saplings to be planted every year. Giving priority to the concept of "Reduce, Reuse and Recycle, the Company donated and installed a Plastic Bottle Crusher at the Tirunelveli Railway Station.

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. - **Yes**

   The Company is participating in a solar power project which is being erected as a floating unit in the water reservoirs with a capacity of 24.7 MW. It will produce clean electric power from renewable source as well as reduce water evaporation from the reservoir.

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported? - **Yes**

   The Company reports the data on the generation of Effluents and wastes to CPCB. Monthly returns are submitted to Tamilnadu Pollution Control Board. Half yearly and Yearly reports are submitted to CPCB and Director, Ministry of Environment and Forest. CREP (Corporate Responsibility for Environmental Protection) reports are submitted monthly to Director, MoEF. Online analyzers / monitors are installed as per regulations.

7. Number of show cause / legal notices received from CPCB/SPCB which is pending (i.e. not resolved to satisfaction) as on end of Financial Year. - **Nil**

   There is no pending Legal notice received from CPCB/SPCB.

Principle 7 : Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

   (a) South India Chamber of Commerce and Industry, Chennai.
   (b) Indian Chamber of Commerce & Industry, Tuticorin,
   (c) All India Chamber of Commerce & Industry, Tuticorin.
   (d) Tuticorin Chamber of Commerce & Industry.
   (e) Tamilnadu Chamber of Commerce & Industry.
   (f) Fertiliser Association of India, New Delhi.

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others) : **Yes**

   We actively participate in the activities of the Associations in which we are members. These associations work with the governments, both central, state and suggest policy improvements, help to remove of impediments to conduct of business, assist during budget exercise, render assistance to society wherever required, etc.

Principle 8 : Businesses should support inclusive growth and equitable development

1. Does the Company have specified programs/initiatives/projects in pursuit of the policy related to Principle 8 - **Yes**.

2. Are the programs/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization – In-house and through CSR Foundation of the Group.

3. Have you done any impact assessment of your initiative – **Yes**.

4. What is your Company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken?

   During the year, the Company has spent directly ₹ 67,73,302 towards CSR activities. Details of activities undertaken are 1. Soosai Nagar Drinking water provision; 2. Distribution of Notebooks and Cloth Bags to over 900 school students; 3. Donation of Container Primary Health Centre Tuticorin City Municipal Corporation (TCMC); 4. Cotribution to VOC College Space Week jointly conducted with ISRO; 5. Contribution to Thoothukudi District Book Fair; 6. Contribution towards 'Mission clean Tamirabarani; 7. Tree Plantations 8. Distribution of Water bottles Government Childrens' Care Home 8. Donation of Plastic Bottle Crusher at Tirunelveli Railway Station 9. Donation to Transgenders' Association.

   AM Foundation, CSR arm of the Group operates three Primary Health Centres in the nearby community. Multinational Service Organisations connected with our Company also undertake major health camps, namely heart camps, diabetic camps, eye camps and camp for the distribution of callipers for the disabled. Other CSR activities carried out by these clubs connected with the Company include assistance to the nearby schools in providing water, sanitation and education infrastructure.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? – **Yes**, we do have constant interaction with the community in which we operate.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

   As of now, we have not received any complaints from the customer.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)

   We mention all the information about the product as per the requirement of law.

3. Is there any case filed by any stakeholder, against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

   There are no cases for unfair trade practices, irresponsible advertising and anti-competitive behaviour.

4. Did your Company carry out any consumer survey/consumer satisfaction trends?

   Yes. Consumer satisfaction surveys were carried out for the year. The Company engages the farmers/Dealers/Sub dealers during regular meetings and get the feedback for improvements of the product and services.

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STANDALONE
FINANCIAL STATEMENTS
2019-20

INDEPENDENT AUDITORS' REPORT
To the Members of
Southern Petrochemical Industries Corporation Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of SOUTHERN PETROCHEMICAL INDUSTRIES CORPORATION LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2020 and the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

1. We draw attention to Note 29(iii) and 29(iv) of the standalone financial statements regarding computation of subsidy income based on the provisional Retention price (RP) in line with the government's policy dated June 17, 2015 as the final retention price has not been announced and accounting for additional fixed cost in line with the Press Release by Cabinet Committee on Economic Affairs dated March 13, 2020, which is not yet notified by the Department of Fertilizers. The necessary adjustments, if any, and its consequential impact will be assessed when the final retention price and accounting for additional fixed cost is notified by the Department of Fertilizers.
2. We draw attention to Note 38 to the standalone financial statements which states that the management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the year ended March 31, 2020 and has concluded that there is no impact which is required to be recognised in the financial statements. Accordingly, no adjustments have been made to the standalone financial statements.

Our opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in

our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Emphasis of matter paragraph on subsidy revenue, we have determined the matter described below to be the key audit matter to be communicated in our report.

a) Revenue recognition

Refer to note 2 (vii) 'Revenue recognition' to the standalone financial statements.

Revenue from sale of goods is recognised when the control of goods is transferred to the customers. In terms of the application of Ind AS 115 (Revenue from Contracts with Customers), control is transferred either when the product is delivered to the customer's site or when the product is shipped, depending on the applicable terms.

The Management has exercised significant judgement in applying the revenue accounting policy while recognising revenue primarily in respect of subsidy income.

How the Key Audit Matter was addressed in our audit

Our audit procedures in respect of this area included:

- Understood the revenue recognition process, evaluated the design and implementation, and operating effectiveness of internal controls including relevant information technology controls relating to revenue recognised.
- Performed substantive procedures on test check basis for each revenue stream from source data through to general ledger to test that revenue recognition criteria as per Ind AS 115 has been applied.

- Reviewed reports from company's regional offices and warehouse as applicable for confirmation of sales quantities.
- Verified the delivery and shipping terms of the contracts for revenue recognised during the year.
- Verified the transactions on test check basis around the period end to ensure they were recorded in the correct period; and
- Verified journal entries posted to revenue accounts focusing on unusual or irregular items, if any.

b) **Appropriateness of capitalization of costs as per Ind AS 16 Property, Plant and Equipment (**Refer to note 2 (ii) to the standalone financial statements)

The company has approved major capital expenditure projects aggregating to ₹ 45000 Lac towards equipment to support production of urea using natural gas and equipment related to energy efficiency.

The Company has incurred ₹ 6470 Lac towards the capitalisation of Property, Plant and Equipment during the year ended 31 March 2020 to support production of urea using natural gas and to increase energy efficiency of the production process.

The project is under progress as at March 31, 2020 as the construction of pipelines have not been completed. Accordingly, significant level of judgement is involved to ensure that capitalisation of Property, Plant and Equipment meet the recognition criteria of Ind AS 16 - Property, Plant and Equipment.

Accordingly, the aforesaid matter was determined to be a key audit matter.

How the Key Audit Matter was addressed in our audit

Our audit procedures in respect of this area included:

- Assessed the nature of the costs incurred towards capital expenditure and verified whether such costs incurred meet the recognition criteria as set out in para 16 to 22 of Ind AS 16.
- Evaluated the management's approval for the project cost.
- Verified the design and implementation, and operating effectiveness of internal controls including relevant information technology controls relating to capitalization of Property, Plant and Equipment.
- Performed substantive procedures on a test check basis including authorization for capitalization of Property, Plant and Equipment and testing with source documentation such as quotation/vendor selection, purchase orders, invoices and installation certificate to ascertain whether they meet the recognition criteria provided in Ind AS 16.
- Obtained the report on physical verification of Property, Plant and Equipment conducted by the management during the year.

Information Other than the Standalone Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management report, Chairman's statement, Director's report etc., but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of 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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Standalone Financial Statements

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

We give in "Annexure A" a detailed description of Auditors' responsibilities for Audit of the Standalone Financial Statements.

Other Matters

Due to the restrictions and lock down laid by the government due to the COVID-19 pandemic, it was impracticable for us to attend the physical verification of inventory carried out by the management subsequent to the year end. Consequently, we have performed related alternative audit procedures and have obtained sufficient, appropriate audit evidence over the existence of inventory (amounting to ₹ 13505.79 Lac) as on March 31, 2020.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
   (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".
   (g) With respect to the other matters to be included in the Auditors' 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 standalone financial statements – Refer Note 31 to the standalone 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
3. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Geetha Jeyakumar
Partner
Membership No. 029409
UDIN : 20029409AAAAEZ7669

Place: Chennai
Date: June 18, 2020

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT ON EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SOUTHERN PETROCHEMICAL INDUSTRIES CORPORATION LIMITED

Auditors' Responsibilities for the Audit of the Financial Statements

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Geetha Jeyakumar
Partner
Membership No. 029409
UDIN : 20029409AAAAEZ7669

Place: Chennai
Date: June 18, 2020

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SOUTHERN PETROCHEMICAL INDUSTRIES CORPORATION LIMITED FOR THE YEAR ENDED MARCH 31, 2020

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

i. (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets (Property, Plant and Equipment).

(b) All the fixed assets (Property, Plant and Equipment) have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

ii. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on verification between the physical stock and the book records.

iii. The Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships (LLP) or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, the provisions stated in paragraph 3 (iii) (a) to (c) of the Order are not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, in respect of loans, investments, guarantees and security made.

v. In our opinion and According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules made thereunder.

vi. We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company pursuant as specified by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, duty of customs, cess and any other statutory dues applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the information and explanation given to us and examination of records of the Company, the outstanding dues of income-tax, goods and service tax, customs duty, cess and any other statutory dues on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount ₹ In Lac	Period to which the amount relates	Forum where dispute is pending
The Central Excise Act, 1944	Excise Duty	55.78	1999-2000 to 2004-05, July 2016	Customs, Excise and Service Tax appellate Tribunal
The Finance Act, 1994	Service tax	235.64	2015-16 to 2017-18 (April 2015 to June 2017)	Customs, Excise and Service Tax appellate Tribunal
The Sales Tax Act under various state enactments	Local Sales Tax	884.11	1996-97 to 2011-12	Deputy commissioner (Appeals)/ Additional Commissioner (Appeals)/ Sales Tax Appellate Tribunal / Hon'ble Madras high court and high court of Telangana and Andhra Pradesh

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks. The company does not have any loans or borrowings from financial Institutions and has not issued any debentures.

ix. In our opinion, according to the information explanation provided to us, money raised by way of term loans during the year have been applied for the purpose for which they were raised. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.

x. During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees.

xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) of the Order are not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions stated in paragraph 3 (xiv) of the Order are not applicable to the Company.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.

xvi. In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph clause 3 (xvi) of the Order are not applicable to the Company.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Geetha Jeyakumar
Partner
Membership No. 029409
UDIN : 20029409AAAAEZ7669

Place: Chennai
Date: June 18, 2020

ANNEXURE C TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SOUTHERN PETROCHEMICAL INDUSTRIES CORPORATION LIMITED

[Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

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

We have audited the internal financial controls with reference to standalone financial statements of Southern Petrochemical Industries Corporation Limited ("the Company") as of March 31, 2020 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 with reference to standalone financial statements 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) (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, 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 internal financial controls with reference to standalone financial statements 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 internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, 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 auditors' judgement, including the assessment of the risks of material misstatement of the standalone 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 with reference to standalone financial statements.

Meaning of Internal Financial Controls With Reference to Standalone Financial Statements

A Company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to standalone financial statements 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Standalone Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2020, based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Geetha Jeyakumar
Partner
Membership No. 029409
UDIN : 20029409AAAAEZ7669

Place: Chennai
Date: June 18, 2020

Balance sheet as at 31 March 2020

(₹ In Lac)

S. No.	Particulars	Note No.	As at 31 March 2020	As at 31 March 2019
A	**ASSETS**			
1	**Non-Current assets**			
	(a) Property, Plant & Equipment	4 (i)	**35081.54**	22995.67
	(b) Capital work-in-progress		**2622.41**	6900.91
	(c) Investment Property	5	**125.71**	129.18
	(d) Other Intangible assets	4 (ii)	**101.80**	137.88
	(e) Financial assets			
	i) Non - current Investments			
	Investments in Associate	6 (A)	**3710.86**	3520.86
	Investments in Joint Venture	6 (B)	**1980.47**	1980.47
	Other Equity Investments	6 (C)	**703.69**	1028.94
	Other investments	6 (D)	**1.00**	1.00
	ii) Other financial assets	7 (A)	**243.29**	287.10
	(f) Deferred tax assets (Net)	33	**10441.47**	10408.60
	(g) Income tax assets (Net)		**380.57**	16.40
	(h) Other non-current assets	8	**7742.53**	4608.70
	Total Non- Current Assets		**63135.34**	52015.71
2	**Current assets**			
	(a) Inventories	9	**13505.79**	18785.36
	(b) Financial assets			
	i) Trade receivables	10	**896.27**	1764.96
	ii) Cash and cash equivalents	11 (A)	**6409.33**	7240.52
	iii) Bank balances other than ii) above	11 (B)	**811.54**	468.68
	iv) Other financial assets	7 (B)	**110353.85**	107000.31
	(c) Other current assets	12	**10792.67**	13919.24
	Total Current Assets		**142769.45**	149179.07
	TOTAL ASSETS		**205904.79**	201194.78
B	**EQUITY AND LIABILITIES**			
1	**EQUITY**			
	(a) Equity Share capital	13	**20364.03**	20364.03
	(b) Other Equity	14	**19688.88**	14419.67
	Total Equity		**40052.91**	34783.70
2	**LIABILITIES**			
	Non-Current liabilities			
	(a) Financial Liabilities			
	(i) Non - current borrowings	15	**-**	12865.50
	(ii) Other financial liabilities	16 (A)	**3013.31**	2888.69
	Total Non-Current Liabilities		**3013.31**	15754.19
	Current liabilities			
	(a) Financial Liabilities			
	i) Current Borrowings	17	**27909.72**	23760.56
	ii) Trade payables			
	- Total outstanding dues to Micro, Small and Medium Enterprises	18 (i)	**-**	-
	- Total outstanding dues to other than Micro, Small and Medium Enterprises	18	**118173.64**	120872.95
	iii) Other financial liabilities	16 (B)	**14428.89**	3813.64
	(b) Provisions	19	**461.33**	389.34
	(c) Other current liabilities	20	**1864.99**	1820.40
	Total Current Liabilities		**162838.57**	150656.89
	Total Liabilities		**165851.88**	166411.08
	TOTAL EQUITY AND LIABILITIES		**205904.79**	201194.78
	The accompanying notes are an integral part of these financial statements			

In terms of our report attached.

For MSKA & Associates
Chartered Accountants
Firm Registration No.105047W

GEETHA JEYAKUMAR
Partner
Membership No: 029409

Place : Chennai
Date : 18 June 2020

For and on behalf of the Board of Directors

SASHIKALA SRIKANTH
Director
DIN: 01678374

S R RAMAKRISHNAN
Whole-Time Director
DIN: 00120126

K R ANANDAN
Chief Financial Officer

M B GANESH
Secretary

Statement of Profit and Loss for the year ended 31 March 2020

(₹ In Lac)

S. No.	Particulars	Note No.	Year ended 31 March 2020	Year ended 31 March 2019
	Income			
1	Revenue from operations	21	**207918.00**	259195.80
2	Other income	22	**1046.83**	2146.07
3	**Total income (1+2)**		**208964.83**	261341.87
4	**Expenses**			
	(a) Cost of materials consumed	23	**116842.89**	152210.98
	(b) Purchases of stock-in-trade	24	**-**	3581.41
	(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	25	**1675.01**	3987.75
	(d) Employee benefits expense	26	**5891.97**	6196.82
	(e) Finance costs	27	**3415.07**	3567.35
	(f) Depreciation and amortisation expense	4	**3214.27**	3205.72
	(g) Other expenses	28	**72227.81**	83257.69
	Total expenses		**203267.02**	**256007.72**
5	**Profit before exceptional items and tax (3-4)**		**5697.81**	5334.15
6	Exceptional items		**-**	-
7	**Profit before tax (5+6)**		**5697.81**	5334.15
8	**Tax expense**			
	Current tax relating to prior years (FBT) (PY: MAT)		**3.77**	97.97
	Less: MAT Credit Entitlement		**-**	(97.97)
	Net tax expense		**3.77**	-
9	**Profit after tax (7-8)**		**5694.04**	5334.15
10	**Other comprehensive Income/(Loss)**			
	i) Items that will not be reclassified to Profit or Loss			
	a) Effect of measuring investments at fair value through OCI		**(328.67)**	(1058.48)
	b) Remeasurement of defined benefit plans	32	**(129.03)**	(165.28)
	ii) Income tax relating to items that will not be re - classified to Profit or Loss		**32.87**	105.85
	Total Other comprehensive Income/(Loss)		**(424.83)**	(1117.91)
11	**Total comprehensive income (9+10)**		**5269.21**	4216.24
12	**Earnings Per Equity Share (Nominal value per share ₹ 10/-)**			
	Basic & Diluted	37	**2.59**	2.07
	The accompanying notes are an integral part of these financial statements			

In terms of our report attached.

For and on behalf of the Board of Directors

For MSKA & Associates
Chartered Accountants
Firm Registration No.105047W

SASHIKALA SRIKANTH
Director
DIN: 01678374

S R RAMAKRISHNAN
Whole-Time Director
DIN: 00120126

GEETHA JEYAKUMAR
Partner
Membership No: 029409

K R ANANDAN
Chief Financial Officer

M B GANESH
Secretary

Place : Chennai
Date : 18 June 2020

Statement of changes in equity for the year ended 31 March 2020

(A) Equity share capital

Equity shares of ₹ 10 each issued, subscribed and fully paid up

Particulars	No. of shares	(₹ In Lac)
As at 31 March 2019 (Refer Note 13)	203640336	20364.03
As at 31 March 2020 (Refer Note 13)	**203640336**	**20364.03**

(B) Other equity

(₹ In Lac)

Particulars	Reserve and surplus					Items of other comprehensive income		Total
	Capital Reserve	Capital Redemption Reserve	Securities Premium Account	Statutory Reserve	Retained earnings	Effect of measuring investments at fair value through OCI	Remeasurement of defined benefit plans	
Balance as at 1 April 2018	97.24	6500.00	21047.71	41.33	(17658.84)	223.12	(47.13)	10203.43
Profit for the year	-	-	-	-	5334.15	-	-	5334.15
Other comprehensive income	-	-	-	-	-	(952.63)	(165.28)	(1117.91)
Total other comprehensive income for the year	-	-	-	-	5334.15	(952.63)	(165.28)	4216.24
Balance as at 31 March 2019	97.24	6500.00	21047.71	41.33	(12324.69)	(729.51)	(212.41)	14419.67
Balance as at 1 April 2019	**97.24**	**6500.00**	**21047.71**	**41.33**	**(12324.69)**	**(729.51)**	**(212.41)**	**14419.67**
Profit for the year	**-**	**-**	**-**	**-**	**5694.04**	**-**	**-**	**5694.04**
Other comprehensive income	**-**	**-**	**-**	**-**	**-**	**(295.80)**	**(129.03)**	**(424.83)**
Total other comprehensive income for the year	**-**	**-**	**-**	**-**	**5694.04**	**(295.80)**	**(129.03)**	**5269.21**
Balance as at 31 March 2020	**97.24**	**6500.00**	**21047.71**	**41.33**	**(6630.65)**	**(1025.31)**	**(341.44)**	**19688.88**

The accompanying notes are an integral part of these financial statements

In terms of our report attached.

For and on behalf of the Board of Directors

For MSKA & Associates
Chartered Accountants
Firm Registration No.105047W

SASHIKALA SRIKANTH
Director
DIN: 01678374

S R RAMAKRISHNAN
Whole-Time Director
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Membership No: 029409

K R ANANDAN
Chief Financial Officer

M B GANESH
Secretary

Place : Chennai
Date : 18 June 2020

Cash Flow Statement for the year ended 31 March 2020

(₹ In Lac)

S. No.	Particulars	Year ended 31 March 2020		Year ended 31 March 2019	
A.	**CASH FLOW FROM OPERATING ACTIVITIES:**				
	Profit for the year before tax		5697.81		5334.15
	Adjustment for :				
	Depreciation and amortisation expense	3214.27		3205.72	
	Assets Written off	27.07		9.23	
	Profit on sale of assets	(7.68)		(2.84)	
	Provision for non-moving inventories	12.84		24.41	
	Allowances for doubtful debts and advances	0.81		0.80	
	Provisions no longer required written back	(30.00)		(56654.03)	
	Bad debts and advances written off	53.44		318.91	
	Investment written off	-		55989.64	
	Exchange difference (Gain) / Loss	293.55		(0.05)	
	Finance costs	3415.07		3567.35	
	Income from investments	(154.75)		(79.72)	
	Interest income	(122.72)		(774.75)	
			6701.90		5604.67
	Adjustments for (Increase)/Decrease in:				
	Trade receivables	898.69		2980.51	
	Inventories	5266.73		64.85	
	Non-current financial assets	43.82		(87.61)	
	Other Non-current assets	1014.05		1545.16	
	Current financial assets	(3361.14)		(54119.56)	
	Other current assets	3126.57		5254.10	
	Bank balances other than cash and cash equivalents	(342.86)		(44.03)	
	Adjustments for Increase/(Decrease) in:				
	Other non-current financial liabilities	124.62		300.03	
	Trade payables	(2992.86)		46966.62	
	Other current financial liabilities	(2157.86)		(3590.05)	
	Other current liabilities	(84.44)		(3980.20)	
	Short-term provisions	71.99		66.89	
			1607.31		(4643.29)
	Cash from operations		14007.02		6295.53
	Direct taxes refund / (paid)		(367.94)		440.88
	NET CASH FROM OPERATING ACTIVITIES		13639.08		6736.41
B.	**CASH FLOW FROM INVESTING ACTIVITIES :**				
	Purchase of Property, Plant and Equipment including capital work-in-progress and capital advances	(15163.34)		(6687.52)	
	Proceeds from sale of Property, Plant and Equipment	13.97		8.66	
	Income from investments	154.75		79.72	
	Purchase of non-current Investment	(193.42)		(4088.73)	
	Sale of Investment	-		5.28	
	Interest income	76.08		622.65	
			(15111.96)		(10059.94)
	NET CASH USED IN INVESTING ACTIVITIES		(15111.96)		(10059.94)

(₹ In Lac)

S. No.	Particulars	Year ended 31 March 2020		Year ended 31 March 2019	
C.	**CASH FLOW FROM FINANCING ACTIVITIES :**				
	Proceeds from short term borrowings (net)	**3967.11**		13574.83	
	Finance Costs	**(3325.42)**		(3344.79)	
			641.69		10230.04
	NET CASH FROM FINANCING ACTIVITIES		**641.69**		10230.04
	NET CASH FLOWS DURING THE YEAR (A+B+C)		**(831.19)**		6906.51
	Cash and cash equivalents at the beginning of the year		**7240.52**		334.01
	Cash and cash equivalents at the end of the year		**6409.33**		7240.52
			831.19		(6906.51)
	Cash and cash equivalents comprise (Refer Note 11)				
	Balances with banks				
	Cash on hand		**5.94**		3.72
	With the Banks		**6403.39**		7236.80
	Total cash and bank balances at end of the year		**6409.33**		7240.52

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

Disclosure of non-cash transaction

Particulars	For the year 2019-20	For the year 2018-19
Increase of investment in Tuticorin Alkali Chemicals and Fertilizers Limited through conversion of preference shares and other dues to equity shares	-	2000.00
Increase in investment in:		
Mercantile Ventures Limited	-	784.08
South India Travels Private Limited	-	50.96
Total	**-**	**2835.04**

The accompanying notes are an integral part of these financial statements

In terms of our report attached.

For MSKA & Associates
Chartered Accountants
Firm Registration No.105047W

GEETHA JEYAKUMAR
Partner
Membership No: 029409

Place : Chennai
Date : 18 June 2020

For and on behalf of the Board of Directors

SASHIKALA SRIKANTH
Director
DIN: 01678374

S R RAMAKRISHNAN
Whole-Time Director
DIN: 00120126

K R ANANDAN
Chief Financial Officer

M B GANESH
Secretary

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

Note 1: GENERAL INFORMATION

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

Note 2: SIGNIFICANT ACCOUNTING POLICIES

i) Basis of preparation of financial statements

a. Statement of Compliance with Ind AS

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Accounting policies have been consistently applied to all the years presented except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

➢ Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The company have evaluated all the lease agreements and concluded that the existing accounting policies are in line with Ind AS 116. Adoption of Ind AS 116 did not have any material impact on the financial statements of the company.

➢ Appendix C to Ind AS 12, "Uncertainty over Income Tax Treatments : On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments which clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall be recognized and measured by applying the requirements in Ind AS 12, based on the taxable profit (tax loss) , tax bases, unused tax losses, unused tax credits and tax rates determined by applying this appendix. The amendment is effective from 1 April, 2019. The company has evaluated the effect of this amendment on the financial statements and concluded that there is no significant impact.

b. Basis of measurement

The financial statements have been prepared on the historical cost basis, except for certain financial instruments that are been measured at fair value at the end of each reporting and on accrual basis.

Certain financial assets and liabilities measured at fair value (refer Note 2(vi) and 2(xv))

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of sales and the time between the sale and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

c. Use of Estimates

The preparation of financial statements in conformity with Ind AS requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected. Refer Note 3 for detailed discussion on estimates and judgments.

ii) Property, Plant and Equipment

Property, Plant and Equipment (PPE) are stated at cost less depreciation and impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the year in which they are incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Items of stores and spares that meet the definition of PPE are capitalized at cost. Otherwise, such items are classified as inventories.

Depreciation methods, estimated useful lives

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

Depreciation on tangible assets is recognized so as to write off the cost of assets (other than freehold land and capital work-in-progress) less their residual values over the useful lives, using the straight line method. The company has followed the useful life as 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

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss under 'Other Income'.

Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, as appropriate.

iii) Investment Properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16's requirement for cost model.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in profit or loss as incurred.

Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

Though the company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

iv) Intangible Assets

Intangible assets are stated at acquisition cost, net of accumulated amortization. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

The estimated useful lives of intangible assets – Software is 5 Years

v) Foreign Currency Transactions

a. Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (‘the functional currency’). The financial statements are presented in Indian rupee (INR), which is the Company’s functional and presentation currency.

b. Transactions and balances

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

vi) Fair value measurements

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

► In the principal market for the asset or liability, or

► In the absence of a principal market, in the most advantageous market for the asset or liability accessible to the Company.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The Company’s management determines the policies and procedures for fair value measurement such as derivative instrument.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

► Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

► Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

► Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

vii) Revenue Recognition

The Company earns revenue primarily from sale of Urea. Revenue is recognized upon transfer of control of promised products to customers in an amount that reflects the consideration which the company expects to receive in exchange for those products. The performance obligation in case of sale of goods is satisfied at a point in time, i.e. when the goods are shipped to the customers or on delivery to the customer, as per applicable terms.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and incentives, if any, as per the contract with the customer. Revenue also excludes taxes collected from customers.

Under the New Pricing Scheme for Urea, the Government of India reimburses, in the form of subsidy, to the Fertilizer Industry based on the Retention Price computed on the lower of Naphtha or Regasified Liquefied Natural Gas (RLNG) price. This has been accounted on the basis of the rates notified from time to time by the Government of India on the quantity of Urea sold by the company for the period for which notification has been issued.

The revenue has been further adjusted for input price escalation / de-escalation as estimated by the Management in accordance with the known policy parameters in this regard.

Interest Income is recognised on a basis of effective interest method as set out in Ind AS 109, Financial Instruments and where no significant uncertainty as to measurability or collectability exists.

viii) Taxes

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year.

a. Current Income tax

Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the year end date. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

b. Deferred tax

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current and deferred tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The carrying amount of the deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognize MAT credit available as an asset only to the extent that there is convincing evidence that the

Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as “MAT Credit Entitlement” and grouped under Deferred Tax. The Company reviews the “MAT credit entitlement” asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

ix) Assets classified as held for sale

The Company classifies non-current assets (or disposal group) as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use.

The criteria for held for sale classification is regarded met only when the assets (or disposal group) is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets (or disposal group), its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset (or disposal group) to be highly probable when:

► The appropriate level of management is committed to a plan to sell the asset (or disposal group),

► An active program to locate a buyer and complete the plan has been initiated (if applicable),

► The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,

► The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and

► Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets (or disposal group) held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities (or disposal group) classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized.

x) Leases

The Company as a Lessee

The Company’s lease asset classes primarily consist of leases for Warehouse and Corporate office building. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset (“ROU”) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Company as a Lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

xi) Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials, packaging materials and stores and spare parts are valued at lower of cost and net realizable value. Cost includes purchase price, (excluding those subsequently recoverable by the enterprise from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. In determining the cost, weighted average cost method is used.

Provision of obsolescence on inventories is considered on the basis of management's estimate based on demand and market of the inventories.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

xii) Impairment of non-financial assets

The Company assesses at each year end whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Company estimates the asset's recoverable amount and the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognized in Statement of Profit and Loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through Statement of Profit and Loss.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

xiii) Provisions and Contingent liabilities

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

xiv) Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand and short-term deposits net of bank overdraft with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, cash at banks and short-term deposits net of bank overdraft.

xv) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a. **Financial Assets**

Initial recognition and measurement

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

a) at amortized cost; or

b) at fair value through other comprehensive income; or

c) at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the Effective Interest Rate (EIR) method.

Fair Value Through Other Comprehensive Income (FVTOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVTOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the EIR method.

Fair Value Through Profit or Loss (FVTPL): Assets that do not meet the criteria for amortized cost or FVTOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

Equity instruments: All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

The company has equity instruments in 10 (ten) entities which are not held for trading. The company has elected the FVTOCI irrevocable option for these investments. Fair value is determined in the manner described in Note 6.

Impairment of financial assets

In accordance with Ind AS 109, Financial Instruments, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on financial assets that are measured at amortized cost and FVTOCI.

For recognition of impairment loss on financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent years, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the year end.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

In general, it is presumed that credit risk has significantly increased since initial recognition if the payment is more than 30 days past due.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/expense in the statement of profit and loss. In balance sheet ECL for financial assets measured at amortized cost is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

Derecognition of financial assets

A financial asset is derecognized only when

a) the rights to receive cash flows from the financial asset is transferred or

b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the financial asset is transferred then in that case financial asset is derecognized only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

b. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss as finance costs.

c. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counter party.

xvi) Employee Benefits

a. Short-term obligations

Liabilities for salaries and wages, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

b. Other long-term employee benefit obligations

Defined Contribution plan

Contributions paid/payable to defined contribution plans comprising of Superannuation (under a scheme of Life Insurance Corporation of India) and Provident Funds for certain employees covered under the respective Schemes are recognised in the Statement of Profit and Loss each year.

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.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

Defined benefit plans

Gratuity: The Company's Gratuity scheme for its employees is a defined benefit retirement benefit plan. Obligation under the gratuity scheme is covered under a Scheme of Life Insurance Corporation of India (LIC) and contributions in respect of such scheme are recognized in the profit or loss. The liability as at the Balance Sheet date is provided for using the projected unit credit method, with actuarial valuations being carried out as at the end of the year. Defined benefit costs are categorized as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- Re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

Compensated Absences: Accumulated compensated absences, which are expected to be availed or en-cashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or en-cashed beyond 12 months from the end of the year are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognized in the statement of profit and loss in the year in which they arise.

Leaves under defined benefit plans can be en-cashed partly while in service and on discontinuation of service by employee.

xvii) Contributed Equity

Equity shares are classified as equity share capital. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

xviii) Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share is the net profit or loss and any attributable tax thereto for the year. The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

xix) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

xx) Rounding off amounts

All amounts disclosed in financial statements and notes have been rounded off to the nearest thousands as per requirement of Schedule III of the Act, unless otherwise stated.

xxi) Subsidy from Government

Subsidies from the government are recognized when there is reasonable assurance that the subsidy will be received and all attaching conditions will be complied with. When the subsidy relates to an expenses item, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate. Where the subsidy relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

xxii) Derivative financial instruments

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contract, to hedge its foreign currency risks. Such derivative financial instruments are initially recognized at fair value on the date of which a derivative contract is entered into and are subsequently re-measured fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

xxiii) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (i.e. the “functional currency”). The financial statements are presented in Indian Rupee (₹), the national currency of India, which is the functional currency of the Company.

xxiv) Standards (including amendments) issued but not yet effective:

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020:

Note 3: Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the year end date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

a. Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Company neither have any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Company has determined that it cannot recognize deferred tax assets on the tax losses carried forward except for the unabsorbed depreciation.

b. Defined benefit plans (gratuity benefits and compensated absences)

The cost of the defined benefit plans such as gratuity and compensated absences are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each year end.

The principal assumptions are the discount and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis. For details refer Note 32.

c. Useful lives of Property, Plant and Equipment

The Company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. During the current year, there has been no change in life considered for the assets.

d. Revenue Recognition

The Company provides customer incentives, such as rebates, based on quantity purchased, timing of collections etc. Various estimates are made to recognise the impact of rebates and other incentives on revenue. These estimates are made based on historical and forecasted data, contractual terms and current conditions.

e. Subsidy Income

Subsidy income is recognised on the basis of the rates notified from time to time by the Government of India in accordance with the New Pricing Scheme for Urea on the quantity of Urea sold by the Company for the period for which notification has been issued and for the remaining period, based on estimates.

f. Provision for doubtful receivables

The Company makes provision for doubtful receivables based on a provision matrix which takes into account historical credit loss experience and adjusted for current estimates.

Note 4: Property, Plant & Equipments and Other Intangible Assets

(₹ In Lac)

	Description	Gross block				Accumulated depreciation and impairment				Net block	
		Opening Balance as at 1 April 2019	Additions/ Adjustments	Deletions/ Adjustments	Closing Balance as at 31 March 2020	Opening Balance as at 1 April 2019	Additions/ Adjustments	Deletions/ Adjustments	Closing Balance as at 31 March 2020	As at 31 March 2020	As at 31 March 2019
(i)	**Tangible Assets (Owned)**										
(a)	Land - Freehold	**5829.73**	**-**	**5.00**	**5824.73**	**-**	**-**	**-**	**-**	**5824.73**	**5829.73**
(b)	Buildings	**3341.16**	**87.08**	**-**	**3428.24**	**486.46**	**162.43**	**-**	**648.89**	**2779.35**	**2854.70**
(c)	Plant and Equipment	**19742.67**	**13906.73**	**230.35**	**33419.05**	**6654.46**	**2810.89**	**212.56**	**9252.79**	**24166.26**	**13088.21**
(d)	Furniture and Fixtures	**62.87**	**0.89**	**4.04**	**59.72**	**15.18**	**5.53**	**0.00**	**20.71**	**39.01**	**47.69**
(e)	Vehicles	**148.10**	**12.18**	**7.63**	**152.65**	**5.24**	**22.26**	**5.84**	**21.66**	**130.99**	**142.86**
(f)	Office equipments	**2203.56**	**1238.59**	**104.98**	**3337.17**	**1439.71**	**150.66**	**99.97**	**1490.40**	**1846.77**	**763.85**
(g)	Roads	**74.55**	**44.90**	**-**	**119.45**	**62.60**	**9.11**	**-**	**71.71**	**47.74**	**11.95**
(h)	Railway Sidings	**298.14**	**3.86**	**-**	**302.00**	**41.46**	**13.83**	**-**	**55.29**	**246.71**	**256.68**
Total		**31700.78**	**15294.22**	**352.00**	**46643.00**	**8705.11**	**3174.72**	**318.37**	**11561.45**	**35081.54**	**22995.67**
(ii)	**Other Intangible Assets**	**189.89**	**0.00**	**-**	**189.89**	**52.01**	**36.08**	**-**	**88.09**	**101.80**	**137.88**

Previous year

(₹ In Lac)

	Description	Gross block				Accumulated depreciation and impairment				Net block	
		Opening Balance as at 1 April 2018	Additions/ Adjustments	Deletions/ Adjustments	Closing Balance as at 31 March 2019	Opening Balance as at 1 April 2018	Additions/ Adjustments	Deletions/ Adjustments	Closing Balance as at 31 March 2019	As at 31 March 2019	As at 31 March 2018
(i)	**Tangible Assets (Owned)**										
(a)	Land - Freehold	4714.48	1115.25	-	5829.73	-	-	-	-	5829.73	4714.48
(b)	Buildings	3288.79	52.37	-	3341.16	322.22	164.24	-	486.46	2854.70	2966.57
(c)	Plant and Equipment	19423.09	384.93	65.35	19742.67	4020.55	2690.36	56.45	6654.46	13088.21	15402.54
(d)	Furniture and Fixtures	60.64	2.23	-	62.87	9.94	5.24	-	15.18	47.69	50.70
(e)	Vehicles	141.99	44.44	38.33	148.10	13.01	24.74	32.51	5.24	142.86	128.98
(f)	Office equipments	2062.50	147.67	6.61	2203.56	1191.84	254.16	6.29	1439.71	763.85	870.66
(g)	Roads	74.55	-	-	74.55	41.65	20.95	-	62.60	11.95	32.90
(h)	Railway Sidings	298.14	-	-	298.14	27.64	13.82	-	41.46	256.68	270.50
Total		30064.18	1746.89	110.29	31700.78	5626.85	3173.51	95.25	8705.11	22995.67	24437.33
(ii)	**Other Intangible Assets**	129.98	59.91	-	189.89	23.27	28.74	-	52.01	137.88	106.71

Depreciation Expenses: (₹ In Lac)

Particulars	**As at 31 March 2020**	As at 31 March 2019
(i) Property, Plant & Equipment	**3174.72**	3173.51
(ii) Investment Property	**3.47**	3.47
(iii) Other Intangible Assets	**36.08**	28.74
Total	**3214.27**	3205.72

Note 5: Investment Property (₹ In Lac)

Particulars	**As at 31 March 2020**	As at 31 March 2019
Carrying amount of		
Completed investment property	**125.71**	129.18
Total	**125.71**	129.18

(₹ In Lac)

Particulars	**As at 31 March 2020**	As at 31 March 2019
Cost or Deemed cost:		
Balance at the beginning of the year	**139.59**	139.59
Additions	**-**	-
Balance at the end of the year	**139.59**	139.59
Accumulated depreciation and impairment:		
Balance at the beginning of the year	**10.41**	6.94
Depreciation expense	**3.47**	3.47
Balance at the end of the year	**13.88**	10.41

Note 5.1: Fair value of the Company's investment property

The fair value of the property is ₹ 316.96 lac, as per valuation performed by M/s. Anbusivam Valuers., an accredited independent valuer in the earlier year. M/s. Anbusivam Valuers is a specialist in valuing these types of investment properties. The Management feels there won't be any significant change in valuation for current year. The valuation will be done every 5 years.

Fair value was derived using the market comparable approach based on recent market / government guideline prices without any significant adjustments being made to the market observable data. In estimating the fair value of the property, the current use is considered as the highest and best use.

Note 5.2: Information regarding income and expenditure of Investment property (₹ In Lac)

Particulars	**Year ended 31 March 2020**	Year ended 31 March 2019
Rental income derived from investment properties	**15.78**	15.78
Direct operating expenses (including repairs and maintenance) generating rental income	**-**	-
	15.78	15.78
Less: Depreciation	**(3.47)**	(3.47)
Income arising from investment properties before indirect expenses	**12.31**	12.31

The Company's investment properties consist of commercial property in chennai given on non-cancellable lease for a period of 5 years.

Note 6: Non-Current Investments (₹ In Lac)

	Particulars	As at 31 March 2020	As at 31 March 2019
(A)	**Investments in Associates at cost**		
1.	**Quoted Investments in equity instruments**		
	- Tuticorin Alkali Chemicals and Fertilizers Limited (Refer Note 6 (c) below)		
	5,35,30,113 (5,35,30,113) Equity Shares of ₹ 10 each, fully paid up	**6620.67**	6620.67
	Provision for Diminution in Investment value	**(3668.46)**	(3668.46)
	Total Aggregate Quoted Investments (1)	**2952.21**	2952.21
2.	**Unquoted investments**		
a)	**Investments in equity instruments.**		
	- Gold Nest Trading Company Limited		
	2,49,000 (2,49,000) Equity Shares of ₹ 100 each, fully paid up	**250.25**	250.25
	Provision for Diminution in Investment value	**(250.25)**	(250.25)
	-Greenam Energy Private Limited (Refer Note 6 (a) below)		
	75,86,502 (56,86,502) Equity Shares of ₹ 10 each, fully paid up	**758.65**	568.65
	Total Aggregate Unquoted Investments (2)	**758.65**	568.65
	Total Investments in associates (1) + (2)	**3710.86**	3520.86
(B)	**Investments in Joint Ventures at cost**		
1.	**Quoted Investments in equity instruments**		
	- Tamilnadu Petroproducts Limited		
	1,52,34,375 (1,52,34,375) Equity Shares of ₹ 10 each	**1980.47**	1980.47
	Total Aggregate Quoted Investments (1)	**1980.47**	1980.47
2.	**Unquoted Investments in equity instruments**		
	- National Aromatics and Petrochemicals Corporation Limited		
	25,000 (25,000) Equity Shares of ₹ 10 each	**2.50**	2.50
	Provision for Diminution in Investment value	**(2.50)**	(2.50)
	Total Aggregate Unquoted Investments (2)	**-**	-
	Total Investments in joint ventures (1) + (2)	**1980.47**	1980.47
(C)	**Other Equity Investments carried at FVTOCI**		
1.	**Quoted Investments in equity instruments**		
	Investments in equity		
	- Manali Petrochemicals Limited		
	10,000 (10,000) Equity shares of ₹ 5 each, fully paid up	**1.01**	2.52
	- State Bank of India		
	9,660 (9,660) Equity Shares of ₹1 each, fully paid up	**19.02**	30.98
	- ICICI Bank Limited		
	2,106 (2,106) Equity Shares of ₹ 2 each, fully paid up	**6.82**	8.43
	- Mercantile Ventures Limited		
	1,50,28,000 (1,50,28,000) Equity Shares of ₹ 10 each, fully paid up	**521.47**	748.40
	- Sicagen India Limited		
	5,77,681 (5,77,681) Equity Shares of ₹ 10 each, fully paid up	**52.28**	138.93
	Total Aggregate Quoted Investments (1)	**600.60**	929.26

Note 6: Non-Current Investments

(₹ In Lac)

	Particulars	As at 31 March 2020	As at 31 March 2019
2.	**Unquoted investments**		
	Investments in equity		
	- Biotech Consortium India Limited		
	2,50,000 (2,50,000) Equity Shares of ₹ 10 each, fully paid up	**25.00**	25.00
	- Chennai Willington Corporate Foundation		
	50 (50) Equity Shares of ₹ 10 each costing ₹ 450, fully paid up	**0.00**	0.00
	- OPG Power Generation Private Limited (Refer Note 6 (b) below)		
	2,38,500 (2,08,800) Equity Shares of ₹10 each, fully paid up	**27.08**	23.67
	- R K Wind Farms (Karur) Private Limited		
	456 (456)Equity shares of ₹10 each, fully paid up	**0.05**	0.05
	- South India Travels Private Limited		
	5,09,575 (5,09,575) Equity Shares of ₹ 10 each, fully paid up	**50.96**	50.96
	Total Aggregate Unquoted Investments (2)	**103.09**	99.68
	Total Other equity Investments (1) + (2)	**703.69**	1028.94
(D)	**Other Investments carried at FVTOCI**		
1	**Investment in Mutual Funds (all fully paid)**		
	- Canara Robecco Equity Diversified - Growth Plan (formerly known as Canara Robecco Fortune) - 94 units		
	12,760 (12,760) Units of ₹ 10 each	**1.00**	1.00
	Total Aggregate Investments In Mutual Funds	**1.00**	1.00
	Total Other Investments	**1.00**	1.00
	Aggregate book value of		
	a) Quoted investments	**5533.28**	5861.94
	b) Unquoted investments	**862.74**	669.33
	Aggregate market value of		
	-Quoted investments	**6068.83**	8683.12

6: During the year:

a. 19,00,000 Equity shares of ₹ 10 each at par was allotted to the Company by M/s. Greenam Energy Private Limited (Greenam), a company incorporated for setting up a 25-29 MW DC solar power project. The Company has given an undertaking to lenders of Greenam for non-disposal/pledge of equity shares of Greenam so long as any moneys remain due by the Company under the Loan Agreement. The company has pledged 56,86,502 equity shares to Indian Renewable Energy Development Agency Limited (IREDA) during October, 2019.

b. 29,700 Equity shares of ₹ 10 each @ ₹ 11.50 per share valuing ₹ 3.41 lac was allotted by OPG Power Generation Private Limited due to increase in consumption of power, as per Group Captive Scheme of the Govt. of India under Electricity Rules, 2005 and the balance equity shares held is 2,38,500.

c. Tuticorin Alkali Chemicals and Fertilizers Limited (TFL), an associate of the Company, has allotted 4,68,50,000 Equity shares of ₹ 10 each, at par, through conversion of 5% Redeemable Cumulative Preference Shares of ₹ 100 each amounting to ₹ 2000 lac and conversion of unsecured loans and pending amount towards material supplies aggregating ₹ 2685 lac. The allotment has been made by TFL pursuant to SEBI Order dated 6 September 2018 permitting these conversions. The above shares were approved on 25 September, 2019 for listing and trading on the exchange.

Note 7: Other financial assets (₹ In Lac)

	Particulars	As at 31 March 2020	As at 31 March 2019
(A)	**<u>Other financial assets - Non-current</u>**		
	Financial assets carried at amortized cost		
	Deposits		
	Considered good	**243.29**	287.10
	Doubtful	**43.16**	42.47
		286.45	329.57
	Less: Provision for doubtful deposits	**43.16**	42.47
		243.29	287.10
	Loans to employees		
	Considered good	**-**	-
	Doubtful	**5.84**	5.84
		5.84	5.84
	Less: Provision for doubtful loans	**5.84**	5.84
		-	-
	Total	**243.29**	287.10
(B)	**<u>Other financial assets - Current</u>**		
	Financial assets carried at amortized cost		
	Advances to related parties		
	Considered good	**1408.40**	3557.75
	Doubtful	**1489.77**	1488.96
		2898.17	5046.71
	Less: Provision for doubtful loans	**1489.77**	1488.96
		1408.40	3557.75
	Interest accrued on deposits	**287.76**	241.11
	Insurance claims receivable	**-**	0.08
	Subsidy Receivable (Refer Note 17(i))	**108657.69**	103201.37
	Total	**110353.85**	107000.31

Note 8: Other Non-Current Assets

(₹ In Lac)

Particulars	As at 31 March 2020	As at 31 March 2019
Deposits:		
Considered good	**736.27**	1509.75
Doubtful	**-**	88.73
	736.27	1598.48
Less: Provision for doubtful deposits	**-**	88.73
	736.27	1509.75
Advances to employees:		
Considered doubtful	**9.34**	10.23
Less: Provision for doubtful loans and advances	**9.34**	10.23
	-	-
Capital advances	**6282.89**	2135.01
Balances with government authorities:		
Considered good	**723.37**	963.94
Doubtful	**23.27**	210.22
	746.64	1174.16
Less: Provision for doubtful balances	**23.27**	210.22
	723.37	963.94
Total	**7742.53**	4608.70

Note 9: Inventories

(₹ In Lac)

Particulars	As at 31 March 2020	As at 31 March 2019
Raw materials in stock (at cost)	**10028.07**	12404.24
Raw material in transit (at cost)	**-**	437.92
	10028.07	12842.16
Work-in-progress in stock (at cost) (Refer Note 9 (i) below)	**118.92**	299.48
Finished goods in stock (at lower of cost and net realizable value)	**34.87**	1529.32
Stores and spares including packing material (at cost)	**2112.25**	2099.74
Fuel Oil (at cost)	**1211.68**	2014.66
Total	**13505.79**	18785.36

Note 9(i): Details of work-in-progress

(₹ In Lac)

Particulars	As at 31 March 2020	As at 31 March 2019
Tissue Culture	**57.06**	195.16
Others	**61.86**	104.32
Total	**118.92**	299.48

Note 10: Trade receivables

(₹ In Lac)

Particulars	As at 31 March 2020	As at 31 March 2019
Unsecured, considered good	**896.27**	1764.96
Unsecured, considered doubtful	**649.03**	648.83
	1545.30	2413.79
Less: Allowance for doubtful debts	**649.03**	648.83
Total	**896.27**	1764.96

* Includes 'Nil' (₹4.41 lac) receivable from a related party.

The credit period on sale of goods varies with seasons and business segments/markets and is normally 7 days.

Note 11(A): Cash and cash equivalents

(₹ In Lac)

Particulars	As at 31 March 2020	As at 31 March 2019
Balances with banks:		
- In current accounts	**6403.39**	7235.88
- In EEFC accounts	**-**	0.92
Cash on hand	**5.94**	3.72
Total	**6409.33**	**7240.52**

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

(₹ In Lac)

Particulars	As at 31 March 2020	As at 31 March 2019
Balances with banks:		
- In current accounts	**6403.39**	7235.88
- In EEFC accounts	**-**	0.92
Cash on hand	**5.94**	3.72
Total	**6409.33**	7240.52

Note 11(B): Bank balances other than Cash and cash equivalents (₹ In Lac)

Particulars	As at 31 March 2020	As at 31 March 2019
Balances with banks		
- Balances held as margin money or security against borrowings, guarantees and other commitments	**810.40**	464.50
- Balance in Escrow Account	**1.14**	4.18
Total	**811.54**	468.68

Note 12: Other current assets (₹ In Lac)

Particulars	As at 31 March 2020	As at 31 March 2019
Advances to employees - Considered good	**0.91**	0.36
Other Advances:		
Considered good	**146.18**	54.39
Doubtful	**93.70**	174.21
	239.88	228.60
Less: Provision for doubtful advances	**93.70**	174.21
	146.18	54.39
Prepaid expenses	**335.77**	170.82
Balances with government authorities:		
Considered good	**8342.03**	12171.30
Doubtful	**37.40**	37.40
	8379.43	12208.70
Less: Provision for doubtful balances	**37.40**	37.40
	8342.03	12171.30
Advances to Suppliers	**1967.78**	1522.37
Total	**10792.67**	13919.24

Note 13: Equity Share Capital (₹ In Lac)

Particulars	As at 31 March 2020	As at 31 March 2019
Authorised:		
31,60,00,000 (31,60,00,000) Equity shares of ₹10 each	**31600.00**	31600.00
55,00,000 (55,00,000) Redeemable cumulative preference shares of ₹ 100 each	**5500.00**	5500.00
3,00,00,000 (3,00,00,000) Fully Compulsorily Convertible Preference (FCCP) shares of ₹ 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 ₹10 each	**20364.03**	20364.03
(Refer Note 13(i) to 13(iv) below)		

Note 13(i): There is no movement in the number of equity shares and preference shares during the current year and in the previous year.

Note 13(ii): Details of Shareholders holding more than 5% shares in the Company

Class of shares / Name of shareholders	As at 31 March 2020		As at 31 March 2019	
	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				
AMI Holdings Private Limited	**37276700**	**18.31**	37276700	18.31
Lotus Fertilizers Private Limited	**27995454**	**13.75**	27995454	13.75
The Bank of New York Mellon	**16791800**	**8.25**	16791800	8.25
FICON Holdings Limited	**15682775**	**7.70**	15682775	7.70
Preference Shares (Refer Note 17)				
14.50% Redeemable cumulative non-convertible preference shares				
Bajaj Auto Limited	**300000**	**100.00**	300000	100.00
11.50% Redeemable cumulative non-convertible preference shares				
AMI Holdings Private Limited	**650000**	**76.47**	650000	76.47
Dynamic Global Trading Corporation Private Limited	**200000**	**23.53**	200000	23.53
10% Redeemable cumulative non-convertible preference shares				
AMI Holdings Private Limited	**100000**	**100.00**	100000	100.00

Note 13(iii): Equity shares include:

1,67,91,800 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 ₹ 10 per share. Each shareholder is entitled to one vote per share held. Dividend if any declared is payable in Indian rupees. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. 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 13(iv): 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 14: Other Equity

(₹ In Lac)

Particulars	As at 31 March 2020	As at 31 March 2019
Capital Reserve	**97.24**	97.24
Capital Redemption Reserve	**6500.00**	6500.00
Securities Premium Account	**21047.71**	21047.71
Statutory Reserve	**41.33**	41.33
(Deficit) in Statement of Profit and Loss:		
Opening balance	**(12324.69)**	(17658.84)
Add: Profit for the year	**5694.04**	5334.15
Closing balance	**(6630.65)**	(12324.69)
Reserve for equity instruments through other comprehensive income:		
Opening balance	**(729.51)**	223.12
Add: Effect of measuring investments at fair value	**(295.80)**	(952.63)
Closing balance	**(1025.31)**	(729.51)
Remeasurement of defined plans:		
Opening balance	**(212.41)**	(47.13)
Add: Actuarial movement through other comprehensive income	**(129.03)**	(165.28)
Closing balance	**(341.44)**	(212.41)
Total	**19688.88**	14419.67

Capital Reserve and Statutory Reserve

Capital Reserve of ₹ 97.24 lac and Statutory Reserve of ₹ 41.33 lac represents reserves transferred to the Company on merger of SPIC Holdings and Investments Ltd (SHIL) with the Company during 2006-07.

Capital Redemption Reserve

Capital redemption reserve has been created pursuant to the requirements of the Act under which the Company is required to transfer certain amounts on redemption of the preference shares. The Company has redeemed the underlying preference shares in the earlier years. The capital redemption reserve can be utilised for issue of bonus shares.

Securities Premium Account

Securities premium reserve represents the amount received in excess of the face value of the equity shares. The utilisation of the securities premium reserve is governed by the Section 52 of the Act.

Note 15: Non-current borrowings

(₹ In Lac)

Particulars	As at 31 March 2020	As at 31 March 2019
Unsecured at amortised cost		
Term loans		
From Related Party (Refer Note 15 (i) below)	**-**	12865.50
	-	12865.50

Note 15(i): The Company during the FY 2016-17 & FY 2017-18, had issued unsecured Indian Rupee denominated bonds (Masala Bonds) of ₹ 20670 lac to AM International Holdings Pte Ltd, Singapore, which was approved by the Board of Directors vide their meeting held on 20 September 2016. These bonds are repayable after three years and carry an interest of 9% p.a. which is payable at quarterly intervals falling due on 22 February, 22 May, 22 August and 22 November of each year. Out of the total amount, the Company had utilised ₹ 16275 lac (₹ 16275 lac) as on 31.03.2019. Out of that amount, an amount of ₹ 3409.50 lac had matured during December 2019 and the same was paid and the balance amount of ₹ 12865.50 will be maturing by July 2020, January 2021 & March 2021 and the same is classified as current maturities of long term borrowings in Note 16 (B).

Note 16: Other Financial Liabilities (₹ In Lac)

	Particulars	As at 31 March 2020	As at 31 March 2019
(A)	**Other financial liabilities - Non-Current (at amortised cost)**		
	Trade / security deposits received	**3007.52**	2805.36
	Liabilities for expenses	**5.79**	83.33
		3013.31	2888.69
(B)	**Other financial liabilities - Current (at amortised cost)**		
	Current maturities of long term borrowings (Refer Note 15 (i))	**12865.50**	3409.50
	Interest accrued but not due on borrowings	**40.91**	128.20
	Interest accrued and due on borrowings	**43.40**	48.50
	Interest accrued and due on Payable	**1387.68**	-
	Retention Money	**91.40**	73.64
	Other payables		
	- Advance from Customers and other parties	**-**	153.80
Total		**14428.89**	3813.64

Note 17: Current borrowings (₹ In Lac)

Particulars	As at 31 March 2020	As at 31 March 2019
Term loans (at amortised cost)		
From banks- Secured (Refer Note 17(i) below)	**23491.53**	14635.82
From banks- Unsecured	**-**	2387.70
Loans repayable on demand (at amortised cost)		
From other parties Unsecured	**-**	1934.33
Unsecured (at amortised cost)		
3,00,000 (3,00,000) 14.50% Redeemable cumulative non-convertible preference shares of ₹100 each (Refer Note 17(ii) below)	**300.00**	300.00
8,50,000 (8,50,000) 11.50% Redeemable cumulative non-convertible preference shares of ₹100 each (Refer Note 17(iii) below)	**850.00**	850.00
1,00,000 (1,00,000) 10.00% Redeemable cumulative non-convertible preference shares of ₹100 each (Refer Note 17(iv) below)	**100.00**	100.00
Interest accrued on cumulative preference shares	**3168.19**	3552.71
Total	**27909.72**	23760.56

Note 17(i): During the current year ₹23491.53 lac received from Punjab National Bank under Special Banking Arrangement as approved by Ministry of Finance, Department of Economic Affairs vide O.M. No. 7/22/2017-BS dt. 18 February 2020 secured against subsidy receivables from the Government of India for the period January 2020 to March 2020. The bank has charged an interest of 6.15% p.a. on the said arrangement, which is fully borne by the Government of India.

Note 17(ii): 14.50% Redeemable cumulative non-convertible preference shares of ₹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.

Note 17(iii): 11.50% Redeemable cumulative non-convertible preference shares of ₹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.

Note 17(iv): 10.00% Redeemable cumulative non-convertible preference shares of ₹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.

Note 18: Trade payables

(₹ In Lac)

Particulars	**As at 31 March 2020**	As at 31 March 2019
Trade payables:		
- Total outstanding dues to Micro, Small and Medium Enterprises (Refer Note 18(i) below)	**-**	-
- Total outstanding dues other than Micro, Small and Medium Enterprises	**118173.64**	120872.95
Total	**118173.64**	120872.95

Note 18(i): Dues to Micro, Small and Medium Enterprises :

Dues to Micro, Small and Medium 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.

(₹ In Lac)

	Particulars	**As at 31 March 2020**	As at 31 March 2019
(i)	Principal amount remaining unpaid to any supplier as at the end of the accounting year	**-**	-
(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 payments 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 19: Provisions

(₹ In Lac)

Particulars	As at 31 March 2020	As at 31 March 2019
Provision for employee benefits:		
- Compensated absences	**461.33**	389.34
Total	**461.33**	389.34

Note 20: Other current liabilities

(₹ In Lac)

Particulars	As at 31 March 2020	As at 31 March 2019
Other payables:		
- Statutory remittances	**205.99**	390.40
- Gratuity payable	**122.15**	439.47
- National Pension Scheme Payable	**2.49**	-
- Superannuation fund payable	**511.13**	930.53
- Advances from customers and other parties	**963.23**	-
- Other Deposits	**60.00**	60.00
Total	**1864.99**	1820.40

Note 21 : Revenue from operations

(₹ In Lac)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Sale of products	**31983.88**	45259.02
Less: Rebates and discounts	**(3128.01)**	(4546.24)
	28855.87	40712.78
Subsidy Income	**177855.88**	217598.75
Sales (Refer Note 21(i) below)	**206711.75**	258311.53
Other operating revenues (Refer Note 21(ii) below)	**1206.25**	884.27
Total	**207918.00**	259195.80

Note 21(i): Sales

(₹ In Lac)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Manufactured goods		
Urea	**28197.99**	33806.84
Fertiliser and Transport Subsidy (Urea)	**177855.88**	217598.75
Others	**657.88**	1044.03
Traded goods		
Imported Urea	**-**	5861.91
Total	**206711.75**	258311.53

Note 21(ii): Other Operating Revenues (₹ In Lac)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Facility Sharing Income	**775.42**	777.03
Sale of scrap	**95.65**	107.24
Others	**335.18**	-
Total	**1206.25**	884.27

Note 22: Other income (₹ In Lac)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Interest income (Refer Note 22(i) below)	**122.72**	774.75
Dividend income from long-term investments	**154.75**	79.72
Liabilities / Provisions no longer required written back	**30.00**	345.48
Rental Income	**56.90**	34.72
Profit on sale of assets	**7.68**	2.84
Insurance claims received	**0.14**	6.16
Others	**674.64**	902.40
Total	**1046.83**	2146.07

Note 22(i): Interest income (₹ In Lac)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Interest on Income Tax refund	**-**	123.91
Interest from banks deposits	**79.78**	22.06
Other interest	**42.94**	628.78
Total	**122.72**	774.75

Note 23: Cost of materials consumed (₹ In Lac)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Opening stock	**12842.16**	10254.39
Add: Purchases#	**114028.80**	154798.75
	126870.96	165053.14
Less: Closing stock	**10028.07**	12842.16
Total	**116842.89**	152210.98

Includes ₹ 8621.15 lac (₹ 3697.39 lac) of foreign exchange loss.

Note 24: Purchase of Stock-in-trade

(₹ In Lac)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Imported urea	-	3581.41
Total	-	3581.41

Note 25: Changes in inventories of finished goods, stock-in-trade and work-in-progress

(₹ In Lac)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Inventories at the beginning of the year:		
Finished goods	**1529.32**	3801.02
Work-in-progress	**299.48**	2005.15
Stock-in-trade	-	10.38
	1828.80	5816.55
Inventories at the end of the year:		
Finished goods	**34.87**	1529.32
Work-in-progress	**118.92**	299.48
	153.79	1828.80
Net Decrease	**1675.01**	3987.75

Note 26: Employee benefits expense

(₹ In Lac)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Salaries and wages	**4794.07**	5033.03
Contribution to provident fund and other funds	**465.01**	490.36
Contribution to gratuity fund	**110.02**	103.26
Staff welfare expenses	**522.87**	570.17
Total	**5891.97**	6196.82

Note 27: Finance costs

(₹ In Lac)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Interest expense on:		
- Borrowings	**1628.50**	1895.24
- Deposits	**206.10**	182.69
- Others *	**1398.43**	1307.38
Other borrowing costs	**182.04**	182.04
Total	**3415.07**	3567.35

* includes ₹ 1387.68 lac (₹ 1304.07 lac) finance charges relating to raw material payments.

Note 28: Other expenses

(₹ In Lac)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Consumption of stores and spare parts	**1375.25**	1755.92
Packing, transportation and handling	**11803.74**	15646.55
Power and fuel *	**50395.77**	56306.18
Water	**2544.50**	3441.44
Rent	**421.47**	544.40
Repairs to:		
- Buildings	**531.68**	620.84
- Machinery	**1415.56**	1096.18
- Others	**980.62**	848.46
Insurance	**403.91**	248.50
Rates and taxes	**108.74**	163.65
Port handling charges	**5.21**	674.68
Travelling and conveyance	**468.78**	603.36
Sales promotion expenses	**20.71**	14.28
Professional fees	**407.89**	205.73
Payment to auditors (Refer Note 28(i) below)	**25.10**	25.87
Bad trade and other receivables, loans and advances written off	**53.44**	318.91
Less: Transfer from Provision	**-**	(318.91)
	53.44	-
Assets written off	**27.07**	9.23
Investments written off	**-**	55989.64
Less: Transfer from Provision	**-**	(55989.64)
	-	-
Provision for doubtful trade and other receivables, loans and advances (net)	**0.81**	0.80
Provision for Inventories	**12.84**	-
Director's sitting fees	**37.00**	22.50
Miscellaneous expenses	**1187.72**	1029.12
Total	**72227.81**	83257.69

* Includes ₹ 3859.53 lac (₹ 345.01 lac) of foreign exchange loss.

Note 28(i): Payment to Auditors

(₹ In Lac)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Payments to the auditors comprises (net of GST input credit, where applicable):		
- For statutory audit	**15.00**	15.00
- For limited reviews	**6.00**	3.00
- For certification	**3.30**	6.15
- Reimbursement of expenses	**0.80**	1.72
Total	**25.10**	25.87

Note 29: Plant Operation

(i) During the year, the Company achieved a production of 5.50 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. The Subsidy would be paid based on the Retention Price computed on the lower of Naphtha/Fuel oil or RLNG price.

(iii) Subsidy for the period 1 April 2019 to 31 March 2020 of ₹ 170232.63 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.

(iv) Revenue for the year includes an amount of ₹ 12376.72 lac (amount pertaining to earlier years amounting to ₹ 10450.71 lac) relating to grant of Additional Fixed Cost to Fertilizer units of ₹350 / MT of Urea from FY 2014-15 till 2019-20 which is recognized as per Modified New Pricing Scheme (NPS) III notified in 2014, as approved by the Cabinet during the current year.

Note 30: Commitments

Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 19977.65 lac (₹ 10,951.17 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 ₹ 16873.97 lac (₹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 vide their letter dt. 26 February 2009, 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 44 years. Water Charges were paid to TWAD on the basis of actual receipt by individual industries. The claims including interest made by TWAD for ₹3719.80 lac (Previous year ₹ 3389.41 lac) is not acknowledged as debt, as this differential value from April 2009 to March 2020 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 (VOCPT) towards increase in rental charges from 1 July 2007 onwards. The amount payable as on 31.03.2020 is ₹1078.11 lac (from 01.07.2007 to 31.03.2020) (Previous year ₹ 973.28 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.

(b) No provision has been considered necessary by the Management for the following disputed Excise duty, Service tax, Sales Tax and Electricity tax 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.

(₹ In Lac)

Name of the Statue	**As at 31 March 2020**	As at 31 March 2019
The Central Excise Act, 1944	**55.78**	65.61
The Finance Act, 1994 (Service Tax)	**235.64**	404.78
Sales Tax Act under various State enactments	**884.11**	933.34
The Tamilnadu Electricity (Taxation on Consumption) Act, 1962	**1050.54**	1050.54
Total	**2226.07**	2454.27

Out of the above demand of ₹ 2226.07 lac (₹ 2454.27 lac), an amount of ₹ 125.02 lac (₹ 640.30 lac) has been deposited under protest/adjusted by relevant authorities.

Note 32: Employee benefits

A. Defined contribution plan

(₹ In Lac)

Particulars	**Year ended 31st March 2020**	Year ended 31st March 2019
During the year, the Company has recognized the following amounts in the Statement of Profit and Loss - Employers' Contribution to Provident Fund, ESI and Superannuation.	**455.14**	490.36

B. Defined benefit plans

Gratuity:

In respect of Gratuity plan, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out on 31 March 2020 by the Actuary. The present value of the Defined benefit obligation and the related current service cost and past service cost, were measured using the projected unit cost method. The following table sets forth the status of the gratuity plan of the company and the amount recognized in the balance sheet and statement of profit and loss. The company provides the gratuity benefit through annual contributions to a fund managed by the Life Insurance Corporation of India (LIC).

(₹ In Lac)

Sl No	Particulars	**31 March 2020**	31 March 2019
	Defined benefit plans		
	a) Gratuity payable to employees	**108.46**	103.26
	b) Compensated absences for Employees	**153.81**	182.10
		Employees' gratuity fund	
i)	**Actuarial assumptions**	**31 March 2020**	31 March 2019
	Discount rate (per annum)	**6.66%**	7.60%
	Rate of increase in Salary	**7.00%**	7.00%
	Expected rate of return on Plan Assets	**6.66%**	7.60%
	Attrition rate	**1.00%**	3.00%

(₹ In Lac)

Sl No	Particulars	31 March 2020	31 March 2019
ii)	**Changes in the present value of defined benefit obligation**		
	Present value of obligation at the beginning of the year	**1558.93**	1494.50
	Interest cost	**111.61**	103.28
	Current service cost	**96.14**	88.18
	Benefits paid and charges deducted	**(180.89)**	(306.33)
	Actuarial (gain)/ loss on obligations	**111.89**	179.29
	Present value of obligation at the end of the year	**1697.68**	1558.93
iii)	**Changes in fair value of plan assets**		
	Fair value of plan assets as at the beginning of the period	**1119.46**	1273.81
	Expected return on plan assets	**99.29**	88.21
	Contributions	**554.81**	49.76
	Benefits paid and Charges deducted	**(180.89)**	(306.33)
	Actuarial gain/(loss) on plan assets [balancing figure]	**(17.14)**	14.01
	Fair value of plan assets as at the end of the period	**1575.53**	1119.46
iv)	**Expense recognized in the Statement of Profit and Loss**		
	Current service cost	**96.14**	88.18
	Interest cost	**12.32**	15.08
	Total expenses recognized in the Statement Profit and Loss	**108.46**	103.26
	Actuarial (gain)/loss of ₹ 129.03 Lac (31 March 2019: ₹ 165.28 Lac) is included in other comprehensive income.		
v)	**Assets and liabilities recognized in the Balance Sheet:**		
	Present value of funded obligation as at the end of the year	**1697.68**	1558.93
	Fair value of plan assets	**1575.53**	1119.46
	Funded net liability recognized in Balance Sheet*	**122.15**	439.47
	*Included in other current liabilities (Refer Note 20)		
vi)	**Amount recognized for the current period in the statement of Other Comprehensive Income (OCI)**		
	Actuarial (gain)/loss on Plan Obligations	**111.89**	179.29
	Difference between Actual Return and Interest Income on Plan Assets- (gain)/loss	**17.14**	(14.01)
	(Gain)/ loss recognized in OCI for the current period	**129.03**	165.28

(₹ In Lac)

Sl No	Particulars	31 March 2020	31 March 2019
vii)	**A quantitative sensitivity analysis for significant assumption as at 31 March 2020 and 31 March 2019 are as shown below:**		
	Impact on defined benefit obligation		
	Discount rate		
	0.5% increase	**1625.00**	1506.08
	0.5% decrease	**1776.62**	1615.55
	Rate of increase in salary		
	0.5% increase	**1776.56**	1616.67
	0.5% decrease	**1624.35**	1504.55
viii)	**Expected Benefit Payments in following years**		
	Year 1	**98.30**	88.24
	Year 2	**325.13**	368.17
	Year 3	**164.96**	200.41
	Year 4	**162.70**	172.99
	Year 5	**108.84**	163.87
	Next 5 Years	**656.15**	611.52

Note 33: Deferred Tax Assets (Net)

(A) The following is the analysis of deferred tax assets/(liabilities) presented in the balance Sheet:

(₹ In Lac)

Particulars	As at 31 March 2020	As at 31 March 2019
Deferred tax assets	**5597.56**	5015.60
Deferred tax liabilities	**(1858.55)**	(1309.47)
Total	**3739.01**	3706.13

2019-20:-

(₹ In Lac)

Particulars	Opening Balance	Recognized in Profit & loss	Recognised in Other Comprehensive Income	Closing Balance
Deferred Tax (Liabilities) / Assets in relation to				
Property, Plant and Equipment	(1309.47)	(549.08)	-	(1858.55)
Provision for Doubtful Debts, Provision for Compensated absence and others	465.95	352.40	-	818.35
Unabsorbed Depreciation	4401.74	294.53	-	4696.27
Unabsorbed Interest Allowance	97.85	(97.85)	-	-
Financial Assets at FVTOCI	50.07	-	32.87	82.94
	3706.14	**-**	**32.87**	**3739.01**
Deferred Tax Asset (Net)	3706.14	-	32.87	3739.01
MAT Credit Entitlement	6702.46	-	-	6702.46
Net Deferred Tax Assets	**10408.60**	**-**	**32.87**	**10441.47**

2018-19:-

(₹ In Lac)

Particulars	Opening Balance	Recognized in Profit & loss	Recognised in Other Comprehensive Income	Closing Balance
Deferred Tax (Liabilities) / Assets in relation to				
Property, Plant and Equipment	(1237.11)	(72.36)	-	(1309.47)
Provision for Doubtful Debts, Provision for Compensated absence and others	325.16	140.79	-	465.95
Unabsorbed Depreciation	4568.02	(166.28)	-	4401.74
Unabsorbed Interest Allowance	-	97.85	-	97.85
Financial Assets at FVTOCI	(55.78)	-	105.85	50.07
	3600.29	**-**	**105.85**	**3706.14**
Deferred Tax Asset (Net)	3600.29	-	105.85	3706.14
MAT Credit Entitlement	6604.49	97.97	-	6702.46
Net Deferred Tax Assets	**10204.78**	**97.97**	**105.85**	**10408.60**

(B) Unrecognized deductible temporary differences, unused tax losses and unused tax credits

Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognized are attributable to the following:

(₹ In Lac)

Particulars	**As at 31 March 2020**	As at 31 March 2019
Business losses	**42377.13**	-
Capital losses	**9460.25**	65448.25
	51837.38	65448.25

Note 33.1 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 115JB and those other than section 115JB of the Income tax Act 1961. Considering this, the effective tax rate reconciliation is not being provided.

Note 34: Segment Reporting

The information reported to the Chief Operating Decision Maker (CODM) for the purpose of resource allocation and assessment of segment performance is based on types of goods and services. Accordingly, the Company's reportable segments under Ind AS 108 are as follows:

(i) Agro inputs - Urea Operations

(ii) Others - Agri Business

The following is an analysis of the Company's revenue and results from operations by reportable segments:

(₹ In Lac)

Particulars	Segment Revenue		Segment Profit	
	Year ended 31 March 2020	Year ended 31 March 2019	**Year ended 31 March 2020**	Year ended 31 March 2019
Agro Inputs (Urea Operations)	**207213.96**	258591.11	**10710.09**	9129.71
Others (Agri business)	**561.59**	767.73	**(319.87)**	(103.13)
Unallocated income	**1189.28**	1983.03		
Total	**208964.83**	261341.87	**10390.22**	9026.58
Finance Cost			**(3415.07)**	(3567.35)
Other Net Unallocable (Expenses)			**(1277.34)**	(125.08)
Income Tax (FBT)			**(3.77)**	-
Profit for the year			**5694.04**	5334.15

Segment Assets and Liabilities: (₹ In Lac)

Particulars	As at 31 March 2020	As at 31 March 2019
Segment Assets		
Agro inputs (Urea Operations)	**169934.25**	162305.88
Others (Agri business)	**1539.20**	1855.42
Unallocable Assets	**34431.34**	37033.48
Total Assets	**205904.79**	201194.78
Segment Liabilities		
Agro inputs (Urea Operations)	**119629.60**	138614.32
Others (Agri business)	**145.79**	245.79
Unallocable Liabilities	**46076.49**	27550.97
Total Liabilities	**165851.88**	166411.08

Other Segment Information: (₹ In Lac)

Particulars	Depreciation and Amortisation		Capital Expenditure	
	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2020	Year ended 31 March 2019
Agro Inputs (Urea Operations)	**3124.29**	3111.13	**11001.64**	5121.92
Others (Agri business)	**46.69**	46.67	**0.03**	2.31
Unallocable	**43.29**	47.92	**13.78**	37.07
Total	**3214.27**	3205.72	**11015.45**	5161.30

For the purpose of monitoring segment performance and allocating resources between segments:

1. All assets are allocated to reportable segments other than investments, cash and cash equivalents and derivative contracts.
2. All liabilities are allocated to reportable segments other than borrowings, current and deferred tax liabilities.

Note 35: Related Party Disclosures

In accordance with the requirements of Ind AS 24 ‘Related Party Disclosures’, names of the related parties, related party relationship, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during reported periods are:

Nature	Parties
Associates	1 Tuticorin Alkali Chemicals and Fertilizers Limited 2 Gold Nest Trading Company Limited 3 Greenam Energy Private 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. S R Ramakrishnan

Enterprises owned by / over which Key Management Personnel is able to exercise significant influence	1	Wilson International Trading Pte Limited, Singapore
	2	Wilson International Trading (India) Private Limited
	3	Manali Petrochemicals Limited
	4	Greenstar Fertilizers Limited
	5	AM International Holdings Pte. Limited, Singapore
	6	AMI Holdings 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 Automation Limited #
	13	EDAC Staffing Solution Private Limited #
	14	Totalcomm Infra Services Private Limited #
	15	Twinshield Consultants Private Limited
	16	I3 Security Private Limited
	17	AM Foundation
	18	SPIC Group Companies Employees Welfare Foundation

Amalgamated with EDAC Engineering Limited vide NCLT order dt. 8 July 2019.

(₹ In Lac)

Sl No	PARTICULARS		As at 31 March 2020	As at 31 March 2019
A	**BALANCE OUTSTANDING AS AT 31.03.2020**			
	(a)	**Receivables**		
		Tamilnadu Petroproducts Limited	**0.12**	3.12
		Tuticorin Alkali Chemicals and Fertilizers Limited	**13.53**	5.06
		Greenstar Fertilizers Limited	**524.24**	5251.55
		Wilson International Trading (India) Private Limited	**-**	0.05
		EDAC Engineering Limited	**-**	60.70
		Totalcomm Infra Services Private Limited	**0.83**	0.80
		Twinshield Consultants Private Limited	**36.45**	36.45
		Lotus Fertilizers Private Limited	**-**	4.41
		Sicagen India Limited	**1.55**	0.23
		AM Foundation	**0.22**	0.01
		Greenam Energy Private Limited	**28.39**	-
	(b)	**Advances to**		
		Sicagen India Limited	**2.49**	1.87
		Tamilnadu Petroproducts Limited	**2.97**	2.77
		National Aromatics and Petrochemicals Corporation Limited *	**1489.77**	1488.95
		Manali Petrochemicals Limited	**1.30**	0.45

(₹ In Lac)

Sl No	PARTICULARS		As at 31 March 2020	As at 31 March 2019
	(c)	**Payables**		
		Greenstar Fertilizers Limited	**-**	2297.21
		Tamilnadu Petroproducts Limited	**1.06**	-
		Sicagen India Limited	**287.46**	226.77
		EDAC Engineering Limited	**83.34**	-
		Wilson International Trading Pte. Limited, Singapore	**15505.57**	50037.58
		EDAC Automation Limited	**0.06**	68.42
		EDAC Staffing Solution Private Limited	**0.51**	0.51
		Tuticorin Alkali Chemicals and Fertilizers Limited	**646.67**	539.36
		Lotus Fertilizers Private Limited	**1806.50**	1805.55
		South India Travels Private Limited	**1.38**	3.17
		Twinshield Consultants Private Limited	**15.30**	15.30
		I3 Security Private Limited	**40.32**	-
	(d)	**Equity Share Capital including Securities premium**		
		AMI Holdings Private Limited	**6523.42**	6523.42
	(e)	**Preference Share Capital**		
		AMI Holdings Private Limited	**750.00**	750.00
	(f)	**Cash collateral provided against bank borrowings**		
		AM International Holdings Pte Limited,Singapore (in USD)	**37.50**	37.50
	(g)	**Borrowings**		
		AM International Holdings Pte Limited,Singapore	**12949.80**	16370.17
	(h)	**Investment in Equity**		
		Tamilnadu Petroproducts Limited	**1980.47**	1980.47
		Tuticorin Alkali Chemicals and Fertilizers Limited (Net of provision of ₹ 3668.46 lac (previous year ₹ 3668.46 lac)	**2952.21**	2952.21
		Greenam Energy Private Limited	**758.65**	568.65
		Manali Petrochemicals Limited	**1.01**	2.52
		South India Travels Private Limited	**50.96**	50.96
		Sicagen India Limited	**52.28**	138.93
		National Aromatics and Petrochemicals Corporation Limited *	**2.50**	2.50
		Gold Nest Trading Company Limited *	**250.25**	250.25

*Dues have been fully provided for

(₹ In Lac)

Sl No	PARTICULARS	Year ended 31 March 2020	Year ended 31 March 2019
B	**TRANSACTIONS DURING THE YEAR**		
1	**Sale of goods**		
	Tuticorin Alkali Chemicals and Fertilizers Limited	**-**	61.34
	Greenstar Fertilizers Limited	**202.22**	371.28
	Lotus Fertilizers Private Limited	**135.71**	236.37

(₹ In Lac)

Sl No	PARTICULARS	Year ended 31 March 2020	Year ended 31 March 2019
2	**Purchase of materials**		
	Tuticorin Alkali Chemicals and Fertilizers Limited	**10.15**	390.93
	Greenstar Fertilizers Limited	**987.89**	3639.21
	Tamilnadu Petroproducts Limited	**69.49**	62.74
	Wilson International Trading Pte Limited, Singapore	**10902.13**	72956.55
	Sicagen India Limited	**554.30**	560.13
3	**Reimbursement of Expenses (Receipts)**		
	Tuticorin Alkali Chemicals and Fertilizers Limited	**96.23**	-
	Greenstar Fertilizers Limited	**1050.44**	2570.22
	National Aromatics and Petrochemicals Corporation Limited	**0.81**	0.80
	Totalcomm Infra Services Private Limited	**0.02**	0.13
	AM Foundation	**6.29**	4.88
	Greenam Energy Private Limited	**0.01**	-
	Wilson International Trading (India) Private Limited	**0.07**	-
	SPIC Officer and Staff Welfare Foundation	**-**	0.06
	SPIC Group Companies Employees Welfare Foundation	**1.90**	1.85
4	**Reimbursement of Expenses (Payments)**		
	Greenstar Fertilizers Limited	**0.55**	-
	Sicagen India Limited	**1.31**	6.66
5	**Income from services rendered**		
	AM Foundation	**0.29**	-
	Manali Petrochemicals Limited	**7.43**	5.46
	Tamilnadu Petroproducts Limited	**0.85**	0.80
	Tuticorin Alkali Chemicals and Fertilizers Limited	**10.19**	9.74
	Greenstar Fertilizers Limited	**905.85**	919.31
	Wilson International Trading (India) Private Limited	**0.43**	0.62
	Sicagen India Limited	**14.89**	1.54
	EDAC Engineering Limited	**2.15**	7.11
	EDAC Automation Limited	**-**	0.16
	Greenam Energy Private Limited	**0.14**	-
	Totalcomm Infra Services Private Limited	**0.01**	0.25
6	**Services / Consultancy Charges**		
	Greenstar Fertilizers Limited	**317.91**	478.16
	EDAC Automation Limited	**66.23**	193.68
	Sicagen India Limited	**4.02**	14.93
	EDAC Engineering Limited	**743.13**	37.57
7	**Exchange Fluctuation**		
	Greenstar Fertilizers Limited	**31.40**	-
8	**Dividend Income**		
	Manali Petrochemicals Limited	**0.08**	0.05
	Tamilnadu Petroproducts Limited	**152.34**	76.17
	Sicagen India Limited	**2.31**	3.47

(₹ In Lac)

Sl No	PARTICULARS	Year ended 31 March 2020	Year ended 31 March 2019
9	**Managerial Remuneration**		
	Thiru. S R Ramakrishnan	**75.00**	75.24
10	**Handling Charges**		
	Greenstar Fertilizers Limited	**95.49**	-
11	**Rent Paid**		
	Greenstar Fertilizers Limited	**662.59**	813.69
	Twinshield Consultants Private Limited	**-**	18.36
12	**Director Sitting Fees**		
	Thiru. Ashwin C Muthiah	**5.00**	2.50
13	**Income from Rentals**		
	Greenstar Fertilizers Limited	**26.09**	104.31
14	**Trade Advance Received / Returned**		
	Greenstar Fertilizers Limited	**-**	6090.05
15	**Trade Advance Paid / Returned**		
	Greenstar Fertilizers Limited	**-**	8991.67
16	**Material Purchase Advance**		
	Greenstar Fertilizers Limited	**1329.70**	2493.82
17	**Interest on Borrowings**		
	AM International Holdings Pte Limited, Singapore	**1381.13**	1464.75
	Wilson International Trading Pte Limited, Singapore	**-**	772.81
18	**Borrowings Repaid**		
	AM International Holdings Pte Limited, Singapore	**3409.50**	-
19	**Demurrage Charges**		
	Wilson International Trading Pte Limited, Singapore	**238.16**	429.99
20	**Car Rental Charges**		
	South India Travels Private Limited	**33.61**	43.05
21	**Settlement of old dues (Receipt)**		
	Gold Nest Trading Company Limited	**65.00**	-
22	**Investment in Equity**		
	Greenam Energy Private Limited	**190.00**	568.65
	Tuticorin Alkali Chemicals and Fertilizers Limited	**-**	2685.00
23	**Transfer of Investment**		
	Gold Nest Trading Company Limited	**-**	835.04
24	**Manpower Charges**		
	I3 Security Private Limited	**139.32**	-
25	**Rebates and Discounts**		
	Lotus Fertilizers Private Limited	**0.33**	-
26	**Land Usage Rent**		
	Greenam Energy Private Limited	**24.00**	-

Note 36: Financial Instruments

Note 36.1: Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity shareholders. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and capital ratios in order to support its business and maximise shareholder value.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital. The Company includes within net debt, all non-current and current borrowings reduced by cash and cash equivalents.

The following table summarises the capital of the Company: (₹ In Lac)

	Particulars	31 March 2020	31 March 2019
a)	Equity	**40052.92**	34783.70
b)	Non-Convertible preference share	**1250.00**	1250.00
c)	Borrowings other than non-convertible preference shares	**39525.22**	38785.56
d)	Less: Cash and Cash equivalents	**(7220.88)**	(7709.20)
e)	Total debt(b+c+d)	**33554.34**	32326.36
f)	Overall financing(a+e)	**73607.26**	67110.06
g)	Net debt to capital ratio (e/f)	**0.46**	0.48
h)	Interest coverage ratio	**2.67**	2.50

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2020 and 31 March 2019

Note 36.2: Categories of Financial instruments

(₹ In Lac)

	Particulars	31 March 2020	31 March 2019
Financial Assets			
Measured at FVTOCI			
a)	Investments	600.60	1028.94
Measured at amortised cost			
b)	Trade receivables	896.27	1764.96
c)	Cash and cash equivalents	6409.34	7240.52
d)	Bank balances other than (c) above	811.54	468.41
e)	Other financial assets - Current Asset	110353.84	107000.31
f)	Other financial assets - Non-Current Asset	243.29	287.10
Financial Liabilities			
Measured at amortised cost			
a)	Borrowings - Current Liabilities	27909.72	27170.06
b)	Borrowings - Non-Current Liabilities	-	12865.50
c)	Trade payables	118173.64	120872.40
d)	Other financial liabilities - Current Liabilities	1563.38	404.14
e)	Other financial liabilities - Non-Current Liabilities	3013.31	2888.69

Note 36.3: Financial Risk and Management Objectives

The Company's activities expose it to a variety of financial risks, credit risks, liquidity risks and market risks.

The Company's board of directors has overall responsibility for the establishment and oversight of the risk management framework.

The risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls and to monitor risks and adhere to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and company's activities. The company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

1. **Credit Risk**

Credit risk is the risk that counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade receivables and subsidy receivable

The Company receivables can be classified into two categories, one is from the customers into the market and second one is from the Government in the form of subsidy. As far as Government portion of receivables are concerned, credit risk is nil. For market receivables from the customers, the Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings for extension of credit to customers. The Company monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets. The Company has also taken security deposits from its customers, which mitigate the credit risk to some extent.

2. **Liquidity Risk**

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

The table below provides the details regarding the contractual maturities of significant financial liabilities as follows;

(₹ In Lac)

Particulars	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
As at 31 March 2020					
Short-term borrowings	23491.53	-	-	-	23491.53
Long-term borrowings	-	12,865.50	-	-	12865.50
Trade payables	118173.64	-	-	-	118173.64
Other financial liabilities	-	4576.69	-	-	4576.69
	141665.17	**17442.19**	**0.00**	**0.00**	**159107.36**
As at 31 March 2019					
Short-term borrowings	22367.35	-	-	-	22367.35
Long-term borrowings	-	3409.50	9456.00	-	12865.50
Trade payables	120872.95	-	-	-	120872.95
Other financial liabilities	-	3292.83	-	-	3292.83
	143240.30	**6702.33**	**9456.00**	**-**	**159398.63**

3. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings, investments and derivative financial instruments.

Market risk exposures are measured using sensitivity analysis. There has been no change to the Company's exposure to market risks or the manner in which these risks are being managed and measured.

4. Foreign Currency Risk

The company is exposed to currency risk to the extent that there is a mismatch between the currencies in which transactions are denominated and the functional currency of the company. The functional currency of the company is Indian Rupees (INR). The currency in which these transactions are primarily denominated is US Dollars (USD).

a. The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities based on gross exposure at the end of the reporting period is as under:

(In millions USD)

Particulars of Liabilities	**As at 31 March 2020**	As at 31 March 2019
Trade Payables		
Amount due on account of goods supplied	**42.17**	115.35

b. Foreign currency sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in the US dollar exchange rate (or any other material currency), with all other variables held constant, of the Company's profit before tax (due to changes in the fair value of monetary assets and liabilities). The Company's exposure to foreign currency changes for all other currencies is not material.

Currency impact relating to the foreign currencies of	**As at 31 March 2020**		As at 31 March 2019	
	(Profit) or Loss	**Equity**	(Profit) or Loss	Equity
₹/USD - increase by INR 2	**843.40**	**843.40**	2307.06	2307.06
₹/USD - decrease by INR 2	**(843.40)**	**(843.40)**	(2307.06)	(2307.06)

5. Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's outstanding debt in local currency is on fixed rate basis and hence not subject to interest rate risk.

6. Commodity Price Risk

The company's operating activities require the ongoing purchase of Naphtha and fuel oil. Naphtha and fuel oil being an international commodity is subject to price fluctuation on account of the change in the crude oil prices, demand supply pattern of Naphtha and exchange rate fluctuations. The company is affected by the price volatility of the Naphtha/fuel oil as under the Urea pricing formula the subsidy would be paid based on the retention price computed on the lower of Naphtha/fuel oil or Regasified Liquefied Natural Gas (RLNG)

Note 36.4: Fair Value Measurements

The following table shows the carrying amounts and fair values of financial assets and financial liabilities including their levels in fair value hierarchy

(₹ In Lac)

As at 31 March, 2020		Carrying Amount				Fair Value			
Particulars	Note	Financial Assets at amortised cost	Financial Assets at FVTOCI	Financial liabilities at amortised cost	Total carrying value	Level 1	Level 2	Level 3	Total
Assets									
Financial Assets measured at fair value									
Investments in quoted equity instruments at FVTOCI	6C(1)	-	600.60	-	600.60	600.60	-	-	600.60
Financial Assets not measured at fair value									
Trade Receivables	10	896.27	-	-	896.27	-	896.27	-	896.27
Cash and Cash Equivalents	11(A)	6409.34	-	-	6409.34	-	6409.34	-	6409.34
Other Bank balances	11(B)	811.54	-	-	811.54	-	811.54	-	811.54
Other financial assets	7(A&B)	110597.13	-	-	110597.13	-	110597.13	-	110597.13
Total		**118714.28**	**600.60**	**-**	**119314.88**	**600.60**	**118714.28**	**-**	**119314.88**
Liabilities									
Financial Liabilities not measured at fair value									
Non Current Borrowings	15	-	-	-	-	-	-	-	-
Current Borrowings	17	-	-	27909.72	27909.72	-	27909.72	-	27909.72
Trade payables	18	-	-	118173.64	118173.64	-	118173.64	-	118173.64
Other financial liabilities	16 (A&B)	-	-	17442.19	17442.19	-	17442.19	-	17442.19
Total		**-**	**-**	**163525.55**	**163525.55**	**-**	**163525.55**	**-**	**163525.55**

(₹ In Lac)

As at 31 March, 2019		Carrying Amount				Fair Value			
Particulars	Note	Financial Assets at amortised cost	Financial Assets at FVTOCI	Financial liabilities at amortised cost	Total carrying value	Level 1	Level 2	Level 3	Total
Assets									
Financial Assets measured at fair value									
Investments in quoted equity instruments at FVTOCI	6C(1)	-	929.26	-	929.26	929.26			929.26
Financial Assets not measured at fair value									
Trade Receivables	10	1764.96	-	-	1764.96	-	1764.96	-	1764.96
Cash and Cash Equivalents	11(A)	7240.52	-	-	7240.52	-	7240.52	-	7240.52
Other Bank balances	11(B)	468.68	-	-	468.68	-	468.68	-	468.68
Other financial assets	7(A&B)	107287.41	-	-	107287.41	-	107287.41	-	107287.41
Total		**116761.57**	**929.26**	**-**	**117690.83**	**929.26**	**116761.57**	**-**	**117690.83**
Liabilities									
Financial Liabilities not measured at fair value									
Non Current Borrowings	15	-	-	12865.50	12865.50	-	12865.50	-	12865.50
Current Borrowings	17	-	-	23760.56	23760.56	-	23760.56	-	23760.56
Trade payables	18	-	-	120872.95	120872.95	-	120872.95	-	120872.95
Other financial liabilities	16 (A&B)	-	-	6702.33	6702.33	-	6702.33	-	6702.33
Total		**-**	**-**	**164201.34**	**164201.34**	**-**	**164201.34**	**-**	**164201.34**

Note 37: Earnings Per Equity Share

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Face Value per share (In ₹)	**10**	10
Profit for the year (₹ In Lac)	**5269.21**	4216.24
Basic		
Weighted Average Number of shares outstanding	**203640336**	203640336
Earnings per share (In ₹)	**2.59**	2.07
Diluted		
Weighted Average Number of shares outstanding	**203640336**	203640336
Earnings per share (In ₹)	**2.59**	2.07

Note 38: As the world faces one of the biggest challenge caused by the COVID-19 related disruptions, the agricultural sector remains relatively insular from demand point of view though it had to face some issues related to non-availability of labour and supply chain disruptions. Due to the proactive steps taken by the Government in supporting the farming community, production, distribution and sales of fertilizers largely remain unaffected. The plant which was shut down for maintenance restarted on 22 April 2020 and is adhering to strict safety measures and Government guidelines. Though the COVID-19 related uncertainties persist, with good reservoir levels and normal monsoon predictions, impact of the pandemic on Indian Agriculture is expected to be minimal. The Company has used the principle of prudence in applying judgments, estimates and assumptions including sensitivity analysis and has concluded that there is no impact of COVID-19 on the recoverability of carrying value of assets. Accordingly, no adjustments have been made to the financial statements. The impact of COVID-19 on the Company's financial statements if any, may differ from that estimated as at the date of approval of these financial statements.

Note 39:

(a) Previous year's figures have been regrouped / reclassified wherever necessary to conform presentation as required by Schedule III of the Act .

(b) Previous year figures are given in brackets.

(c) 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 2020 in its meeting held on 18 June 2020.

In terms of our report attached.

For MSKA & Associates
Chartered Accountants
Firm Registration No.105047W

GEETHA JEYAKUMAR
Partner
Membership No: 029409

Place : Chennai
Date : 18 June 2020

For and on behalf of the Board of Directors

SASHIKALA SRIKANTH
Director
DIN: 01678374

S R RAMAKRISHNAN
Whole-Time Director
DIN: 00120126

K R ANANDAN
Chief Financial Officer

M B GANESH
Secretary

CONSOLIDATED FINANCIAL STATEMENTS 2019-20

INDEPENDENT AUDITORS' REPORT

To the Members of

Southern Petrochemical Industries Corporation Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Southern Petrochemical Industries Corporation Limited (hereinafter referred to as the "Company"), its associates and joint ventures, which comprise the consolidated Balance Sheet as at March 31, 2020, and the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the financial information of associates and joint ventures, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India,, of their consolidated state of affairs of the Company, its associates and joint ventures as at March 31, 2020, of consolidated profit, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company, its associates and joint ventures in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by Institute of Chartered Accountant of India ("ICAI"), and the relevant provisions of the Act and we have fulfilled our other ethical responsibilities in accordance with these requirements . We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

1. We draw attention to Note 29(iii) and 29(iv) of the Consolidated financial statements regarding computation of subsidy income based on the provisional Retention price (RP) in line with the government's policy dated June 17, 2015 as the final retention price has not been announced and accounting for additional fixed cost in line with the Press Release by Cabinet Committee on Economic Affairs dated March 13, 2020, which is not yet notified by the Department of Fertilizers. The necessary adjustments, if any, and its consequential impact will be assessed when the final retention price and accounting for additional fixed cost is notified by the Department of Fertilizers

2. We draw attention to Note 38 to the consolidated financial statements which states that the management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the year ended March 31, 2020 and has concluded that no there is no impact which is required to be recognised in the financial statements. Accordingly, no adjustments have been made to the consolidated financial statements.

Our opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Emphasis of matter paragraph on subsidy revenue, we have determined the matter described below to be the key audit matter to be communicated in our report.

a) Revenue recognition

Refer to note 2 (vii) 'Revenue recognition' to the consolidated financial statements.

Revenue from sale of goods is recognised when the control of goods is transferred to the customers. In terms of the application of Ind AS 115 (Revenue from Contracts with Customers), control is transferred either when the product is delivered to the customer's site or when the product is shipped, depending on the applicable terms.

The Management has exercised significant judgement in applying the revenue accounting policy while recognising revenue primarily in respect of subsidy income

How the Key Audit Matter was addressed in our audit

Our audit procedures in respect of this area included:

- Understood the revenue recognition process, evaluated the design and implementation, and operating effectiveness of internal controls including relevant information technology controls relating to revenue recognised.
- Performed substantive procedures on test check basis for each revenue stream from source data through to general ledger to test that revenue recognition criteria as per Ind AS 115 has been applied.
- Reviewed reports from company's regional offices and warehouse as applicable for confirmation of sales quantities
- Verified the delivery and shipping terms of the contracts for revenue recognised during the year.
- Verified the transactions on test check basis around the period end to ensure they were recorded in the correct period; and
- Verified journal entries posted to revenue accounts focusing on unusual or irregular items, if any.

b) Appropriateness of capitalization of costs as per Ind AS 16 Property, Plant and Equipment (Refer to note 2 (ii) to the consolidated financial statements)

The company has approved major capital expenditure projects aggregating to ₹45000 lakhs towards equipment to support production of urea using natural gas and equipment related to energy efficiency

The Company has incurred ₹6,470 lakhs towards the capitalisation of Property, Plant and Equipment during the year ended 31st March 2020 to support production of urea using natural gas and to increase energy efficiency of the production process.

The project is under progress as at March 31, 2020 as the construction of pipelines have not been completed. Accordingly, significant level of judgement is involved to ensure that capitalisation of Property, Plant and Equipment meet the recognition criteria of Ind AS 16 - Property, Plant and Equipment.

Accordingly, the aforesaid matter was determined to be a key audit matter

How the Key Audit Matter was addressed in our audit

Our audit procedures in respect of this area included:

- Assessed the nature of the costs incurred towards capital expenditure and verified whether such costs incurred meet the recognition criteria as set out in para 16 to 22 of Ind AS 16.
- Evaluated the management's approval for the project cost.
- Verified the design and implementation, and operating effectiveness of internal controls including relevant information technology controls relating to capitalization of Property, Plant and Equipment.
- Performed substantive procedures on a test check basis including authorization for capitalization of Property, Plant and Equipment and testing with source documentation such as quotation/vendor selection ,purchase orders, invoices and installation certificate to ascertain whether they meet the recognition criteria provided in Ind AS 16
- Obtained the report on physical verification of Property, Plant and Equipment conducted by the management during the year

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management report, Chairman's statement, Director's report etc but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company including its Associates and Joint ventures in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company, its associates and joint ventures and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated 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 Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the Company and of its associates and joint ventures are responsible for assessing the ability of the Company and of its associates and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Company, and of its associates and joint Ventures are responsible for overseeing the financial reporting process of the Company and of its associates and joint Ventures.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Consolidated Financial Statements.

Other Matters

1. Due to the restrictions and lock down laid by the government due to the COVID-19 pandemic it was impracticable for us to attend the physical verification of inventory carried out by the management subsequent to the year end. Consequently, we have performed related alternative audit procedures and have obtained sufficient, appropriate audit evidence over the existence of inventory (amounting to ₹ 13,505.79 lakhs) as on March 31, 2020.

2. The Consolidated financial statements include the Company's share of net profit after taxes of ₹1054.31 lakhs and total other comprehensive income of ₹1122.19 lakhs for the year ended March 31, 2020, in respect 2 associate companies, 2 joint ventures and 3 wholly owned subsidiaries of a joint venture, 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 joint ventures and associates, and our report in terms

of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid joint ventures 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 the reports of the other auditors and the financial statements certified by the Management.

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 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, 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, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e. On the basis of the written representations received from the directors of the Company as on March 31, 2020 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its associate companies and joint ventures incorporated in India, none of the directors of the Company, its associate companies and joint ventures incorporated in India is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

   f. With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

   g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Company, its associates and joint Ventures – Refer Note 31 to the consolidated financial statements.

      ii. The Company, its associates and joint ventures did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company, and its associate companies and joint Ventures incorporated in India.

2. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Company, its associates and joint ventures to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Geetha Jeyakumar
Partner
Membership No. 029409
UDIN: 20029409AAAAFA7303

Place: Chennai
Date: June 18, 2020

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT ON EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SOUTHERN PETROCHEMICAL INDUSTRIES CORPORATION LIMITED

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company and its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its associates and joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and its associates and joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Geetha Jeyakumar
Partner
Membership No. 029409
UDIN: 20029409AAAAFA7303

Place: Chennai
Date: June 18, 2020

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SOUTHERN PETROCHEMICAL INDUSTRIES CORPORATION LIMITED

Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Southern Petrochemical Industries Corporation Limited on the consolidated Financial Statements for the year ended March 31, 2020

Report on the Internal Financial Controls 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, 2020, we have audited the internal financial controls with reference to consolidated financial statements of Southern Petrochemical Industries Corporation Limited (hereinafter referred to as "the Company") and its associate companies and joint ventures, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the company, its associate companies and joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the respective companies 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 ("the 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the company, its associate companies and joint ventures, which are companies incorporated in India, 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 ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, 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 internal financial controls with reference to consolidated financial statements 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 internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, 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 consolidated 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 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 internal financial controls with reference to consolidated financial statements of the company, its associate companies and joint ventures, which are companies incorporated in India.

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements 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 consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements 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 Company, its associate companies and joint ventures, which are companies incorporated in India, have, in all material respects, an internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2020, based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements in so far as it relates to 2 associate companies, 2 joint ventures and 3 wholly owned subsidiaries of a joint venture, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Geetha Jeyakumar
Partner
Membership No. 029409
UDIN: 20029409AAAAFA7303

Place: Chennai
Date: June 18, 2020

Consolidated Balance sheet as at 31 March 2020

(₹ In Lac)

S. No.	Particulars	Note No.	As at 31 March 2020	As at 31 March 2019
A	**ASSETS**			
1	**Non-Current Assets**			
	(a) Property, Plant & Equipment	4 (i)	**35081.54**	22995.67
	(b) Capital work-in-progress		**2622.41**	6900.91
	(c) Investment Property	5	**125.71**	129.18
	(d) Other Intangible assets	4 (ii)	**101.80**	137.88
	(e) Financial assets			
	i) Non-Current Investments			
	Investments in Associate	6 (A)	**766.42**	593.53
	Investments in Joint Venture	6 (B)	**8344.23**	7204.93
	Other Equity Investments	6 (C)	**703.69**	1028.94
	Other investments	6 (D)	**1.00**	1.00
	ii) Other financial Assets	7 (A)	**243.29**	287.10
	(f) Deferred tax assets (Net)	33	**10441.47**	10408.60
	(g) Income tax assets (Net)		**380.57**	16.40
	(h) Other non-current assets	8	**7742.53**	4608.70
	Total Non-Current Assets		**66554.66**	54312.84
2	**Current Assets**			
	(a) Inventories	9	**13505.79**	18785.36
	(b) Financial assets			
	i) Trade receivables	10	**896.27**	1764.96
	ii) Cash and cash equivalents	11 (A)	**6409.33**	7240.52
	iii) Bank balances other than ii) above	11 (B)	**811.54**	468.68
	iv) Other financial assets	7 (B)	**110353.85**	107000.31
	(c) Other current assets	12	**10792.67**	13919.24
	Total Current Assets		**142769.45**	149179.08
	TOTAL ASSETS		**209324.11**	203491.91
B	**EQUITY AND LIABILITIES**			
1	**EQUITY**			
	(a) Equity Share capital	13	**20364.03**	20364.03
	(b) Other Equity	14	**23108.20**	16716.80
	Total Equity		**43472.23**	37080.83
2	**LIABILITIES**			
	Non-current liabilities			
	(a) Financial Liabilities			
	(i) Non - current borrowings	15	**-**	12865.50
	(ii) Other financial liabilities	16 (A)	**3013.31**	2888.69
	Total Non-Current Liabilities		**3013.31**	15754.19
	Current Liabilities			
	(a) Financial Liabilities			
	i) Current Borrowings	17	**27909.72**	23760.56
	ii) Trade payables			
	- Total outstanding dues to Micro, Small and Medium Enterprises	18 (i)	**-**	-
	- Total outstanding dues to other than Micro, Small and Medium Enterprises	18	**118173.64**	120872.95
	iii) Other financial liabilities	16 (B)	**14428.89**	3813.64
	(b) Provisions	19	**461.33**	389.34
	(c) Other current liabilities	20	**1864.99**	1820.40
	Total Current Liabilities		**162838.57**	**150656.89**
	Total Liabilities		**165851.88**	**166411.08**
	TOTAL EQUITY AND LIABILITIES		**209324.11**	**203491.91**
	The accompanying notes are integral part of these financial statements			

In terms of our report attached.

For MSKA & Associates
Chartered Accountants
Firm Registration No.105047W

For and on behalf of the Board of Directors

SASHIKALA SRIKANTH
Director
DIN: 01678374

S R RAMAKRISHNAN
Whole-Time Director
DIN: 00120126

GEETHA JEYAKUMAR
Partner
Membership No: 029409

K R ANANDAN
Chief Financial Officer

M B GANESH
Secretary

Place : Chennai
Date : 18 June 2020

Consolidated Statement of Profit and Loss for the year ended 31 March 2020

(₹ In Lac)

S. No.	Particulars	Note No.	Year ended 31 March 2020	Year ended 31 March 2019
	Income			
1	Revenue from operations	21	**207918.00**	259195.80
2	Other income	22	**1046.83**	2146.07
3	**Total income (1+2)**		**208964.83**	261341.87
4	**Expenses**			
	(a) Cost of materials consumed	23	**116842.89**	152210.98
	(b) Purchases of stock-in-trade	24	**-**	3581.41
	(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	25	**1675.01**	3987.75
	(d) Employee benefits expense	26	**5891.97**	6196.82
	(e) Finance costs	27	**3415.07**	3567.35
	(f) Depreciation and amortisation expense	4	**3214.27**	3205.72
	(g) Other expenses	28	**72227.81**	83257.69
	Total expenses		**203267.02**	**256007.72**
5	**Profit before exceptional items, share of profit of equity accounted investees and tax (3-4)**		**5697.81**	5334.15
6	Exceptional items		**-**	-
7	**Profit before share of profit of equity accounted investees and tax (5+6)**		**5697.81**	5334.15
8	**Share of profit of Joint Ventures**		**1317.45**	1261.02
9	**Profit before tax (7+8)**		**7015.26**	6595.17
10	**Tax expense**			
	Current tax		**331.54**	454.16
	Current tax relating to prior years		**3.77**	131.42
	Deferred tax (MAT)		**(68.40)**	(189.85)
	Deferred tax relating to prior years (MAT)		**-**	(99.91)
	Net tax expense		**266.91**	295.82
11	**Profit for the year (9-10)**		**6748.35**	6299.35
12	**Other comprehensive Income / (Loss)**			
	i) Items that will not be reclassified to Profit or Loss			
	a) Effect of measuring investments at fair value through OCI		**(328.67)**	(1058.48)
	b) Remeasurement of defined benefit plans		**(129.03)**	(165.28)
	ii) Income tax relating to items that will not be reclassified to Profit or Loss		**32.87**	105.85
	iii) Share of Other Comprehensive Income from Joint Ventures		**67.87**	113.65
	Total Other comprehensive Income / (Loss)		**(356.96)**	**(1004.26)**
13	**Total comprehensive income (11+12)**		**6391.39**	5295.09
14	**Earnings per Equity share of ₹ 10 each**	37		
	Basic & Diluted		**3.14**	2.60
	The accompanying notes are integral part of these financial statements			

In terms of our report attached.

For MSKA & Associates
Chartered Accountants
Firm Registration No.105047W

GEETHA JEYAKUMAR
Partner
Membership No: 029409

Place : Chennai
Date : 18 June 2020

For and on behalf of the Board of Directors

SASHIKALA SRIKANTH
Director
DIN: 01678374

S R RAMAKRISHNAN
Whole-Time Director
DIN: 00120126

K R ANANDAN
Chief Financial Officer

M B GANESH
Secretary

Consolidated Statement of changes in equity for the year ended 31 March 2020

(A) Equity share capital

Equity shares of ₹ 10 each issued, subscribed and fully paid up

Particulars	No. of shares	(₹ In Lac)
As at 31 March 2019 (Refer Note 13)	203640336	20364.03
As at 31 March 2020 (Refer Note 13)	**203640336**	**20364.03**

(B) Other equity

(₹ In Lac)

Particulars	Reserve and surplus					Items of other comprehensive income		Total
	Capital Reserve	Capital Redemption Reserve	Securities Premium Account	Statutory Reserve	Retained Earnings	Effect of measuring investments at fair value through OCI	Remeasurement of defined benefit plans	
Balance as at 1 April 2018	97.24	6500.00	21047.71	41.33	(13740.88)	223.12	(87.09)	14081.43
Profit for the year	-	-	-	-	6299.35	-	-	6299.35
Other comprehensive income	-	-	-	-	-	(952.63)	(51.63)	(1004.26)
Share of Loss of Associates (Refer Note 14(i) & (ii))	-	-	-	-	(2659.72)	-	-	(2659.72)
Total other comprehensive income for the year	-	-	-	-	3639.63	(952.63)	(51.63)	2635.37
Balance as at 31 March 2019	97.24	6500.00	21047.71	41.33	(10101.25)	(729.51)	(138.72)	16716.80
Balance as at 1 April 2019	**97.24**	**6500.00**	**21047.71**	**41.33**	**(10101.25)**	**(729.51)**	**(138.72)**	**16716.80**
Profit for the year	**-**	**-**	**-**	**-**	**6748.35**	**-**	**-**	**6748.35**
Other comprehensive income	**-**	**-**	**-**	**-**	**-**	**(295.80)**	**(61.16)**	**(356.96)**
Total other comprehensive income for the year	**-**	**-**	**-**	**-**	**6748.35**	**(295.80)**	**(61.16)**	**6391.39**
Balance as at 31 March 2020	**97.24**	**6500.00**	**21047.71**	**41.33**	**(3352.90)**	**(1025.31)**	**(199.88)**	**23108.20**

The accompanying notes are integral part of these financial statements

In terms of our report attached.

For and on behalf of the Board of Directors

For MSKA & Associates
Chartered Accountants
Firm Registration No.105047W

SASHIKALA SRIKANTH
Director
DIN: 01678374

S R RAMAKRISHNAN
Whole-Time Director
DIN: 00120126

GEETHA JEYAKUMAR
Partner
Membership No: 029409

K R ANANDAN
Chief Financial Officer

M B GANESH
Secretary

Place : Chennai
Date : 18 June 2020

Consolidated Cash Flow Statement for the year ended 31 March 2020

(₹ In Lac)

S. No.	Particulars	Year ended 31 March 2020		Year ended 31 March 2019	
A.	**CASH FLOW FROM OPERATING ACTIVITIES:**				
	Profit for the year before tax		**5697.81**		5334.15
	Adjustment for :				
	Depreciation and amortisation expense	**3214.27**		3205.72	
	Assets Written off	**27.07**		9.23	
	Profit on sale of assets	**(7.68)**		(2.84)	
	Provision for non-moving inventories	**12.84**		24.41	
	Allowances for doubtful debts and advances	**0.81**		0.80	
	Provisions no longer required written back	**(30.00)**		(56654.03)	
	Bad debts and advances written off	**53.44**		318.91	
	Investment written off	**-**		55989.64	
	Exchange difference (Gain) / Loss	**293.55**		(0.05)	
	Finance costs	**3415.07**		3567.35	
	Income from investments	**(154.75)**		(79.72)	
	Interest income	**(122.72)**		(774.75)	
			6701.90		5604.67
	Operating profit before working capital changes		**12399.71**		10938.82
	Adjustments for (Increase)/Decrease in:				
	Trade receivables	**898.69**		2980.51	
	Inventories	**5266.73**		64.85	
	Non-current financial assets	**43.82**		(87.61)	
	Other Non-current assets	**1014.05**		1545.16	
	Current financials assets	**(3361.14)**		(54119.56)	
	Other current assets	**3126.57**		5254.10	
	Bank balances other than cash and cash equivalents	**(342.86)**		(44.03)	
	Adjustments for Increase/(Decrease) in:				
	Other non current financial liabilities	**124.62**		300.03	
	Trade payables	**(2992.86)**		46966.62	
	Other current financial liabilities	**(2157.86)**		(3590.05)	
	Other current liabilities	**(84.44)**		(3980.20)	
	Short-term provisions	**71.99**		66.89	
			1607.31		(4643.29)
	Cash from operations		**14007.02**		6295.53
	Direct taxes refund / (paid)		**(367.94)**		440.88
	NET CASH FROM OPERATING ACTIVITIES		**13639.08**		6736.41
B.	**CASH FLOW FROM INVESTING ACTIVITIES :**				
	Purchase of Property, Plant and Equipment including capital work-in-progress and capital advances	**(15163.34)**		(6687.52)	
	Proceeds from sale of Property, Plant and Equipment	**13.97**		8.66	
	Income from investments	**154.75**		79.72	
	Purchase of non-current Investment	**(193.42)**		(4088.73)	
	Sale of Investment	**-**		5.28	
	Interest income	**76.08**		622.65	
			(15111.96)		(10059.94)
	NET CASH USED IN INVESTING ACTIVITIES		**(15111.96)**		(10059.94)

(₹ In Lac)

S. No.	Particulars	Year ended 31 March 2020		Year ended 31 March 2019	
C.	**CASH FLOW FROM FINANCING ACTIVITIES :**				
	Proceeds from short term borrowings (net)	**3967.11**		13574.83	
	Finance Costs	**(3325.42)**		(3344.79)	
			641.69		10230.04
	NET CASH FROM FINANCING ACTIVITIES		**641.69**		10230.04
	NET CASH FLOWS DURING THE YEAR (A+B+C)		**(831.19)**		6906.51
	Cash and cash equivalents at the beginning of the year		**7240.52**		334.01
	Cash and cash equivalents at the end of the year		**6409.33**		7240.52
			831.19		(6906.51)
	Cash and cash equivalents comprise (Refer Note 11)				
	Balances with banks				
	Cash on hand		**5.94**		3.72
	With the Banks		**6403.39**		7236.80
	Total cash and bank balances at end of the period		**6409.33**		7240.52

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

Disclosure of non-cash transaction

Particulars	For the year 2019-20	For the year 2018-19
Increase of investment in Tuticorin Alkali Chemicals and Fertilizers Limited through conversion of preference shares and other dues to equity shares	-	2000.00
Increase in investment in:		
Mercantile Ventures Limited	-	784.08
South India Travels Private Limited	-	50.96
Total	-	**2835.04**

The accompanying notes are an integral part of these financial statements

In terms of our report attached.

For MSKA & Associates
Chartered Accountants
Firm Registration No.105047W

GEETHA JEYAKUMAR
Partner
Membership No: 029409

Place : Chennai
Date : 18 June 2020

For and on behalf of the Board of Directors

SASHIKALA SRIKANTH
Director
DIN: 01678374

S R RAMAKRISHNAN
Whole-Time Director
DIN: 00120126

K R ANANDAN
Chief Financial Officer

M B GANESH
Secretary

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

Note 1: GENERAL INFORMATION

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

Joint Venture Company Tamilnadu Petroproducts Limited (TPL) is 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.

Note 2: SIGNIFICANT ACCOUNTING POLICIES

i) Basis of preparation of financial statements

a. Statement of Compliance with Ind AS

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Accounting policies have been consistently applied to all the years presented except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

- Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

  The company have evaluated all the lease agreements and concluded that the existing accounting policies are in line with Ind AS 116. Adoption of Ind AS 116 did not have any material impact on the financial statements of the company.

- Appendix C to Ind AS 12, "Uncertainty over Income Tax Treatments : On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments which clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall be recognized and measured by applying the requirements in Ind AS 12, based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this appendix. The amendment is effective from 1 April, 2019. The company has evaluated the effect of this amendment on the financial statements and concluded that there is no significant impact.

b. Basis of measurement

The financial statements have been prepared on a historical cost convention on accrual basis, except for the below material item that have been measured at fair value as required by relevant Ind AS:-

Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments)

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of sales and the time between the sale and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

c. Use of Estimates

The preparation of financial statements in conformity with Ind AS requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected. Refer Note 3 for detailed discussion on estimates and judgments.

d. Basis of consolidation:

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of Other Comprehensive Income (OCI) are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the company's accounting policies.

Investments in Associates and Joint Ventures

An Associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A Joint Venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Company's investments in its associate and joint venture are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Company's share of net assets of the associate or joint venture since the acquisition date.

The statement of profit and loss reflects the Company's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Company's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Company recognises its share of any changes, when applicable, in the statement of changes in equity.

The aggregate of the Company's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit and loss.

(1) Interests in Jointly Controlled entities:

The Group's interests in jointly controlled entities are:

Name of the Company	Country of Incorporation	Percentage of ownership interest	
		As at 31 March 2020	As at 31 March 2019
Tamilnadu Petroproducts Limited	India	**16.93**	16.93
National Aromatics and Petrochemicals Corporation Limited	India	**50.00**	50.00

(2) Investments in Associates:

The Group's associates are

Name of the Company	Country of Incorporation	Percentage of ownership interest	
		As at 31 March 2020	As at 31 March 2019
Tuticorin Alkali Chemicals and Fertilizers Limited	India	**43.94**	43.94
Gold Nest Trading Company Limited	India	**32.76**	32.76
Greenam Energy Private Limited	India	**20.00**	20.00

(3) Investment in Tuticorin Alkali Chemicals and Fertilizers Limited, an associate company in which the Company holds 43.94 % of its share capital, has not been accounted under "equity method" as required under Ind AS 28, since the carrying amount of investment as on 31 March 2020 is Nil. Accordingly, the Company's share in the net assets of the associate company have not been recognised in the consolidated financial statements.

ii) Property, Plant and Equipment

Property, Plant and Equipment (PPE) are stated at cost less depreciation and impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the year in which they are incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Items of stores and spares that meet the definition of PPE are capitalized at cost. Otherwise, such items are classified as inventories.

Depreciation methods, estimated useful lives

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

Depreciation on tangible assets is recognized so as to write off the cost of assets (other than freehold land and capital work in progress) less their residual values over the useful lives, using the straight line method. The company has followed the useful life as 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

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss under ‘Other Income’.

Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, as appropriate.

iii) Investment Properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16’s requirement for cost model.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in profit or loss as incurred.

Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

Though the company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

iv) Intangible Assets

Intangible assets are stated at acquisition cost, net of accumulated amortization. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. The estimated useful lives of intangible assets – Software is 5 Years.

v) Foreign Currency Transactions

a. Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (‘the functional currency’). The financial statements are presented in Indian rupee (INR), which is the Company’s functional and presentation currency.

b. Transactions and balances

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

vi) Fair value measurements

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability accessible to the Company.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The Company's management determines the policies and procedures for fair value measurement such as derivative instrument.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

vii) Revenue Recognition

The Company earns revenue primarily from sale of Urea. Revenue is recognized upon transfer of control of promised products to customers in an amount that reflects the consideration which the company expects to receive in exchange for those products. The performance obligation in case of sale of goods is satisfied at a point in time, i.e., when the goods are shipped to the customers or on delivery to the customer, as per applicable terms.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and incentives, if any, as per the contract with the customer. Revenue also excludes taxes collected from customers.

Under the New Pricing Scheme for Urea, the Government of India reimburses, in the form of subsidy, to the Fertilizer Industry based on the Retention Price computed on the lower of Naphtha or Regasified Liquefied Natural Gas (RLNG) price. This has been accounted on the basis of the rates notified from time to time by the Government of India on the quantity of Urea sold by the company for the period for which notification has been issued.

The revenue has been further adjusted for input price escalation / de-escalation as estimated by the Management in accordance with the known policy parameters in this regard.

Interest Income is recognised on a basis of effective interest method as set out in Ind AS 109, Financial Instruments and where no significant uncertainty as to measurability or collectability exists.

viii) Taxes

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year.

a. Current Income tax

Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the year end date. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

b. Deferred tax

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current and deferred tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The carrying amount of the deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognize MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as “MAT Credit Entitlement” and grouped under Deferred Tax. The Company reviews the “MAT credit entitlement” asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

ix) Assets classified as held for sale

The Company classifies non-current assets (or disposal group) as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use.

The criteria for held for sale classification is regarded met only when the assets (or disposal group) is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets (or disposal group), its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset (or disposal group) to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset (or disposal group),
- An active program to locate a buyer and complete the plan has been initiated (if applicable),

- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification , and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets (or disposal group) held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities (or disposal group) classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized.

x) Leases

The Company as a Lessee

The Company's lease asset classes primarily consist of leases for Warehouse and Corporate office building. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Company as a Lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

xi) Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials, packaging materials and stores and spare parts are valued at lower of cost and net realizable value. Cost includes purchase price, (excluding those subsequently recoverable by the enterprise from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. In determining the cost, weighted average cost method is used.

Provision of obsolescence on inventories is considered on the basis of management's estimate based on demand and market of the inventories.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

xii) Impairment of non-financial assets

The Company assesses at each year end whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Company estimates the asset's recoverable amount and the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount.

Losses are recognized in Statement of Profit and Loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through Statement of Profit and Loss.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the “cash-generating unit”).

xiii) Provisions and Contingent liabilities

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

xiv) Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand and short-term deposits net of bank overdraft with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, cash at banks and short-term deposits net of bank overdraft.

xv) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a. Financial Assets

Initial recognition and measurement

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

a) at amortized cost; or

b) at fair value through other comprehensive income; or

c) at fair value through profit or loss.

The classification depends on the entity’s business model for managing the financial assets and the contractual terms of the cash flows.

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the Effective Interest Rate (EIR) method.

Fair Value Through Other Comprehensive Income (FVTOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVTOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the EIR method.

Fair Value Through Profit or Loss (FVTPL): Assets that do not meet the criteria for amortized cost or FVTOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

Equity instruments: All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

The company has equity instruments in 10 (ten) entities which are not held for trading. The company has elected the FVTOCI irrevocable option for these investments. Fair value is determined in the manner described in Note 6.

Impairment of financial assets

In accordance with Ind AS 109, Financial Instruments, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on financial assets that are measured at amortized cost and FVTOCI.

For recognition of impairment loss on financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent years, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the year end.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

In general, it is presumed that credit risk has significantly increased since initial recognition if the payment is more than 30 days past due.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/expense in the statement of profit and loss. In balance sheet ECL for financial assets measured at amortized cost is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

Derecognition of financial assets

A financial asset is derecognized only when

a) the rights to receive cash flows from the financial asset is transferred or

b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the financial asset is transferred then in that case financial asset is derecognized only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

b. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss as finance costs.

c. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

xvi) Employee Benefits

a. Short-term obligations

Liabilities for salaries and wages, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

b. Other long-term employee benefit obligations

Defined Contribution plan

Contributions paid/payable to defined contribution plans comprising of Superannuation (under a scheme of Life Insurance Corporation of India) and Provident Funds for certain employees covered under the respective Schemes are recognised in the Statement of Profit and Loss each year.

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.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

Defined benefit plans

Gratuity: The Company's Gratuity scheme for its employees is a defined benefit retirement benefit plan. Obligation under the gratuity scheme is covered under a Scheme of Life Insurance Corporation of India (LIC) and contributions in respect of such scheme are recognized in the profit or loss. The liability as at the Balance Sheet date is provided for using the projected unit credit method, with actuarial valuations being carried out as at the end of the year. Defined benefit costs are categorized as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- Re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

Compensated Absences: Accumulated compensated absences, which are expected to be availed or en-cashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or en-cashed beyond 12 months from the end of the year are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognized in the statement of profit and loss in the year in which they arise.

Leaves under defined benefit plans can be en-cashed partly while in service and on discontinuation of service by employee.

xvii) Contributed Equity

Equity shares are classified as equity share capital. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

xviii) Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share is the net profit or loss and any attributable tax thereto for the year. The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

xix) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

xx) Rounding off amounts

All amounts disclosed in financial statements and notes have been rounded off to the nearest thousands as per requirement of Schedule III of the Act, unless otherwise stated.

xxi) Subsidy from Government

Subsidies from the government are recognized when there is reasonable assurance that the subsidy will be received and all attaching conditions will be complied with. When the subsidy relates to an expenses item, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate. Where the subsidy relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

xxii) Derivative financial instruments

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contract, to hedge its foreign currency risks. Such derivative financial instruments are initially recognized at fair value on the date of which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

xxiii) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (i.e. the “functional currency”). The financial statements are presented in Indian Rupee (INR), the national currency of India, which is the functional currency of the Company.

xxiv) Standards (including amendments) issued but not yet effective:

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020:

Note 3: Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the year end date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

a. Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Company neither have any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Company has determined that it cannot recognize deferred tax assets on the tax losses carried forward except for the unabsorbed depreciation.

b. Defined benefit plans (gratuity benefits and compensated absences)

The cost of the defined benefit plans such as gratuity and compensated absences are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each year end.

The principal assumptions are the discount and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis. For details refer Note 32.

c. Useful lives of Property, Plant and Equipment

The Company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. During the current year, there has been no change in life considered for the assets.

d. Revenue Recognition

The Company provides customer incentives, such as rebates, based on quantity purchased, timing of collections etc. Various estimates are made to recognise the impact of rebates and other incentives on revenue. These estimates are made based on historical and forecasted data, contractual terms and current conditions.

e. Subsidy Income

Subsidy income is recognised on the basis of the rates notified from time to time by the Government of India in accordance with the New Pricing Scheme for Urea on the quantity of Urea sold by the Company for the period for which notification has been issued and for the remaining period, based on estimates.

f. Provision for doubtful receivables

The Company makes provision for doubtful receivables based on a provision matrix which takes into account historical credit loss experience and adjusted for current estimates.

Note 4: Property, Plant & Equipments and Other Intangible Assets

(₹ In Lac)

Description	Gross block				Accumulated depreciation and impairment				Net block	
	Opening Balance as at 1 April, 2019	Additions/ Adjustments	Deletions/ Adjustments	Closing Balance as at 31 March, 2020	Opening Balance as at 1 April, 2019	Additions/ Adjustments	Deletions/ Adjustments	Closing Balance as at 31 March, 2020	As at 31 March, 2020	As at 31 March, 2019
(i) Tangible Assets (Owned)										
(a) Land - Freehold	5829.73	-	5.00	**5824.73**	-	-	-	**-**	**5824.73**	5829.73
(b) Buildings	3341.16	87.08	-	**3428.24**	486.46	162.43	-	**648.89**	**2779.35**	2854.70
(c) Plant and Equipment	19742.67	13906.73	230.35	**33419.05**	6654.46	2810.89	212.56	**9252.79**	**24166.26**	13088.21
(d) Furniture and Fixtures	62.87	0.89	4.04	**59.72**	15.18	5.53	-	**20.71**	**39.01**	47.69
(e) Vehicles	148.10	12.18	7.63	**152.65**	5.24	22.26	5.84	**21.66**	**130.99**	142.86
(f) Office equipments	2203.56	1238.59	104.98	**3337.17**	1439.71	150.66	99.97	**1490.40**	**1846.77**	763.85
(g) Roads	74.55	44.90	-	**119.45**	62.60	9.11	-	**71.71**	**47.74**	11.95
(h) Railway Sidings	298.14	3.86	-	**302.00**	41.46	13.83	-	**55.29**	**246.71**	256.68
Total	**31700.78**	15294.22	352.00	**46643.00**	8705.11	3174.72	318.37	**11561.45**	**35081.54**	22995.67
(ii) Other Intangible Assets	**189.89**	-	-	**189.89**	52.01	36.08	-	**88.09**	**101.80**	137.88

Previous year

(₹ In Lac)

Description	Gross block				Accumulated depreciation and impairment				Net block	
	Opening Balance as at 1 April, 2018	Additions/ Adjustments	Deletions/ Adjustments	Closing Balance as at 31 March, 2019	Opening Balance as at 1 April, 2018	Additions/ Adjustments	Deletions/ Adjustments	Closing Balance as at 31 March, 2019	As at 31 March, 2019	As at 31 March, 2018
(i) Tangible Assets (Owned)										
(a) Land - Freehold	4714.48	1115.25	-	5829.73	-	-	-	-	5829.73	4714.48
(b) Buildings	3288.79	52.37	-	3341.16	322.22	164.24	-	486.46	2854.70	2966.57
(c) Plant and Equipment	19423.09	384.93	65.35	19742.67	4020.55	2690.36	56.45	6654.46	13088.21	15402.54
(d) Furniture and Fixtures	60.64	2.23	-	62.87	9.94	5.24	-	15.18	47.69	50.70
(e) Vehicles	141.99	44.44	38.33	148.10	13.01	24.74	32.51	5.24	142.86	128.98
(f) Office equipments	2062.50	147.67	6.61	2203.56	1191.84	254.16	6.29	1439.71	763.85	870.66
(g) Roads	74.55	-	-	74.55	41.65	20.95	-	62.60	11.95	32.90
(h) Railway Sidings	298.14	-	-	298.14	27.64	13.82	-	41.46	256.68	270.50
Total	30064.18	1746.89	110.29	31700.78	5626.85	3173.51	95.25	8705.11	22995.67	24437.33
(ii) Other Intangible Assets	129.98	59.91	-	189.89	23.27	28.74	-	52.01	137.88	106.71

Depreciation Expenses: (₹ In Lac)

Particulars	As at 31 March 2020	As at 31 March 2019
(i) Property, Plant & Equipment	**3174.72**	3173.51
(ii) Investment Property	**3.47**	3.47
(iii) Other Intangible Assets	**36.08**	28.74
Total	**3214.27**	3205.72

Note 5: Investment Property (₹ In Lac)

Particulars	As at 31 March 2020	As at 31 March 2019
Carrying amount of		
Completed investment property	**125.71**	129.18
Total	**125.71**	129.18

(₹ In Lac)

Particulars	As at 31 March 2020	As at 31 March 2019
Cost or Deemed cost:		
Balance at the beginning of the year	**139.59**	139.59
Additions	**-**	-
Balance at the end of the year	**139.59**	139.59
Accumulated depreciation and impairment:		
Balance at the beginning of the year	**10.41**	6.94
Depreciation expense	**3.47**	3.47
Balance at the end of the year	**13.88**	10.41

Note 5.1: Fair value of the Company's investment property

The fair value of the property is ₹316.96 lac, as per valuation performed by M/s. Anbusivam Valuers, an accredited independent valuer in the earlier year. M/s. Anbusivam Valuers is a specialist in valuing these types of investment properties. The Management feels there won't be any significant change in valuation for current year. The valuation will be done every 5 years.

Fair value was derived using the market comparable approach based on recent market / government guideline prices without any significant adjustments being made to the market observable data. In estimating the fair value of the property, the current use is considered as the highest and best use.

Note 5.2: Information regarding income and expenditure of Investment property (₹ In Lac)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Rental income derived from investment properties	**15.78**	15.78
Direct operating expenses (including repairs and maintenance) generating rental income	**-**	-
	15.78	15.78
Less: Depreciation	**(3.47)**	(3.47)
Income arising from investment properties before indirect expenses	**12.31**	12.31

The Company's investment properties consist of commercial property in chennai given on non- cancellable lease for a period of 5 years.

Note 6: Non-Current Investments

(₹ In Lac)

	Particulars	As at 31 March 2020	As at 31 March 2019
(A)	**Investments in Associates at cost**		
1.	**Quoted Investments in equity instruments**		
	- Tuticorin Alkali Chemicals and Fertilizers Limited (Refer Note 6 (c) below)		
	5,35,30,113 (5,35,30,113) Equity Shares of ₹ 10 each, fully paid up	**-**	2685.00
	Less: Adjusted in statement of Profit and Loss (Refer Note 14(i))	**-**	2685.00
	Total Aggregate Quoted Investments (1)	**-**	-
2.	**Unquoted investments**		
a)	**Investments in equity instruments.**		
	- Gold Nest Trading Company Limited		
	2,49,000 (2,49,000) Equity Shares of ₹ 100 each, fully paid up	**25.24**	-
	(Also Refer Note 14(ii))		
	Add: Share of Loss and Other Comprehensive Income	**(16.24)**	25.24
		9.00	25.24
	- Greenam Energy Limited (Refer Note 6 (a) below)		
	75,86,502 (56,86,502) Equity Shares of ₹ 10 each, fully paid up	**758.29**	568.65
	Add: Share of Loss and Other Comprehensive Income	**(0.87)**	(0.36)
		757.42	568.29
	Total Aggregate Unquoted Investments (2)	**766.42**	593.53
	Total Investments in associates (1) + (2)	**766.42**	593.53
	As per Ind AS - Investments in Associate is carried at book value	**766.42**	593.53
(B)	**Investments in Joint Ventures at cost**		
1.	**Quoted Investments in equity instruments**		
	- Tamilnadu Petroproducts Limited		
	1,52,34,375 (1,52,34,375) Equity Shares of ₹ 10 each	**7204.93**	6125.72
	Add: Share of Profit and Other Comprehensive Income	**1139.30**	1079.21
	Total Aggregate Quoted Investments (1)	**8344.23**	7204.93
2.	**Unquoted Investments in equity instruments**		
	- National Aromatics and Petrochemicals Corporation Limited		
	25,000 (25,000) Equity Shares of ₹ 10 each	**-**	-
	Provision for Diminution in Investment value	**-**	-
	Total Aggregate Unquoted Investments (2)	**-**	-
	As per Ind AS - Investments in JV is carried at book value (1) + (2)	**8344.23**	7204.93

Note 6: Non-Current Investments

(₹ In Lac)

	Particulars	As at 31 March 2020	As at 31 March 2019
(C)	**Other Equity Investments carried at FVTOCI**		
1.	**Quoted Investments in equity instruments**		
	- Manali Petrochemicals Limited	**1.01**	2.52
	10,000 (10,000) Equity shares of ₹ 5 each, fully paid up		
	- State Bank of India		
	9,660 (9,660) Equity Shares of ₹1 each, fully paid up	**19.02**	30.98
	- ICICI Bank Limited		
	2,106 (2,106) Equity Shares of ₹ 2 each, fully paid up	**6.82**	8.43
	- Mercantile Ventures Limited		
	1,50,28,000 (1,50,28,000) Equity Shares of ₹ 10 each, fully paid up	**521.47**	748.40
	- Sicagen India Limited		
	5,77,681 (5,77,681) Equity Shares of ₹ 10 each, fully paid up	**52.28**	138.93
	Total Aggregate Quoted Investments (1)	**600.60**	929.26
2.	**Unquoted investments**		
	Investments in equity		
	- Biotech Consortium India Limited		
	2,50,000 (2,50,000) Equity Shares of ₹ 10 each, fully paid up	**25.00**	25.00
	- Chennai Willington Corporate Foundation		
	50 (50) Equity Shares of ₹ 10 each costing ₹ 450, fully paid up	**0.00**	0.00
	- OPG Power Generation Private Limited (Refer Note 6 (b) below)		
	2,38,500 (2,08,800) Equity Shares of ₹10 each, fully paid up	**27.08**	23.67
	- R K Wind Farms (Karur) Private Limited		
	456 (456) Equity shares of ₹10 each, fully paid up	**0.05**	0.05
	- South India Travels Private Limited		
	5,09,575 (5,09,575) Equity Shares of ₹ 10 each, fully paid up	**50.96**	50.96
	Total Aggregate Unquoted Investments (2)	**103.09**	99.68
	Total Other equity Investments (1) + (2)	**703.69**	1028.94
(D)	**Other Investments carried at FVTOCI**		
1	**Investment in Mutual Funds (all fully paid)**		
	- Canara Robecco Equity Diversified - Growth Plan (formerly known as Canara Robecco Fortune) - 94 units		
	12,760 (12,760) Units of ₹ 10 each	**1.00**	1.00
	Total Aggregate Investments In Mutual Funds	**1.00**	**1.00**
	Total Other Investments	**1.00**	**1.00**
	Aggregate book value of		
	a) Quoted investments	**5861.94**	8134.19
	b) Unquoted investments	**669.33**	694.21
	Aggregate market value		
	- Quoted investments	**4378.72**	8393.88

6 During the year:

a. 19,00,000 Equity shares of ₹10 each at par was allotted to the Company by M/s. Greenam Energy Private Limited (Greenam), a company incorporated for setting up a 25-29 MW DC solar power project. The Company has given an undertaking to lenders of Greenam for non-disposal/pledge of equity shares of Greenam so long as any moneys remain due by the Company under the Loan Agreement. The company has pledged 56,86,502 equity shares to Indian Renewable Energy Development Agency Limited (IREDA) during October, 2019.

b. 29,700 Equity shares of ₹10 each @ ₹11.50 per share valuing ₹3.41 lac was allotted by OPG Power Generation Private Limited due to increase in consumption of power, as per Group Captive Scheme of the Govt. of India under Electricity Rules, 2005 and the balance equity shares held is 2,38,500.

c. Tuticorin Alkali Chemicals and Fertilizers Limited (TFL), an associate of the Company, has allotted 4,68,50,000 Equity shares of ₹ 10 each, at par, through conversion of 5% Redeemable Cumulative Preference Shares of ₹ 100 each amounting to ₹ 2000 lac and conversion of unsecured loans and pending amount towards material supplies aggregating ₹ 2685 lac. The allotment has been made by TFL pursuant to SEBI Order dated 6 September 2018 permitting these conversions. The above shares were approved on 25 September, 2019 for listing and trading on the exchange.

Note 7: Other financial assets (₹ In Lac)

	Particulars	**As at 31 March 2020**	As at 31 March 2019
(A)	**<u>Other financial assets - Non-current</u>**		
	Financial assets carried at amortized cost		
	Deposits		
	Considered good	**243.29**	287.10
	Doubtful	**43.16**	42.47
		286.45	329.57
	Less: Provision for doubtful deposits	**43.16**	42.47
		243.29	287.10
	Loans to employees		
	Considered good	**-**	-
	Doubtful	**5.84**	5.84
		5.84	5.84
	Less: Provision for doubtful loans	**5.84**	5.84
		-	-
	Total	**243.29**	287.10
(B)	**<u>Other financial assets - Current</u>**		
	Financial assets carried at amortized cost		
	Advances to related parties		
	Considered good	**1408.40**	3557.75
	Doubtful	**1489.77**	1488.96
		2898.17	5046.71
	Less: Provision for doubtful loans	**1489.77**	1488.96
		1408.40	3557.75
	Interest accrued on deposits	**287.76**	241.11
	Insurance claims receivable	**-**	0.08
	Subsidy Receivable (Refer Note 17(i))	**108657.69**	103201.37
	Total	**110353.85**	107000.31

Note 8: Other Non-Current Assets

(₹ In Lac)

Particulars	As at 31 March 2020	As at 31 March 2019
Deposits		
Considered good	**736.27**	1509.75
Doubtful	**-**	88.73
	736.27	1598.48
Less: Provision for doubtful deposits	**-**	88.73
	736.27	1509.75
Advances to employees		
Considered doubtful	**9.34**	10.23
Less: Provision for doubtful loans and advances	**9.34**	10.23
	-	-
Capital advances	**6282.89**	2135.01
Balances with government authorities		
Considered good	**723.37**	963.94
Doubtful	**23.27**	210.22
	746.64	1174.16
Less: Provision for doubtful balances	**23.27**	210.22
	723.37	963.94
Total	**7742.53**	4608.70

Note 9: Inventories

(₹ In Lac)

Particulars	As at 31 March 2020	As at 31 March 2019
Raw materials in stock (at cost)	**10028.07**	12404.24
Raw material in transit (at cost)	**-**	437.92
	10028.07	12842.16
Work-in-progress in stock (at cost) (Refer Note 9 (i) below)	**118.92**	299.48
Finished goods in stock (at lower of cost and net realizable value)	**34.87**	1529.32
Stores and spares including packing material (at cost)	**2112.25**	2099.74
Fuel Oil (at cost)	**1211.68**	2014.66
Total	**13505.79**	18785.36

Note 9(i): Details of work-in-progress

(₹ In Lac)

Particulars	As at 31 March 2020	As at 31 March 2019
Tissue Culture	**57.06**	195.16
Others	**61.86**	104.32
Total	**118.92**	299.48

Note 10: Trade receivables

(₹ In Lac)

Particulars	As at 31 March 2020	As at 31 March 2019
Unsecured, considered good*	**896.27**	1764.96
Unsecured, considered doubtful	**649.03**	648.83
	1545.30	2413.79
Less: Allowance for doubtful debts	**649.03**	648.83
Total	**896.27**	1764.96

* Includes 'Nil' (₹4.41 lac) receivable from a related party.

The credit period on sale of goods varies with seasons and business segments / markets and is normally 7 days.

Note 11(A): Cash and cash equivalents

(₹ In Lac)

Particulars	As at 31 March 2020	As at 31 March 2019
Balances with banks:		
- In current accounts	**6403.39**	7235.88
- In EEFC accounts	**-**	0.92
Cash on hand	**5.94**	3.72
Total	**6409.33**	**7240.52**

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

(₹ In Lac)

Particulars	As at 31 March 2020	As at 31 March 2019
Balances with banks:		
- In current accounts	**6403.39**	7235.88
- In EEFC accounts	**-**	0.92
Cash on hand	**5.94**	3.72
Total	**6409.33**	7240.52

Note 11(B): Bank balances other than Cash and cash equivalents

(₹ In Lac)

Particulars	As at 31 March 2020	As at 31 March 2019
Balances with banks:		
- Balances held as margin money or security against borrowings, guarantees and other commitments	**810.40**	464.50
- Balance in Escrow Account	**1.14**	4.18
Total	**811.54**	468.68

Note 12: Other current assets

(₹ In Lac)

Particulars	As at 31 March 2020	As at 31 March 2019
Advances to employees - Considered good	**0.91**	0.36
Other Advances:		
Considered good	**146.18**	54.39
Doubtful	**93.70**	174.21
	239.88	228.60
Less: Provision for doubtful advances	**93.70**	174.21
	146.18	54.39
Prepaid expenses	**335.77**	170.82
Balances with government authorities:		
Considered good	**8342.03**	12171.30
Doubtful	**37.40**	37.40
	8379.43	12208.70
Less: Provision for doubtful balances	**37.40**	37.40
	8342.03	12171.30
Advances to Suppliers	**1967.78**	1522.37
Total	**10792.67**	13919.24

Note 13: Equity Share Capital

(₹ In Lac)

Particulars	As at 31 March 2020	As at 31 March 2019
Authorised Share Capital		
31,60,00,000 (31,60,00,000) Equity shares of ₹10 each	**31600.00**	31600.00
55,00,000 (55,00,000) Redeemable cumulative preference shares of ₹ 100 each	**5500.00**	5500.00
3,00,00,000 (3,00,00,000) Fully Compulsorily Convertible Preference (FCCP) shares of ₹ 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 ₹10 each	**20364.03**	20364.03
(Refer Note 13(i) to 13(iv) below)		

Note 13(i): There is no movement in the number of equity shares and preference shares during the current year and in the previous year.

Note 13(ii): Details of shareholders holding more than 5% shares in the Company

Class of shares / Name of shareholders	As at 31 March 2020		As at 31 March 2019	
	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				
AMI Holdings Private Limited	**37276700**	**18.31**	37276700	18.31
Lotus Fertilisers Private Limited	**27995454**	**13.75**	27995454	13.75
The Bank of New York Mellon	**16791800**	**8.25**	16791800	8.25
FICON Holdings Limited	**15682775**	**7.70**	15682775	7.70
Preference Shares (Refer Note 17)				
14.50% Redeemable cumulative non-convertible preference shares				
Bajaj Auto Limited	**300000**	**100.00**	300000	100.00
11.50% Redeemable cumulative non-convertible preference shares				
AMI Holdings Private Limited	**650000**	**76.47**	650000	76.47
Dynamic Global Trading Corporation Private Limited	**200000**	**23.53**	200000	23.53
10% Redeemable cumulative non-convertible preference shares				
AMI Holdings Private Limited	**100000**	**100.00**	100000	100.00

Note 13(iii): Equity shares include:

1,67,91,800 equity shares were issued against the Global Depository Receipts (GDRs) and is held by The Bank of New York Mellon, as depository for the GD₹

Terms/Rights attached to Equity Shares:

The company has only one class of equity shares having a par value of ₹ 10 per share. Each shareholder is entitled to one vote per share held. Dividend if any declared is payable in Indian rupees. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. 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 13(iv): 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 14: Other Equity

(₹ In Lac)

Particulars	As at 31 March 2020	As at 31 March 2019
Capital Reserve	**97.24**	97.24
Capital Redemption Reserve	**6500.00**	6500.00
Securities Premium	**21047.71**	21047.71
Statutory Reserve	**41.33**	41.33
(Deficit) in Statement of Profit and Loss:		
Opening balance	**(10101.25)**	(13740.88)
Add: Profit for the year	**6748.35**	6299.35
Closing balance	**(3352.90)**	(7441.53)
Share of Loss of Associates - Refer Note 14 (i) & (ii) below	**-**	(2659.72)
	(3352.90)	(10101.25)
Reserve for equity instruments through other comprehensive income:		
Opening balance	**(729.51)**	223.12
Add: Effect of measuring investments at fair value	**(295.80)**	(952.63)
Closing balance	**(1025.31)**	(729.51)
Remeasurement of defined plans:		
Opening balance	**(212.42)**	(47.14)
Add: Actuarial movement through other comprehensive income	**(129.03)**	(165.28)
Closing balance	**(341.45)**	(212.42)
Share of Joint ventures	**141.58**	73.70
Total	**23108.20**	16716.80

Note 14(i):

During the previous year 4,68,50,000 Equity shares of ₹ 10 each, at par, was allotted by Tuticorin Alkali Chemicals and Fertilizers Limited (TFL), an associate of the Company, by way of conversion of 5% Redeemable Cumulative Preference Shares of ₹ 100 each amounting to ₹ 2000 lac held by the Company and other receivables aggregating ₹ 2685 lac. The opening carrying value of the investments as at 01 April 2018 in consolidated financial statements was Nil due to erosion of net worth. The closing net worth as at 31 March 2019 was also fully eroded and the additional investment (net of provision) of ₹ 2685 lac made during the year has been fully written off under equity method as required under Ind AS 28.

Note 14(ii):

During the previous year The National Company Law Tribunal vide its order dated 28-02-2019 approved the scheme of arrangement submitted by Gold Nest Trading Company Limited, an associate of the company for reduction of capital and settlement of dues to Debenture holders, Preference shareholders and other creditors. The company's share of net surplus arising from the scheme of arrangement amounting to ₹ 25.64 lac included in Other Equity.

Capital Reserve and Statutory Reserve

Capital Reserve of ₹97.24 lac and Statutory Reserve of ₹41.33 lac represents reserves transferred to the Company on merger of SPIC Holdings and Investments Ltd (SHIL) with the Company during 2006-07.

Capital Redemption Reserve

Capital redemption reserve has been created pursuant to the requirements of the Act under which the Company is required to transfer certain amounts on redemption of the preference shares. The Company has redeemed the underlying preference shares in the earlier years. The capital redemption reserve can be utilised for issue of bonus shares.

Securities Premium Account

Securities premium reserve represents the amount received in excess of the face value of the equity shares. The utilisation of the securities premium reserve is governed by the Section 52 of the Act.

Note 15: Non-current borrowings (₹ In Lac)

Particulars	As at 31 March 2020	As at 31 March 2019
Unsecured at amortised cost		
Term loans		
From Related Party (Refer Note 15(i) below)	**-**	12865.50
	-	12865.50

Note 15(i): The Company during the FY 2016-17 & FY 2017-18, had issued unsecured Indian Rupee denominated bonds (Masala Bonds) of ₹20670 lac to AM International Holdings Pte Ltd, Singapore, which was approved by the Board of Directors vide their meeting held on 20 September 2016. These bonds are repayable after three years and carry an interest of 9%p.a which is payable at quarterly intervals falling due on 22 February, 22 May, 22 August and 22 November of each year. Out of the total amount, the Company had utilised ₹ 16275 lac (previous year ₹16275 lac) as on 31.03.2019. Out of that amount, an amount of ₹3409.50 lac had matured during December 2019 and the same was paid and the balance amount of ₹ 12865.50 lac will be maturing by July 2020, January 2021 & March 2021 and the same is classified as current maturities of long term borrowings in Note 16 (B).

Note 16: Other Financial Liabilities (₹ In Lac)

	Particulars	As at 31 March 2020	As at 31 March 2019
(A)	**Other financial liabilities - Non-Current (at amortised cost)**		
	Trade / security deposits received	**3007.52**	2805.36
	Liabilities for expenses	**5.79**	83.33
		3013.31	2888.69
(B)	**Other financial liabilities - Current (at amortised cost)**		
	Current maturities of long term borrowings (Refer Note 15(i))	**12865.50**	3409.50
	Interest accrued but not due on borrowings	**40.91**	128.20
	Interest accrued and due on borrowings	**43.40**	48.50
	Interest accrued and due on payable	**1387.68**	-
	Retention money	**91.40**	73.64
	Other payables		
	- Advances from customers and other parties	**-**	153.80
Total		**14428.89**	3813.64

Note 17: Current borrowings (₹ In Lac)

Particulars	As at 31 March 2020	As at 31 March 2019
Term loans (at amortised cost)		
From banks - Secured (Refer Note 17(i) below)	**23491.53**	14635.82
From banks - Unsecured	**-**	2387.70
Loans repayable on demand (at amortised cost)		
From other parties Unsecured	**-**	1934.33
Unsecured (at amortised cost)		
3,00,000 (3,00,000) 14.50% Redeemable cumulative non-convertible preference shares of ₹100 each (Refer Note 17(ii) below)	**300.00**	300.00
8,50,000 (8,50,000) 11.50% Redeemable cumulative non-convertible preference shares of ₹100 each (Refer Note 17(iii) below)	**850.00**	850.00
1,00,000 (1,00,000) 10.00% Redeemable cumulative non-convertible preference shares of ₹100 each (Refer Note 17(iv) below)	**100.00**	100.00
Interest accrued on cumulative preference shares	**3168.19**	3552.71
Total	**27909.72**	23760.56

Note 17(i): During the current year ₹23491.53 lac received from Punjab National Bank under Special Banking Arrangement as approved by Ministry of Finance, Department of Economic Affairs vide O.M. No. 7/22/2017-BS dt. 18 February 2020 secured against subsidy receivables from the Government of India for the period January 2020 to March 2020. The bank has charged an interest of 6.15% p.a. on the said arrangement, which is fully borne by the Government of India.

Note 17(ii): 14.50% Redeemable cumulative non-convertible preference shares of ₹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.

Note 17(iii): 11.50% Redeemable cumulative non-convertible preference shares of ₹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.

Note 17(iv): 10.00% Redeemable cumulative non-convertible preference shares of ₹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.

Note 18: Trade payables (₹ In Lac)

Particulars	As at 31 March 2020	As at 31 March 2019
Trade payables:		
- Total outstanding dues to Micro, Small and Medium Enterprises (Refer Note 18(i) below)	**-**	-
- Total outstanding dues other than Micro, Small and Medium Enterprises	**118173.64**	120872.95
Total	**118173.64**	120872.95

Note 18(i): Dues to Micro, Small and Medium Enterprises:

Dues to Micro, Small and Medium 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.

(₹ In Lac)

	Particulars	As at 31 March 2020	As at 31 March 2019
(i)	Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
(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 payments 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 19: Provisions

(₹ In Lac)

Particulars	As at 31 March 2020	As at 31 March 2019
Provision for employee benefits:		
- Compensated absences	**461.33**	389.34
Total	**461.33**	389.34

Note 20: Other current liabilities

(₹ In Lac)

Particulars	As at 31 March 2020	As at 31 March 2019
Other payables:		
- Statutory remittances	**205.99**	390.40
- Gratuity payable	**122.15**	439.47
- National Pension Scheme payable	**2.49**	-
- Superannuation fund payable	**511.13**	930.53
- Advances from customers and other parties	**963.23**	-
- Other Deposits	**60.00**	60.00
Total	**1864.99**	1820.40

Note 21: Revenue from operations

(₹ In Lac)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Sale of products	**31983.88**	45259.02
Less: Rebates and discounts	**(3128.01)**	(4546.24)
	28855.87	40712.78
Subsidy Income	**177855.88**	217598.75
Sales (Refer Note 21(i) below)	**206711.75**	258311.53
Other operating revenues (Refer Note 21(ii) below)	**1206.25**	884.27
Total	**207918.00**	259195.80

Note 21(i): Sales

(₹ In Lac)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Manufactured goods		
Urea	**28197.99**	33806.84
Fertiliser and Transport Subsidy (Urea)	**177855.88**	217598.75
Others	**657.88**	1044.03
Traded goods		
Imported Urea	**-**	5861.91
Total	**206711.75**	258311.53

Note 21(ii): Other Operating Revenues

(₹ In Lac)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Facility Sharing Income	**775.42**	777.03
Sale of scrap	**95.65**	107.24
Others	**335.18**	-
Total	**1206.25**	884.27

Note 22: Other income

(₹ In Lac)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Interest income (Refer Note 22(i) below)	**122.72**	774.75
Dividend income from long-term investments	**154.75**	79.72
Liabilities / Provisions no longer required written back	**30.00**	345.48
Rental income	**56.90**	34.72
Profit on sale of assets	**7.68**	2.84
Insurance claims received	**0.14**	6.16
Others	**674.64**	902.40
Total	**1046.83**	2146.07

Note 22(i): Interest income

(₹ In Lac)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Interest on Income Tax refund	**-**	123.91
Interest from banks deposits	**79.78**	22.06
Other interest	**42.94**	628.78
Total	**122.72**	774.75

Note 23: Cost of materials consumed

(₹ In Lac)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Opening stock	**12842.16**	10254.39
Add: Purchases #	**114028.80**	154798.75
	126870.96	165053.14
Less: Closing stock	**10028.07**	12842.16
Total	**116842.89**	152210.98

Includes ₹ 8621.15 lac (₹ 3697.39 lac) of foreign exchange loss.

Note 24: Purchase of Stock-in-trade

(₹ In Lac)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Imported urea	**-**	3581.41
Total	**-**	3581.41

Note 25: Changes in inventories of finished goods, stock-in-trade and work-in-progress

(₹ In Lac)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Inventories at the beginning of the year:		
Finished goods	**1529.32**	3801.02
Work-in-progress	**299.48**	2005.15
Stock-in-trade	**-**	10.38
	1828.80	5816.55
Inventories at the end of the year:		
Finished goods	**34.87**	1529.32
Work-in-progress	**118.92**	299.48
	153.79	1828.80
Net Decrease	**1675.01**	3987.75

Note 26: Employee benefits expense

(₹ In Lac)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Salaries and wages	**4794.07**	5033.03
Contribution to provident fund and other funds	**465.01**	490.36
Contribution to gratuity fund	**110.02**	103.26
Staff welfare expenses	**522.87**	570.17
Total	**5891.97**	6196.82

Note 27: Finance costs

(₹ In Lac)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Interest expense on:		
- Borrowings	**1628.50**	1895.24
- Deposits	**206.10**	182.69
- Others*	**1398.43**	1307.38
Other borrowing costs	**182.04**	182.04
Total	**3415.07**	3567.35

* includes ₹ 1387.68 lac (₹ 1304.07 lac) finance charges relating to raw material payments

Note 28: Other expenses

(₹ In Lac)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Consumption of stores and spare parts	**1375.25**	1755.92
Packing, transportation and handling	**11803.74**	15646.55
Power and fuel *	**50395.77**	56306.18
Water	**2544.50**	3441.44
Rent	**421.47**	544.40
Repairs to:		
- Buildings	**531.68**	620.84
- Machinery	**1415.56**	1096.18
- Others	**980.62**	848.46
Insurance	**403.91**	248.50
Rates and taxes	**108.74**	163.65
Port handling charges	**5.21**	674.68
Travelling and conveyance	**468.78**	603.36
Sales promotion expenses	**20.71**	14.28
Professional fees	**407.89**	205.73
Payment to auditors (Refer Note 28(i) below)	**25.10**	25.87
Bad trade and other receivables, loans and advances written off	**53.44**	318.91
Less: Transfer from Provision	**-**	(318.91)
	53.44	-
Assets written off	**27.07**	9.23
Investments written off	**-**	55989.64
Less: Transfer from Provision	**-**	(55989.64)
	-	-
Provision for doubtful trade and other receivables, loans and advances (net)	**0.81**	0.80
Provision for Inventories	**12.84**	-
Director's sitting fees	**37.00**	22.50
Miscellaneous expenses	**1187.72**	1029.12
Total	**72227.81**	83257.69

* Includes ₹ 3859.53 lac (₹ 345.01 lac) of foreign exchange loss.

Note 28(i): Payment to Auditors

(₹ In Lac)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Payments to the auditors comprises (net of GST input credit, where applicable):		
- For statutory audit	**15.00**	15.00
- For limited reviews	**6.00**	3.00
- For certification	**3.30**	6.15
- Reimbursement of expenses	**0.80**	1.72
Total	**25.10**	25.87

Note 29: Plant Operation

(i) During the year, the Company achieved a production of 5.50 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. The Subsidy would be paid based on the Retention Price computed on the lower of Naphtha/Fuel oil or RLNG price.

(iii) Subsidy for the period 1 April 2019 to 31 March 2020 of ₹ 170232.63 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.

(iv) Revenue for the year includes an amount of ₹ 12376.72 lac (amount pertaining to earlier years amounting to ₹ 10450.71 lac) relating to grant of Additional Fixed Cost to Fertilizer units of ₹350 / MT of Urea from FY 2014-15 till 2019-20 which is recognized as per Modified New Pricing Scheme (NPS) III notified in 2014, as approved by the Cabinet during the current year.

Note 30: Commitments

Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 20007.04 lac (₹ 10951.17 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 ₹ 16873.97 lac (₹ 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 vide their letter dt. 26 February 2009, 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 44 years. Water Charges were paid to TWAD on the basis of actual receipt by individual industries. The claims including interest made by TWAD for ₹3719.80 lac (Previous year ₹ 3389.41 lac) is not acknowledged as debt, as this differential value from April 2009 to March 2020 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 (VOCPT) towards increase in rental charges from 1 July 2007 onwards. The amount payable as on 31.03.2020 is ₹1,078.11 lac (from 01.07.2007 to 31.03.2020) (Previous year ₹ 973.28 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.

(b) No provision has been considered necessary by the Management for the following disputed Excise duty, Service tax, Sales Tax and Electricity tax 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.

Name of the Statue	As at 31 March 2020	As at 31 March 2019
The Central Excise Act, 1944	**55.78**	65.61
The Finance Act, 1994 (Service Tax)	**235.64**	404.78
Sales Tax Act under various State enactments	**884.11**	933.34
The Tamilnadu Electricity (Taxation on Consumption) Act, 1962	**1050.54**	1050.54
Total	**2226.07**	2454.27

Out of the above demand of ₹ 2226.07 lac (₹ 2454.27 lac), an amount of ₹ 125.02 lac (₹ 640.30 lac) has been deposited under protest/adjusted by relevant authorities.

With respect to a Jointly Controlled entity:

(₹ in lac)

S No.	Particulars	As at 31 March 2020	As at 31 March 2019
1	Sales tax	**293.10**	293.10
2	Excise Duty	**12.00**	41.59
3	Service tax	**17.35**	70.41
4	Income tax	**504.98**	504.98
5	Electricity tax	**178.60**	178.60
6	Cross Subsidy Charge under Group Captive Scheme (Refer Note below)	**1037.89**	1037.89

Tamilnadu Petroproducts Limited (TPL) has invested in various power generating companies under Group Captive Schemes governed by individual power purchase agreements with the private power producers. As per the covenants of the Group Captive Scheme introduced by Government of India, Ministry of Power in exercise of its power under Section 176 of the Electricity Act, 2003, captive users are required to hold collectively not less than 26% of the share capital in the generating units and consume not less than 51% of the power generated on an annual basis. Non compliance with either of the conditions above shall attract cross subsidy charges at applicable rates for power consumed form various class of power sources. The Company has received a demand from Tamilnadu Electricity Board (TNEB) for ₹ 6130.48 lac (SPIC share ₹ 1037.89 lac) in respect of power purchased by the company under Group Captive Scheme during the years 2014-15 to 2016-17, alleging non compliance with covenants during the entire period mentioned above, even though such non compliance was for a limited period in 2015-16 due to disrupted operations during December 2015 floods. As per management estimates no liability is likely to accrue to the company in this regard as a writ petition has been filed by the private power producers before the Honourable High Court of Madras, challenging levy of cross subsidy and obtained stay on the demand. This is expected to be disposed off in favour of the power producers.

Note 32: Employee benefits

A. Defined contribution plan

(₹ in Lac)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
During the year, the Company has recognized the following amounts in the Statement of Profit and Loss- Employers' Contribution to Provident Fund, ESI and Superannuation.	**455.14**	490.36

B. Defined benefit plans

Gratuity:

In respect of Gratuity plan, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out on 31 March 2020 by the Actuary. The present value of the Defined benefit obligation and the related current service cost and past service cost, were measured using the projected unit cost method. The following table sets forth the status of the gratuity plan of the company and the amount recognized in the balance sheet and statement of profit and loss. The company provides the gratuity benefit through annual contributions to a fund managed by the Life Insurance Corporation of India (LIC).

(₹ in Lac)

Sl No	Particulars	31 March 2020	31 March 2019
	Defined benefit plans		
	a) Gratuity payable to employees	**108.46**	103.26
	b) Compensated absences for employees	**153.81**	182.10
i)	**Actuarial assumptions**		
	Discount rate (per annum)	**6.66%**	7.60%
	Rate of increase in salary	**7.00%**	7.00%
	Expected rate of return on Plan Assets	**6.66%**	7.60%
	Attrition rate	**1.00%**	3.00%
ii)	**Changes in the present value of defined benefit obligation**		
	Present value of obligation at the beginning of the year	**1558.93**	1494.50
	Interest cost	**111.61**	103.28
	Current service cost	**96.14**	88.18
	Benefits paid and charges deducted	**(180.89)**	(306.33)
	Actuarial (gain)/ loss on obligations	**111.89**	179.29
	Present value of obligation at the end of the year	**1697.68**	1558.93
iii)	**Changes in fair value of plan assets**		
	Fair value of plan assets as at the beginning of the period	**1119.46**	1273.81
	Expected return on plan assets	**99.29**	88.21
	Contributions	**554.81**	49.76
	Benefits paid and Charges deducted	**(180.89)**	(306.33)
	Actuarial gain/(loss) on plan assets [balancing figure]	**(17.14)**	14.01
	Fair value of plan assets as at the end of the period	**1575.53**	1119.46
iv)	**Expense recognized in the Statement of Profit and Loss**		
	Current service cost	**96.14**	88.18
	Interest cost	**12.32**	15.08
	Total expenses recognized in the Statement Profit and Loss	**108.46**	103.26
	Actuarial (gain) / loss of ₹ 129.03 Lac (₹ 165.28 Lac) is included in Other Comprehensive Income.		

(₹ in Lac)

Sl No	Particulars	31 March 2020	31 March 2019
v)	**Assets and liabilities recognized in the Balance Sheet:**		
	Present value of funded obligation as at the end of the year	**1697.68**	1558.93
	Fair value of plan assets	**1575.53**	1119.46
	Funded net liability recognized in Balance Sheet*	**122.15**	439.47
	*Included in other current liabilities (Refer Note 20)		
vi)	**Amount recognized for the current period in the statement of Other Comprehensive Income (OCI)**		
	Actuarial (gain) / loss on Plan Obligations	**111.89**	179.29
	Difference between Actual Return and Interest Income on Plan Assets - (gain) / loss	**17.14**	(14.01)
	(Gain) / loss recognized in OCI for the current period	**129.03**	165.28
vii)	**A quantitative sensitivity analysis for significant assumption as at 31 March 2020 and 31 March 2019 are as shown below:**		
	Impact on defined benefit obligation		
	Discount rate		
	0.5% increase	**1625.00**	1506.08
	0.5% decrease	**1776.62**	1615.55
	Rate of increase in salary		
	0.5% increase	**1776.56**	1616.67
	0.5% decrease	**1624.35**	1504.55
viii)	**Expected benefit payments in following years**		
	Year 1	**98.30**	88.24
	Year 2	**325.13**	368.17
	Year 3	**164.96**	200.41
	Year 4	**162.70**	172.99
	Year 5	**108.84**	163.87
	Next 5 Years	**656.15**	611.52

Note 33: Deferred Tax Assets (Net)

(A) The following is the analysis of deferred tax assets / (liabilities) presented in the balance Sheet:

(₹ In Lac)

Particulars	As at 31 March 2020	As at 31 March 2019
Deferred tax assets	**5597.56**	5015.60
Deferred tax liabilities	**(1858.55)**	(1309.47)
Total	**3739.01**	3706.13

2019-20:-

(₹ In Lac)

Particulars	Opening Balance	Recognized in Profit & loss	Recognised in Other Comprehensive Income	Closing Balance
Deferred Tax (Liabilities) / Assets in relation to:				
Property, Plant and Equipment	(1309.47)	(549.08)	-	(1858.55)
Provision for Doubtful Debts, Provision for Compensated absence and others	465.95	352.40	-	818.35
Unabsorbed Depreciation	4401.74	294.53	-	4696.27
Unabsorbed Interest Allowance	97.85	(97.85)	-	-
Financial Assets at FVTOCI	50.07	-	32.87	82.94
	3706.14	**-**	**32.87**	**3739.01**
Deferred Tax Asset (Net)	3706.14	-	32.87	3739.01
MAT Credit Entitlement	6702.46	-	-	6702.46
Net Deferred Tax Assets	**10408.60**	**-**	**32.87**	**10441.47**

2018-19:-

(₹ In Lac)

Particulars	Opening Balance	Recognized in Profit & loss	Recognised in Other Comprehensive Income	Closing Balance
Deferred Tax (Liabilities) / Assets in relation to:				
Property, Plant and Equipment	(1237.11)	(72.36)	-	(1309.47)
Provision for Doubtful Debts, Provision for Compensated absence and others	325.16	140.79	-	465.95
Unabsorbed Depreciation	4568.02	(166.28)	-	4401.74
Unabsorbed Interest Allowance	-	97.85	-	97.85
Financial Assets at FVTOCI	(55.78)	-	105.85	50.07
	3600.29	**-**	**105.85**	**3706.14**
Deferred Tax Asset (Net)	3600.29	-	105.85	3706.14
MAT Credit Entitlement	6604.49	97.97	-	6702.46
Net Deferred Tax Assets	**10204.78**	**97.97**	**105.85**	**10408.60**

(B) Unrecognized deductible temporary differences, unused tax losses and unused tax credits

Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognized are attributable to the following:

(₹ In Lac)

Particulars	**As at 31 March 2020**	As at 31 March 2019
Business losses	**42377.13**	-
Capital losses	**9460.25**	65448.25
Total	**51837.38**	65448.25

Note 33.1: 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 115JB and those other than section 115JB of the Income tax Act 1961. Considering this, the effective tax rate reconciliation is not being provided.

Note 34: Segment Reporting

The information reported to the Chief Operating Decision Maker (CODM) for the purpose of resource allocation and assessment of segment performance is based on types of goods and services. Accordingly, the Company's reportable segments under Ind AS 108 are as follows:

(i) Agro inputs - Urea Operations

(ii) Others - Agri Business

The following is an analysis of the Company's revenue and results from operations by reportable segments:

(₹ In Lac)

Particulars	Segment Revenue		Segment Profit	
	Year ended 31 March 2020	Year ended 31 March 2019	**Year ended 31 March 2020**	Year ended 31 March 2019
Agro Inputs (Urea Operations)	**207213.96**	258591.11	**10710.09**	9129.71
Others (Agri business)	**561.59**	767.73	**(319.87)**	(103.13)
Unallocated income	**1189.28**	1983.03	**-**	-
Total	**208964.83**	261341.87	**10390.22**	9026.58
Finance Cost			**(3415.07)**	(3567.35)
Other Net Unallocable (Expenses)			**(1277.34)**	(125.08)
Share of profit in joint venture			**1317.45**	1261.02
Tax Expense			**(266.91)**	(295.82)
Profit for the year			**6748.35**	6299.35

Segment Assets and Liabilities:

(₹ In Lac)

Particulars	**As at 31 March 2020**	As at 31 March 2019
Segment Assets		
Agro inputs (Urea Operations)	**169934.25**	162305.88
Others (Agri business)	**1649.19**	1855.42
Unallocable Assets	**37740.67**	39330.61
Total Assets	**209324.11**	203491.91
Segment Liabilities		
Agro inputs (Urea Operations)	**119629.60**	138614.32
Others (Agri business)	**145.79**	245.79
Unallocable Liabilities	**46076.49**	27550.97
Total Liabilities	**165851.88**	166411.08

Other Segment Information:

(₹ In Lac)

Particulars	Depreciation and Amortisation		Capital Expenditure	
	Year ended 31 March 2020	Year ended 31 March 2019	**Year ended 31 March 2020**	Year ended 31 March 2019
Agro Inputs (Urea Operations)	**3124.29**	3111.13	**11001.64**	5121.92
Others (Agri business)	**46.69**	46.67	**0.03**	2.31
Unallocable	**43.29**	47.92	**13.78**	37.07
Total	**3214.27**	3205.72	**11015.45**	5161.30

For the purpose of monitoring segment performance and allocating resources between segments:

1. All assets are allocated to reportable segments other than Investments, cash and cash equivalents and derivative contracts.
2. All liabilities are allocated to reportable segments other than borrowings, current and deferred tax liabilities.

Note 35: Related Party Disclosures

In accordance with the requirements of Ind AS 24 'Related Party Disclosures', names of the related parties, related party relationship, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during reported periods are:

Nature	Parties	
Associates	1	Tuticorin Alkali Chemicals and Fertilizers Limited
	2	Gold Nest Trading Company Limited
	3	Greenam Energy Private 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. S R Ramakrishnan
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	AM International Holdings Pte. Ltd, Singapore
	6	AMI Holdings 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 Automation Limited #
	13	EDAC Staffing Solution Private Limited #
	14	Totalcomm Infra Services Private Limited #
	15	Twinshield Consultants Private Limited
	16	I3 Security Private Limited
	17	AM Foundation
	18	SPIC Group Companies Employees Welfare Foundation

Amalgamated with EDAC Engineering Limited vide NCLT order dt. 8 July 2019.

(₹ In Lac)

Sl No	PARTICULARS		As at 31 March 2020	As at 31 March 2019
A	**BALANCE OUTSTANDING AS AT 31.03.2020**			
	(a)	**Receivables**		
		Tamilnadu Petroproducts Limited	**0.12**	3.12
		Tuticorin Alkali Chemicals and Fertilizers Limited	**13.53**	5.06
		Greenstar Fertilizers Limited	**524.24**	5251.55
		Wilson International Trading (India) Private Limited	**-**	0.05
		EDAC Engineering Limited	**-**	60.70
		Totalcomm Infra Services Private Limited	**0.83**	0.80
		Twinshield Consultants Private Limited	**36.45**	36.45
		Lotus Fertilizers Private Limited	**-**	4.41
		Sicagen India Limited	**1.55**	0.23
		AM Foundation	**0.22**	0.01
		Greenam Energy Private Limited	**28.39**	-
	(b)	**Advances to**		
		Sicagen India Limited	**2.49**	1.87
		Tamilnadu Petroproducts Limited	**2.97**	2.77
		National Aromatics and Petrochemicals Corporation Limited *	**1489.77**	1488.95
		Manali Petrochemicals Limited	**1.30**	0.45
	(c)	**Payables**		
		Greenstar Fertilizers Limited	**-**	2,297.21
		Tamilnadu Petroproducts Limited	**1.06**	-
		Sicagen India Limited	**287.46**	226.77
		EDAC Engineering Limited	**83.34**	-
		Wilson International Trading Pte. Ltd, Singapore	**15505.57**	50037.58
		EDAC Automation Limited	**0.06**	68.42
		EDAC Staffing Solution Private Limited	**0.51**	0.51
		Tuticorin Alkali Chemicals and Fertilizers Limited	**646.67**	539.36
		Lotus Fertilizers Private Limited	**1806.50**	1805.55
		South India Travels Private Limited	**1.38**	3.17
		Twinshield Consultants Private Limited	**15.30**	15.30
		I3 Security Private Limited	**40.32**	-
	(d)	**Equity Share Capital including Securities premium**		
		AMI Holdings Private Limited	**6523.42**	6523.42
	(e)	**Preference Share Capital**		
		AMI Holdings Private Limited	**750.00**	750.00
	(f)	**Cash collateral provided against bank borrowings**		
		AM International Holdings Pte Limited,Singapore (in USD)	**37.50**	37.50

(₹ In Lac)

Sl No	PARTICULARS		As at 31 March 2020	As at 31 March 2019
	(g)	**Borrowings**		
		AM International Holdings Pte Limited, Singapore	**12949.80**	16370.17
	(h)	**Investment in Equity**		
		Tamilnadu Petroproducts Limited	**8344.23**	7204.93
		Greenam Energy Private Limited	**757.42**	568.29
		Manali Petrochemicals Limited	**1.01**	2.52
		South India Travels Private Limited	**50.96**	50.96
		Sicagen India Limited	**52.28**	138.93
		Gold Nest Trading Company Limited *	**9.00**	25.24

*Dues have been fully provided for.

(₹ In Lac)

Sl No	PARTICULARS	Year ended 31 March 2020	Year ended 31 March 2019
B	**TRANSACTIONS DURING THE YEAR**		
1	**Sale of goods**		
	Tuticorin Alkali Chemicals and Fertilizers Limited	-	61.34
	Greenstar Fertilizers Limited	202.22	371.28
	Lotus Fertilizers Private Limited	135.71	236.37
2	**Purchase of materials**		
	Tuticorin Alkali Chemicals and Fertilizers Limited	10.15	390.93
	Greenstar Fertilizers Limited	987.89	3639.21
	Tamilnadu Petroproducts Limited	69.49	62.74
	Wilson International Trading Pte Ltd, Singapore	10902.13	72956.55
	Sicagen India Limited	554.30	560.13
3	**Reimbursement of Expenses (Receipts)**		
	Tuticorin Alkali Chemicals and Fertilizers Limited	96.23	-
	Greenstar Fertilizers Limited	1050.44	2570.22
	National Aromatics and Petrochemicals Corporation Limited	0.81	0.80
	Totalcomm Infra Services Private Limited	0.02	0.13
	AM Foundation	6.29	4.88
	Greenam Energy Private Limited	0.01	-
	Wilson International Trading (India) Private Limited	0.07	-
	SPIC Officer and Staff Welfare Foundation	-	0.06
	SPIC Group Companies Employees Welfare Foundation	1.90	1.85

(₹ In Lac)

Sl No	PARTICULARS	Year ended 31 March 2020	Year ended 31 March 2019
4	**Reimbursement of Expenses (Payments)**		
	Greenstar Fertilizers Limited	0.55	-
	Sicagen India Limited	1.31	6.66
5	**Income from services rendered**		
	AM Foundation	0.29	-
	Manali Petrochemicals Limited	7.43	5.46
	Tamilnadu Petroproducts Limited	0.85	0.80
	Tuticorin Alkali Chemicals and Fertilizers Limited	10.19	9.74
	Greenstar Fertilizers Limited	905.85	919.31
	Wilson International Trading (India) Private Limited	0.43	0.62
	Sicagen India Limited	14.89	1.54
	EDAC Engineering Limited	2.15	7.11
	EDAC Automation Limited	-	0.16
	Greenam Energy Private Limited	0.14	-
	Totalcomm Infra Services Private Limited	0.01	0.25
6	**Services / Consultancy Charges**		
	Greenstar Fertilizers Limited	317.91	478.16
	EDAC Automation Limited	66.23	193.68
	Sicagen India Limited	4.02	14.93
	EDAC Engineering Limited	743.13	37.57
7	**Exchange Fluctuation**		
	Greenstar Fertilizers Limited	31.40	-
8	**Dividend Income**		
	Manali Petrochemicals Limited	0.08	0.05
	Tamilnadu Petroproducts Limited	152.34	76.17
	Sicagen India Limited	2.31	3.47
9	**Managerial Remuneration**		
	Thiru. S R Ramakrishnan	75.00	75.24
10	**Handling Charges**		
	Greenstar Fertilizers Limited	95.49	-
11	**Rent Paid**		
	Greenstar Fertilizers Limited	662.59	813.69
	Twinshield Consultants Private Limited	-	18.36
12	**Director Sitting Fees**		
	Thiru. Ashwin C Muthiah	5.00	2.50
13	**Income from Rentals**		
	Greenstar Fertilizers Limited	26.09	104.31
14	**Trade Advance Received / Returned**		
	Greenstar Fertilizers Limited	-	6090.05
15	**Trade Advance Paid / Returned**		
	Greenstar Fertilizers Limited	-	8991.67
16	**Material Purchase Advance**		
	Greenstar Fertilizers Limited	1329.70	2493.82

(₹ In Lac)

Sl No	PARTICULARS	Year ended 31 March 2020	Year ended 31 March 2019
17	**Interest on Borrowings**		
	AM International Holdings Pte Ltd, Singapore	1381.13	1464.75
	Wilson International Trading Pte. Ltd, Singapore	-	772.81
18	**Borrowings Repaid**		
	AM International Holdings Pte Ltd, Singapore	3409.50	-
19	**Demurrage Charges**		
	Wilson International Trading Pte. Ltd, Singapore	238.16	429.99
20	**Car Rental Charges**		
	South India Travels Private Limited	33.61	43.05
21	**Settlement of old dues (Receipt)**		
	Gold Nest Trading Company Ltd	65.00	-
22	**Investment in Equity**		
	Greenam Energy Private Limited	190.00	568.65
	Tuticorin Alkali Chemicals and Fertilizers Limited	-	2685.00
23	**Transfer of Investment**		
	Gold Nest Trading Company Limited	-	835.04
24	**Manpower Charges**		
	I3 Security Private Limited	139.32	-
25	**Rebates and Discounts**		
	Lotus Fertilizers Private Limited	0.33	-
26	**Land Usage Rent**		
	Greenam Energy Private Limited	24.00	-

Note 36: Financial Instruments

Note 36.1: Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity shareholders. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and capital ratios in order to support its business and maximise shareholder value.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital. The Company includes within net debt, all non-current and current borrowings reduced by cash and cash equivalents.

The following table summarises the capital of the Company: (₹ In Lac)

	Particulars	31 March 2020	31 March 2019
a)	Equity	**43472.22**	37080.83
b)	Non-Convertible preference share	**1250.00**	1250.00
c)	Borrowings other than non-convertible preference shares	**39525.22**	38785.56
d)	Less: Cash and Cash equivalents	**(7220.88)**	(7709.20)
e)	Total debt(b+c+d)	**33554.34**	32326.36
f)	Overall financing(a+e)	**77026.56**	69407.19
g)	Net debt to capital ratio (e/f)	**0.44**	0.47
h)	Interest coverage ratio	**2.67**	2.50

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2020 and 31 March 2019.

36.2: Categories of Financial instruments (₹ In Lac)

Particulars		31 March 2020	31 March 2019
Financial Assets			
Measured at FVTOCI			
a)	Investments	**600.60**	1028.94
Measured at amortised cost			
b)	Trade receivables	**896.27**	1764.96
c)	Cash and cash equivalents	**6409.34**	7240.52
d)	Bank balances other than (c) above	**811.54**	468.41
e)	Other financial assets - Current Asset	**110353.84**	107000.31
f)	Other financial assets - Non-Current Asset	**243.29**	287.10
Financial Liabilities			
Measured at amortised cost			
a)	Borrowings - Current Liabilities	**27909.72**	27170.06
b)	Borrowings - Non-Current Liabilities	**-**	12865.50
c)	Trade payables	**118173.64**	120872.40
d)	Other financial liabilities - Current Liabilities	**1563.38**	404.14
e)	Other financial liabilities - Non-Current Liabilities	**3013.31**	2888.69

36.3: Financial Risk and Management Objectives

The Company's activities expose it to a variety of financial risks, credit risks, liquidity risks and market risks.

The Company's board of directors has overall responsibility for the establishment and oversight of the risk management framework.

The risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls and to monitor risks and adhere to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and company's activities. The company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

1. Credit Risk

Credit risk is the risk that counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade receivables and subsidy receivable

The Company receivables can be classified into two categories, one is from the customers into the market and second one is from the Government in the form of subsidy. As far as Government portion of receivables are concerned, credit risk is nil. For market receivables from the customers, the Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings for extension of credit to customers. The Company monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets. The Company has also taken security deposits from its customers, which mitigate the credit risk to some extent.

2. Liquidity Risk

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

The table below provides the details regarding the contractual maturities of significant financial liabilities as follows;

(₹ In Lac)

Particulars	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
As at 31 March 2020					
Short-term borrowings	**23491.53**	**-**	**-**	**-**	**23491.53**
Long-term borrowings	**-**	**12865.50**	**-**	**-**	**12865.50**
Trade payables	**118173.64**	**-**	**-**	**-**	**118173.64**
Other financial liabilities	**-**	**4576.69**	**-**	**-**	**4576.69**
	141665.17	**17442.19**	**-**	**-**	**159107.36**
As at 31 March 2019					
Short-term borrowings	22367.35	-	-	-	22367.35
Long-term borrowings	-	3409.50	9456.00	-	12865.50
Trade payables	120872.95	-	-	-	120872.95
Other financial liabilities	-	3292.83	-	-	3292.83
	143240.30	**6702.33**	**9456.00**	**-**	**159398.63**

3. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings, investments and derivative financial instruments.

Market risk exposures are measured using sensitivity analysis. There has been no change to the Company's exposure to market risks or the manner in which these risks are being managed and measured

4. Foreign Currency Risk

The company is exposed to currency risk to the extent that there is a mismatch between the currencies in which transactions are denominated and the functional currency of the company. The functional currency of the company is Indian Rupees (INR). The currency in which these transactions are primarily denominated is US Dollars (USD).

a. The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities based on gross exposure at the end of the reporting period is as under:

(In millions USD)

Particulars of Liabilities	As at 31 March 2020	As at 31 March 2019
Trade Payables		
Amount due on account of goods supplied	**42.17**	115.35

b. Foreign currency sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in the US dollar exchange rate (or any other material currency), with all other variables held constant, of the Company's profit before tax (due to changes in the fair value of monetary assets and liabilities). The Company's exposure to foreign currency changes for all other currencies is not material.

Currency impact relating to the foreign currencies of	**As at 31 March 2020**		As at 31 March 2019	
	(Profit) or Loss	**Equity**	(Profit) or Loss	Equity
₹/USD - increase by INR 2	**843.40**	**843.40**	2307.06	2307.06
₹/USD - decrease by INR 2	**(843.40)**	**(843.40)**	(2307.06)	(2307.06)

5. Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's outstanding debt in local currency is on fixed rate basis and hence not subject to interest rate risk.

6. Commodity Price Risk

The company's operating activities require the ongoing purchase of naphtha and fuel oil. Naphtha and fuel oil being an international commodity is subject to price fluctuation on account of the change in the crude oil prices, demand supply pattern of naphtha and exchange rate fluctuations. The company is affected by the price volatility of the naphtha/fuel oil as under the Urea pricing formula the subsidy would be paid based on the retention price computed on the lower of naphtha/fuel oil or Regasified Liquefied Natural Gas (RLNG).

Note 36.4: Fair Value Measurements

The following table shows the carrying amounts and fair values of financial assets and financial liabilities including their levels in fair value hierarchy

(₹ In Lac)

As at 31 March, 2020		Carrying Amount				Fair Value			
Particulars	**Note**	**Financial Assets at amortised cost**	**Financial Assets at FVTOCI**	**Financial liabilities at amortised cost**	**Total carrying value**	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets									
Financial Assets measured at fair value									
Investments in quoted equity instruments at FVTOCI	6C(1)	-	600.60	-	600.60	600.60	-	-	600.60
Financial Assets not measured at fair value									
Trade Receivables	10	896.27	-	-	896.27	-	896.27	-	896.27
Cash and Cash Equivalents	11 (A)	6409.34	-	-	6409.34	-	6409.34	-	6409.34
Other Bank balances	11 (B)	811.54	-	-	811.54	-	811.54	-	811.54
Other financial assets	7 (A&B)	110597.13	-	-	110597.13	-	110597.13	-	110597.13
Total		**118714.28**	**600.60**	**-**	**119314.88**	**600.60**	**118714.28**	**-**	**119314.88**
Liabilities									
Financial Liabilities not measured at fair value									
Non Current Borrowings	15	-	-	-	-	-	-	-	-
Current Borrowings	17	-	-	27909.72	27909.72	-	27909.72	-	27909.72
Trade payables	18	-	-	118173.64	118173.64	-	118173.64	-	118173.64
Other financial liabilities	16 (A&B)	-	-	17442.19	17442.19	-	17442.19	-	17442.19
Total		**-**	**-**	**163525.55**	**163525.55**	**-**	**163525.55**	**-**	**163525.55**

(₹ In Lac)

As at 31 March, 2019		Carrying Amount				Fair Value			
Particulars	Note	Financial Assets at amortised cost	Financial Assets at FVTOCI	Financial liabilities at amortised cost	Total carrying value	Level 1	Level 2	Level 3	Total
Assets									
Financial Assets measured at fair value									
Investments in quoted equity instruments at FVTOCI	6C(1)	-	929.26	-	929.26	929.26	-	-	929.26
Financial Assets not measured at fair value									
Trade Receivables	10	1764.96	-	-	1764.96	-	1764.96	-	1764.96
Cash and Cash Equivalents	11 (A)	7240.52	-	-	7240.52	-	7240.52	-	7240.52
Other Bank balances	11 (B)	468.68	-	-	468.68	-	468.68	-	468.68
Other financial assets	7 (A&B)	107287.41	-	-	107287.41	-	107287.41	-	107287.41
Total		**116761.57**	**929.26**	**-**	**117690.83**	**929.26**	**116761.57**	**-**	**117690.83**
Liabilities									
Financial Liabilities not measured at fair value									
Non Current Borrowings	15	-	-	12865.50	12865.50	-	12865.50	-	12865.50
Current Borrowings	17	-	-	23760.56	23760.56	-	23760.56	-	23760.56
Trade payables	18	-	-	120872.95	120872.95	-	120872.95	-	120872.95
Other financial liabilities	16 (A&B)	-	-	6702.33	6702.33	-	6702.33	-	6702.33
Total		**-**	**-**	**164201.34**	**164201.34**	**-**	**164201.34**	**-**	**164201.34**

Note 37: Earnings Per Equity Share

Particulars	**Year ended 31 March 2020**	Year ended 31 March 2019
Face Value per share (In ₹)	**10**	10
Profit for the year (₹ in lac)	**6391.39**	5295.09
Basic		
Weighted Average Number of shares outstanding	**203640336**	203640336
Earnings per share (In ₹)	**3.14**	2.60
Diluted		
Weighted Average Number of shares outstanding	**203640336**	203640336
Earnings per share (In ₹)	**3.14**	2.60

Note 38: As the world faces one of the biggest challenge caused by the COVID-19 related disruptions, the agricultural sector remains relatively insular from demand point of view though it had to face some issues related to non-availability of labour and supply chain disruptions. Due to the proactive steps taken by the Government in supporting the farming community, production, distribution and sales of fertilizers largely remain unaffected. The plant which was shut down for maintenance restarted on 22 April 2020 and is adhering to strict safety measures and Government guidelines. Though the COVID-19 related uncertainties persist, with good reservoir levels and normal monsoon predictions, impact of the pandemic on Indian Agriculture is expected to be minimal. The Company has used the principle of prudence in applying judgments, estimates and assumptions including sensitivity analysis and has concluded that there is no impact of COVID-19 on the recoverability of carrying value of assets. Accordingly, no adjustments have been made to the financial statements. The impact of COVID-19 on the Company's financial statements if any, may differ from that estimated as at the date of approval of these financial statements.

With respect to a Jointly Controlled entity:

In view of the Government of India's Order under the Disaster Management Act, 2005 to implement complete lock down in all parts of India with effect from 25 March 2020 to contain spread of COVID-19 virus, the operations of the plants were shut down. This has impacted the normal business operations of the Company by way of interruption in production, supply chain disruption, unavailability of personnel, closure/lock down of production facilities, sales and profitability. The operations of the Units restarted in phases from 2nd week of April 2020, duly following the Government guidelines. Though the sale of LAB being input for surfactant/disinfectant products was not materially impacted, the demand for caustic and Propylene Oxide off-take have been significantly lower due to the end-use industries remaining shutdown for longer periods. The demand for these products are yet to recuperate fully and it is not certain how long the situation would continue.

The Company has considered the impact that may arise from the pandemic situation on the carrying amount of its assets including inventory and receivables as at the date of the year. Based on the current assessment it is expected that the net carrying amount of the said assets will be recovered. As at the date of approval of these results, it is not possible to reliably estimate the future financial effect of the situation on the Company's operations as normalcy is yet to return. The impact assessment is a continuing process given the uncertainties associated with nature and duration of the current situation. The eventual impact may differ from what has been assessed by the Management as at the date of approval of these financial results. The Company will continue to closely monitor any material changes in future economic conditions and take appropriate actions as may be required.

Note 39: Additional information required under Schedule III of the Companies Act, 2013

Information regarding Associates and Joint Ventures included in the Consolidated Financial Statements for the year ended 31 March 2020

(₹ in lac)

Particulars	Net Assets (Total assets minus Total Liabilities)		Share in Profit/(Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Net Assets	Amount	As % of Consolidated Net Assets	Amount	As % of Consolidated Net Assets	Amount
Parent:								
Southern Petrochemical Industries Corporation Limited	**79.04**	**34361.58**	**84.38**	**5694.04**	**119.01**	**(424.83)**	**82.44**	**5269.21**
Joint Venture:								
Tamilnadu Petroproducts Limited	**19.19**	**8344.23**	**15.88**	**1071.43**	**(19.01)**	**67.87**	**17.83**	**1139.30**
Associates:								
Gold Nest Trading Company Limited	**0.02**	**9.00**	**(0.24)**	**(16.24)**	**-**	**-**	**(0.25)**	**(16.24)**
Greenam Energy Private Limited	**1.75**	**757.42**	**(0.02)**	**(0.87)**	**-**	**-**	**(0.02)**	**(0.87)**
Total	**100.00**	**43472.23**	**100.00**	**6748.35**	**100.00**	**(356.96)**	**100.00**	**6391.39**

Information regarding Associates and Joint Ventures included in the Consolidated Financial Statements for the year ended 31 March 2019

(₹ in lac)

Particulars	Net Assets (Total assets minus Total Liabilities)		Share in Profit/(Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Net Assets	Amount	As % of Consolidated Net Assets	Amount	As % of Consolidated Net Assets	Amount
Parent:								
Southern Petrochemical Industries Corporation Limited	80.57	29875.91	84.68	5334.15	111.32	(1117.91)	79.63	4216.24
Joint Venture:								
Tamilnadu Petroproducts Limited	19.43	7204.93	15.32	965.20	(11.32)	113.65	20.37	1078.85
Total	100.00	37080.84	100.00	6299.35	100.00	(1004.26)	100.00	5295.09

Note 40:

(a) Previous year's figures have been regrouped / reclassified wherever necessary to conform presentation as required by Schedule III of the Act.

(b) Previous year figures are given in brackets.

(c) 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 2020 in its meeting held on 18 June 2020.

In terms of our report attached.

For MSKA & Associates
Chartered Accountants
Firm Registration No.105047W

GEETHA JEYAKUMAR
Partner
Membership No: 029409

Place : Chennai
Date : 18 June 2020

For and on behalf of the Board of Directors

SASHIKALA SRIKANTH
Director
DIN: 01678374

S R RAMAKRISHNAN
Whole-Time Director
DIN: 00120126

K R ANANDAN
Chief Financial Officer

M B GANESH
Secretary

SPIC

ATTACHMENT TO THE FINANCIAL STATEMENTS

FORM AOC - 1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts), Rule, 2014

Associates and Joint Ventures

Statement pursuant to sec 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	Greenam Energy Private Limited	National Aromatics and Petrochemicals Corporation Limited	Tamilnadu Petroproducts Limited
1. Latest Audited Balance Sheet Date	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20
2. Shares of Associate / Joint Ventures held by the company on the year end					
No. of shares	5,35,30,113	2,49,000	75,86,502	25,000	1,52,34,375
Amount of Investment in Associate / Joint Venture (₹ in lac)	6620.67	250.25	758.65	2.50	1980.47
Extent of Holding (%)	43.94%	32.76%	20.00%	50.00%	16.93%
3. Description of how there is significant influence	Control of over 20%	Control of over 20%	Control of 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 Ind AS 28	Consolidated	Consolidated	Not considered for consolidation, since carrying amount is Nil as per Ind AS 28	Consolidated
5. Networth attributable to Shareholding as per latest audited Balance Sheet (₹ in Lac)	(8696.79)	9.00	765.07	435.61	8153.28
6. Profit/(Loss) for the year					
i. Considered in Consolidation (₹ in lac)	-	(16.24)	(0.87)	-	1139.30
ii. Not Considered in Consolidation (₹ in lac)	(1034.94)	-	-	(0.61)	-

Names of Associates or Joint Ventures which are yet to commence operations - National Aromatics and Petrochemicals Corporation Limited (Joint Venture) & Greenam Energy Private Limited (Associate)

For and on behalf of the Board of Directors

SASHIKALA SRIKANTH
Director
DIN: 01678374

S R RAMAKRISHNAN
Whole-Time Director
DIN: 00120126

Place : Chennai
Date : 18 June 2020

K R ANANDAN
Chief Financial Officer

M B GANESH
Secretary

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SOUTHERN PETROCHEMICAL INDUSTRIES CORPORATION LIMITED

SPIC HOUSE, 88 Mount Road, Guindy, Chennai – 600 032.

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