

Abridged Version



48th ANNUAL REPORT
2018 - 19

**SOUTHERN PETROCHEMICAL INDUSTRIES
CORPORATION LIMITED**

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

Ashwin C Muthiah	DIN 00255679	Chairman
Dr Aneesh Sekhar I.A.S	DIN 07887010	Director (from 23 May 2019)
Arun Roy I.A.S.	DIN 01726117	Director
S Visakan I.A.S.	DIN 06578414	Director (upto 29 March 2019)
B Elangovan	DIN 00133452	Director
S Shankar	DIN 06591908	Independent Director (upto 31 March 2019)
B Narendran	DIN 01159394	Independent Director
Harish Chandra Chawla	DIN 00085415	Independent Director
Sashikala Srikanth	DIN 01678374	Independent Director
Sumanjit Chaudhry	DIN 06752672	Independent Director
S Radhakrishnan	DIN 00061723	Independent Director
Debendranath Sarangi IAS (Retd)	DIN 01408349	Independent Director (from 23 May 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

Notice	3
Directors' Report and Management Discussion & Analysis	12
Secretarial Audit Report	19
Corporate Governance Report	21
Certificate of Non-Disqualification of Directors	31
Independent Auditors' Report on Corporate Governance	32
Independent Auditors' Report	33
Balance Sheet	42
Statement of Profit and Loss	43
Statement of Changes in Equity	44
Cash Flow Statement	45
Notes to Financial Statements	46
Consolidated Financial Statements	
(a) Independent Auditors' Report	57
(b) Balance Sheet	64
(c) Statement of Profit and Loss	65
(d) Statement of Changes in Equity	66
(e) Cash Flow Statement	67
(f) Notes to Financial Statements	68
Proxy Form	83

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 EIGHTH ANNUAL GENERAL MEETING of the Members of Southern Petrochemical Industries Corporation Limited will be held on Thursday, the 8th August 2019 at 11.15 .A.M. at Rajah Annamalai Mandram, No 5, Esplanade Road, Chennai - 600 108, to transact the following business:

ORDINARY BUSINESS:

1. Adoption of Financial Statements

"RESOLVED THAT

- a. The audited standalone financial statement of the Company for the year ended 31st March 2019 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 2019 and the Report of the Auditors thereon;

be and are hereby received and adopted."

2. Appointment of Director

"RESOLVED THAT Mr. B Elangovan, Director (DIN: 00133452), retiring by rotation, eligible for re-appointment and having offered himself for reappointment 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 Mr. Arun Roy. V, IAS, (DIN No: 01726117), 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 Dr. Aneesh Sekhar. S, IAS, (DIN No: 07887010), Nominee Director of Tamilnadu Industrial Development Corporation Limited pursuant 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 Mr. Debendranath Sarangi (DIN: 01408349) as Independent Director of the Company and to hold office for a period of five years from 23rd May 2019 be and is hereby approved."

- 6 To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **SPECIAL 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) and 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the re-appointment of Mr. B Narendran (DIN: 01159394) as Independent Director of the Company for a further period of five years from 8th September 2019 during which term he will attain the age of 75 years and continue to hold office be and is hereby approved."

- 7 To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **SPECIAL 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 Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the re-appointment of Mrs. Sashikala Srikanth (DIN: 01678374) as Independent Director of the Company and continue to hold office for a further period of five years from 8th September 2019 be and is hereby approved".

- 8 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 Mr. P.R.Tantri (M.No.2403) as Cost Auditor to conduct the Cost Audit pertaining to Cost Accounts and Records of the Fertilizer Division of the Company for the financial year ending 31st March 2020, on a remuneration of Rs. 1,50,000/- (Rupees One Lakh Fifty Thousand only) subject to applicable taxes and levies be and is hereby approved and ratified.”

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

“RESOLVED THAT approval be and is hereby accorded pursuant to Regulation 23 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, for the transactions entered into with Wilson International Trading Pte., Ltd., Singapore, a Related Party in the ordinary course of business for purchase of raw materials of value Rs.74,159.35 lakhs during the year 2018-19, considered material and at arm's length basis.”

10. 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 of the Companies Act, 2013 (the Act) and the Rules made there under (including any statutory modification thereof for the time being in force and as may be enacted from time to time), subject to such approvals, consents, sanctions and permissions, as may be necessary under any other Statute and the Articles of Association of the Company, consent of the Members be and is hereby accorded for the transfer of 58,08,000 equity shares of Rs. 10/- each of M/s. Mercantile Ventures Limited (MVL) at Rs. 13.50 and 5,09,575 equity shares of Rs. 10/- each of M/s. South India Travels Private Limited (SITPL) at par in favour of the Company by Gold Nest Trading Company Limited pursuant to the Order passed by National Company Law Tribunal (NCLT), Chennai dated 7th March 2019 towards settlement of dues outstanding aggregating Rs. 8.35 Crores by M/s. Gold Nest Trading Company Limited.”

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

Place : Chennai
Date : 23 May 2019

M B Ganesh
Secretary

NOTES:

- (A) a. Share Transfer Register of the Company will remain closed from 2nd August 2019 to 8th August 2019 (both days inclusive).
- b. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013, (the Act) in respect of items 3 to 10 is annexed hereto.
- c. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) OF THE COMPANY MAY APPOINT A PROXY / PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF. SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.

The instrument appointing proxy (attached) should be deposited at the Registered Office of the Company not less than forty-eight hours before commencement of the AGM. Proxy forms submitted on behalf of companies, societies, etc., must be supported by an appropriate resolution/authority, as applicable. Pursuant to the provisions of Section 105 of the Act, a person shall not act as a proxy for more than 50 (fifty) Members and holding in aggregate not more than 10% (ten percent) of the total share capital of the Company carrying voting rights. However,

a single person may act as a proxy for a Member holding more than 10% (ten percent) of the total share capital of the Company carrying voting rights provided that such person shall not act as a proxy for any other person / shareholder.

- d. Members holding shares in physical form are advised to inform the Company of any change in address or demise of any Member.
- e. SEBI Vide press release dated December 03, 2018 decided that 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. This will come into effect from April 1, 2019. Hence after this date physical transfer of securities will not be permitted.
- f. Details under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Directors seeking appointment / re-appointment at the Annual General Meeting forms integral part of the Notice. Such Directors have furnished the requisite declarations for their appointment / reappointment.

- g. Electronic copy of the Notice of the 48th Annual General Meeting (48th AGM) of the Company inter alia indicating the process and manner of electronic-voting (e-voting) along with Attendance Slip and Proxy Form are being sent to all the Members whose email IDs are registered with the Company / Depository Participant(s) for communication purposes unless any Member has requested for a hard copy of the same. For Members who have not registered their email address, physical copies of the Notice of the 48th AGM of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy form are being sent in the permitted mode (Registered Post/ Speed Post / Courier).

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

- h. Members may also note that the Notice of the 48th AGM and the Annual Report will be available on the website of the Company.
- i. Voting through electronic means: In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is providing to its Members facility to exercise their right to vote at the 48th AGM by electronic means and the business may be transacted through electronic-voting services provided by CDSL.
- j. A person who has participated in e-voting is not debarred from participating in the meeting physically though he shall not be eligible to vote at the meeting again and his earlier vote cast electronically shall be treated as final. In terms of the provisions of Section 107 read with Section 109 of the Act there will be no voting by show of hands at the meeting and hence the provisions relating to demand for poll by the Members would not be relevant. The Chairman of the meeting will regulate the meeting and voting on the resolutions in accordance with the provisions of the Act and the applicable Rules and Listing Regulations.
- k. The facility for voting through ballot paper shall be made available at the meeting and Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.

- l. 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 1st August 2019, the cut-off-date.
- m. 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. and 1.00 P.M. prior to the date of the Meeting.

INSTRUCTIONS FOR MEMBERS FOR VOTING ELECTRONICALLY ARE AS UNDER:-

- (I) The voting period begins on 5th August 2019 (9.00 a.m.) and ends on 7th August 2019 (5.00 p.m.). During this period, the shareholders of the Company, holding shares either in physical form or in dematerialized form, as on 1st August 2019 (cut off date) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (II) Shareholders who have already voted prior to the meeting date will not be entitled to vote at the meeting venue.
- (III) The shareholders should log on to the e-voting website www.evotingindia.com.
- (IV) Click on Shareholders.
- (V) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (VI) Next enter the Image Verification as displayed and Click on Login.
- (VII) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(VIII) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>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.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

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

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

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

(XII) Click on the EVSN for the relevant on which you choose to vote.

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

(XIV) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

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

(XVI) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(XVII) You can also take a print of the votes cast by clicking on "Click here to print" option.

(XVIII) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(XIX) Note for Non – Individual Shareholders and Custodians

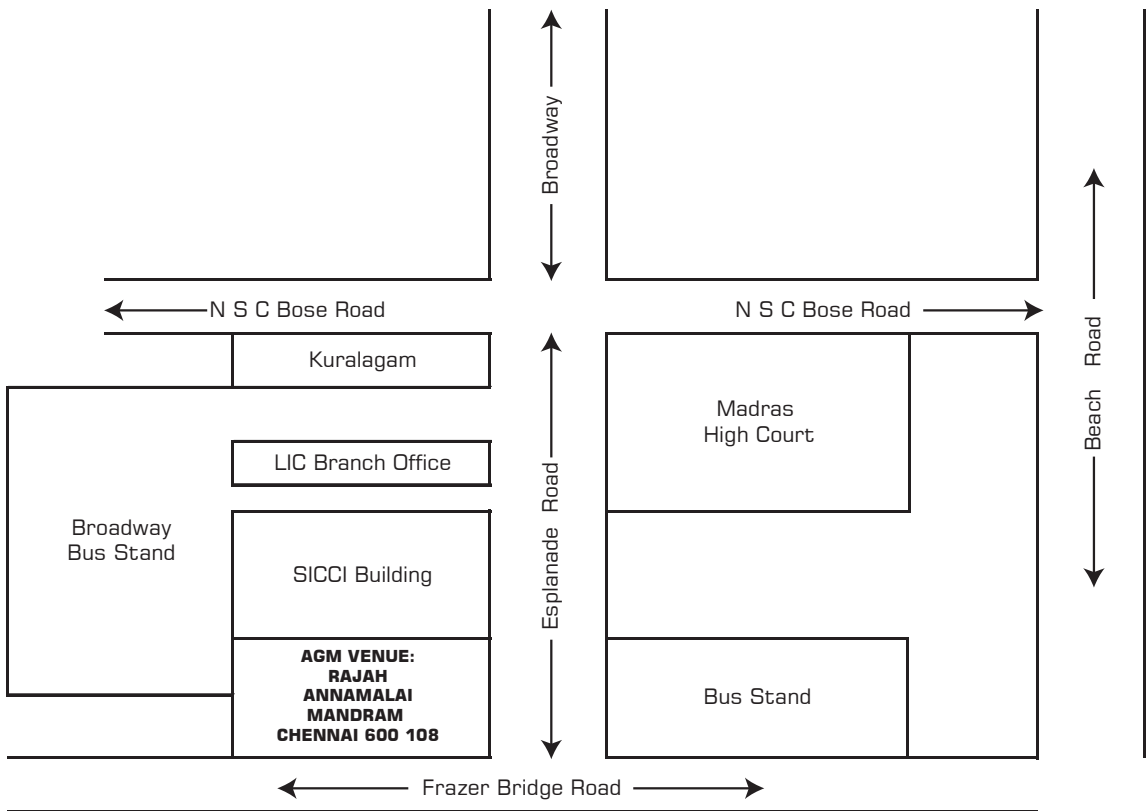
Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.

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

(XX) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

(XXI) The Company has appointed M/s B Chandra & Associates Practicing Company Secretaries, Chennai as Scrutinizer for remote E-voting and to conduct poll at AGM. Contact details : email id: bchandrapcs@gmail.com

ROUTE MAP TO RAJAH ANNAMALAI MANDRAM (AGM VENUE)



ATTENTION SHAREHOLDERS

As per SEBI Circular No SEBI/MIRSD/DOP1/CIR/P/2018/73 dated 20th April 2018 shareholders holding shares in Physical mode are advised to submit PAN and Bank details to the Company / RTA.

**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 10 of the Notice convening the 48th AGM:

ITEM No. 3

The Board of Directors, at their Meeting held on 23rd October 2018 on the recommendation of the Nomination and Remuneration Committee had appointed Mr. Arun Roy. V, IAS (DIN: 01726117), 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 his candidature has been received from TIDCO under Section 160 of the Act. The Board recommends the Resolution in relation to the appointment of Mr. Arun Roy. V, 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 Mr. Arun Roy, IAS and his Relatives, Mr B Elangovan and Dr Aneesh Sekhar, 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 23rd May 2019 on the recommendation of the Nomination and Remuneration Committee had appointed Dr. Aneesh Sekhar, IAS (DIN: 07887010), 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 his candidature has been received from TIDCO under Section 160 of the Act. The Board recommends the Resolution in relation to the appointment of Dr. Aneesh Sekhar, IAS as Director for approval by the Members of the Company as set out in item no 4 of the Notice.

Memorandum of Interest:

Except Dr. Aneesh Sekhar, IAS and his Relatives, Mr B Elangovan and Mr Arun Roy. V, IAS, Nominee Directors 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 23rd May 2019 on the recommendation of Nomination and Remuneration Committee had appointed Mr. Debendranath Sarangi (DIN: 01408349) as Independent Director for a period of five years from 23 May 2019 pursuant to applicable provisions of the Companies Act, 2013 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 Mr. Debendranath Sarangi fulfils 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 Mr. Debendranath Sarangi to hold Office as Independent Director of the Company. Notice proposing his candidature has been received as required under Section 160 of the Act. The Board recommends the Resolution in relation to the appointment of Mr. Debendranath Sarangi 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 Mr. Debendranath Sarangi and his Relatives, none of the Directors, Key Managerial Personnel of the Company is interested in this Resolution.

ITEM No. 6

Mr. B Narendran was appointed as an Independent Director of the Company for a period of 5 years from 8th September 2014. In terms of Section 149 and other applicable provisions of the Companies Act 2013 and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, " hereinafter referred to as Listing Regulations Mr. B Narendran is eligible for re-appointment as Independent Director for a second term of five years by passing a special resolution at the General Meeting. In the opinion of the Board, Mr. B Narendran fulfils the conditions specified in the Companies Act, 2013 and the Listing Regulations for his re-appointment as an Independent Director of the Company. Consent has been received from Mr. B Narendran to act as Independent Director of the Company as set out in item no 6 of the Notice.

Justification for continuation of the directorship of Mr. B. Narendran is stated below:

Pursuant to the Regulation 17(1A) of the Listing Regulations, effective April 1, 2019, a listed entity shall not continue the directorship of a non-executive director beyond the age of 75 years unless a Special Resolution is passed to that effect and the explanatory statement annexed to the Notice proposing such continuation specifies the justification.

The Nomination and Remuneration Committee on the basis of the report of performance evaluation of Independent Directors, has recommended the continuation of Mr. B Narendran as Independent Director beyond the age of 75 years. The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. B Narendran as Independent Director of the Company. Notice proposing his candidature has been received as required under Section 160 of the Act.

The Board of Directors at their Meeting held on 23rd May 2019 on the recommendation of the Nomination and Remuneration Committee, has unanimously decided to recommend to the shareholders his re-appointment for a second term of 5 years from 8th September 2019. Mr B Narendran will complete the age of 75 on 22nd June 2020.

The Board recommends the Resolution in relation to the re-appointment of Mr. B Narendran as an Independent Director, for approval by the Members of the Company by passing a Special Resolution as set out in Item No. 6 of the Notice.

Memorandum of Interest:

Except Mr. B Narendran and his Relatives, none of the Directors, Key Managerial Personnel of the Company is interested in this Resolution.

ITEM No. 7

Mrs. Sashikala Srikanth was appointed as an Independent Director of the Company for a period of 5 years from 8th September 2014. In terms of Section 149 and other applicable provisions of the Companies Act 2013 and provisions of Listing Regulations, Mrs. Sashikala Srikanth is eligible for re-appointment as an Independent Director for a second term of five years by passing a Special Resolution at the General Meeting. In the opinion of the Board, Mrs. Sashikala Srikanth fulfils the conditions specified in the Companies Act, 2013 and the Listing Regulations for the appointment as an Independent Director of the Company. Consent has been received from Mrs Sashikala Srikanth to hold office as Independent Director of the Company. Notice proposing her candidature has been received as required under Section 160 of the Act.

Based on the recommendations made by the Nomination Remuneration Committee, the Board of Directors at their Meeting held on 23rd May 2019, has unanimously re-appointed Ms Sashikala Srikanth for a second term of 5 years from 8th September 2019 subject to the approval of the shareholders by passing a Special Resolution as set out in Item No. 7 of the Notice.

Memorandum of Interest:

Except Mrs. Sashikala Srikanth and her Relatives, none of the Directors, Key Managerial Personnel of the Company is interested in this Resolution.

ITEM No. 8

The Board of Directors, at their meeting held on 23rd May 2019 on the recommendation of the Audit Committee, appointed Mr. P. R. Tantri, Cost Accountant, (M. No 2403) as Cost Auditor at a remuneration of Rs.1,50,000/- (Rupees One lakh and 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, 2020. 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. 8 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending 31st March, 2020.

Memorandum of Interest:

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

ITEM No. 9

During the year 2018-19, the Company had purchased raw materials from M/s. Wilson International Trading Pte Limited, Singapore "Related Party" for 74,159.35 lacs (including demurrage charges) in the ordinary course of business and at arm's length basis. The transaction is considered material pursuant to Regulation 23 the Listing Regulations and hence the proposed Ordinary Resolution seeking approval of the Members. The transaction was earlier approved by the Audit Committee / Board of Directors as required under the Company's Policy on Related Party Transactions. As per Listing Regulations, the Related Parties shall not vote to approve the transaction irrespective of whether the entity is a party to the particular transaction or not. Wilson International Trading Pte Limited, Singapore do not hold any shares in the Company.

The Board recommends the Ordinary Resolution seeking consent of the Members as set out at Item No.9 of the Notice for having entered into transactions with the above said Related Party.

Memorandum of Interest

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

ITEM No. 10

An amount of Rs. 8.35 Crores was due from M/s. Gold Nest Trading Company Limited (Gold Nest) to SPIC towards repayment of outstanding unsecured loan. Gold Nest, with a view to settle the dues, had approached the NCLT with a Scheme of Compromise for transferring its holding of 58,08,000 equity shares of Mercantile Ventures Limited and 5,09,575 equity shares in South India Travels Private Limited to SPIC. The Board of Directors of the Company at their Meeting held on 17th May 2018 approved the Scheme and filed an Affidavit consenting to the transfer of the above said equity shares by Gold Nest. Based on the Order dated 7th March 2019 passed by NCLT, 58,08,000 equity shares of Mercantile Ventures Limited and 5,09,575 equity shares in South India Travels Private Limited held by Gold Nest was transferred to SPIC during March 2019.

Pursuant to Section 186 and other applicable provisions of the Act, if any, and the Rules made thereunder, approval of the Members is sought in this regard.

The Board recommends the Special Resolution seeking consent of the Members for the investments arising out of transfer of equity shares of M/s. Mercantile Ventures Limited and M/s. South India Travels Private Limited by Goldnest pursuant to the NCLT Order dated 7th March 2019 as set out in Item No.10 of the Notice.

Memorandum of Interest:

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

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

Place : Chennai
Date : 23 May 2019

M B Ganesh
Secretary

**Details of the Directors seeking appointment/re-appointment at the 48th Annual General Meeting
[Pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]**

MR. B ELANGO VAN

Mr. Elangovan Balakrishnan (DIN 00133452) aged around 55 years, a nominee of TIDCO is a Mechanical Engineer holding a Masters degree in Engineering (ME-Mech) from Coimbatore Institute of Technology, Coimbatore. Presently he is pursuing the Phd – Doctoral Programme in Aerospace in the area of specialization viz., “Application of analytical tools in building aerospace manufacturing eco system in Tamilnadu State”.

He has 32 years of experience in various fields covering Manufacturing, Training, Industrial Promotion, Project Management etc. Presently he is working as Senior General Manager in Tamilnadu Industrial Development Corporation Ltd. (TIDCO).

During his service in TIDCO, he has been handling various projects including Development of Special Economic Zone/ Industrial Parks, Renewable Energy Projects such as Solar Parks development, Solar cells / modules manufacturing, Solar Thermal Hybrid & Desalination Projects, etc, Aerospace Park Development that includes promoting Aerospace Components Manufacturing, Aircrafts Maintenance Repair Overhauling Project, etc.

He is also Director of Tamilnadu Telecommunication Limited, Jayamkondam Lignite Power Corporation Limited, Arkonam Castings and Forgings Limited, IT Expressway Limited, Tamilnadu Road Development Company Limited and Managing Director of TIDEL Park Limited. He does not hold any shares in the Company.

MR. ARUN ROY, V, IAS

Mr. Arun Roy, V, IAS (DIN: 01726117) aged around 39 years, a nominee of TIDCO holds B.A. and LLB degrees. He is a 2003 batch IAS officer who has held many key positions in various departments in the Government of Tamil Nadu. Earlier, he served as the State Commissioner for differently abled and Deputy Secretary to Government Finance Department, Managing Director of Chennai Metropolitan Water Supply and Sewerage Board and Registrar of Tamil Nadu Law School. Presently he is the Additional Secretary to Government, Industries Department, Government of Tamil Nadu. He is the Chairman and Managing Director of Southern Structurals Limited and presently serving as a Director of several companies, both listed and unlisted.

He is also Director of Tamil Nadu Telecommunication Limited, Titan Company Limited, Tamilnadu Transmission Corporation Limited, Tamilnadu Road Infrastructure Development Corporation, TICEL Bio Park Limited, Tamilnadu Industrial Development Corporation Limited, Tamilnadu Water Investment Company Limited and TIDEL Park Limited. He does not hold any shares in the Company.

DR. ANEESH SEKHAR. S, IAS

Dr. Aneesh Sekhar. S, IAS (DIN: 07887010) aged around 33 years, a nominee of TIDCO, is an Executive Director TIDCO. He is a 2011 batch IAS Officer who has held many key positions in various departments in the Government of Tamilnadu. Presently, he is the Executive Director of TIDCO and Managing Director of Tamilnadu Polymer Industries Park Limited. Earlier, Dr. Aneesh Sekhar, IAS served as the Commissioner, Corporation of Madurai, Managing Director of Madurai Smart City Limited, Director of Tamilnadu State Transport Corporation (Madurai) Limited and Joint Commissioner of (Enfo) Commercial Taxes, Coimbatore.

He is also Director of TIDCO, Tamilnadu Polymer Industries Park Limited, TIDEL Park Coimbatore Limited, Tamilnadu Petroproducts Limited, Manali Petrochemicals Limited, Tanflora Infrastructure Park Limited and Tamilnadu Trade Promotion Organisation. He does not hold any shares in the Company.

MR. DEBENDRANATH SARANGI

Mr. Debendranath Sarangi (DIN: 01408349) aged around 66 years is a retired IAS (1977) Officer from Tamilnadu cadre. While in service he held senior level responsibilities like Additional Chief Secretary/ Principal Secretary of eight Departments including the Chairman of Tamilnadu Industrial Development Corporation Ltd and TITAN. He eventually retired as the Chief Secretary in the year 2012. He holds M.A. in Political Science from Delhi University and M.A. in Economics from University of Swansea, UK.

He is an Independent Director on the Boards of Voltas Ltd, Universal Comfort Products Ltd and Rohini Industrial Electrical Ltd (both wholly owned subsidiaries of Voltas), the Chairman (Independent Director) of Shriram City Union Finance Ltd. He does not hold any shares in the Company.

MR. B NARENDRAN

Mr. B Narendran, (DIN 01159394) aged around 74 years is a Chemical Engineer and a Master's Graduate from USA in Transportation, had worked as professional for more than 3 decades in MAC Group of companies as well as consultant to Shell Inc. Houston, Rite-Aid Pharmacy, Detroit and State Highways Administration, Baltimore, USA.

Mr. B. Narendran, is also the Honorary Consul, Office of the Honorary Consulate, Republic of Philippines in Chennai.

Besides his Directorship and Membership of Committees of Board of SPIC, he is also Director of Sicagen India Limited; Tuticorin Alkali Chemicals and Fertilizers Limited; Mercantile Ventures Limited; India Radiators Limited. He is the Member of Audit Committee in Sicagen India Limited; Tuticorin Alkali Chemicals and Fertilizers Limited;

Mercantile Ventures Limited; India Radiators Limited and Member of Stakeholders Relationship Committee in Mercantile Ventures Limited; India Radiators Limited. He does not hold any shares in the Company.

MRS. SASHIKALA SRIKANTH

Mrs. Sashikala Srikanth aged around 62 years, is a Chartered Accountant. At present, she is providing consultancy services to various corporates including the area of Corporate Social Responsibility. She was Senior General Manager – Resources of IAL Group and Group Financial Controller of Shattaff Group, in Dubai from

2003 to 2005. Held various Senior Management level positions in leading Companies from 1996 to 2003. She was associated with A F Ferguson and Co., Chartered Accountants, Chennai from 1987 to 1995. Appointed as Director of SPIC on 8th September 2014, she is Chairman of the Audit Committee of the Company.

She is also Director of Sicagen India Limited, Tamilnadu Petroproducts Limited, Manali Petrochemicals Limited and Mercantile Ventures Limited. She is also the Member of Audit Committee of Sicagen India Limited and Mercantile Ventures Limited. She does not hold any shares in the Company.

DIRECTORS' REPORT AND MANAGEMENT DISCUSSION & ANALYSIS

Your Directors present their 48th Annual Report together with the Audited Financial Statements of the Company for the year ended 31st March 2019.

FINANCIAL SUMMARY

(₹ in crores)

Particulars	31.03.2019	31.03.2018
Revenue from Operations	2591.96	1994.46
Add: Other Income	21.46	4.92
Total Income	2613.42	1999.38
Profit before interest, depreciation and tax	121.07	115.77
Less: Finance Cost	35.67	40.88
Less: Depreciation & amortization expenses	32.06	40.11
Add: Exceptional Items	-	2.44
Profit Before Tax	53.34	37.22
Less: Tax Expenses	-	-
Profit After Tax	53.34	37.22
Add : Net Comprehensive Income/(loss)	(11.18)	(0.24)
Total Comprehensive Income	42.16	36.98

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 2018 to 7th January 2019 and from 2nd February 2019 onwards. The shutdown of plants for 25 days during January and February 2019 was for Annual Turnaround Maintenance 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 6,52,025 MT during 2018-19 compared to 6,58,892 MTs in the previous year. During the year, sale of Manufactured Urea was 6,67,058.990 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 7 GCal/MT of Urea for 2018-19 as against 6.834 during the previous year.

Handling of Imported Urea

Government of India allotted to your Company, two coastal ports namely Karaikal and Tuticorin for handling Imported Urea and 1,14,540 MTs of Imported Urea was handled during 2018-19.

Handling of Imported Naphtha

Your Company has signed a Hospitality Agreement with Indian Oil Corporation for a period of two years from 1st July 2019 for using their Tank farm facility at Tuticorin Port premises for handling a part of SPIC's Imported Naphtha shipments. 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 km Natural Gas pipeline along with the Gas Compression station at Ramanathapuram is expected to be completed by December 2019. 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 will become effective from 1st April 2020. To adhere to the Policy, various energy saving measures were designed and detailed engineering was carried out. This Ammonia Plant Modernisation Project will be implemented before deadline under the Policy.

Status of the Project Activities

As mentioned in the previous paragraph, most of the project activities, namely, design, engineering, ordering of long delivery items, etc., for the energy reduction project have been completed during the year under review. The new Urea Reactor, with improved material of construction and high efficiency internals, has been received at site and is ready for erection. Meticulous planning is in place to complete this project within the budgeted cost and time.

One of our Associate companies 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 another 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 2018-19 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 Rs.1,241.56 crores compared to Rs.1,081.83 crores in 2017-18. The Net profit for the year was Rs.54.27 crores against Rs.51.70 crores in the previous year. Though TPL is facing stiff competition from imports, various steps have been taken to improve the performance which have started showing results. The significant improvement in profitability was on account of the improved productivity and realizations from both LAB (Linear Alkyl Benzene) and Heavy Chemicals Division. The conversion of ECH (Epichlorhydrin) manufacturing facility to produce Propylene Oxide was also commissioned during the year.

Tuticorin Alkali Chemicals and Fertilizers Limited (TFL)

The problems in the CO₂ plant came under control and the required CO₂ gas was produced for use in Soda Ash plant. However due to long periods of shutdown and subsequent low load operation, the Soda Ash and Ammonium Chloride process plants had several mechanical issues, which were hampering the 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 Sep, 2018. Accordingly 4,68,50,000 equity shares were allotted on 17.9.2018 with lock in condition. Approval from BSE for Listing & Trading is awaited.

Greenam Energy Private Limited (GREENAM)

Greenam Energy Private Limited (Greenam) is setting up a Floating Solar Power Project of capacity 24.7MW DC in the water reservoirs of the Company at Tuticorin. Indian Renewable Energy Development Agency Limited (IREDA) has sanctioned a Term loan of Rs. 88 Crores. Action is being taken to complete documentation for availing the loan and the Promoters during the year have so far brought in around Rs. 28.74 crores towards equity. Your Company as one of the Promoters has invested in 56,86,500 equity shares of Rs.10/- each of value Rs.5.68 crores. An agreement has been entered into by your Company with Greenam, permitting them to use the Company's water reservoir for the Project and for usage of certain portion

of land for installing inverters, transformers and Power evacuation systems. The Project activities are progressing well and orders have been placed for critical instruments. Major Inverter, transformers have been received. The commissioning of the Project is expected by January 2020.

SAFETY, HEALTH AND ENVIRONMENT

Your Company is in the process of going for integrated management system certification i.e., QMS.ISO 9001:2015, EMS – ISO 140001:2015 and OHS – ISO 45001: 2018 by 2019 and system updating is in progress.

Your Company has achieved longest accident free period of about 585 days with 1.71 million man hours continuously. Your Company has revamped one of the fire tenders with modernized fire system.

Your Company continues to conduct health camps as an ongoing activity to create awareness on critical health related matters viz., eye camps and cancer / diabetes awareness camps. Your Company continues to conduct pre medical and periodical medical examination for employees on regular basis. Similarly, Green Belt development is 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, 2019 is 651. 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 2019 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 the last Report, Mr. Arun Roy , I.A.S was inducted as Nominee director of TIDCO at the Board meeting held on 23rd October 2018. The resignation of Mr. S. Shankar, Independent Director effective 31st March 2019 was accepted by the Board of Directors at their meeting held on 12th February 2019. Mr.S.Visakan IAS, TIDCO Nominee Director was appointed as Additional Director as per Section 161 of the Companies Act, 2013 at the Board meeting held on 7th August 2018. Subsequently TIDCO had withdrawn the nomination of Mr.Visakan which was given effect from 29th March 2019. In his place TIDCO had nominated Dr.Aneesh Sekhar, IAS as the Nominee Director and the Board of Directors at their meeting held on 23rd May 2019 appointed him as Additional Director. The Board of Directors place on record the invaluable services rendered by Mr S Shankar, and Mr S.Visakan IAS, during their tenure.

The Board of Directors at their Meeting held on 23rd May 2019 appointed Mr. Debendranath Sarangi as Independent Director for a period of 5 years from 23 May 2019. On the same day Mr. B Narendran and Mrs. Sashikala Srikanth, were recommended for reappointment as Independent Directors for the second term of 5 years from 8th September 2019. Mr. B Narendran during the second term will attain the age of 75 on 22nd June 2020. The approval of shareholders is being sought for the above said appointment and re appointment of Independent Directors.

Mr. B.Elangovan 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.

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 2001 the Company after giving due notice in writing to the shareholders, whose dividend remained unclaimed were transferred to IEPF Authority. 1,66,454 equity shares in respect of 1008 shareholders were transferred during March 2018. Corporate action taken in this regard was made through CDSL.

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, 2019 and 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 2018-19 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 2018 was filed within the time stipulated under the Act.

The Board of Directors at their meeting held on 23rd May 2019, on the recommendation of the Audit Committee, have re-appointed Mr. P R Tantri, Cost Accountant as Cost Auditor for 2019-20 at a remuneration of Rs.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 and the Rules made thereunder, your Company has appointed Ms. B Chandra, Practicing Company Secretary, Chennai as Secretarial Auditor. The Secretarial Audit Report as furnished is given as Annexure IV to this Report. There are no qualifications, reservations or adverse remarks made by the Secretarial Auditor in the Report.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) in the preparation of the annual financial statements for the year ended March 31, 2019, 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 March 31, 2019 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 56,86,500 equity shares of Rs.10 each at par of Greenam Energy Private Limited offered on rights basis and 456 Equity shares of Rs.10 each at par in RK Windfarms (Karur) Private Ltd. Tuticorin Alkali Chemicals and Fertilizers Limited (TFL) allotted of 4,68,50,000 equity shares of Rs 10/- each at par pursuant to the proposal submitted by TFL to National Company Law Tribunal (NCLT) for full conversion of loan and outstanding dues as well as settlement towards Redeemable cumulative preference shares held by SPIC. The above arrangement was approved by SEBI vide Order dated 6th September 2018.

SPIC received from Gold Nest Trading Company Limited (Goldnest) 5,09,575 equity shares of Rs.10 each of South India Travels Pvt Limited at par and 58,08,000 equity shares of Rs.10 each of MVL at Rs.13.50 per share towards settlement of unsecured loans received from SPIC and pending repayment, pursuant to the Scheme of Arrangement by Goldnest with its Shareholders and Creditors as approved by Board of Directors of SPIC at their Meeting held on 17th May 2018. The said Scheme was approved by NCLT Vide Order dated 7th March 2019.

RELATED PARTY TRANSACTIONS

The transactions entered into during the year 2018-19 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. As required under Regulation 23 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, approval of the Members is being sought at this Annual General Meeting for the transactions with Related Parties during the year considered material in nature.

The details of transactions with entity belonging to Promoter Group which holds 10% or more shareholding in the Company as per Regulation 10 of LODR are included in Note No.13 of Notes on Accounts

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

There were no material changes or commitments affecting the financial position of your Company that has occurred between the end of the financial year i.e., 31st March 2019 and the date of this 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, Low temperature Shift converter catalyst was renewed with new catalyst in Ammonia plant.
- To avoid energy loss through the heat exchangers, several exchangers were re-tubed / replaced.
- Syngas compressor turbine Silica washing and Loop refrigeration compressor overhauling was done to improve the efficiency.
- Steam system audit were carried out periodically and the faulty traps and leaks were addressed immediately.

Technology Absorption - Nil

Foreign Exchange Earnings and Outgo

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

(₹ in Lakhs)

Particulars	2018-19	2017-18
Foreign Exchange Earnings	2.70	16.14
Foreign Exchange Expenditure	2,01,457.15	1,38,551.44

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 Audit Committee of the Board reviews the risk management report periodically.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

CORPORATE GOVERNANCE

Corporate Governance Report 2018-19 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 11th February 2019 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 23rd May 2019 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 17th May 2018, 7th August 2018, 23rd October 2018, 12th February 2019 and 27th March 2019 the details of which are provided in the Corporate Governance Report.

AUDIT COMMITTEE

The details of the composition and meetings of the Audit Committee held are provided in the Corporate Governance Report.

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 Transaction 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 for Directors and employees to report genuine concerns or grievances has been put in place and a Vigil Mechanism established, the details of which are available on the website of the Company under weblink: <http://spic.in/wp-content/uploads/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

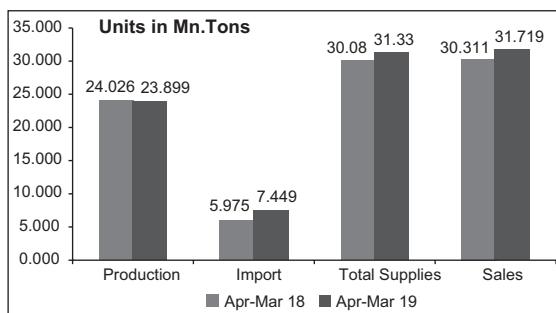
The fertilizer industry of India is growing satisfactorily during the last five decades due to increased awareness of the benefits of fertilizer application to replace the crop removal of nutrients from the soil. Indian ranks second in the world with respect to consumption of Urea; first being China. Government of India is taking necessary steps to increase the indigenous production of Urea like pipeline connectivity, revival of old plants etc. These efforts may result in the reduction of import of Urea in few years from now.

The seasonal conditions play a vital role in consumption of fertilizers in the country. During the Kharif season (June to Sept); the total rainfall was 9% less than normal. However, locations like Rayalaseema and Interior Karnataka received deficient rainfall resulting in reduction in coverage of crops that consume large quantities of fertilizers. The post monsoon (October to December) in southern peninsula recorded a reduction of 36% from the normal. This reduced monsoon has resulted demand for Urea and other fertilizers. The meteorological report for post monsoon period states that about 87 % of the total area of the country received deficient rainfall when compared to the normal.

During the year, the availability of Urea in the market was satisfactory without any instance of deficit during the period of requirement. The year witnessed a higher quantity of Urea supplies and consequent sales over the previous year. The supplies were higher by 4% to record 31.33 million tonnes. Similarly the import of Urea was also higher than the previous year by about 24.70 % and stood at 7.44 million tonnes. The sale of Urea recorded 31.72 million tonnes which is 4.6% higher than the previous year. (Source: Fertilizer Association of India).

The capacity utilization of Urea has declined marginally from 97.10% to 96.10% during the year under review.

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



DBT in Fertilizers:

Your Company as a Lead Fertilizer Supplier (LFS) for Tamil Nadu and Pondicherry, we have ensured the usage of 11,611 numbers of Point of Sales (PoS) devices out of 11,980 devices available in the States. The usage percentage is 97 % which is the highest in the country.

To achieve this level of usage we facilitated the conduct of 45 numbers of Service Workshops at each Blocks of the State with the active participation of all stake holders like Department of Agriculture, Distributors, Dealers, Retailers, Officials from Collectorates and National Informatics Centers.

Further change in this is anticipated with the plan to introduce Web Based applications at retailer locations to conduct the business with ease and error free. With this change, we expect to reduce the un-authorized sale of fertilizers for Agriculture. During the year, special approval is given by the Government of India to authorized Mixing Manufacturers to buy straight fertilizers from the manufacturers or importers by complying with ePoS sales process.

To increase the sale of our Urea through ePOS machines, we have educated our employees on the use of ePOS machines, trained them to train the retailers and to address minor errors in the machine while on operation. As a ready reckoner we have documented and issued an Operation Manual for all activities related to the revised concession eligibility like Manual for Release Order (RO for stocks), Module and User guide for ePoS devices for all the field marketing officers of the company.

During the year, sale of Manufactured Urea was 6,67,058.990 MTs and sale of Imported Urea was 1,14,732.695 MTs.

Tissue Culture Business:

During the year, the sale of tissue cultures recorded a sales turnover of Rs. 838.04 Lacs. The demand for the product was low due to unfavorable seasonal conditions and subsidy policy under National Horticulture Mission.

To hedge similar risks due to seasonal variation, we have commercialized intermediate stages in production of Banana plants as Multi Culture, Ex Agar Plants and net pot plants. This innovation not only enable us to increase the production substantially, but also to cater to distant markets like Maharashtra, Uttar Pradesh, Bihar and Gujarat.

As part of new business development, your Company has also signed MOU with ICAR-CPCRI, Kasargode, Kerala for technology transfer for the production of high yielding disease resistant arecanut plants for mass production. This initiative will increase the profitability 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:

Ratio	2018 - 19	2017 - 18	Reasons for change
Debtors Turnover Ratio (days)	80	29	Mainly due to delayed disbursement of Subsidy by the Government of India.
Inventory Turnover Ratio (days)	9	5	Higher cost of Goods in current year compared to last year
Interest Coverage Ratio (times)	2.50	1.91	Due to improved Net Profit, we have better Interest Coverage Ratio in current year.
Debt Equity Ratio (times)	4.78	3.70	Due to delay in subsidy disbursement, trade payable had accumulated resulting in higher total liabilities and higher Debt Equity Ratio
Return on net worth (%)	15.34	12.18	Mainly due to Increased Profits in current year
Debt - Service Coverage ratio (times)	2.50	1.91	Improved Cash profits during current year had improved the Debt Service Coverage Ratio

CHALLENGES

Your Company's stable operation 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.

Banks. The Directors appreciate the dedicated and sincere services rendered by all the employees of your Company.

For and on behalf of the Board of Directors

ASHWIN C MUTHIAH

(DIN:00255679)

Chairman

Place : Chennai
Date : 23rd May 2019

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, Tamilnadu Industrial Development Corporation Limited, Tamilnadu Generation and Distribution Corporation Ltd, Financial Institutions and

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.

Note: Please refer to the Annual Report 2018-19 uploaded in the website of the Company for the Annexures referred in the Directors' Report, except Secretarial Audit Report and Corporate Governance Report which are attached herein, as permitted under Section 136 of the Companies Act, 2013.

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2019**

[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", 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 31.03.2019, 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 31.03.2019, 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.with certain delayed reporting considered not significant.

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, 2009
- b. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999
- c. The Securities and Exchange Board of India (Issue and Listing of Debt securities) Regulations, 2008
- d. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- e. The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998;
- (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 Nitrogenous Chemical Fertilizer (3) the compliance reports made by the functional heads of various departments based on which the Whole-time Director and the Company Secretary submit a Report to the Board of Directors of the Company (4) a test check on the licences and returns made available on other applicable laws, 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

Place : Chennai
Date : 23.05.2019

ACS No.: 20879
C P No. : 7859

To
The Members,
SOUTHERN PETROCHEMICAL INDUSTRIES CORPORATION LIMITED,
"SPIC HOUSE", 88 MOUNT ROAD,
GUINDY, CHENNAI – 600 032

Our 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 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, I followed provide a reasonable basis for my 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 : 23.05.2019

CORPORATE GOVERNANCE REPORT (2018-19)

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 2019, the Board of Directors of the Company had 12 (Twelve) Directors. During the year 2018-19, 5 (Five) Board Meetings were held on 17th May 2018, 7th August 2018, 23rd October 2018, 12th February 2019 and 27th March 2019.

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 7th August 2018
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	4	Yes
Mr. S VISAKAN I A S (06578414), TIDCO Nominee, Non Executive (from 7 08 2018 to 29th March 2019)	3	Yes
Mr. Arun Roy I A S (01726117), TIDCO Nominee, Non-Executive (from 23 10 2018)	--	N A
Mr. S Shankar (06591908), Non-Executive Independent, (upto 31st March 2019)	3	Yes
Mr. B Narendran (01159394), Non-Executive Independent	5	Yes
Ms. Sashikala Srikanth (01678374), Non-Executive Independent	5	Yes
Brig.(Retd) Harish Chandra Chawla (00085415), Non-Executive Independent	5	Yes
Mr. Sumanjit Chaudhry (06752672), Non-Executive Independent	5	Yes
Mr. S Radhakrishnan (00061723), Non-Executive Independent	5	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)	1	1	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	7	-	2	Tamilnadu Telecommunication Limited, Director

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 S VISAKAN I A S (06578414) TIDCO Nominee. Non-Executive (from 13th June 2018 to 29th March 2019)	5	-	-	NIL
Mr Arun Roy I A S (01726117) TIDCO Nominee. Non-Executive (from 23rd October 2018)	5	-	-	1. Tamil Nadu Telecommunication Limited, Nominee Director 2. Titan Company Limited, Nominee Director
Mr. S Shankar (06591908) Non-Executive Independent (upto 31st March 2019)	1	-	1	Tuticorin Alkali Chemicals and Fertilisers Limited, Independent Director
Mr. B Narendran (01159394) Non-Executive Independent	6	2	5	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	2	4	1 Sicagen India Limited, Independent Director 2 Tamilnadu Petroproducts Limited, Independent Director 3 Manali Petrochemicals Limited, Independent Director 4 Mercantile Ventures Limited, Independent Director
Brig.(Retd) Harish Chandra Chawla (00085415) Non-Executive Independent	1		1	1. Manali Petrochemicals Limited, Independent Director
Mr. Sumanjit Chaudhry (06752672) Non-Executive Independent	1	-	-	--
Mr. S Radhakrishnan (00061723) Non-Executive Independent	2	-	1	Sicagen India Limited, Independent Director
Mr. S R Ramakrishnan (00120126) Whole-Time Director Professional	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 2019, 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.

The Board of Directors in their opinion confirm that the Independent Directors fulfill the conditions specified in Schedule V (2) (i) SEBI (LODR) Regulations, 2015 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](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

- o 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;
- o Recommend the appointment, remuneration and terms of appointment of auditors of the Company;
- o Review the adequacy of the internal control systems;
- o Review with the Management, the quarterly, half-yearly and annual financial statements before submission to the Board of Directors;
- o Review and monitor the auditor's independence and performance and effectiveness of audit process;
- o Review the adequacy of the internal audit function, reporting structure coverage and frequency of internal audit;
- o Discussion with internal auditors of any significant findings and follow up there on;
- o Approval or any subsequent modification of transactions of the Company with related parties;
- o Scrutiny of inter-corporate loans and investments;
- o Valuation of undertakings or assets of the Company, wherever it is necessary;
- o Evaluation of internal financial controls and risk management systems;
- o Review the functioning of the Whistle Blower Mechanism;
- o 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;
- o Review the findings of any internal investigations by the internal auditors and report the matter to the Board of Directors;
- o Review the Company's financial and risk management policies; and
- o Discuss with the Statutory Auditors periodically about the nature and scope of audit.

COMPOSITION AND MEMBERS' ATTENDANCE:

The Audit Committee has 4 (Four) members with 3 (Three) Independent Directors and 1 (One) Non-Executive Director, having sound financial management expertise. Ms. Sashikala Srikanth, Independent Director is the Chairman of the Audit Committee. During the year the Committee met 5 (Five) times on 17th May 2018, 7th August 2018, 23rd October 2018, 12th February 2019 and 27th March 2019. The Statutory Auditor, Internal Auditor, Cost Auditor, Chief Financial Officer were invited to participate in the meetings of the Audit Committee. The Company Secretary is the Secretary of the Committee.

Name of the Director	Designation	No. of Meetings attended	Category
Ms. Sashikala Srikanth	Chairman	5	Independent
Mr. S Shankar	Member	3	Independent
Mr. T K Arun	Member	5	Non-Executive
Mr. B Narendran	Member	5	Independent

4 NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee constituted by the Board of Directors identifies the persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal if any and shall carry out evaluation of every Director's performance. The criteria for determining qualifications, positive attributes and independence of a Director relating to the remuneration for the Directors, Key Managerial Personnel and other employees as applicable, and criteria for evaluation of Independent Directors and the Board are set out in the Nomination and Remuneration Policy. [TO REVIEW]

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 2 (Two) Non-Executive Directors. Mr B Narendran, Independent Director is the Chairman of the Committee. During the year the Committee met thrice on 23rd October 2018, 12th February 2019 and 27th March 2019.

Name	Designation	No. of Meetings attended	Category
Mr. B Narendran	Chairman	3	Independent
Mr. Ashwin C Muthiah	Member	3	Non-Executive
Mr. S Shankar	Member	1	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 2 (Two) Independent Directors and 1 (One) Whole-time Director. Mr. B Narendran, Independent Director is the Chairman of the Committee. The Committee met 6 (SIX) times during the year i.e. 17th May 2018, 7th August 2018, 23rd October 2018, 17th December 2018, 12th February 2019 and 27th March 2019.

Name	Designation	No of Meetings attended	Category
Mr. B Narendran	Chairman	6	Independent
Mr. S Shankar	Member	3	Independent
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 - 2
 No. of complaints redressed during the year - 2
 No. of complaints pending at the end of the year - NIL

There were no share transfers pending registration as on 31st March 2019.

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.

7 DIRECTORS' REMUNERATION DURING 2018-19

Name	Salary & Perquisites (*)	Special Allowance Paid/ Payable	Performance Pay	Sitting Fees
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Mr. Ashwin C Muthiah	-	-	-	2,50,000
Mr S Viskan I A S **	-	-	-	1,50,000
Mr. Arun Roy I A S **	-	-	-	--
Mr. T K Arun	-	-	-	2,50,000
Mr. B Elangovan **	-	-	-	2,00,000
Mr. S Shankar	-	-	-	1,50,000
Mr. B Narendran	-	-	-	2,50,000
Brig. (Retd.) Harish Chandra Chawla	-	-	-	2,50,000
Ms. Sashikala Srikanth	-	-	-	2,50,000
Mr. Sumanjit Chaudhry	-	-	-	2,50,000
Mr S Radhakrishnan	-	-	-	2,50,000
Mr. S R Ramakrishnan	50,51,700	5,94,300	15,00,000	-

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

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

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

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.

Note: As per Regulation 17 (1A) of LODR effective 1st April 2019 no listed entity shall continue the directorship of Non-Executive Director beyond the age of 75 years unless a special resolution is passed. Mr S. Shankar, Independent Director attained the age of 75 on 8th May 2018 during his tenure which is upto 7th September 2019. He has therefore, expressed his desire not to continue beyond 31st March 2019.

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 actually available with the Board:

Major Classification	Sub Classification	Remarks
Industry	Specific Skills	Knowledge about the Fertiliser business and industry and the issues specific to the Company.
	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, oversea funding arrangements and budgets
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
	Policies	Guidance for development of policies and other parameters within which the Company should operate for better control and management
	Crisis Management	Ability to guide crisis management and provide leadership in hours of need.
Risk & Compliance	Operational	Identification of risks related to each area of operation
	Regulatory	Monitor the risks and compliances and knowledge of regulatory requirements
Management & Leadership	Behavioral	Attributes and competencies to use the skills for the effective growth of the company. Experience in organizational change management programmes.
	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
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.
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.

9. ANNUAL GENERAL MEETINGS

Year	Date	Time	Venue
2016	20 September 2016	10.30 A.M.	Rajah Annamalai Mandram, Chennai 600 108
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

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

20 September 2016	To make investments by way of subscription, purchase or otherwise, the securities of any body corporate upto an aggregate amount not exceeding Rs. 75 lakhs.
26 July 2017	<ul style="list-style-type: none"> To make investment in M/s. Greenam Energy Private Limited upto an aggregate amount not exceeding Rs. 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 Rs.29.81 crore.

7 August 2018	<ul style="list-style-type: none"> To make investment in M/s Tuticorin Alkali Chemicals Fertilizers Limited to tune of Rs.46.85 Crores arising out of conversion of outstanding loans aggregating to Rs 29.81 Crores, and 20,00,000 5% Redeemable Cumulative Preference Shares of Rs 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 Rs 12 crores.
---------------	---

No Resolution was passed through Postal Ballot during 2018-19.

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, TIME AND VENUE OF ANNUAL GENERAL MEETING | : 8th August 2019 at 11.15 A.M.
at Rajah Annamalai Mandram, Chennai 600 108 |
| (b) FINANCIAL YEAR | : 1st April 2018 to 31st March 2019 |
| (c) DATES OF BOOK CLOSURE | : 2nd August 2019 to 8th August 2019 |
| (d) DIVIDEND DECLARED | : NIL |
| (e) LISTING ON STOCK EXCHANGES | : National Stock Exchange of India Limited,
[Stock Symbol /Code SPIC] |

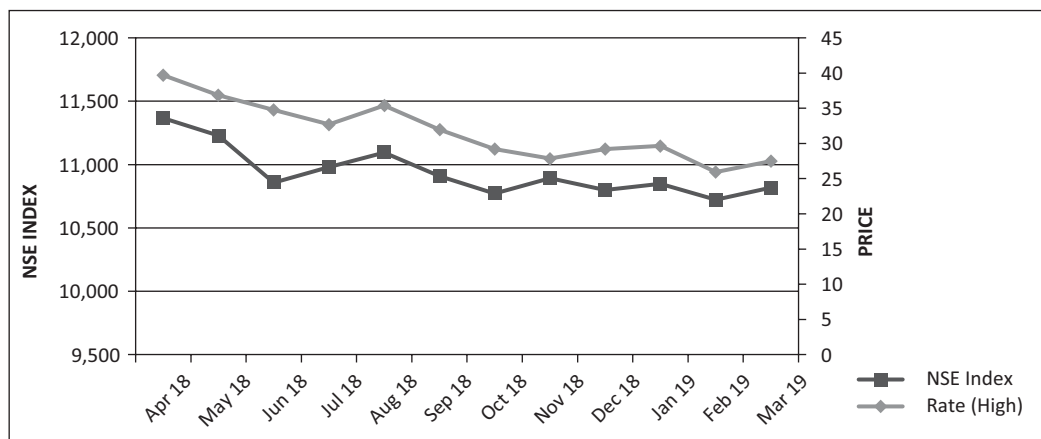
The Global Depository Receipts (GDRs) of the Company which are listed in the Luxembourg Exchange (Code: US8436131002) of Luxembourg Stock Exchange. The Company paid the listing fees for the financial year 2018-19 to both NSE and Luxembourg Stock Exchange.

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

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

Month	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-19	Dec-18	Jan-19	Feb-19	Mar-19
High	39.70	36.85	34.75	32.70	35.40	31.95	29.20	27.85	29.20	29.65	25.95	27.50
Low	33.60	31.10	24.45	26.65	28.70	25.35	22.90	25.05	23.40	24.285	22.00	23.70
NSE Index	10739.35	10736.15	10714.30	11356.50	11676.80	10930.45	10386.60	10876.75	10862.55	10830.95	10792.50	11623.90

(g) 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 2018

Sl. No	Shares Range	No. of Shares held	% to paid up Capital	No. of Members	% to total Members
1	Up to 500	8038244	3.95	54,959	83.22
2	501-1000	4676639	2.30	5,517	8.35
3	1001-2000	4158071	2.04	2,631	3.98
4	2001-3000	2551870	1.25	965	1.46
5	3001-4000	1543472	0.76	424	0.64
6	4001-5000	2178211	1.07	451	0.68
7	5001-10000	4249221	2.09	563	0.85
8	10001 and above	176244608	86.54	532	0.81
	Total	203640336	100.00	66,042	100.00

(j) SHAREHOLDING PATTERN AS OF 31st MARCH 2019

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	47,41,869	2.33
The Bank of New York Mellon (as depository for Global Depository Receipts)	1,67,91,800	8.25
Foreign Institutional Investors	8,150	0.00
Non-Resident Individuals	10,95,389	0.54
Foreign Companies	39,800	0.02
Mutual Funds	10,800	0.00
Public & Others	8,23,07,040	40.42
Total	20,36,40,336	100.00

(k) DEMATERIALISATION OF SHARES AND LIQUIDITY

The Company's equity shares are in the compulsory demat segment and are available for trading in the depository systems of National Securities Depository Limited and Central Depository Services (India) Limited. 19,94,73,928 equity shares constituting 97.95 per cent of the paid-up equity capital of the Company stood dematerialised as on 31 March 2019. The Company's equity shares are regularly traded on the National Stock Exchange of India Limited in the compulsory demat form.

(l) OUTSTANDING GDRs/ADRs

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

(m) NOMINATION OF PHYSICAL SHARES:

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

(n) UNCLAIMED SUSPENSE ACCOUNT:

a	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year;	1,735 shareholders holding 1,82,995 eq. shares
b	Number of shareholders who approached listed entity for transfer of shares from suspense account during the year;	5
c	Number of shares transferred from suspense account during the year;	1575
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 55A of the SEBI (Depositories and Participants) Regulations, 1996.

(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. The Company has a policy of covering about 50% of the total foreign exposure through various hedging activities.

- (q)** There were no complaints filed during the Financial Year 2018-19 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 was revised to IND BBB from IND BBB minus during the year 2018-19.
- (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 Rs. 25.87 lacs. There are no subsidiary companies

(v) PLANT LOCATION

Fertilizer Division : SPIC Nagar, Tuticorin 628 005

(w) FINANCIAL CALENDAR (TENTATIVE)

Financial year : 1 April 2019 to 31 March 2020
 First quarter results : July/August 2019
 Half-yearly results : October/November 2019
 Third quarter results : January/February 2020
 Annual results : May 2020
 48th Annual General Meeting : August / September 2019

(x) ADDRESS FOR CORRESPONDENCE

SECRETARIAL DEPARTMENT Southern Petrochemical Industries Corporation Ltd SPIC HOUSE, 88 Mount Road, Guindy, Chennai - 600 032 Phone No.044-22350245; Fax No.044-22352163 E-mail: (a) General : spiccorp@spic.co.in (b) Investor complaints/grievance redressal: shares.dep@spic.co.in	REGISTRAR AND SHARE TRANSFER AGENTS 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 whistleblower policy is disclosed in the website of the Company.

14 CODE OF CONDUCT

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

15 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 2019.

For Southern Petrochemical
Industries Corporation Limited

Place : Chennai
Date : May 23, 2019

S R RAMAKRISHNAN
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,
Southern Petrochemical Industries Corporation Limited,
"Spic House", 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 L11101TN1969PLC00577 8 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 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, 2019 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
Harish Chandra Chawla	00085415	08/09/2014
Sllaipillayarputhur Ramachandran Ramakrishnan	00120126	30/07/2014
Elangovan Balakrishnan	00133452	28/07/2009
Ashwin Muthiah Chidambaram	00255679	18/12/1994
Bhimsingh Narendran	01159394	27/01/2009
Sashikala Srikanth	01678374	08/09/2014
Arun Roy Vjjayakrishnan	01726117	23/10/2018
Thanjavur Kanakaraj Arun	02163427	07/02/2018
Sumanjit Chaudhry	06752672	10/02/2015
Subraman Iam Shankar	06591908	29/05/2013
Visakan	06578414	13/06/2018

Ensuring the eligibility of for the appointment I 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.

Signature:

Name of Company Secretary in Practice : B.CHANDRA

ACS No. : 20879

C P No. : 7859

Place : Chennai

Date : 23 05 2019



**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, 2019 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.

Auditors' 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, 2019, 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

Place: Chennai
Date: May 23, 2019

**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 accompanying standalone financial statements of SOUTHERN PETROCHEMICAL INDUSTRIES CORPORATION LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit and other comprehensive income, 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

We draw attention to the Note no: 30 (iii) of the standalone financial statements regarding computation of subsidy revenue 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 by the department of Fertilizers. The necessary adjustments, if any, and its consequential impact on subsidy revenue and receivables will be assessed when the final retention price is notified by the Department of Fertilizers.

Our opinion is not modified in respect of this matter.

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.

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.

Revenue recognition	
Key Audit Matter	How the Key Audit Matter was addressed in our audit
<p>Refer to note 2 (vii) 'Revenue recognition' to the standalone financial statements.</p> <p>Revenue from sale of goods is recognised when the control of goods is transferred to the customers. In terms of the application of the new revenue accounting standard 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 judgement in applying the revenue accounting policy while recognising revenue.</p>	<p>We have performed the following principal audit procedures in relation to each material revenue stream recognized:</p> <ul style="list-style-type: none"> • 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. • We performed substantive procedures on a sample of transactions for each revenue stream from source data through to general ledger to test that appropriate revenue recognition had been applied. • We performed other substantive, transactional testing and analytical procedures to validate the recognition of revenue throughout the year. • We have evaluated the delivery and shipping terms of the contracts for revenue recognised during the period. • Tested that the revenue recorded is after considering the applicable rebates and discounts. • Tested sample transactions around the period end to ensure they were recorded in the correct period; and • Tested journal entries posted to revenue accounts focusing on unusual or irregular items, if any.

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 implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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.

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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31 2019 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 32 to the standalone financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts
 - 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

Place: Chennai
Date: May 23, 2019

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 standalone 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

Place: Chennai
Date: May 23, 2019

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, 2019

[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) Some of the fixed assets (Property, Plant and Equipment) were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.
- (c) According to the information and explanation given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
- ii. 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 Investments. The Company has not given any loans, guarantees or securities.
- v. In our opinion and According to the information and explanations given to us, the Company has not accepted any deposits falling under the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules made thereunder and hence reporting under clause (v) of the Order is not applicable.
- 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 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 Rs. In Lakhs	Period to which the amount relates	Forum where dispute is pending
The Central Excise Act, 1944	Excise Duty	54.03	1999-2000 to 2012-13	Commissioner of Central Excise (Appeals)/ Customs, Excise and Service Tax appellate Tribunal
The Finance Act, 1994	Service tax	374.42	2010-11 to 2014-15	Customs, Excise and Service Tax appellate Tribunal
The Sales Tax Act under various state enactments	Local Sales Tax	828.02	1996-97 to 2012-13	Deputy commissioner (Appeals)/ Additional Commissioner (Appeals)/ Sales Tax Appellate Tribunal / Hon'ble Madras high court and high court of Telengana 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

Place: Chennai

Date: May 23, 2019

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, 2019 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, an 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, 2019, 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

Place: Chennai

Date: May 23, 2019

REPORT OF THE INDEPENDENT AUDITORS' ON THE ABRIDGED STANDALONE FINANCIAL STATEMENTS TO THE MEMBERS OF SOUTHERN PETROCHEMICAL INDUSTRIES CORPORATION LIMITED

The accompanying abridged standalone financial statements of Southern Petrochemical Industries Corporation Limited ("the Company"), which comprise abridged standalone Balance Sheet as at March 31, 2019, abridged standalone Statement of Profit and Loss, abridged Cash Flow Statement and abridged Statement of Changes in Equity for the year then ended, and related notes, are derived from the audited standalone financial statements of the Company for the year ended March 31, 2019. We expressed an unqualified audit opinion on those standalone financial statements in our report dated May 23, 2019.

The abridged standalone financial statements do not contain all the disclosures required by the Companies Act, 2013 ("the Act") and Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act and accounting principles generally accepted in India which were applied in the preparation of the audited standalone financial statements of the Company. Reading the abridged standalone financial statements, therefore, is not a substitute for reading the audited standalone financial statements of the Company.

Management's Responsibility for the Abridged Standalone Financial Statements

The Company's Board of Directors is responsible for the preparation of the abridged standalone financial statements in accordance with the requirements specified under Section 136(1) read with Rule 10 of the Companies (Accounts) Rules, 2014 (the "Rules"), as amended. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the abridged standalone financial statements that are consistent with the audited standalone financial statements and are free from material misstatements, whether due to fraud or error; and also includes appropriate interpretation and application of the relevant provisions of the Rules and the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the abridged standalone financial statements based on our procedures conducted in accordance with Standard on Auditing (SA) 810 "Engagements to Report on Summary Financial Statements" issued by the Institute of Chartered Accountants of India.

Opinion

In our opinion and to the best of our information and explanations given to us, the accompanying abridged Standalone financial statements prepared in accordance with first proviso to section 136(1) of the Act read with Rule 10 of the Companies (Accounts) Rules, 2014, as amended, are derived from the audited standalone financial statements of the Company for the year ended March 31, 2019 and are a fair summary of those standalone financial statements.

The auditors' report on the audited Standalone financial statements contains an Emphasis of Matter paragraph, which is applicable for abridged standalone financial statements as well. The Emphasis of Matter paragraph given in the auditors' report on standalone financial statements of the company is as under:

Emphasis of Matter

We draw attention to the Note no: 30 (iii) of the standalone financial statements regarding computation of subsidy revenue 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 by the Department of Fertilizers. The necessary adjustments, if any, and its consequential impact on subsidy revenue and receivables will be assessed when the final retention price is notified by the Department of Fertilizers.

Our opinion is not modified in respect of this matter.

For MSKA & Associates
Chartered Accountants

ICAI Firm Registration No. 105047W

Geetha Jeyakumar

Partner

Membership No. 029409

Place: Chennai

Date: May 23, 2019

Abridged Standalone Balance Sheet as at 31 March 2019

(Statement Containing the salient features of Balance Sheet as per section 136(1) of the Companies Act, 2013 and proviso to rule 10 of the Companies (Accounts) Rules, 2014)

		(₹ in lac)	
S. No.	Particulars	As at 31 March 2019	As at 31 March 2018
A	ASSETS		
1	Non-current assets		
	(a) Property, Plant & Equipment	22995.67	24437.33
	(b) Capital work-in-progress	6900.91	3546.41
	(c) Investment Property	129.18	132.65
	(d) Other Intangible assets	137.88	106.71
	(e) <u>Financial assets</u>		
	(i) Investments		
	Investments in Associate	3520.86	267.21
	Investments in Joint Venture	1980.47	1980.47
	Other Equity Investments	1028.94	1257.61
	Other Investments	1.00	1.00
	(ii) Other Financial Assets	287.10	199.49
	(f) Deferred tax asset (Net)	10408.60	10204.78
	(g) Income tax assets (Net)	16.40	555.25
	(h) Other non current assets	4608.70	4624.78
	Total Non - Current Assets	52015.71	47313.69
2	Current assets		
	(a) Inventories	18785.36	18874.62
	(b) <u>Financial assets</u>		
	i) Trade receivables	1764.96	4745.27
	ii) Cash and cash equivalents	7240.52	334.01
	iii) Bank balances other than ii) above	468.68	424.65
	iv) Other financial assets	107000.31	52729.46
	(c) Other current assets	13919.24	19173.34
	Total Current Assets	149179.07	96281.35
	TOTAL ASSETS	201194.78	143595.04
B	EQUITY AND LIABILITIES		
1	EQUITY		
	(a) Equity Share capital	20364.03	20364.03
	(b) Other Equity		
	(i) Capital Reserve	97.24	97.24
	(ii) Capital Redemption Reserve	6500.00	6500.00
	(iii) Securities Premium	21047.71	21047.71
	(iv) Statutory Reserve	41.33	41.33
	(v) (Deficit) in Statement of Profit and Loss	(12324.69)	(17658.84)
	(vi) Reserves for equity instruments through other comprehensive income	(729.51)	223.12
	(vii) Reserves for actuarial movement through other comprehensive income	(212.41)	(47.13)
	TOTAL EQUITY	34783.70	30567.46
2	LIABILITIES		
	Non-current liabilities		
	(a) <u>Financial Liabilities</u>		
	(i) Non-current borrowings	12865.50	16275.00
	(ii) Other financial liabilities	2888.69	2931.08
	Total Non-Current Liabilities	15754.19	19206.08
3	Current liabilities		
	(a) <u>Financial Liabilities</u>		
	(i) Current Borrowings	23760.56	10003.69
	(ii) Trade payables		
	- Total outstanding dues to Micro Enterprises and Small Enterprises	-	-
	- Total outstanding dues to other than Micro Enterprises and Small Enterprises	120872.95	73906.37
	(iii) Other financial liabilities	3813.64	3953.67
	(b) Provisions	389.34	322.45
	(c) Other current liabilities	1820.40	5635.32
	Total Current Liabilities	150656.89	93821.50
	Total liabilities	166411.08	113027.58
	TOTAL EQUITY AND LIABILITIES	201194.78	143595.04
	The accompanying notes are an integral part of these abridge standalone financial statements		

In terms of our report attached.

For and on behalf of the Board of Directors

For MSA & Associates
Chartered Accountants
Firm Registration No: 105047W

ASHWIN C MUTHIAH
Chairman
DIN:00255679

GEETHA JEYAKUMAR
Partner
Membership No: 029409

SASHIKALA SRIKANTH
Director
DIN: 01678374

S R RAMAKRISHNAN
Whole -Time Director
DIN:00120126

Place : Chennai
Date : 23 May 2019

K R ANANDAN
Chief Financial Officer

M B GANESH
Secretary

Abridged Standalone Statement of Profit and Loss for the year ended 31 March 2019

(Statement containing the salient features of Statement of Profit and Loss as per section 136(1) of the Companies Act, 2013 and proviso to rule 10 of the Companies (Accounts) Rules, 2014)

(₹ in lac)

S. No.	Particulars	Year ended 31 March 2019	Year ended 31 March 2018
	Income		
1	Revenue from operations	259195.80	199445.80
2	Other income	2146.07	492.15
3	Total Income (1+2)	261341.87	199937.95
4	Expenses		
	(a) Cost of materials consumed	152210.98	103265.21
	(b) Purchases of stock-in-trade	3581.41	1637.45
	(c) Changes in inventories of finished goods, stock in trade and work-in-progress	3987.75	1501.72
	(d) Excise duty on sale of goods	-	85.01
	(e) Employee benefits expense	6196.82	5280.83
	(f) Power and fuel	56306.18	44744.81
	(g) Finance costs	3567.35	4087.89
	(h) Depreciation and amortisation expense	3205.72	4011.29
	(i) Other expenses	26951.51	31845.72
	Total expenses	256007.72	196459.93
5	Profit before exceptional items and tax (3-4)	5334.15	3478.02
6	Exceptional items		
	- Profit on sale of land	-	244.53
7	Profit before tax (5+6)	5334.15	3722.55
8	Tax expense		
	Current tax relating to prior years	97.97	6604.50
	Less: MAT credit entitlement	(97.97)	(6604.50)
	Net tax expense	-	-
9	Profit after tax (7-8)	5334.15	3722.55
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	(1058.48)	(68.82)
	b) Remeasurement of defined benefit plans	(165.28)	30.93
	ii) Income tax relating to items that will not be reclassified to profit or loss	105.85	13.76
	Total Other Comprehensive Loss	(1117.91)	(24.13)
11	Total Comprehensive Income (9+10)	4216.24	3698.42
12	Earnings Per Equity Share (Nominal value per share Rs 10/-)		
	Basic & Diluted	2.07	1.82
	The accompanying notes are an integral part of these abridged standalone financial statements		

In terms of our report attached.

For and on behalf of the Board of Directors

For MSA & Associates
Chartered Accountants
Firm Registration No: 105047W

ASHWIN C MUTHIAH
Chairman
DIN:00255679

GEETHA JEYAKUMAR
Partner
Membership No: 029409

SASHIKALA SRIKANTH
Director
DIN: 01678374

S R RAMAKRISHNAN
Whole -Time Director
DIN:00120126

Place : Chennai
Date : 23 May 2019

K R ANANDAN
Chief Financial Officer

M B GANESH
Secretary

Abridged Standalone Statement of changes in equity for the year ended 31 March 2019

(A) Equity share capital (Refer Note 13 of the Annual Standalone Financial Statements)

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

	No. of shares	₹ In lac
As at 31 March 2018	203640336	20364.03
As at 31 March 2019	203640336	20364.03

(B) Other equity

(₹ in lac)

Particulars	Reserves and surplus					Items of other comprehensive income		
	Capital Reserve	Capital Redemption Reserve	Securities Premium	Statutory Reserve	Retained earnings	Effect of measuring investments at fair value through OCI	Remeasurement of defined benefit plans	Total
Balance as at 1 April 2017	97.24	6500.00	21047.71	41.33	(21381.39)	278.18	(78.06)	6505.01
Profit for the year	-	-	-	-	3722.55	-	-	3722.55
Other comprehensive income / (loss)	-	-	-	-	-	(55.06)	30.93	(24.13)
Total comprehensive income for the year	-	-	-	-	3722.55	(55.06)	30.93	3698.42
Balance as at 31 March 2018	97.24	6500.00	21047.71	41.33	(17658.84)	223.12	(47.13)	10203.43
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 loss	-	-	-	-	-	(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

The accompanying notes are an integral part of these abridged standalone 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 : 23 May 2019

For and on behalf of the Board of Directors

ASHWIN C MUTHIAH
Chairman
DIN:00255679

SASHIKALA SRIKANTH
Director
DIN: 01678374

K R ANANDAN
Chief Financial Officer

S R RAMAKRISHNAN
Whole - Time Director
DIN:00120126

M B GANESH
Secretary

Abridged Standalone Cash Flow Statement for the year ended 31 March 2019

(₹ in lac)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Cash flow from Operating Activities	6780.44	32954.85
Cash flow used in Investing Activities	(10103.97)	(3975.45)
Cash flow from / (used in) Financing Activities	10230.04	(29003.84)
Net Increase / (Decrease) in cash and cash equivalents	6906.51	(24.44)
Cash and Cash equivalents at the beginning of the year	334.01	358.45
Cash and Cash equivalents at the end of the year	7240.52	334.01

Break up of Cash and Cash Equivalents:

(₹ in lac)

Particulars	As at 31 March 2019	As at 31 March 2018
Balances with banks:		
- In current accounts	7235.88	329.11
- In EEFC accounts	0.92	0.87
Cash on hand	3.72	4.03
Total	7240.52	334.01

Complete Balance Sheet, Statement of Profit & Loss, Statement of changes in Equity, Statement of cash flow and other statements and notes thereto prepared as per the requirements of Division II to the Schedule III to the Act, are available at the Company's website at link www.spic.in. Copy of the financial statements is also available for inspection at the registered office of the Company during working hours for a period of 21 days before the date of AGM.

In terms of our report attached.

For and on behalf of the Board of Directors

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

ASHWIN C MUTHIAH
Chairman
DIN:00255679

GEETHA JEYAKUMAR
Partner
Membership No: 029409

SASHIKALA SRIKANTH
Director
DIN: 01678374

S R RAMAKRISHNAN
Whole -Time Director
DIN:00120126

Place : Chennai
Date : 23 May 2019

K R ANANDAN
Chief Financial Officer

M B GANESH
Secretary

NOTES FORMING PART OF THE ABRIDGED STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(The note numbers appearing in brackets " () " are as they appear in the complete set of Standalone Financial Statements)

1. General Information

(Refer Note 1 of the Annual Standalone Financial Statements)

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.

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

2. Basis of Preparation and Presentation

(Refer Note 2 of the Annual Standalone Financial Statements)

The abridged standalone financial statements have been prepared, in accordance with the requirements of Rule 10 of the Companies (Accounts) Rules, 2014 as referred to in first proviso to sub-section (1) of section 136 of the Companies Act, 2013 and on the basis of the complete set of audited standalone financial statements for the year ended 31 March 2019, (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).

3. Significant Accounting Policies

(Refer Note 2 of the Annual Standalone Financial Statements)

The significant accounting policies used in preparing the Annual Standalone Financial Statements in accordance with the Indian accounting standards (Ind AS) prescribed under section 133 of the Companies Act 2013, read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015 and the Companies (Accounting Standards) Amendment Rules, 2016 are set out in Note 2 to the Annual Standalone Financial Statements.

i) Revenue Recognition

The Company earns revenue primarily from sale of Urea. Effective April 1, 2018, the Company has applied Ind AS 115, Revenue from Contracts with Customers, which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognized. Ind AS 115 replaces Ind AS 18 "Revenue" and Ind AS 11 "Construction Contracts" and the company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognized at the date of initial application (i.e. April 01, 2018). The impact of adoption of the standard on the financial statements of the company is insignificant.

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.

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 Naptha 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.

Note 4: (Refer Note 7 of the Annual Standalone Financial Statements)

Other current financial assets include subsidy receivable of Rs 103201.37 lac (Previous year Rs 52581.52 lac).

Note 5: (Refer Note 6 of the Annual Standalone Financial Statements)

- (i) The Company promoted SPIC Petrochemicals Limited (SPIC Petro) in 1994-95 for the manufacture of Polyester Filament Yarn and Purified Terephthalic Acid. The Company had invested Rs. 25375.00 lac in the equity share capital, Rs. 5.00 lac in preference share capital and Rs. 30609.63 lac in Unsecured Zero Interest Bonds. Consequent to the litigation between Chennai Petroleum Corporation Limited (CPCL) and the Company, the implementation of the project was enjoined. On the winding up petitions that were filed by certain unsecured creditors, the Honorable Madras High Court ordered the winding up of the Company on 17th April 2009. The Board of Directors of the Company at their meeting dated 12th February 2019 approved the write off of the Investments of Rs. 25375.00 lac in the equity share capital, Rs. 5.00 lac in preference share capital, Rs. 30609.63 lac of Unsecured Zero Interest Bonds and Advances due of Rs.318.91 lac from SPIC Petro, against the provisions made towards the balances in the earlier years and there is no financial impact due to this write off in current year.
- (ii) 4,68,50,000 Equity shares of Rs 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 Rs 100 each amounting to Rs 2000 lac held by the Company and other receivables aggregating Rs 2685 lac. The allotment has been made pursuant to SEBI Order dated 6th September 2018 permitting these conversions. The equity shares are locked-in for such period as per Regulation 167 of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. The regulatory approvals for the allotment is in process
- (iii) 58,08,000 Equity Shares of Rs. 10 each, at a premium of Rs. 3.50 per share of Mercantile Venture Limited for the value of Rs. 784.08 lac and 5,09,575 Equity Shares of Rs. 10 each of South India Travels Private Limited had received by the Company based on the scheme of arrangement filed by Gold Nest Trading Company Limited. The balance due from Gold Nest Trading Company Limited was written off in the earlier year and hence these amounts were credited to other income during the year.

Note 6: Revenue from operations

(Refer Note 21 of the Annual Standalone Financial Statements)

(₹ in lac)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Sale of products	45259.02	42947.93
Less: Rebates and discounts	(4546.24)	(2464.30)
	40712.78	40483.63
Subsidy Income	217598.75	157918.12
Total Sales	258311.53	198401.75
Other operating revenues	884.27	1044.05
Total	259195.80	199445.80

Note 7: Exceptional items

(Refer Note 29 of the Annual Standalone Financial Statements)

(₹ in lac)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Profit on Sale of Land	-	244.53
Total	-	244.53

Note 8: Plant Operation

(Refer Note 30 of the Annual Standalone Financial Statements)

- (i) During the year the Company achieved a production of 6.520 lac MT against the maximum permissible production of 6.20 lac MT after getting Special permission from Department of Fertilizer. The Company, as handling agent of Government of India for marketing Urea within the country, had handled and sold 1.145 lac MT of Urea.
- (ii) Government of India vide its notification dated 17 June 2015 had permitted the Company to produce Urea using Naphtha as feedstock on existing provisions till assured supply of gas is made available. Subsidy would be paid based on the Retention Price computed on the lower of Naphtha or Regasification Liquefied Natural Gas (RLNG) price.
- (iii) Subsidy for the period 1 April 2018 to 31 March 2019 of Rs 2,02,789.02 lac has been accounted based on the provisional Retention Price (RP) computed in line with the Government's policy indicated in the notification dated 17 June 2015, as the final retention price has not been announced by the Department of Fertilizers. The necessary adjustments, if any, will be made when the final retention price is notified by the Department of Fertilizers.

Note 9: Commitments

(Refer Note 31 of the Annual Standalone Financial Statements)

Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs.10951.17 lac (Previous year Rs. 2754.84 lac).

Note 10: Contingent Liabilities

(Refer Note 32 of the Annual Standalone Financial Statements)

Claims not acknowledged as debts

(₹ in lac)

S. No.	Particulars	As at 31 March 2019	As at 31 March 2018
1	Tuticorin Lease Rent for 415.19 acre	16873.97	16873.97
2	TWAD Claim	3389.41	2867.67
3	VOC Port Trust	973.28	870.80
4	Taxes, Duties and other demands (under various stages of appeal)*	2454.27	15737.27

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

Note 11: Income Tax

(Refer Note 34 of the Annual Standalone Financial Statements)

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

(₹ in lac)

Particulars	As at 31 March 2019	As at 31 March 2018
Deferred tax assets	5015.60	4893.17
Deferred tax liabilities	(1309.47)	(1292.89)
Total	3706.13	3600.28

2018-19

(₹ in lac)

Particulars	Opening Balance	Recognised in Profit & Loss	Recognised in Other Comprehensive Income	Closing Balance
Deferred tax (liabilities) / asset in relation to:				
Property, plant and Equipment	(1237.11)	(72.36)	-	(1309.47)
Provision for Doubtful Debts, Provision for Compensated absence and others	325.15	140.79	-	465.94
Unabsorbed Depreciation	4568.02	(166.28)	-	4401.74
Unabsorbed Business Loss	-	-	-	-
Unabsorbed Interest Allowance	-	97.85	-	97.85
Financial Assets at FVTOCI	(55.78)	-	105.85	50.07
	3600.28	-	105.85	3706.13
Deferred Tax Asset (Net)	3600.28	-	105.85	3706.13
MAT Credit Entitlement	6604.50	97.97	-	6702.47
Net Deferred Tax Assets	10204.78	97.97	105.85	10408.60

2017-18

(₹ in lac)

Particulars	Opening Balance	Recognised in Profit & Loss	Recognised in Other Comprehensive Income	Closing Balance
Deferred tax (liabilities) / asset in relation to:				
Property, plant and Equipment	(1578.47)	341.36	-	(1237.11)
Provision for Doubtful Debts, Provision for Compensated absence and others	235.89	89.26	-	325.15
Unabsorbed Depreciation	4568.02	-	-	4568.02
Unabsorbed Business Loss	430.62	(430.62)	-	-
Financial Assets at FVTOCI	(69.54)	-	13.76	(55.78)
	3586.52	-	13.76	3600.28
Deferred Tax Asset (Net)	3586.52	-	13.76	3600.28
MAT Credit Entitlement	-	6604.50	-	6604.50
Net Deferred Tax Assets	3586.52	6604.50	13.76	10204.78

(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 2019	As at 31 March 2018
Business losses	-	295.45
Capital losses (Refer Note 6 (i)) of the Annual Standalone Financial Statements)	65448.25	9458.61

Note 12: Segment Reporting

(Refer Note 35 of the Annual Standalone Financial Statements)

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 2019	Year ended 31 March 2018	Year ended 31 March 2019	Year ended 31 March 2018
Agro Inputs (Urea Operations)	258591.11	199117.88	9129.71	9718.02
Others (Agri Business)	767.73	739.77	(103.13)	(249.54)
Unallocated income	1983.03	80.30		
Total	261341.87	199937.95	9026.58	9468.48
Finance Cost			(3567.35)	(4087.89)
Other Net Unallocable Expenses			(125.08)	(1902.57)
Exceptional Income			-	244.53
Total Expense			-	-
Profit for the year			5334.15	3722.55

Segment Assets and Liabilities:

(₹ in lac)

Particulars	As at 31 March 2019	As at 31 March 2018
Segment Assets		
Agro inputs (Urea Operations)	162305.88	106020.16
Others (Agri business)	1855.42	1906.32
Unallocable Assets	37033.48	35668.56
Total Assets	201194.78	143595.04
Segment Liabilities		
Agro inputs (Urea Operations)	138614.32	77426.39
Others (Agri business)	245.79	228.18
Unallocable Liabilities	27550.97	35373.01
Total Liabilities	166411.08	113027.58

Other Segment Information:

(₹ in lac)

Particulars	Depreciation and Amortisation		Capital Expenditure	
	Year ended 31 March 2019	Year ended 31 March 2018	As at 31 March 2019	As at 31 March 2018
Agro Inputs (Urea Operations)	3111.13	3929.36	5121.92	3639.95
Others (Agri business)	46.67	46.38	2.31	9.28
Unallocable	47.92	35.55	37.07	82.67
Total	3205.72	4011.29	5161.30	3731.90

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 13: (i) Related party disclosures for the year ended 31 March 2019

(Refer Note 36 of the Annual Standalone Financial Statements)

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	<ol style="list-style-type: none"> 1 Tuticorin Alkali Chemicals and Fertilizers Limited 2 Gold Nest Trading Company Limited 3 Greenam Energy Private Limited
Jointly Controlled entities	<ol style="list-style-type: none"> 1 Tamilnadu Petroproducts Limited 2 National Aromatics and Petrochemicals Corporation Limited
Key management personnel of the Company	<ol style="list-style-type: none"> 1 Thiru. Ashwin C Muthiah 2 Thiru. S.R. Ramakrishnan

Note 13: (i) Related party disclosures for the year ended 31 March 2019 (continued)

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

Note 13: (ii) (A) Balance Outstanding as at 31.03.2019

(₹ in lac)

S. No.	Particulars	As at 31 March 2019	As at 31 March 2018
(a) Receivables			
	Tamilnadu Petroproducts Limited	3.12	2.22
	Tuticorin Alkali Chemicals and Fertilizers Limited	5.06	2479.88
	Greenstar Fertilizers Limited	1698.88	2535.39
	Wilson International Trading (India) Private Limited	0.05	0.05
	EDAC Engineering Limited	60.70	21.31
	EDAC Automation Limited	-	0.29
	Totalcomm Infra Services Private Limited	0.80	1.44
	Twinshield Consultants Private Limited	36.45	36.45
	Lotus Fertilizers Private Limited	4.41	8.93
	Sicagen India Limited	0.23	-
	Wilson International Trading Pte. Ltd, Singapore	-	1.12
	AM Foundation	0.01	0.00

Note 13: (ii) (A) Balance Outstanding as at 31.03.2019 (continued)

S. No.	Particulars	As at 31 March 2019	As at 31 March 2018
(b)	Advances to		
	Sicagen India Limited	1.87	0.53
	Greenstar Fertilizers Limited	3552.67	1.30
	Tamilnadu Petroproducts Limited	2.77	-
	National Aromatics and Petrochemicals Corporation Limited *	1488.95	1488.16
	Manali Petrochemicals Limited	0.45	0.37
	Tuticorin Alkali Chemicals and Fertilizers Limited	-	56.66
(c)	Payables		
	Greenstar Fertilizers Limited	2297.21	5795.64
	Tamilnadu Petroproducts Limited	-	1.12
	Sicagen India Limited	226.77	112.72
	Wilson International Trading Pte. Ltd, Singapore	50037.58	35064.11
	EDAC Engineering Limited	-	35.90
	EDAC Automation Limited	68.42	12.53
	EDAC Staffing Solution Private Limited	0.51	0.51
	Tuticorin Alkali Chemicals and Fertilizers Limited	539.36	264.10
	Lotus Fertilizers Private Limited	1805.55	1805.55
	South India Travels Private Limited	3.17	2.82
	Twinshield Consultants Private Limited	15.30	-
(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 Ltd, Singapore (in USD)	37.50	37.50
(g)	Borrowings		
	AM International Holdings Pte Ltd, Singapore	16370.17	16382.23
(h)	Investment in Equity		
	Tamilnadu Petroproducts Limited	1980.47	1980.47
	Tuticorin Alkali Chemicals and Fertilizers Limited (Net of provision of Rs. 3668.46 lac (Rs 1668.46 lac)	2952.21	267.21
	Greenam Energy Private Limited	568.65	0.00
	Manali Petrochemicals Limited	2.52	3.36
	South India Travels Private Limited	50.96	-
	Sicagen India Limited	138.93	206.81
	National Aromatics and Petrochemicals Corporation Limited*	2.50	2.50
	SPIC Petrochemicals Limited#	-	25375.00
	Gold Nest Trading Company Limited*	250.25	250.25
(i)	Investment in Preference Shares		
	SPIC Petrochemicals Limited #	-	5.00
(j)	Investment in Bond		
	SPIC Petrochemicals Limited #	-	30609.63

* Dues have been fully provided for

Written off in current year utilizing the provision

Note 13: (ii) (B) The following transactions were carried out with the related parties:

(₹ in lac)

S. No.	Particulars	For the year 2018-19	For the year 2017-18
1	Sale of goods		
	Tuticorin Alkali Chemicals and Fertilizers Limited	61.34	127.27
	Greenstar Fertilizers Limited	371.28	70.15
	Lotus Fertilizers Private Limited	236.37	226.70
2	Purchase of materials		
	Tuticorin Alkali Chemicals and Fertilizers Limited	390.93	288.11
	Greenstar Fertilizers Limited	3639.21	5262.57
	Tamilnadu Petroproducts Limited	62.74	85.75
	Wilson International Trading Pte Ltd, Singapore	72956.55	34986.48
	Sicagen India Limited	560.13	437.85
	Lotus Fertilizers Private Limited	-	1593.68
3	Reimbursement of Expenses (Receipts)		
	Greenstar Fertilizers Limited	2570.22	117.43
	National Aromatics and Petrochemicals Corporation Limited	0.80	0.41
	EDAC Staffing Solution Private Limited	-	0.02
	Totalcomm Infra Services Private Limited	0.13	0.18
	AM Foundation	4.88	2.43
	SPIC Officers and Staff Welfare Foundation	0.06	0.54
	SPIC Group Companies Employees Welfare Foundation	1.85	0.52
	Wilson International Trading Pte. Ltd, Singapore	-	1.12
4	Reimbursement of Expenses (Payments)		
	Sicagen India Limited	6.66	4.82
	Greenstar Fertilizers Limited	-	1.15
5	Income from services rendered		
	AM Foundation	-	0.02
	Manali Petrochemicals Limited	5.46	4.17
	Tamilnadu Petroproducts Limited	0.80	0.65
	Tuticorin Alkali Chemicals and Fertilizers Limited	9.74	9.00
	Greenstar Fertilizers Limited	919.31	1080.31
	Wilson International Trading (India) Private Limited	0.62	0.49
	Sicagen India Limited	1.54	2.12
	EDAC Engineering Limited	7.11	12.32
	EDAC Automation Limited	0.16	0.80
	EDAC Staffing Solution Private Limited	-	0.11
	Totalcomm Infra Services Private Limited	0.25	0.61

Note 13: (ii) (B) The following transactions were carried out with the related parties: (continued) (₹ in lac)

S. No.	Particulars	For the year 2018-19	For the year 2017-18
6	Services / Consultancy Charges		
	Greenstar Fertilizers Limited	478.16	202.49
	EDAC Automation Limited	193.68	212.73
	Sicagen India Limited	14.93	59.31
	EDAC Engineering Limited	37.57	49.31
7	Income from Rentals		
	Greenstar Fertilizers Limited	104.31	24.48
8	Dividend Income		
	Manali Petrochemicals Limited	0.05	0.05
	Tamilnadu Petroproducts Limited	76.17	0.05
	Sicagen India Limited	3.47	3.47
9	Managerial Remuneration		
	Thiru. S R Ramakrishnan	75.24	75.11
10	Water charges prepaid		
	Greenstar Fertilizers Limited	-	1129.07
11	Rent Paid		
	Greenstar Fertilizers Limited	813.69	1924.09
	Twinshield Consultants Private Limited	18.36	-
12	Director Sitting Fees		
	Thiru. Ashwin C Muthiah	2.50	2.00
13	Trade Advance Received / Returned		
	Greenstar Fertilizers Limited	6090.05	1350.00
14	Trade Advance Paid / Returned		
	Greenstar Fertilizers Limited	8991.67	1365.13
15	Material Purchase Adv		
	Greenstar Fertilizers Limited	2493.82	979.26
16	Interest on Borrowings / Materials Paid		
	AM International Holdings Pte Ltd, Singapore	1464.75	886.18
	Wilson International Trading Pte. Ltd, Singapore	772.81	-
17	Borrowings		
	AM International Holdings Pte Ltd, Singapore	-	16275.00
18	Demurrage Charges		
	Wilson International Trading Pte. Ltd, Singapore	429.99	186.19
19	FSA - Adv		
	Greenstar Fertilizers Limited	-	907.41
20	Car Rental Charges		
	South India Travels Private Limited	43.05	42.77
21	Deposit given / received for directors appointment		
	Manali Petrochemicals Limited	-	1.00

Note 13: (ii) (B) The following transactions were carried out with the related parties: (continued) (₹ in lac)

S. No.	Particulars	For the year 2018-19	For the year 2017-18
22	Purchase of Intangible Asset-Software		
	Sicagen India Limited	-	14.16
23	Investment in Equity		
	Greenam Energy Private Limited	568.65	0.00
	Tuticorin Alkali Chemicals and Fertilizers Limited	2685.00	-
24	Transfer of Investment		
	Gold Nest Trading Company Limited	835.04	-

Note 14: Earnings Per Equity Share

(Refer Note 37 of the Annual Standalone Financial Statements)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Face Value per share (In Rupees)	10	10
Profit for the year (Rupees in lac)	4216.24	3698.42
Basic		
Weighted Average Number of shares outstanding	203640336	203640336
Earnings per share (In Rupees)	2.07	1.82
Diluted		
Weighted Average Number of shares outstanding	203640336	203640336
Earnings per share (In Rupees)	2.07	1.82

Note 15: Standards (including amendments) issued but not yet effective:

(Refer Note 2 of the Annual Standalone Financial Statements)

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective from April 1, 2019:

a. Ind AS 116 – Leases

On March 30, 2019, the Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases standard, Ind AS 17, Leases, and related interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires the lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the Statement of Profit and Loss. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The effective date for the adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019.

The company will adopt Ind AS 116 effective annual reporting period beginning April 1, 2019. The company will apply the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). Accordingly, the company will not restate comparative information, instead, the cumulative effect of initially applying this Standard will be recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019. On that date, the company will recognise a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the Standard had been applied since the commencement date but discounted using the lessee's incremental borrowing rate as at April 1, 2019. In accordance with the standard, the company will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value. On transition, the company will be using the practical expedient provided by the standard. The company is currently evaluating the effect in the adoption of this standard.

Note 15: Standards (including amendments) issued but not yet effective (continued)

b. Ind AS 12 - Income taxes (amendments relating to uncertainty over income tax treatments and income tax consequences on dividend distribution)

On March 30, 2019, the Ministry of Corporate Affairs has notified Ind AS 12, Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

The effective date for adoption of Ind AS 12 amendments are annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives. The Company is currently evaluating the effect of this amendment on the financial statements.

c. Ind AS 19- Plan amendment, curtailment or settlement (Amendment):

On March 30, 2019, the Ministry of Corporate Affairs issued amendments to Ind AS 19, Employee Benefits, in connection with accounting for plan amendments, curtailments and settlements. The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The company does not expect this amendment to have any significant impact on its financial statements.

d. Ind AS 23 – Borrowing Costs (Amendment):

On March 30, 2019, the Ministry of Corporate Affairs issued amendments to Ind AS 23, Borrowing Costs. The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The company does not have any impact from this amendment.

Note 16: (Refer Note 39 of the Annual Standalone Financial Statements)

- (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 2019 in its meeting held on 23 May 2019.

**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") which includes Company's share of profit in its associates and its joint ventures, which comprise the consolidated Balance Sheet as at March 31, 2019, 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 consideration of reports of other auditors on separate financial statements 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 accounting principles generally accepted in India, of their consolidated state of affairs of the Company, its associates and joint ventures as at March 31, 2019, 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

We draw attention to the Note no: 30 (iii) of the Consolidated financial statements regarding computation of subsidy revenue 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 by the Department of Fertilizers. The necessary adjustments, if any, and its consequential impact on subsidy revenue and receivables will be assessed when the final retention price is notified by the Department of Fertilizers.

Our opinion is not modified in respect of this matter.

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.

Revenue recognition	
Key Audit Matter	How the Key Audit Matter was addressed in our audit
<p>Refer to note 2 (vii) 'Revenue recognition' to the consolidated financial statements.</p> <p>Revenue from sale of goods is recognised when the control of goods is transferred to the customers. In terms of the application of the new revenue accounting standard 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 judgement in applying the revenue accounting policy while recognising revenue.</p>	<p>We have performed the following principal audit procedures in relation to each material revenue stream recognized:</p> <ul style="list-style-type: none"> • 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. • We performed substantive procedures on a sample of transactions for each revenue stream from source data through to general ledger to test that appropriate revenue recognition had been applied. • We performed other substantive, transactional testing and analytical procedures to validate the recognition of revenue throughout the year. • We have evaluated the delivery and shipping terms of the contracts for revenue recognised during the period. • Tested that the revenue recorded is after considering the applicable rebates and discounts. • Tested sample transactions around the period end to ensure they were recorded in the correct period; and • Tested journal entries posted to revenue accounts focusing on unusual or irregular items, if any.

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 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 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

The Consolidated financial statements include the Company's share of net profit after taxes of Rs. 965.20 lakhs and total other comprehensive income of Rs. 113.65 lakhs for the year ended March 31, 2019, in respect of 2 associates, 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, is based solely on the reports of the other auditors.

Our report is not qualified in respect of this matter.

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, 2019 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, 2019 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 32 to the consolidated financial statements.
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - 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

Place: Chennai

Date: May 23, 2019

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

Place: Chennai

Date: May 23, 2019

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, 2019.

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, 2019, we have audited the internal financial controls with reference to consolidated financial statements of March 31, 2019 (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, 2019, 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.

**For MSKA & Associates
Chartered Accountants**

ICAI Firm Registration No. 105047W

Place: Chennai
Date: May 23, 2019

Geetha Jeyakumar
Partner
Membership No. 029409

**REPORT OF THE INDEPENDENT AUDITORS' ON THE ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS
TO THE MEMBERS OF SOUTHERN PETROCHEMICAL INDUSTRIES CORPORATION LIMITED**

The accompanying abridged consolidated financial statements of Southern Petrochemical Industries Corporation Limited (hereinafter referred to as "the Company") and its share of profit in its associates & its joint ventures which comprise the Abridged Consolidated Balance Sheet as at March 31, 2019, the Abridged Consolidated Statement of Profit and Loss, Abridged Consolidated Cash Flow Statement and the abridged Consolidated Statement of Changes in Equity for the year then ended, and related notes, are derived from the audited consolidated financial statements of the Company for the year ended March 31, 2019. We expressed a unqualified audit opinion on those consolidated financial statements in our report dated May 23, 2019.

The abridged consolidated financial statements do not contain all the disclosures required by the Companies Act, 2013 ("the Act") and Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act and accounting principles generally accepted in India, which were applied in the preparation of the audited Consolidated financial statements of the Company. Reading the abridged Consolidated financial statements, therefore, is not a substitute for reading the audited Consolidated financial statements of the Company.

Management's Responsibility for the abridged consolidated financial statements

The Company's Board of Directors is responsible for the preparation of these abridged consolidated financial statements in accordance with Section 136(1) read with Rule 10 of Companies (Accounts) Rules, 2014 (the "Rules"), as amended. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the abridged consolidated financial statements that are consistent with the audited Consolidated financial statements and are free from material misstatements, whether due to fraud or error; and also includes appropriate interpretation and application of the relevant provisions of the Rules and the Act

Auditors' Responsibility

Our responsibility is to express an opinion on the abridged consolidated financial statements based on our procedures conducted in accordance with Standard on Auditing (SA) 810 "Engagements to Report on Summary Financial Statements" specified under Section 143(10) of the Act.

Opinion

In our opinion and to the best of our information and explanations given to us, the accompanying abridged Consolidated financial statements prepared in accordance with first proviso to section 136(1) of the Act read with Rule 10 of the Companies (Accounts) Rules, 2014, as amended, are derived from the audited consolidated financial statements of the Company for the year ended March 31, 2019 and are a fair summary of those consolidated financial statements.

The auditors' report on the audited consolidated financial statements contains an Emphasis of Matter paragraph, which is applicable for abridged consolidated financial statements as well. The Emphasis of Matter paragraph given in the auditors' report on consolidated financial statements of the company is as under:

Emphasis of Matter

We draw attention to the Note no: 30 (iii) of the consolidated financial statements regarding computation of subsidy revenue 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 by the Department of Fertilizers. The necessary adjustments, if any, and its consequential impact on subsidy revenue and receivables will be assessed when the final retention price is notified by the Department of Fertilizers.

Our opinion is not modified in respect of this matter.

Other Matter

The abridged Consolidated financial statements include the Company's share of net profit after taxes of Rs. 965.20 lakhs and total other comprehensive income of Rs. 113.65 lakhs for the year ended March 31, 2019, in respect of 2 associates, 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 abridged consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these joint ventures and associates, is based solely on the reports of the other auditors.

Our report is not qualified in respect of these matters.

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

Geetha Jeyakumar
Partner
Membership No. 029409

Place: Chennai
Date: May 23, 2019

Abridged Consolidated Balance Sheet as at 31 March 2019

(Statement Containing the salient features of Balance Sheet as per section 136(1) of the Companies Act, 2013 and proviso to rule 10 of the Companies (Accounts) Rules, 2014)

		(₹ in lac)	
S. No.	Particulars	As at 31 March 2019	As at 31 March 2018
A	ASSETS		
1	Non-current assets		
	(a) Property, Plant & Equipment	22995.67	24437.33
	(b) Capital work-in-progress	6900.91	3546.41
	(c) Investment Property	129.18	132.65
	(d) Intangible assets	137.88	106.71
	(e) Financial assets		
	(i) Investments		
	Investments in Associates	593.53	-
	Investments in Joint Ventures	7204.93	6125.72
	Other Equity Investments	1028.94	1257.61
	Other Investments	1.00	1.00
	(ii) Other financial assets	287.10	199.49
	(f) Deferred tax asset (Net)	10408.60	10204.78
	(g) Income tax assets (Net)	16.40	555.25
	(h) Other non current assets	4608.70	4624.78
	Total Non - Current Assets	54312.84	51191.73
2	Current assets		
	(a) Inventories	18785.36	18874.62
	(b) Financial assets		
	(i) Trade receivables	1764.96	4745.27
	(ii) Cash and cash equivalents	7240.52	334.01
	(iii) Bank balances other than (ii) above	468.68	424.65
	(iv) Other financial assets	107000.31	52729.46
	(c) Other current assets	13919.24	19173.34
	Total Current Assets	149179.07	96281.35
	TOTAL ASSETS	203491.91	147473.08
B	EQUITY AND LIABILITIES		
1	EQUITY		
	(a) Equity Share Capital	20364.03	20364.03
	(b) Other Equity		
	(i) Capital Reserve	97.24	97.24
	(ii) Capital Redemption Reserve	6500.00	6500.00
	(iii) Securities Premium	21047.71	21047.71
	(iv) Statutory Reserve	41.33	41.33
	(v) (Deficit) in Statement of Profit and Loss	(10101.25)	(13740.88)
	(vi) Reserves for equity instruments through other comprehensive income	(729.51)	223.12
	(vii) Reserves for actuarial movement through other comprehensive income	(212.42)	(47.14)
	(viii) Share of Joint ventures	73.70	(39.95)
	Total Equity	37080.83	34445.46
2	LIABILITIES		
	Non-current liabilities		
	(a) Financial Liabilities		
	(i) Non-current Borrowings	12865.50	16275.00
	(ii) Others Financial Liabilities	2888.69	2931.08
	Total Non-Current Liabilities	15754.19	19206.08
3	Current liabilities		
	(a) Financial Liabilities		
	(i) Current Borrowings	23760.56	10003.70
	(ii) Trade payables	-	-
	- Total outstanding dues to Micro Enterprises and Small Enterprises	120872.95	73906.37
	- Total outstanding dues to other than Micro Enterprises and Small Enterprises	3813.64	3953.67
	(iii) Others Financial Liabilities	389.34	322.46
	(b) Provisions	1820.40	5635.34
	(c) Other Current liabilities	150656.89	93821.54
	Total Current Liabilities	166411.08	113027.62
	Total liabilities	203491.91	147473.08
	TOTAL EQUITY AND LIABILITIES		
	The accompanying notes are an integral part of these abridged consolidated financial statements		

In terms of our report attached.

For and on behalf of the Board of Directors

For MSA & Associates
Chartered Accountants
Firm Registration No: 105047W

ASHWIN C MUTHIAH
Chairman
DIN:00255679

GEETHA JEYAKUMAR
Partner
Membership No: 029409

SASHIKALA SRIKANTH
Director
DIN: 01678374

S R RAMAKRISHNAN
Whole -Time Director
DIN:00120126

Place : Chennai
Date : 23 May 2019

K R ANANDAN
Chief Financial Officer

M B GANESH
Secretary

Abridged Consolidated Statement of Profit and Loss for the year ended 31 March 2019

(Statement Containing the salient features of Statement of Profit and Loss as per section 136(1) of the Companies Act, 2013 and proviso to rule 10 of the Companies (Accounts) Rules, 2014)

(₹ in lac)

S. No.	Particulars	Year ended 31 March 2019	Year ended 31 March 2018
	Income		
1	Revenue from operations	259195.80	199445.80
2	Other income	2146.07	492.15
3	Total income (1+2)	261341.87	199937.95
4	Expenses		
	(a) Cost of materials consumed	152210.98	103265.21
	(b) Purchases of stock-in-trade	3581.41	1637.45
	(c) Changes in inventories of finished goods, stock in trade and work-in-progress	3987.75	1501.72
	(d) Excise duty on sale of goods	-	85.01
	(e) Employee benefits expense	6196.82	5280.83
	(f) Power and fuel	56306.18	44744.81
	(g) Finance costs	3567.35	4087.89
	(h) Depreciation and amortisation expense	3205.72	4011.29
	(i) Other expenses	26951.51	31845.72
	Total expenses	256007.72	196459.93
5	Profit before exceptional items, share of profit of equity accounted investees and tax (3-4)	5334.15	3478.02
6	Exceptional items	-	244.53
7	Profit before share of profit of equity accounted investees and tax (5+6)	5334.15	3722.55
8	Share of profit of Joint Ventures	1261.02	1246.16
9	Profit before tax (7+8)	6595.17	4968.71
10	Tax expense		
	Current tax	454.16	428.12
	Less: MAT Credit Entitlement	(189.85)	-
	Current tax relating to earlier years	131.42	6604.50
	Less: MAT Credit Entitlement	(99.91)	(6604.50)
	Net tax expense	295.82	428.12
11	Profit after Tax (9-10)	6299.35	4540.59
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	(1058.48)	(68.82)
	b) Remeasurement of defined benefit plans	(165.28)	30.93
	ii) Income tax relating to items that will not be re-classified to profit or loss	105.85	13.76
	iii) Share of Other Comprehensive Income from Joint Ventures	113.65	3.48
	Total Other Comprehensive Loss	(1004.26)	(20.65)
13	Total Comprehensive Income (11+12)	5295.09	4519.94
14	Earnings Per Equity Share (Nominal value per share Rs 10/-)		
	Basic & Diluted	2.60	2.22
	The accompanying notes are an integral part of these abridged consolidated financial statements		

In terms of our report attached.

For and on behalf of the Board of Directors

For MSA & Associates
Chartered Accountants
Firm Registration No: 105047W

ASHWIN C MUTHIAH
Chairman
DIN:00255679

GEETHA JEYAKUMAR
Partner
Membership No: 029409

SASHIKALA SRIKANTH
Director
DIN: 01678374

S R RAMAKRISHNAN
Whole -Time Director
DIN:00120126

Place : Chennai
Date : 23 May 2019

K R ANANDAN
Chief Financial Officer

M B GANESH
Secretary

Abridged Consolidated Statement of changes in equity for the year ended 31 March 2019

(A) Equity share capital (Refer Note 13 of the Annual Consolidated Financial Statements)

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

	No. of shares	₹ In lac
As at 31 March 2018	203640336	20364.03
As at 31 March 2019	203640336	20364.03

(B) Other equity

Particulars	Reserves and surplus					Items of other comprehensive income		Total
	Capital Reserve	Capital Redemption Reserve	Securities Premium	Statutory Reserve	Retained earnings	Effect of measuring investments at fair value through OCI	Remeasurement of defined benefit plans	
Balance as at 1 April 2017	97.24	6500.00	21047.71	41.33	(18281.47)	278.18	(114.54)	9588.45
Profit for the year	-	-	-	-	4540.59	-	-	4540.59
Other comprehensive income / (loss)	-	-	-	-	-	(55.06)	27.45	(27.61)
Total other comprehensive income for the year	-	-	-	-	4540.59	(55.06)	27.45	4512.98
Balance as at 31 March 2018	97.24	6500.00	21047.71	41.33	(13740.88)	223.12	(87.09)	14081.43
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 loss	-	-	-	-	-	(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	-	-	-	-	3639.64	(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

The accompanying notes are an integral part of these abridged consolidated 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 : 23 May 2019

For and on behalf of the Board of Directors

ASHWIN C MUTHIAH
Chairman
DIN: 00255679

SASHIKALA SRIKANTH
Director
DIN: 01678374

K R ANANDAN
Chief Financial Officer

S R RAMAKRISHNAN
Whole -Time Director
DIN: 00120126

M B GANESH
Secretary

Abridged Consolidated Cash Flow Statement for the year ended 31 March 2019

(₹ in lac)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Cash flow from Operating Activities	6780.44	32954.85
Cash flow used in Investing Activities	(10103.97)	(3975.45)
Cash flow from / (used in) Financing Activities	10230.04	(29003.84)
Net Increase / (Decrease) in cash and cash equivalents	6906.51	(24.44)
Cash and Cash equivalents at the beginning of the year	334.01	358.45
Cash and Cash equivalents at the end of the year	7240.52	334.01

Break up of Cash and Cash Equivalents:

(₹ in lac)

Particulars	As at 31 March 2018	As at 1 April 2016
Balances with banks:		
- In current accounts	7235.88	329.11
- In EEFC accounts	0.92	0.87
Cash on hand	3.72	4.03
Total	7240.52	334.01

Complete Balance Sheet, Statement of Profit & Loss, Statement Changes in equity, Statement of cash flow and other statements and notes thereto prepared as per the requirements of Division II to the Schedule III to the Act, are available at the Company's website at link www.spic.in. Copy of the financial statements is also available for inspection at the registered office of the Company during working hours for a period of 21 days before the date of AGM.

In terms of our report attached.

For and on behalf of the Board of Directors

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

ASHWIN C MUTHIAH
Chairman
DIN:00255679

GEETHA JEYAKUMAR
Partner
Membership No: 029409

SASHIKALA SRIKANTH
Director
DIN: 01678374

S R RAMAKRISHNAN
Whole -Time Director
DIN:00120126

Place : Chennai
Date : 23 May 2019

K R ANANDAN
Chief Financial Officer

M B GANESH
Secretary

NOTES FORMING PART OF THE ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(The note numbers appearing in brackets “ () ” are as they appear in the complete set of Consolidated Financial Statements)

1. General Information

(Refer Note 1 of the Annual Consolidated Financial Statements)

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.

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

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.

2. Basis of Preparation and Presentation

(Refer Note 2 of the Annual Consolidated Financial Statements)

The abridged consolidated financial statements have been prepared, in accordance with the requirements of Rule 10 of the Companies (Accounts) Rules, 2014 as referred to in first proviso to sub-section (1) of section 136 of the Companies Act, 2013 and on the basis of the complete set of audited consolidated financial statements for the year ended 31 March 2019, (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).

3. Basis of consolidation:

(Refer Note 2 of the Annual Consolidated Financial Statements)

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 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 in line with the company's accounting policies.

Investments in Joint Ventures and Associates

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.

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.

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 Joint Ventures:

The Company's interests in joint ventures are:

Name of the Company	Country of incorporation	Percentage of ownership interest	
		As at 31 March 2019	As at 31 March 2018
Tamilnadu Petroproducts Limited	India	16.93	16.93
National Aromatics and Petrochemicals Corporation Limited	India	50.00	50.00

(2) Investments in Associates:

The Company's associates are:

Name of the Company	Country of incorporation	Percentage of ownership interest	
		As at 31 March 2019	As at 31 March 2018
Tuticorin Alkali Chemicals and Fertilizers Limited	India	43.94	45.15
Gold Nest Trading Company Limited	India	32.76	32.76
Greenam Energy Private Limited	India	20.00	20.00

Investment in Tuticorin Alkali Chemicals and Fertilizers Limited, an associate company in which the Company holds 43.94 % previous year 45.15% 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 2019 is Nil. Accordingly, the Company's share in the net assets of the associate company have not been recognised in the consolidated financial statements. (Also Refer Note 14(i) of the Annual Consolidated Financial Statements)

4. Significant Accounting Policies

(Refer Note 2 of the Annual Consolidated Financial Statements)

The significant accounting policies used in preparing the Annual financial statements in accordance with the Indian accounting standards (Ind AS) prescribed under section 133 of the Companies Act 2013, read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015 and the Companies (Accounting Standards) Amendment Rules, 2016 are set out in Note 2 to the Annual Consolidated Financial Statements.

i) Revenue Recognition

The Company earns revenue primarily from sale of Urea. Effective April 1, 2018, the Company has applied Ind AS 115, Revenue from Contracts with Customers, which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognized. Ind AS 115 replaces Ind AS 18 "Revenue" and Ind AS 11 "Construction Contracts". The company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognized at the date of initial application (i.e. April 01, 2018). The impact of adoption of the standard on the financial statements of the company is insignificant.

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.

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 Naptha 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.

Note 5: (Refer Note 7 of the Annual Consolidated Financial Statements)

Other current financial assets include subsidy receivable of Rs 103201.37 lac (Previous year Rs 52581.52 lac).

Note 6: (Refer Note 6 of the Annual Consolidated Financial Statements)

- (i) The Company promoted SPIC Petrochemicals Limited (SPIC Petro) in 1994-95 for the manufacture of Polyester Filament Yarn and Purified Terephthalic Acid. The Company had invested Rs.25375.00 lac in the equity share capital, Rs.5.00 lac in preference share capital and Rs.30609.63 lac in Unsecured Zero Interest Bonds. Consequent to the litigation between Chennai Petroleum Corporation Limited (CPCL) and the Company, the implementation of the project was enjoined. On the winding up petitions that were filed by certain unsecured creditors, the Honorable Madras High Court ordered the winding up of the Company on 17th April 2009. The Board of Directors of the Company at their meeting dated 12th February 2019 approved the write off of the Investments of Rs.25375.00 lac in the equity share capital, Rs.5.00 lac in preference share capital, Rs.30609.63 lac of Unsecured Zero Interest Bonds and Advances due of Rs.318.91 lac from SPIC Petro, against the provisions made towards the balances in the earlier years and there is no financial impact due to this write off in current year.
- (ii) 4,68,50,000 Equity shares of Rs 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 Rs 100 each amounting to Rs 2000 lac held by the Company and other receivables aggregating Rs 2685 lac. The allotment has been made pursuant to SEBI Order dated 6th September 2018 permitting these conversions. The equity shares are locked-in for such period as per Regulation 167 of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. The regulatory approvals for the allotment is in process.
- (iii) 58,08,000 Equity Shares of Rs. 10 each, at a premium of Rs. 3.50 per share of Mercantile Venture Limited for the value of Rs. 784.08 Lakhs and 509,575 Equity Shares of Rs. 10 each of South India Travels Private Limited had received by the Company based on the scheme of arrangement filed by Gold Nest Trading Company Limited. The balance due from Gold Nest Trading Company Limited was written off in the earlier year and hence these amounts were credited to other income during the year.

Note 7: Revenue from operations

(Refer Note 21 of the Annual Consolidated Financial Statements)

(₹ in lac)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Sale of products	45259.02	42947.93
Less: Rebates and discounts	(4546.24)	(2464.30)
	40712.78	40483.63
Subsidy Income	217598.75	157918.12
Total Sales	258311.53	198401.75
Other operating revenues	884.27	1044.05
Total	259195.80	199445.80

Note 8: Exceptional items

(Refer Note 29 of the Annual Consolidated Financial Statements)

(₹ in lac)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Profit on Sale of land	-	244.53
Total	-	244.53

Note 9: Plant Operation

- During the year the Company achieved a production of 6.520 lac MT against the maximum permissible production of 6.20 lac MT after getting Special permission from Department of Fertilizer. The Company, as handling agent of Government of India for marketing urea within the country, had handled and sold 1.145 lac MT of Urea.
- Government of India on 17th 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 Regasified Liquefied Natural Gas (RLNG) price.
- Subsidy for the period 1 April 2018 to 31 March 2019 of Rs. 202,789.02 lac has been accounted based on the provisional Retention Price (RP) computed in line with the Government's policy indicated in the notification dated 17 June 2015, as the final retention price has not been announced by the Department of Fertilizers. The necessary adjustments, if any, will be made when the final retention price is notified by the Department of Fertilizers.

Note 10: Commitments

(Refer Note 31 of the Annual Consolidated Financial Statements)

Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. 10951.17 lac (Previous year Rs. 2754.84 lac).

Note 11: Contingent Liabilities

(Refer Note 32 of the Annual Consolidated Financial Statements)

Claims not acknowledged as debts

(₹ in lac)

S. No.	Particulars	As at 31 March 2019	As at 31 March 2018
1	Tuticorin Lease Rent for 415.19 acre	16873.97	16873.97
2	TWAD Claim	3389.41	2867.67
3	VOC Port Trust	973.28	870.80
4	Taxes, Duties and other demands (under various stages of appeal) *	2454.27	15737.27

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

Note 12: Income Tax

(Refer Note 34 of the Annual Consolidated Financial Statements)

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

(₹ in lac)

Particulars	As at 31 March 2019	As at 31 March 2018
Deferred tax assets	5015.60	4893.17
Deferred tax liabilities	(1309.47)	(1292.89)
Total	3706.13	3600.28

2018-19

(₹ in lac)

Particulars	Opening Balance	Recognised in Profit & Loss	Recognised in Other Comprehensive Income	Closing Balance
Deferred tax (liabilities) / asset in relation to:				
Property plant and Equipment	(1237.11)	(72.36)		(1309.47)
Provision for Doubtful Debts, Provision for Compensated absence and others	325.15	140.79		465.94
Unabsorbed Depreciation	4568.02	(166.28)		4401.74
Unabsorbed Business Loss	-	-		-
Unabsorbed Interest Allowance	-	97.85		97.85
Financial Assets at FVTOCI	(55.78)		105.85	50.07
	3600.28	-	105.85	3706.13
Deferred Tax Asset (Net)	3600.28	-	105.85	3706.13
MAT Credit Entitlement	6604.50	97.97		6702.47
Net Deferred Tax Assets	10204.78	97.97	105.85	10408.60

2017-18

(₹ in lac)

Particulars	Opening Balance	Recognised in Profit & Loss	Recognised in Other Comprehensive Income	Closing Balance
Deferred tax (liabilities) / asset in relation to:				
Property plant and Equipment	(1578.47)	341.36		(1237.11)
Provision for Doubtful Debts, Provision for Compensated absence and others	235.89	89.26		325.15
Unabsorbed Depreciation	4568.02			4568.02
Unabsorbed Business Loss	430.62	(430.62)		-
Financial Assets at FVTOCI	(69.54)		13.76	(55.78)
	3586.52	-	13.76	3600.28
Deferred Tax Asset (Net)	3586.52	-	13.76	3600.28
MAT Credit Entitlement	-	6604.50		6604.50
Net Deferred Tax Assets	3586.52	6604.50	13.76	10204.78

(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 recognised are attributable to the following:

(₹ in lac)

Particulars	As at 31 March 2019	As at 31 March 2018
Business losses	-	295.45
Capital losses (Refer Note 6(i) of the Annual Consolidated Financial Statements)	65448.25	9458.61

Note 13: Segment Reporting

(Refer Note 35 of the Annual Consolidated Financial Statements)

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 2019	Year ended 31 March 2018	Year ended 31 March 2019	Year ended 31 March 2018
Agro Inputs (Urea Operations)	258591.11	199117.88	9129.71	9718.02
Others (Agri business)	767.73	739.77	(103.13)	(249.54)
Unallocated income	1983.03	80.30		
Total	261341.87	199937.95	9026.58	9468.47
Exceptional Income			-	244.53
Finance Cost			(3567.35)	(4087.89)
Other Net Unallocable Expenses			(125.08)	(1902.57)
Share of profit in joint venture			1261.02	1246.16
Tax Expense			295.82	428.12
Profit for the year			6299.35	4540.59

Segment Assets and Liabilities:

(₹ in lac)

Particulars	As at 31 March 2019	As at 31 March 2018
Segment Assets		
Agro inputs (Urea Operations)	162305.88	106020.16
Others (Agri business)	1855.42	1906.32
Unallocable Assets	39330.61	39546.60
Total Assets	203491.91	147473.08
Segment Liabilities		
Agro inputs (Urea Operations)	138614.32	77426.39
Others (Agri business)	245.79	228.18
Unallocable Liabilities	27550.97	35373.05
Total Liabilities	166411.08	113027.62

Other Segment Information:

(₹ in lac)

Particulars	Depreciation and Amortisation		Capital Expenditure	
	Year ended 31 March 2019	Year ended 31 March 2018	As at 31 March 2019	As at 31 March 2018
Agro Inputs (Urea Operations)	3111.13	3929.36	5121.92	3639.95
Others (Agri business)	46.67	46.38	2.31	9.28
Unallocable	47.92	35.55	37.07	82.67
Total	3205.72	4011.29	5161.30	3731.90

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

- All Assets are allocated to reportable segments other than Investments, cash and cash equivalents and derivative contracts.
- All liabilities are allocated to reportable segments other than borrowings, current and deferred tax liabilities.

Note 14: (i) Related party disclosures for the year ended 31 March 2019

(Refer Note 36 of the Annual Consolidated Financial Statements)

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 Staffing Solution Private Limited
	13	EDAC Automation Limited
	14	Totalcomm Infra Services Private Limited
	15	Twinshield Consultants Private Limited
	16	AM Foundation
	17	SPIC Group Companies Employees Welfare Foundation

Note 14: (ii) (A) Balance Outstanding as at 31.03.2019

(₹ in lac)

S. No.	Particulars	As at 31 March 2019	As at 1 April 2018
(a)	Receivables		
	Tamilnadu Petroproducts Limited	3.12	2.22
	Tuticorin Alkali Chemicals and Fertilizers Limited	5.06	2536.54
	Greenstar Fertilizers Limited	1698.88	2536.69
	Wilson International Trading (India) Private Limited	0.05	0.05
	EDAC Engineering Limited	60.70	21.31
	EDAC Automation Limited	-	0.29
	Totalcomm Infra Services Private Limited	0.80	1.44
	Twinshield Consultants Private Limited	36.45	36.45
	Lotus Fertilizers Private Limited	4.41	8.93
	Sicagen India Limited	0.23	0.53
	Wilson International Trading Pte. Ltd, Singapore	-	1.12
	AM Foundation	0.01	0.00

Note 14: (ii) (A) Balance Outstanding as at 31.03.2019 (continued)

(₹ in lac)

S. No.	Particulars	As at 31 March 2019	As at 1 April 2018
	(b) Advances to		
	Sicagen India Limited	1.87	0.53
	Greenstar Fertilizers Limited	3552.67	1.30
	Tamilnadu Petroproducts Limited	2.77	-
	National Aromatics and Petrochemicals Corporation Limited *	1488.95	1488.16
	Manali Petrochemicals Limited	0.45	0.37
	Tuticorin Alkali Chemicals and Fertilizers Limited	-	56.66
	(c) Payables		
	Greenstar Fertilizers Limited	2297.21	5795.64
	Tamilnadu Petroproducts Limited	-	1.12
	Sicagen India Limited	226.77	112.72
	Wilson International Trading Pte. Ltd, Singapore	50037.58	35064.11
	EDAC Engineering Limited	-	35.90
	EDAC Automation Limited	68.42	12.53
	EDAC Staffing Solution Private Limited	0.51	0.51
	Tuticorin Alkali Chemicals and Fertilizers Limited	539.36	264.10
	Lotus Fertilizers Private Limited	1805.55	1805.55
	South India Travels Private Limited	3.17	2.82
	Twinshield Consultants Private Limited	15.30	-
	(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 Ltd, Singapore (in USD)	37.50	37.50
	(g) Borrowings		
	AM International Holdings Pte Ltd, Singapore	16370.17	16382.23
	(h) Investment in Equity Shares		
	Tamilnadu Petroproducts Limited	7204.93	6125.72
	Greenam Energy Private Limited	568.29	0.00
	Manali Petrochemicals Limited	2.52	3.36
	South India Travels Private Limited	50.96	-
	Sicagen India Limited	138.93	206.81
	SPIC Petrochemicals Limited #	-	25375.00
	Gold Nest Trading Company Limited	25.24	-
	(i) Investment in Preference Shares		
	SPIC Petrochemicals Limited#	-	5.00
	(j) Investment in Bond		
	SPIC Petrochemicals Limited#	-	30609.63

*Dues have been fully provided for

Written off in current year utilizing the provision

Note 14: (ii) (B) The following transactions were carried out with the related parties:

(₹ in lac)

S. No.	Particulars	For the year 2018-19	For the year 2017-18
1	Sale of goods		
	Tuticorin Alkali Chemicals and Fertilizers Limited	61.34	127.27
	Greenstar Fertilizers Limited	371.28	70.15
	Lotus Fertilizers Private Limited	236.37	226.70
2	Purchase of materials		
	Tuticorin Alkali Chemicals and Fertilizers Limited	390.93	288.11
	Greenstar Fertilizers Limited	3639.21	5262.57
	Tamilnadu Petroproducts Limited	62.74	85.75
	Wilson International Trading Pte Ltd, Singapore	72956.55	34986.48
	Sicagen India Limited	560.13	437.85
	Lotus Fertilizers Private Limited	-	1593.68
3	Reimbursement of Expenses (Receipts)		
	Greenstar Fertilizers Limited	2570.22	117.43
	National Aromatics and Petrochemicals Corporation Limited	0.80	0.41
	EDAC Staffing Solution Private Limited	-	0.02
	Totalcomm Infra Services Private Limited	0.13	0.18
	AM Foundation	4.88	2.43
	SPIC Officers and Staff Welfare Foundation	0.06	0.54
	SPIC Group Companies Employees Welfare Foundation	1.85	0.52
	Wilson International Trading Pte. Ltd, Singapore	-	1.12
4	Reimbursement of Expenses (Payments)		
	Sicagen India Limited	6.66	4.82
	Greenstar Fertilizers Limited	-	1.15
5	Income from services rendered		
	AM Foundation	-	0.02
	Manali Petrochemicals Limited	5.46	4.17
	Tamilnadu Petroproducts Limited	0.80	0.65
	Tuticorin Alkali Chemicals and Fertilizers Limited	9.74	9.00
	Greenstar Fertilizers Limited	919.31	1080.31
	Wilson International Trading (India) Private Limited	0.62	0.49
	Sicagen India Limited	1.54	2.12
	EDAC Engineering Limited	7.11	12.32
	EDAC Automation Limited	0.16	0.80
	EDAC Staffing Solution Private Limited	-	0.11
	Totalcomm Infra Services Private Limited	0.25	0.61
6	Services / Consultancy Charges		
	Greenstar Fertilizers Limited	478.16	202.49
	EDAC Automation Limited	193.68	212.73
	Sicagen India Limited	14.93	59.31
	EDAC Engineering Limited	37.57	49.31
7	Income from Rentals		
	Greenstar Fertilizers Limited	104.31	24.48

Note 14: (ii) (B) The following transactions were carried out with the related parties (continued): (₹ in lac)

S. No.	Particulars	For the year 2018-19	For the year 2017-18
8	Dividend Income		
	Manali Petrochemicals Limited	0.05	0.05
	Tamilnadu Petroproducts Limited	76.17	0.05
	Sicagen India Limited	3.47	3.47
9	Managerial Remuneration		
	Thiru. S R Ramakrishnan	75.24	75.11
10	Water charges prepaid		
	Greenstar Fertilizers Limited	-	1129.07
11	Rent Paid		
	Greenstar Fertilizers Limited	813.69	1924.09
	Twinshield Consultants Private Limited	18.36	-
12	Director Sitting Fees		
	Thiru. Ashwin C Muthiah	2.50	2.00
13	Trade Advance Received / Returned		
	Greenstar Fertilizers Limited	6290.05	1350.00
14	Trade Advance Paid / Returned		
	Greenstar Fertilizers Limited	8991.67	1365.13
15	Material Purchase Adv		
	Greenstar Fertilizers Limited	2493.82	979.26
16	Interest on Borrowings / Materials Paid		
	AM International Holdings Pte Ltd, Singapore	1464.75	886.18
	Wilson International Trading Pte. Ltd, Singapore	772.81	-
17	Borrowings		
	AM International Holdings Pte Ltd, Singapore	-	16275.00
18	Demurrage Charges		
	Wilson International Trading Pte. Ltd, Singapore	429.99	186.19
19	FSA - Adv		
	Greenstar Fertilizers Limited	-	907.41
20	Car Rental Charges		
	South India Travels Private Limited	43.05	42.77
21	Deposit given / received for directors appointment		
	Manali Petrochemicals Limited	-	1.00
22	Purchase of Intangible Asset-Software		
	Sicagen India Limited	-	14.16
23	Investment in Equity		
	Greenam Energy Private Limited	568.65	0.00
	SITPL Tuticorin Alkali Chemicals and Fertilizers Limited	2685.00	-
24	Transfer of investment		
	Gold Nest Trading Company Limited	835.04	-

Note 15: Earnings Per Equity Share

(Refer Note 38 of the Annual Consolidated Financial Statements)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Face Value per share (In Rupees)	10	10
Profit for the year (Rupees in lac)	5295.09	4519.94
Basic		
Weighted Average Number of shares outstanding	203640336	203640336
Earnings per share (In Rupees)	2.60	2.22
Diluted		
Weighted Average Number of shares outstanding	203640336	203640336
Earnings per share (In Rupees)	2.60	2.22

Note 16: Standards (including amendments) issued but not yet effective:

(Refer Note 2 of the Annual Consolidated Financial Statements)

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind AS which the Company has not applied as they are effective from April 1, 2019:

a. Ind AS 116 – Leases

On March 30, 2019, the Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases standard, Ind AS 17, Leases, and related interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires the lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the Statement of Profit and Loss. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The effective date for the adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019.

The company will adopt Ind AS 116 effective annual reporting period beginning April 1, 2019. The company will apply the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). Accordingly, the company will not restate comparative information, instead, the cumulative effect of initially applying this Standard will be recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019. On that date, the company will recognise a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the Standard had been applied since the commencement date but discounted using the lessee's incremental borrowing rate as at April 1, 2019. In accordance with the standard, the company will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value. On transition, the company will be using the practical expedient provided by the standard. The company is currently evaluating the effect in the adoption of this standard.

b. Ind AS 12 - Income taxes (amendments relating to uncertainty over income tax treatments and income tax consequences on dividend distribution)

On March 30, 2019, the Ministry of Corporate Affairs has notified Ind AS 12, Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

The effective date for adoption of Ind AS 12 amendments are annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives. The Company is currently evaluating the effect of this amendment on the financial statements.

c. Ind AS 19- Plan amendment, curtailment or settlement (Amendment):

On March 30, 2019, the Ministry of Corporate Affairs issued amendments to Ind AS 19, Employee Benefits, in connection with accounting for plan amendments, curtailments and settlements. The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The company does not expect this amendment to have any significant impact on its financial statements.

d. Ind AS 23 – Borrowing Costs (Amendment):

On March 30, 2019, the Ministry of Corporate Affairs issued amendments to Ind AS 23, Borrowing Costs. The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The company does not have any impact from this amendment.

Note 17: (Refer Note 40 of the Annual Consolidated Financial Statements)

- (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 2019 in its meeting held on 23 May 2019.

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), Rules, 2014)

Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures:

Name of Associates / Joint Ventures	Tuticorin Alkali Chemicals and Fertilisers Limited	Gold Nest Trading Company Limited	Greenam Energy Private Limited	National Aromatics and Petrochemicals Corporation Limited	Tamilnadu Petroproducts Limited
1. Latest Audited Balance Sheet Date	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19
2. Shares of Associate / Joint Ventures held by the company on the year end					
No. Shares	53530113	249000	5686502	25000	15234375
Amount of Investment in Associates / Joint Venture (₹)	662066946	25024500	56865020	250000	198046875
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 Associates/Joint Venture is not consolidated	Not considered for consolidation, since carrying amount is Nil as per Ind AS 28	Not considered for consolidation, since carrying amount is Nil as per Ind AS 28	Not Applicable	Not considered for consolidation, since carrying amount is Nil as per Ind AS 28	Not Applicable
5. Networth attributable to Shareholding as per latest audited Balance Sheet (₹ in Lac)	(7661.84)	25.25	568.01	436.23	7197.64
6. Profit/(Loss) for the year					
i. Considered in Consolidation			(0.36)		1079.21
ii. Not Considered in Consolidation (₹ in lac)	(1655.55)	0.25		(999.73)	

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
ASHWIN C MUTHIAH
Chairman
DIN:00255679

SASHIKALA SRIKANTH
Director
DIN: 01678374

S R RAMAKRISHNAN
Whole -Time Director
DIN:00120126

Place : Chennai
Date : 23 May 2019

K R ANANDAN
Chief Financial Officer

M B GANESH
Secretary

NOTES

[illegible]

NOTES

[illegible]

**SOUTHERN PETROCHEMICAL INDUSTRIES CORPORATION LIMITED**

“SPIC House” No 88, Mount Road, Guindy, Chennai 600 032.

CIN: L11101TN1969PLC005778

PROXY FORM

Name of the Member (s)	
Registered Address	
E-mail Id	
Folio No / DP ID- Client ID	

I / we being the Member(s) of shares of the above named Company, hereby appoint

- Name : Address :
E-mail Id : Signature :, or failing him
- Name : Address :
E-mail Id : Signature :, or failing him
- Name : Address :
E-mail Id : Signature :

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 48th Annual General Meeting of the Company, to be held on Thursday, the 8th day of August 2019 at 11.15 A.M. at Rajah Annamalai Mandram, Chennai and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No	Resolution / Subject	For	Against
1	To consider and adopt a. The audited financial statement of the Company for the financial year ended 31st March 2019 and the Reports of the Board of Directors and Auditors thereon. b. The audited consolidated financial statement of the Company for the financial year ended 31st March 2019		
2	Appointment of Mr. B Elangovan, as Director of the Company.		
3	Appointment of Mr. Arun Roy, IAS as Nominee Director representing TIDCO.		
4	Appointment of Dr Aneesh Sekhar.S, IAS as Nominee Director representing TIDCO.		
5	Appointment of Mr. Debendranath Sarangi as Independent Director of the Company		
6	Appointment of Mr. B Narendran, as Independent Director of the Company.		
7	Appointment of Ms. Sashikala Srikanth, as Independent Director of the Company.		
8	Ratification of appointment of Thiru T R Tantri pursuant to Section 148 of the Companies Act, 2013 as Cost Auditor of the Company on a remuneration of ₹ 1,50,000/-		
9	To approve the transactions entered into by the Company with a related party during the year 2018-19 considered material as per Regulation 23 of the Listing Regulations.		
10	To approve the investments made by the Company in Mercantile Ventures Limited and South India Travels Private Limited		

Signed this day of 2019

Signature of the Shareholder

Signature of the Proxy holder(s)

Affix Re 1/- Revenue Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.



SOUTHERN PETROCHEMICAL INDUSTRIES CORPORATION LIMITED

"SPIC House" No 88, Mount Road, Guindy, Chennai 600 032.

CIN: L11101TN1969PLC005778

ATTENDANCE SLIP

Please bring this attendance slip (duly filled in) and hand it over at the counter in "RAJAH ANNAMALAI MANDRAM" Esplanade, Chennai 600 108.

Name and Address of the Shareholder:

Folio No:

DP. ID*

Client ID*

*Applicable to investors holding shares in electronic form

I hereby record my presence at the **48th Annual General Meeting** of the Company at "RAJAH ANNAMALAI MANDRAM" Chennai- 600 108 **on Thursday, the 8th August 2019, at 11.15 A.M.**

Signature of the Member or Proxy

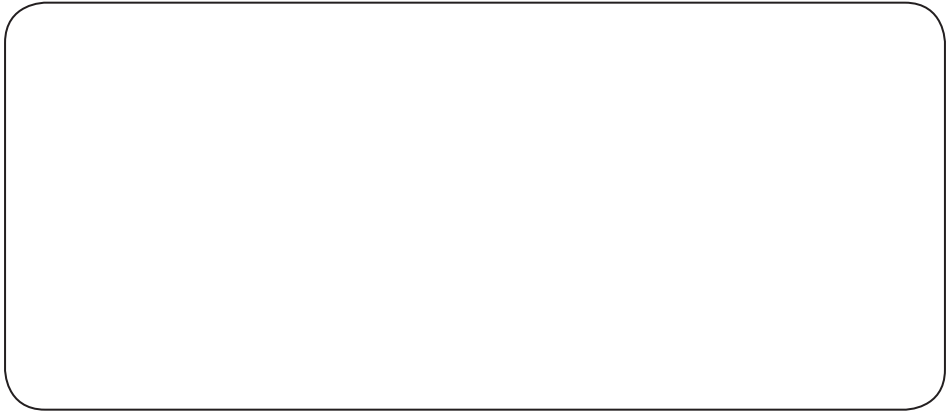
Shares held

--

--

REGISTERED POST / COURIER

To:



If undelivered, please return to :

SOUTHERN PETROCHEMICAL INDUSTRIES CORPORATION LIMITED
SPIC House, 88 Mount Road, Guindy, Chennai - 600 032.