50th ANNUAL REPORT
2020 - 21

SOUTHERN PETROCHEMICAL INDUSTRIES CORPORATION LIMITED

SPIC

SOUTHERN PETROCHEMICAL INDUSTRIES CORPORATION LIMITED

Board of Directors (as on 12th August 2021)

Ashwin C Muthiah	DIN 00255679	Chairman
Vandana Garg I.A.S	DIN 09205529	Director (from 7th July 2021)
B Narendran	DIN 01159394	Independent Director
Sashikala Srikanth	DIN 01678374	Independent Director
S Radhakrishnan	DIN 00061723	Independent Director
Debendranath Sarangi I.A.S (Retd)	DIN 01408349	Independent Director
Rita Chandrasekar	DIN 03013549	Independent Director
T K Arun	DIN 02163427	Director
R Madhusudhan	DIN 09218879	Director (from 12th August 2021)
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 600 018

Registered Office

SPIC House, No. 88, Mount Road, Guindy,
Chennai 600 032
CIN: L11101TN1969PLC005778
Phone :+91 44 22350245
Website : www.spic.in
E-mail : spiccorp@spic.co.in

Plant

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

Registrar and Share Transfer Agents

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

Bankers

HDFC Bank Limited
Bank of India
State Bank of India

CONTENTS

SOUTHERN PETROCHEMICAL INDUSTRIES CORPORATION LIMITED

Registered Office: "SPIC House", No. 88, Mount Road, Guindy, Chennai - 600 032.
CIN: L11101TN1969PLC005778;
E-mail: spiccorp@spic.co.in; website: www.spic.in; Ph: 044-22350245

NOTICE

NOTICE is hereby given that the **FIFTIETH ANNUAL GENERAL MEETING** of the Members of Southern Petrochemical Industries Corporation Limited will be held on Thursday, 30th September 2021 at 3:30 PM (IST) through Video Conferencing (VC) / Other Audio Visual Means (OAVM), to transact the following business:

ORDINARY BUSINESS:

1. Adoption of Financial Statements

"RESOLVED THAT

a. The audited standalone financial statement of the Company for the year ended 31st March 2021 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 2021 and the Report of the Auditors thereon;

be and are hereby received and adopted."

2. Appointment of Director

"RESOLVED THAT Mr. S R Ramakrishnan, Director (DIN: 00120126), retiring by rotation, eligible for re-appointment and having offered himself for re-appointment be and is hereby re-appointed as Director of the Company."

SPECIAL BUSINESS:

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

"RESOLVED THAT Ms. Vandana Garg IAS, (DIN: 09205529), 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 Mr. R Madhusudhan (DIN: 09218879), Nominee Director of Tamilnadu Industrial Development Corporation Limited, pursuant to Section 161 and other applicable provisions, if any, of the Companies Act, 2013, and the Articles of Association of the Company, be and is hereby appointed as Director of the Company liable to retire by rotation.

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

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under read with the provisions of Companies (Cost Records and Audit) Rules, 2014 including any statutory amendment(s), modification(s) and re-enactment thereof for the time being in force, the appointment of M/s. B Y & Associates, Chennai, Cost Accountants, (Firm Registration No. 003498) as Cost Auditor to conduct the Cost Audit pertaining to Cost Accounts and Records of the Fertilizer Division of the Company for the financial year ending 31st March 2022, on a remuneration of ₹ 1,50,000/- (Rupees One lakh fifty thousand only) plus reimbursement of actual out of pocket expenses and subject to applicable taxes and levies be and is hereby approved and ratified."

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

In partial modification to the earlier Special Resolution passed at the Annual General Meeting of the Company on 7th August 2018

"RESOLVED THAT pursuant to Sections 185, 186 and other applicable provisions, if any of the Companies Act, 2013 (the Act) and the Rules made thereunder (including any statutory modification thereof), subject to such approvals, consents, sanctions, permissions, as may be necessary and the Articles of Association of the Company, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this resolution) to pledge the equity shares held/to be held in Greenam Energy Private Limited (Greenam) for value not exceeding ₹12 Crores (Rupees Twelve Crore only) in favour of Indian Renewable Energy Development Agency Limited (IREDA) as security for the loans sanctioned / to be sanctioned by IREDA and to give an Undertaking to IREDA for non-disposal of equity shares of Greenam held/to be held by the Company during the tenure of the term loan(s) sanctioned /to be sanctioned by IREDA and to infuse additional funds to meet the shortfall in the resources of Greenam for the Floating Solar Power Plant."

"**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorised to take from time to time all decisions and such steps as may be necessary or expedient and to execute agreements, documents, deeds, writings, papers as may be required, settle any question or doubt that may arise thereto and do all such acts, deeds, matters and things, as it may in its absolute discretion, deem fit, necessary or appropriate."

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

Place : Chennai — M B Ganesh
Date : 12th August 2021 — Secretary

NOTES:

a. In view of the on-going Covid-19 pandemic, the Ministry of Corporate Affairs (MCA) vide General Circular No.02/2021 dated January 13, 2021 and SEBI vide Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated January 15, 2021 (collectively referred to as "the Circulars") permitted the holding of the Annual General Meeting through VC/OAVM without the physical presence of the Members at a common venue. Accordingly, the 50th Annual General Meeting (AGM) of the Company will be held through VC/OAVM. Hence, Members are requested to attend and participate in the ensuing AGM through VC/OAVM.

b. Share Transfer Register of the Company will remain closed from 24th September 2021 to 30th September 2021 (both days inclusive).

c. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, (the Act) in respect of items 3 to 6 is annexed hereto.

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

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

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

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

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

i. Process for those Shareholders whose Email/ Mobile No. are not registered with the Company/ Depositories.

In order to ensure that the Members receive all the communication sent by the company, it is advised that the members may update their email address registered with RTA, Cameo Corporate Services Limited by following the below instructions.

For Physical Holding -

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

For Demat Holding -

Please contact your Depository Participant (DP) and register your email address. Members are also requested to ensure that the option to receive the communication sent by the Company by email has been duly exercised and registered with the DP.

The Company has issued Newspaper Advertisements on 30th July 2021 in Business Standard (All Editions) & Makkal Kural in this regard requesting Shareholders to Update/Register their email IDs with the Company/RTA to enable the Company to send all the communications of the Company to the Shareholders electronically.

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

k. In compliance with the Circulars, Notice of the AGM along with the Annual Report 2020-21 are being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories/Registrars and Share Transfer Agents.

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

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

n. The voting rights of Members shall be in proportion to the shares held by the shareholders to the paid-up equity share capital in the Company held as on Thursday, 23rd September 2021, the cut-off date.

o. 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 on 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 on the Website of the Company www.spic.in on all the working days prior to the date of the Meeting.

THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:

(i) The voting period begins on Monday, 27th September 2021 at 9:00 AM (IST) and ends on Wednesday, 29th September 2021 at 5:00 PM (IST). During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 23rd September 2021 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 would not be entitled to vote during the Meeting.

(iii) SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Listing Regulations on e-Voting Facility Provided by Listed Entities.

E-voting has been enabled to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the Evoting Service Provider(s) (ESPs), thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

By the above new system registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders is not required.

(iv) Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with **CDSL**	1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by Company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on Company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on Company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on Company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542-43.
Individual Shareholders holding securities in Demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(v) Login method for e-Voting and joining virtual meeting for **shareholders other than individual shareholders holding in Demat form & physical shareholders.**

1) The shareholders should log on to the e-voting website www.evotingindia.com.

2) Click on "Shareholders" module.

3) Now enter your User ID

   a) For CDSL: 16 digits beneficiary ID,

   b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

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

4) Next enter the Image Verification as displayed and Click on Login.

5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

6) If you are a first-time user follow the steps given below:

	For Shareholders holding shares in Demat Form other than individual and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or Company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

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

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

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

(ix) Click on the EVSN for the Southern Petrochemical Industries Corporation Limited on which you choose to vote.

(x) 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.

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

(xii) 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.

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

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

(xv) 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.

(xvi) **Facility for Non – Individual Shareholders and Custodians –Remote Voting**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non-Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; shares.dep@spic.co.in, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Members desirous of speaking at the meeting may register through the web portal of the RTA using the web-link: https://Investors.cameoindia.com. The above facility for participant registration will be open from 9:00 AM on 23rd September 2021 to 5:00 PM on 27th September 2021.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Members who do not wish to speak during the AGM but have queries may send their queries on or before 27th September 2021 by email to shares.dep@spic.co.in mentioning their name, demat account number/folio number and mobile number. These queries will be responded to by the Company suitably.
10. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
11. E-Voting facility during the meeting will be available from the beginning of the Meeting till 5 minutes after the close of the meeting. Shareholders may, at their option, vote at any time during this period. The voting facility will be closed thereafter.
12. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

If you need any clarification, you may contact Mr. P Muralidharan, Joint Manager, Cameo Corporate Services Limited (Ph. No. 044-28460718). Email: agm@cameoindia.com and for any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

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

Annexure to Notice

EXPLANATORY STATEMENT

PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

The following Explanatory Statement sets out the material facts on subjects referred in Item Nos. 3 to 6 of the Notice convening the 50th AGM:

ITEM No. 3

The Board of Directors vide Resolution dated 7th July 2021 on the recommendation of the Nomination and Remuneration Committee had appointed Ms. Vandana Garg, IAS (DIN: 09205529), nominee of TIDCO as Additional Director of the Company pursuant to Section 161 of the Act, and will hold office upto the date of this AGM. Notice proposing her candidature has been received from TIDCO under Section 160 of the Act. As the appointment has been recommended by the Nomination and Remuneration Committee, the requirement of deposit is not applicable. The Board recommends the Ordinary Resolution in relation to the appointment of Ms. Vandana Garg, 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 Ms. Vandana Garg, IAS and her Relatives and Mr. R Madhusudhan, Nominee Directors of TIDCO, none of the Directors, Key Managerial Personnel of the Company is interested in this Resolution.

ITEM No. 4

The Board of Directors, at their Meeting held on 12th August 2021 on the recommendation of the Nomination and Remuneration Committee had appointed Mr. R Madhusudhan (DIN: 09218879), nominee of TIDCO as Additional Director of the Company pursuant to Section 161 of the Act, and will hold office upto the date of this AGM. Notice proposing his candidature has been received from TIDCO under Section 160 of the Act. As the appointment has been recommended by the Nomination and Remuneration Committee, the requirement of deposit is not applicable. The Board recommends the Ordinary Resolution in relation to the appointment of Mr. R Madhusudhan as Director for approval by the Members of the Company as set out in Item No. 4 of the Notice.

Memorandum of Interest:

Except Mr. R Madhusudhan and his Relatives and Ms. Vandana Garg, 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 30th June 2021 on the recommendation of the Audit Committee, appointed M/s. B Y & Associates, Chennai, Cost Accountants, (Firm Registration No. 003498) as Cost Auditor for the financial year ending 31st March 2022 at a remuneration of ₹1,50,000/- (Rupees One lakh fifty thousand only) plus reimbursement of actual out of pocket expenses and 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. 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. 5 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending 31st March 2022.

Memorandum of Interest:

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

ITEM No. 6

The shareholders at the Annual General Meeting of Company held on 7th August 2018 had approved the proposal of pledging the Equity Shares held/to be held in Greenam Energy Private Limited (Greenam) for a value not exceeding ₹ 12 Crores (Rupees Twelve Crore Only) in favour of Indian Renewable Energy Development Agency Limited (IREDA) to secure the term loan of ₹ 88 Crores then sanctioned by IREDA.

The aggregate amount of investments so far made by the Company and the security to be given by way of pledge of equity shares has not exceeded the value of ₹ 12 Crores already approved. The Board recommends the Special Resolution seeking consent of the Members for pledging the Equity Shares up to the aggregate amount not exceeding ₹12 Crores, which will be offered as security for the loans sanctioned/to be sanctioned by IREDA to Greenam, execute Undertaking for non-disposal of equity shares of Greenam and to meet any shortfall in the resources of Greenam for the Floating Solar Power Plant.

Memorandum of Interest:

Except Mr. Ashwin C Muthiah, Chairman and his relatives and Mr. S R Ramakrishnan, Whole-time Director and his relatives, none of the Directors, Key Managerial Personnel of the Company and their relatives is interested in this Resolution.

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

Place : Chennai
Date : 12th August 2021

M B Ganesh
Secretary

Details of the Directors seeking appointment/re-appointment at the 50th Annual General Meeting [Pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

MR. S R RAMAKRISHNAN

Mr. S R Ramakrishnan, (DIN: 00120126) aged around 71 years, is B.Tech (Chem) from IIT Madras. He joined SPIC in 1972 and had worked in various departments including operation, process engineering, Technical services, R&D, Corporate Planning, etc. He is a Director of The Fertiliser Association of India, Sicagen India Limited, SPIC Officers and Staff Welfare Foundation and Greenam Energy Private Limited. He does not hold any equity shares in the Company and there is no relationship between the Directors inter-se.

Membership / Chairmanship of Committees of other Boards:

Company	Committee	Position held
Sicagen India Ltd	Stakeholders Relationship Committee	Member
	Management Committee	Member

MS. VANDANA GARG, IAS

Ms. Vandana Garg, IAS (DIN: 09205529) aged around 31 years is an I.A.S Officer of 2017 batch. She held many key positions in various departments in the Government of Tamil Nadu.

Presently, She is the Executive Director of Tamil Nadu Industrial Development Corporation Limited. Earlier she served as Assistant Secretary in Social Justice and Empowerment, GOI Assistant Collector (Trg), Salem District and Sub-Collector, Tirupathur District.

She is also a Director of Manali Petrochemicals Limited; TICEL Bio Park Limited; Tanflora Infrastructure Park Limited; Tamilnadu Power Finance and Infrastructure Development Corporation Limited; Tiruchirapalli Engineering and Technology Cluster; Tamilnadu Trade Promotion Organisation and Mahindra World City Developers Limited. She does not hold any shares in the Company and there is no relationship between the Directors inter-se.

Membership / Chairmanship of Committees of other Boards:

Company	Committee	Position held
Manali Petrochemicals Limited	Audit Committee	Member
	Nomination and Remuneration Committee	Member
	Stakeholders Relationship Committee	Member
	Risk Management Committee	Member
	Corporate Social Responsibility Committee	Member

MR. R MADHUSUDHAN

Mr. R Madhusudhan, (DIN: 09218879) aged around 31 years, is a qualified Company Secretary from Institute of Company Secretaries of India (ICSI) and a Law graduate. He has more than 10 years of experience in the field of Company Secretary. He has worked in India Motor Parts & Accessories Ltd, a TVS Group Company and Chemfab Alkalis Limited, a TEAM Group Company and was actively involved in all Secretarial activities like compliance relating to Listing Agreement and SEBI Regulations, Companies Act compliances, RBI FEMA compliances, Conducting Board, Committee and General Meetings and handling investor correspondence. He was also involved in Issue & Listing of Bonus Shares through Stock Exchange and Merger and amalgamation of companies.

Presently, he is working as Company Secretary of Tamilnadu Industrial Development Corporation Limited (TIDCO), a Government of Tamil Nadu Undertaking. He does not hold any shares in the Company and there is no relationship between the Directors inter-se.

Membership / Chairmanship of Committees of other Boards: NIL

DIRECTORS' REPORT AND MANAGEMENT DISCUSSION & ANALYSIS

Your Directors present their 50th Annual Report together with the Audited Financial Statements of the Company for the year ended 31st March 2021.

FINANCIAL SUMMARY

(₹ in crores)

Particulars	31.03.2021	31.03.2020
Revenue from Operations	**1527.01**	2079.18
Add: Other Income	**28.58**	10.46
Total Income	**1555.59**	2089.64
Profit before interest, depreciation and tax	**99.00**	123.27
Less: Finance Cost	**14.15**	34.15
Less: Depreciation & amortisation expenses	**38.23**	32.14
Profit Before Tax	**46.62**	56.98
Less: Tax (benefit) / expenses	**(5.23)**	0.04
Profit After Tax	**51.85**	56.94
Add: Net Comprehensive Income / (Loss)	**7.55**	(4.25)
Total Comprehensive Income	**59.40**	52.69

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, despite the challenges faced due to Covid pandemic, the Plants were in operation for 309 on stream days. Planned shut downs were taken for Annual Turnaround Maintenance, Reliability improvement activities and Energy saving activities. Supply of Natural Gas commenced from 13th March 2021. Your Company produced 100% Neem coated Urea and achieved 6,20,400 MTs during 2020-21 compared to 5,50,287 MTs in the previous year. During the year, sale of Manufactured Urea was 6,11,562 Mts. The Plants were operated using mainly imported Naphtha and Furnace Oil and achieved energy efficiency levels of 6.454 Gcal/MT of Urea for 2020-21 as against 6.915 Gcal/MT during the previous year.

Handling of Imported Naphtha

Your Company has an arrangement with Indian Oil Corporation for using their tank farm facility at Tuticorin Port premises for handling a part of SPIC's Imported Naphtha shipments. This has facilitated SPIC for faster discharge of cargo and thereby minimizing the ship demurrage to a large extent. This arrangement will be kept valid till full amount of Natural Gas is made available to us in a reliable fashion.

Progress in conversion of Ammonia Plant from Naphtha based to Gas based.

Indian Oil Corporation, authorized to lay the Natural Gas Pipeline from Ennore to Tuticorin, has completed the 145 km Natural Gas pipeline in Ramanathapuram – Tuticorin sector except testing the same at operating pressure. Gas was fed into the pipeline on 1st March 2021 at low pressure. Subsequently your Company has taken the Natural gas for operation from 13th March 2021 at low pressure. Once the compressor station at Ramnad is ready for operation, your Company will get high pressure gas with a quantity of 0.9 MMSCMD. The Ennore to Sayalkudi pipeline connecting Ramnad-Tuticorin section is expected to be completed in another one year. On completion of this pipeline your Company will get the full requirement of 1.5 MMSCMD. To adhere to the Policy of the Government, various modifications are being done in a phased manner to be a gas based plant, to maintain Urea production level of 2080 MTPD.

Status of the Project Activities

In line with the project to be gas based, improvement activities are in progress and final phase of execution is planned in October 2021.

The 24.7 MW Floating Solar Power Plant being implemented by one of our Associate companies (Greenam Energy Private Limited) in the Company's water reservoirs is nearing completion. When completed, this will reduce the cost of power. Your Company also has an arrangement with a company for putting up a 10 MLD Desalination Plant. In view of Covid Pandemic and other project priorities, the implementation of this project has been delayed. However this delay will not have any adverse impact since the rainfall has been adequate and water supply position is comfortable. When completed this Plant 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 2020-21, 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, the total Standalone revenue was ₹1,155.37 crore compared to ₹1,233.21 crore in 2019-20. In spite of slightly lower sales, the Company's net profit more than doubled to ₹121.65 crore as compared to ₹55.08 crore in the previous year. Linear Alkyl Benzene (LAB) continues to be the main contributor to this increase in net profits. Further TPL has approved new projects in March 2021 for (a) increasing the capacity of the LAB plant from the existing 120 KTA to 145 KTA at an estimated cost of ₹ 240 crore; (b) modernization of HCD Plant by replacing the mono-polar membrane technology with an advanced world-class bipolar membrane technology with a capacity expansion from 150 TPD to 250 TPD at an estimated cost of ₹ 165 crore; and (c) setting up of Propylene Recovery Unit with an initial capacity of about 21 KTPA at an estimated cost of ₹ 30 crore. The Board of TPL has recommended a dividend of 25% for FY 20-21, (15% in the previous year) subject to the approval of Members.

TUTICORIN ALKALI CHEMICALS AND FERTILIZERS LIMITED (TFL)

Refurbishment of defective systems were undertaken during the financial year. Due to Covid restrictions, and shortage of ammonia the plant remained shut down for a period of two months. The unseasonal rain resulted in shortage of salt/price rise. This resulted in low load operation in subsequent period and resulted in a loss.

During the year, a part of the Equity Shares allotted by TFL to the Promoters as per the Order of SEBI, were sold by the Promoter Group by way of Offer for Sale through Stock Exchange Mechanism as per SEBI Guidelines to satisfy the condition of SEBI that Minimum Public Shareholding in TFL is 25% of its paid-up equity capital. Consequently, the shareholding of SPIC, a Promoter reduced from 43.49% to 28.39%.

GREENAM ENERGY PRIVATE LIMITED (GREENAM)

Despite the restrictions posed by the Covid pandemic, the 24.7 MW Floating Solar Power Plant being set up in the Water Reservoirs of the Company has made significant progress. Solar panels of 20.0 MW have been already been erected and the rest is in progress. 110 KV Power transmission line erection is also progressing with inspection and approval from TNEB at every stage.

To take care of the additional interest cost being incurred due to delay in commissioning of the project, additional loan to the tune of ₹ 7.0 crore has been sanctioned by IREDA and Loan documentation formalities are being completed.

The revised project cost is estimated to be ₹141 crore against earlier projection of ₹126 crore. Promoters' contribution towards equity has gone up from ₹38.32 crore to ₹43.85 crores and accordingly SPIC's contribution has increased to ₹8.77 crore from ₹7.59 crore.

All procurement has been completed and assembly of balance PV Panels to the tune of 5.0 MW is in progress. Pre-commissioning activities of Inverters, Transformers and other switch gears are also in progress. Once the erection of transmission towers are completed, power delivery is expected to commence from October 2021.

SAFETY, HEALTH AND ENVIRONMENT

DNV (Det Norske Veritas) conducted the periodical audit for QMS.ISO 9001:2015, EMS – ISO 140001:2015 and OHS – ISO 45001:2018 during May 2021. DNV have certified that all the requirements as per the standards are being practised and there is no non-conformity points. The Certificates are valid till 28th May 2023 for QMS and EMS systems and for OHS system till 14th Jan 2023. Your Company has achieved longest accident free period of about 458 days with 1.5 million man hours continuously.

Premedical and periodical medical examination for employees are conducted on regular basis. Green Belt development is being given top most importance and is a continuing activity with about 764 tree saplings planted done during this year. Company has obtained consent to operate with mixed feed stock Natural gas and Naphtha valid up to 31st March 2022.

Environmental clearance and Consent to Establish for the Modernization and Expansion of facility to produce 7.592 lakhs MTPA of Neem coated Urea has been obtained and is establishing the expansion activity.

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 2021 is 636. Your Company continues with the regular campus recruitment programme as a process of building the organisation from the bottom.

ANNUAL RETURN

Annual Return in Form MGT-7 for 2019-20 as required under Section 92 of the Act has been placed on the website of the Company and form MGT-7 for 2020-21 will be available after filing with the Registrar of Companies. The forms can be accessed using the web link: https://www.spic.in/investors/annual-return/.

DIRECTORS

On 25th July 2020 a Special Resolution was passed with requisite majority by means of Postal Ballot for the re-appointment of Mr. S R Ramakrishnan, Whole-time Director of the Company for a period of three years from 30th July 2020 on the existing terms.

Since the date of last Report, Dr. K P Karthikeyan, I.A.S, Nominee Director of TIDCO ceased to be Director on 18th June 2021 and Ms. Vandana Garg, I.A.S, Nominee of TIDCO was appointed by the Board of Directors with effect from 7th July 2021. Mr. R Madhusudhan, was appointed as Nominee Director of TIDCO by the Board of Directors at the Meeting on 12th August 2021. The Board of Directors placed on record the invaluable services rendered by

Dr. K P Karthikeyan, I.A.S, during his tenure as Director of the Company.

Mr. S R Ramakrishnan, Whole-time 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 2016, the Company transferred to IEPF Authority, 1,66,454 equity shares in respect of 1008 shareholders during March 2018. The Company had not declared dividend after the Financial Year 2001 and hence transfer of shares to IEPF Authority was not required to be made after 2018-19.

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: https://www.spic.in/wp-content/uploads/2021/02/Familiarization-Programmes-2020-21.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 2021 and are forming part of this Report is given in **Annexure II** 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

M/s. B Y & Associates, Cost Accountant (M. No. 003498) was appointed as the Cost Auditor of the Company for the year 2020-21 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 were made and maintained. The Cost Audit Report for the previous year ended 31st March 2020 was duly filed within the time stipulated under the Act.

The Board of Directors at their Meeting held on 30th June 2021, on the recommendation of the Audit Committee, have re-appointed M/s. B Y & Associates, Cost Accountant as Cost Auditor for 2021-22 at a remuneration of ₹1,50,000/- plus reimbursement of actual out-of-pocket expenses . As required under Section 148 of the Act and Rule 14 of the Companies (Audit & Auditors) Rules, 2014, ratification by Members is now sought for the payment of remuneration to the Cost Auditor.

SECRETARIAL AUDIT REPORT

In terms of Section 204 of the Act, Regulation 24A of Listing Regulations, your Company has appointed Ms. B Chandra, Practicing Company Secretary, Chennai as Secretarial Auditor. The Secretarial Audit Report for the year 2020-21 as furnished is given as **Annexure III** to this Report. There are no qualifications, reservations or adverse remarks made by the Secretarial Auditor in their Report.

DIRECTORS' RESPONSIBILITY STATEMENT

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

a) in the preparation of the annual financial statements for the year ended 31st March 2021, the applicable Ind AS had been followed along with proper explanation relating to material departures;

b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2021 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, as a captive user, with a view to comply with the requirements under group captive power scheme had invested 1,59,200 equity shares of ₹10/- each at a transfer price of ₹ 11.50 each in M/s. OPG Power Generation Private Limited and subsequently had transferred 40,400 equity shares.

RELATED PARTY TRANSACTIONS

The transactions entered into during the year 2020-21 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 in Form AOC-2 is attached as **Annexure V**

The details of transactions with entities belonging to Promoter Group which holds 10% or more shareholding in the Company as per Schedule V of LODR are included in Note No. 33 of Notes on Accounts.

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

There has been no material changes or commitments affecting the financial position of your Company that has occurred between the end of the financial year i.e., 31st March 2021 and the date of this Report. Further, there has been no major impact due to Covid pandemic.

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:

- Installation of the new efficient synthesis gas compressor steam turbine.
- CO2 Section modifications to bring down the steam consumption
- SGC Surface condenser tubes replacement
- Installation of new BFW heat exchangers to recover the process heat.
- 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	2020 - 21	2019 - 20
Foreign Exchange earnings	**2.55**	113.97
Foreign Exchange expenditure	**47,296.42**	88,470.74

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 Statutory / Internal Auditors and reported to the Audit Committee of the Board, for identification of deficiencies and necessary time bound actions were taken to improve efficiency at all levels. The Committee also reviews the internal auditors' report, key issues, significant processes and accounting policies. Risk Management is an integral part of the business process. Your Company pursuant to the Companies Act, 2013 and Listing Regulations has a Risk Management Committee and a Policy on Risk Management to identify and draw mitigation plans to manage risk. The Board of Directors reviews the risk management report periodically.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

CORPORATE GOVERNANCE

Corporate Governance Report 2020-21 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 25th March 2021 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 30th June 2021 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 / AUDIT COMMITTEE

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

POLICIES

POLICY ON MATERIAL SUBSIDIARY

The Company has a Policy on Material Subsidiary approved by the Board of Directors as per the Listing Regulations and is available on the Company's website under the web link: https://www.spic.in/wp-content/uploads/2021/02/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 available in **Annexure I** to this Report.

POLICY ON RELATED PARTY TRANSACTIONS

The Policy on Related Party Transactions as required under the Listing Regulations and the Companies Act, 2013 is available on the Company's website under the web link: https://www.spic.in/wp-content/uploads/2021/02/Policy-on-Related-Parties-11th-Feb-2021.pdf

POLICY ON INSIDER TRADING

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

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

The Company has zero tolerance for sexual harassment at workplace. A policy is in place and an Internal Complaints Committee has been constituted which is monitoring the prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of POSH and the Rules made there under. There were no complaints reported under the POSH during the year under review.

VIGIL MECHANISM

Pursuant to the provisions of Section 177 of the Act and the Listing Regulations, Whistle Blower Policy as amended for Directors and employees to report genuine concerns or grievances including reporting of instances of leakage of Unpublished Price Sensitive Information (UPSI) is in place and a Vigil Mechanism established, the details of which are available on the website of the Company under weblink: https://www.spic.in/wp-content/uploads/2021/02/Whistle-Blower-Policy-and-Vigil-Mechanism-24.03.2020.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 IV** to this Report.

DIVIDEND DISTRIBUTION POLICY

Dividend Distribution Policy has been formulated as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Second Amendment) dated 5th May 2021. The details of the Policy are available on the website of the Company under weblink: https://www.spic.in/wp-content/uploads/2021/08/Dividend-Distribution-Policy.pdf.

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Overview

The year 2020-21 started with favourable monsoon, reasonably good spread and quantity of precipitation. Southwest Monsoon recorded 8.7% more than Long period Average of 880.6 mm rainfall for two consecutive years. As a result of which, fertilizer consumption in rainfed & irrigated area also increased during the year.

Food grain production during the year was 144.5 Mt vs 143.4 Mt during last year. Rice production was 102.4 Mt (101.98); Pulses 9.3 Mt (7.7 Mt during last Yr.) and Oilseeds 25.7 Mt (22.3 Mt during last Yr.). Besides this, Government increased Minimum Support Prices (MSP) for all Rabi grain crops for marketing season 2021/22 which has resulted in the increase in area under cultivation. Wheat MSP was increased by ₹50 to ₹1975 per quintal; Barley by ₹75 to ₹1600; Grams by ₹125 to ₹5100; Rapeseed and Mustard by ₹225 to ₹4650/- and Safflower by ₹112 to ₹5,327/-.

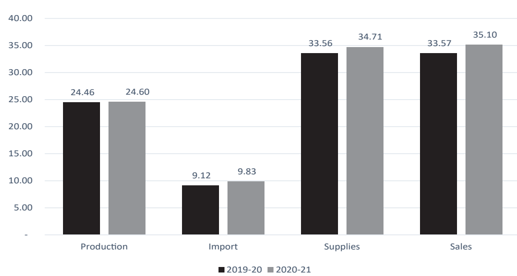
The Farmers' Produce Trade and Commerce (Promotion and Facilitation) Bill, 2020 (Agriculture Market reforms) allowed the farmers to sell their produce outside of agriculture produce marketing organization where realization was better.

The availability of Urea in the market during the period of requirement was satisfactory without any instance of deficit. The urea supplies from indigenous production increased by 0.60% at 24.60 million tonnes from 24.46 million tonnes a year ago. Import of Urea was also higher by 7.7% at 9.83 million tonnes against 9.12 million tonnes last year. The supplies were higher by 3.4% at 34.71 million tonnes as against 33.56 million tonnes during 2019-20.

Sale of Urea by retailers:

Sales through ePoS machines recorded during the year is 35.097 million tons, which is higher by 4.3% when compared to the previous year. The higher requirement was met from opening inventory, higher supplies by domestic units and enhanced imports by Department of Fertilizers (DoF).

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



DBT in Fertilizers:

Your company as the Lead Fertilizer Supplier (LFS) for Tamil Nadu and Puduchery ensured the active usage of 12,092 numbers of ePoS devices (97%) out of 12,424 devices deployed in the States. For effective utilization of ePoS devices, we have conducted various awareness programs to farmers and capacity building exercises to retailers & wholesalers of fertilizers; in association with Department of Fertilizers, National Informatics Center (NIC), State Agriculture Department and other Manufacturers & Importers of fertilizers in these states.

- Regular awareness programs to farmers through online and offline methods.
- Training programs to fertilizer sellers for error free operation and compliances.
- Coordinated with the suppliers of machines for smooth up-gradation of operating versions, repairing / replacement of defective machines in time.
- Coordinated the implementation of contact less sales process through One Time Password (OTP) authentication instead of authentication of thumb impression to ensure social distancing in retail shops.
- Introduced digital payment made by providing QR Code scanner facilities for 6,454 number of devices.
- Educational videos showing step by step procedure for installation of new version in ePoS machines were procured from National Informatics Centre (NIC) and shared with all ePoS holders of the states.

COVID-19 and its Impact:

Despite Government facilitations, the pandemic did disrupt the supply chain of agro inputs of the country. Absence of sufficient numbers of trucks, labourers for loading & unloading, erratic business hours by fertilizer dealers, local restrictions on movement of people and vehicles offered huge challenge in achieving timely supply of fertilizers in remote villages.

The reverse migration witnessed during this pandemic caused huge reduction of manpower in factories, ports of imports, town and cities for handling of fertilizers and affected timely & effective distribution. Against all the odds, the year witnessed impressive growth of fertilizer sector by recording 3.4% growth over the previous year.

Your Company ensured continuity in business and protected the employees through appropriate measures of facilitating large scale testing, guidelines driven isolation and need based treatment within and at hospitals. The indirect manpower engaged in logistics were also screened as per standards.

Prospects for 2021-22:

India is likely to get normal southwest monsoon rains during FY 2021-22 as per Skymet predictions, raising prospects of bumper crop in the country during Kharif 2021. Monsoon rains are expected to be 103 per cent of long-period average for the ensuing Kharif. Further, the announcement of keeping the domestic natural gas price unchanged at $1.79 per mmbtu for the period of April to September 2021, is a positive for the fertilizer sector.

Tissue Culture Business:

The prolonged lockdown and subsequent restrictions on the movement of manpower and materials and impacted adversely the production of young plants in the laboratory. There was substantial loss of cultures under various stages of production in the laboratory due to continuous lock down during April and May 2020. However with improvements in the technology, we could achieve the production of 50 lacs numbers of plants from June 2020 to March 2021; as against a plan of 65 Lac numbers. In order to reduce the cash conversion cycle and to compensate for loss of sales due to reduced production; we pushed the sale of intermediaries in production to other corporates situated in locations away from our primary market.

Since the situation is same across all the laboratories in the country, the demand surge was noticed. Due to lack of sufficient numbers of planting materials, farmers resorted to ratoon cultivation of banana and postponed gerbera replanting programs.

Due to restriction on the conduct of public functions, religious events, etc., the demand for cut flowers suffered a major impact that forced many growers to switch to the cultivation of other crops like capsicum, cucumber etc., in the poly houses created for cut flowers. This has further reduced the demand of Tissue Culture Gerbera plants that we produce. Consequently we enhanced the production plan for bananas in place of reduction in the production plan for gerberas.

During this year we have introduced the tissue cultured plantlets of Elakki – a local delicacy and commercial production is planned during the FY 2021-22. With positive outlook on the monsoon predictions during Kharif 2021; we are expecting favorable months to produce and sell more of tissue cultured plants during 2021-22.

Financial Ratios

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

Ratios	2020 - 21	2019 - 20	Reasons for change
Net Profit Ratio (%)	**3.40%**	2.72%	Reduction in expenses during the year
Debt Service Coverage Ratio (times)	**1.32**	0.76	Settlement of Loans during the year
Debtors Turnover Ratio (days)	**9**	17	Improved collection during the year

CHALLENGES

Your Company's stable operations depends on completion of NG supply infrastructure in all respects by IOC and sustained supply of gas thereafter. Reliable availability of full quantity of Natural Gas (1.5 mmscmd) is most vital for full realisation of benefits of gas conversion & other related investments. DBT stabilization using ePOS machines at retail shops and addressing connectivity issues are of utmost importance. While the subsidy disbursement has vastly improved, thanks to Government for clearing the backlog in one go, concerns still remain due to huge jump in commodity prices globally. Thus, the working capital pressure will continue to be a challenge. The policy evolution regarding Urea sector decontrol is being carefully watched and proactive solutions to meet those challenges are being evolved.

ACKNOWLEDGEMENT

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

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

Place : London
Date : 12th August 2021

Ashwin C Muthiah
Chairman

Cautionary Statement:

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

NOMINATION AND REMUNERATION POLICY

Objective

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

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

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

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

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

Criteria for appointment of Independent Directors / Non-Executive Directors

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

Criteria for appointment of Executive Directors

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

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

Remuneration for Directors

(a) For Executive Directors:

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

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

The Non-Executive Directors will be paid sitting fees for attending the Board Meetings and Meetings of the Committees of the Board as per the provisions of the Act, the Articles of Association of the Company and as recommended by the NRC. The fees payable to the Independent Directors and Women Directors shall not be lower than the fee payable to other categories of Directors. In addition to this, the travel and other expenses incurred for attending the Meetings are to be met by the Company.

Subject to the provisions of the Act and the Articles of Association, the Company in General Meeting may by special resolution also sanction and pay to the Non-Executive Directors remuneration / commission in accordance with the relevant provisions of the Act. The Company shall have no pecuniary relationship or transactions with any Non-Executive Directors.

Criteria for appointment of Key Managerial Personnel (KMP)

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

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

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

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

Discretionary Power

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

Evaluation

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

Criteria for appointment of Staff, Officers and Senior Management Personnel

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

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

Manner of appointment

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

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

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

Guidelines for fixing remuneration to Employees who are not Directors

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

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

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

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

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

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

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

Changes to the Policy

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

Annexure II

DETAILS OF MANAGERIAL REMUNERATION AS REQUIRED UNDER SEC 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

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

Name of the Director	Designation	Ratio
S R Ramakrishnan	Whole-time Director	12

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

Name	Designation	Remuneration % Increase for the FY 2020-21
S R Ramakrishnan	Whole-time Director	-
K R Anandan	Chief Financial Officer	-
M B Ganesh	Company Secretary	-

iii) The percentage increase in the median remuneration of employees in the financial year was 5.6%.

iv) The number of permanent employees on the rolls of Company is 636.

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

The increase in salary of employees, other than the managerial personnel was based on the inflation rate during March 2020 and this has been effected to our employees across the organization.

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

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

Name	Designation & Nature of Duties	Age	Qualifica-tion	Experience	Last Employment & Position held	Date of Commencement of employment	Gross Remuneration (Actual CTC) (Amount in ₹)
Ramakrishnan S R	Whole Time Director	71	B. Tech (Chem), M. Tech (Indl Mgmnt)	6 Yrs 9 M	M/s.Bharath Coal Chemicals Ltd. (Shriram Group) as Managing Director	30-Jul-14	7500000
Anandan K R	Chief Financial Officer	57	B.Com, M.Com, ACA, AICWA, ACS, PGDBA, PGDPP, PGDMM	5 Yrs 10 M	TPL as Chief Financial Officer	01-Jul-15	7623000
Gopalakrishnan K	Vice President - Corporate Affairs	54	BA, MA, DIP(PR)	17 Yrs 11 M	SICAL, Joint Manager-PR	01-May-03	4451000
Senthil Nayagam P	General Manager - Works	49	BE (Chem), MS	27 Yrs 2 M	SPIC EMS Trainee	17-Feb-94	4150000
Rajagopalan N	Head-IT	55	Dip (Com), B.Sc, MSc(IT)	6 Yrs 5 M	Freelance consultant	12-Nov-14	3297000
Palanisamy V	Deputy General Manager-Phosphatics Production	47	BE (Chem)	24 Yrs 0 M	SPIC EMS Trainee	01-Mar-97	3258000
Rajeshkumar E	Deputy General Manager Phosphatics Production	45	BTech (Chem)	23 Yrs 3 M	SPIC EMS Trainee	01-Jan-98	3078000
Madhukar V	Head-HR	52	BA (Eng),MA (Sociology), PGDPM	6 Yrs 4 M	Freelance consultant	1-Dec-14	3073000
Manivannan S S	Deputy General Manager	47	BE (Mech)	14 Yrs 8 M	M/s.Indo Jordan Chemicals, Jordan as Sr Engineer - Inspection	01-Aug-06	3057000
Shanmugam P	Deputy General Manager	47	BE (Mech)	24 Yrs 1 M	SPIC EMS Trainee	1-Mar-97	2931000

- The employment of Whole-Time Director is contractual and all others are regular employees.
  - None of the employees mentioned above
  - Hold by either themselves or along with their spouse and dependent children, not less than 2% of the equity shares of the company
  - Is a relative of any director or manager of the Company
- There are no employees covered under Rule 5 (2) (i), (ii) and (iii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of whom the details are required to be provided.

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

Place : London
Date : 12th August 2021

Ashwin C Muthiah
Chairman

ANNEXURE III

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2021

[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 31.03.2021, 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 31.03.2021, according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Companies Act, 1956 (to the extent applicable);

(iii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(v) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   d. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

   a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018

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

   c. The Securities and Exchange Board of India (Issue and Listing of Debt securities) Regulations, 2008

   d. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

   e. The Securities and Exchange Board of India (Buy back of Securities) Regulations, 2018;

(vi) In addition to compliance with laws relating to Factory and Labour Laws, based on the study of the systems and processes in place and a review of the reports of (1) the heads of the Departments (2) Occupier/Manager of the factories located in Tuticorin which manufacture Urea, a Nitrogeneous Chemical Fertilizer (3) the compliance reports made by the functional heads of various departments based on which the Whole-time Director and the Company Secretary submit a Report to the Board of Directors of the Company (4) a test check on the licences and returns made available on other applicable laws, 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 Company, as advised, had initiated action for redemption of preference shares through reissuance and it is noted that the preference shareholders consented to await redemption till such time the company has adequate profits.

I further report that

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Based on the minutes made available to us, we report that decisions are carried through majority and that there were no dissenting votes from any Board member which was required to be captured and recorded as part of the minutes.

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

Signature:
Name of Company Secretary in Practice : B.CHANDRA
ACS No.: 20879
C P No. : 7859
UDIN: A020879C000554027

Place : Chennai
Date : 30/06/2021

To

The Members,

Southern Petrochemical Industries Corporation Limited,

“Spic House”, 88 Mount Road,

Guindy, Chennai – 600 032

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

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate, also taking into account the peculiar circumstances due to Covid Pandemic and the lockdowns and curtailment both at the beginning of the audit commencement and the subsequent unforeseen work from home circumstances due to spike in covid cases during second wave at the time of closure of audit, to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis as well as on the Certificate provided by the Key Managerial Personnel to the Board of Directors regarding compliance with the applicable laws to the Company.
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
UDIN: A020879C000554027
Peer Review No. I2008TN611500

Place : Chennai
Date : 30/06/2021

Annexure - IV

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

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

2 Composition of CSR Committee

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

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

(₹ in Crores)

Year	2017-18	2018-19	2019-20	Average Net Profit
Net Profit / (Net Loss)	(1502.82)	(1455.30)	(1397.58)	(1451.90)

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

Does not arise as the Company has incurred loss.

5 Details of amount spent towards CSR during the financial year

Your Company was not required to spend towards CSR activities in view of absence of profit calculated as per Section 198 of the Companies Act, 2013. However, to continue with its activities to benefit the society as is being carried out in the past, several initiatives have been taken up as given hereunder. Hence the Responsibility Statement to be given by CSR Committee does not arise.

Voluntary initiatives: Contribution towards Covid-19 relief activities permitted in Circular 10/2020 dt. 23.03.2020 - Food and Groceries Donation, Donation of PPE Kits, Cloth Masks (to Public), Masks, Thermometer, Hand Gloves, Sanitizer, Oxymeter, Medical Items and Fumigation Work, Covid-19 - Donation of Grocery Kit to a Trust at Thirupati, Covid-19 - Kabasura Kudineer Distribution, Donation of Bedsheets, Mats, Mattress, Soap, Water Bottles to Public Dresses to Physically Challenged Children; Rural Area Cleaning Work; Exercise Equipments to Youth; Provision of Lighting Arrangement to Corporation Water Tank; Donation of Suction Hose for Tuticorin Corporation (Drinking Water Tank); Donation of Stubend and Flange for Tuticorin Corporation (Drinking Water Tank) and Distribution of Rain Coat to Tuticorin Corporation Pump Operators.

	S R Ramkrishnan	Ashwin C Muthiah
	Whole-time Director	Chairman
Date: 12th August 2021	(DIN:00120126)	(DIN:00255679)

Annexure - V

Form AOC 2

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

Disclosure of particulars of contracts/arrangements entered into by the Company during the year 2020-21 with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso there to.

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

2) Details of material contracts or arrangement or transactions at arm's length basis :: NIL

CORPORATE GOVERNANCE REPORT (2020-21)

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 2021, the Board of Directors of the Company had 9 (Nine) Directors. During the year 2020-21, 5 (Five) Board Meetings were held on 18th June 2020, 12th August 2020, 13th November 2020, 11th February 2011 and 30th March 2021.

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 18th September 2020
Mr. Ashwin C Muthiah, (00255679) Chairman, Non-Executive Promoter Nominee	5	Yes
Mr. T K Arun (02163427), Non-Executive Non-Independent	5	Yes
Mr. K Balasubramaniam (07991792), Non-Executive, TIDCO Nominee (upto 6th Aug 2020)	-	NA
Dr. K P Karthikeyan, IAS (08218878), Non-Executive, TIDCO Nominee	4	Yes
Mr. B Narendran (01159394), Non-Executive Independent	5	Yes
Ms. Sashikala Srikanth (01678374), Non-Executive Independent	5	Yes
Mr. Debendranath Sarangi, IAS (Retd.) (01408349), Non-Executive Independent	5	Yes
Ms. Rita Chandrasekar (03013549), 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, Designation and Category	No. of other Director-ships (*)	No. of Member-ship in Board Committees of other companies (**) As Chairman	No. of Member-ship in Board Committees of other companies (**) As Member	Names of other Listed Entities in which he/she holds Directorship and category of Directorship
Mr. Ashwin C Muthiah, (00255679) Chairman, Non-Executive Promoter Nominee	3(2)	2	2	1. Manali Petrochemicals Limited, Chairman 2. Tamilnadu Petroproducts Limited, Vice-Chairman 3. Sicagen India Limited, Chairman
Mr. T K Arun, Non-Executive Non Independent	1	-	-	1. Manali Petrochemicals Limited, Director
Mr. K Balasubramaniam, IAS, TIDCO Nominee, Non-Executive (upto 6th Aug 2020)	2	-	-	-

Name of the Director, Designation and Category	No. of other Director-ships (*)	No. of Member-ship 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	
Dr. K P Karthikeyan, IAS, TIDCO Nominee, Non-Executive	9	-	3	1 Tamilnadu Petroproducts Limited, Nominee Director 2 Manali Petrochemicals Limited, Nominee Director
Mr. B Narendran, Non-Executive Independent	6	4	4	1 Tuticorin Alkali Chemicals and Fertilizers Limited, Independent Director 2 Sicagen India Limited, Independent Director 3 Mercantile Ventures Limited, Independent Director 4. India Radiators Limited, Independent Director
Ms. Sashikala Srikanth, Non-Executive Independent	6	3	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
Mr. Debendranath Sarangi, IAS (Retd.) Non-Executive Independent Director	4	-	2	1 Voltas Limited, Independent Director 2 Shriram City Union Finance Limited, Independent Director 3 Tamilnadu Petroproducts Limited, Independent Director
Mr. S Radhakrishnan, Non-Executive Independent	2	-	2	1 Sicagen India Limited, Independent Director
Ms. Rita Chandrasekar, Non-Executive Independent	3	2	2	1 Tuticorin Alkali Chemicals and Fertilizer Limited, Independent Director 2 India Radiators Limited, Independent Director 3 Sicagen India Limited, Independent Director
Mr. S R Ramakrishnan, Whole-Time Director	1	-	1	1 Sicagen India Limited, Director

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

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

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 2021, Mr. Ashwin C Muthiah – Non-Executive Director/ Chairman is holding 45,450 Equity Shares and Mr. S. Radhakrishnan, Non-Executive Independent Director is holding 450 Equity Shares of the Company. There is no inter-se relationship between the Directors.
- As required under Schedule V Part C (2) (i) of SEBI LODR Regulations, 2015, (Regulations), the Board of Directors in their opinion confirm that, the Independent Directors fulfill the conditions specified in the Regulations and are independent of the management.

- The details of familiarization programmes imparted to Independent Directors are disclosed in the website of the Company. https://www.spic.in/wp-content/uploads/2021/02/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 Regulations. The Committee provides reassurance to the Board on the existence of effective internal control systems.

TERMS OF REFERENCE

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

COMPOSITION AND MEMBERS' ATTENDANCE:

The Audit Committee has 4 (Four) Members with 3 (Three) Independent Directors and 1 (One) Non-Executive Director, having sound financial management expertise.

Ms. Sashikala Srikanth, Independent Director is the Chairperson of the Audit Committee. During the year the Committee met 5 (Five) times on 18th June 2020, 12th August 2020, 13th November 2020, 11th February 2021 and 30th March 2021. The Statutory Auditors, Internal Auditors, Cost Auditors and Chief Financial Officer were invited to participate in the meetings of the Audit Committee.

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

Mr. M B Ganesh, Secretary, is the Company Secretary of the Committee.

4. NOMINATION AND REMUNERATION COMMITTEE

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

TERMS OF REFERENCE

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

COMPOSITION AND MEMBERS' ATTENDANCE:

The Nomination and Remuneration Committee comprises of 3 (Three) Members with 2 (Two) Independent Directors and 1 (One) Non-Executive Director. Mr B Narendran, Independent Director is the Chairman of the Committee. During the year, the Committee met 2 (two) times on 16th June 2020 and 4th March 2021.

Name	Designation	No. of Meetings attended	Category
Mr. B Narendran	Chairman	2	Independent
Mr. Ashwin C Muthiah	Member	-	Non-Executive
Mr. S Radhakrishnan	Member	2	Independent

Mr. M B Ganesh, Secretary, is the Company Secretary of the Committee.

5. STAKEHOLDERS' RELATIONSHIP COMMITTEE

TERMS OF REFERENCE

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

COMPOSITION AND MEMBERS' ATTENDANCE:

The Stakeholders' Relationship Committee comprises of 3 (Three) Members with 1 (One) Independent Director, 1 (One) Non-Executive Director and 1 (One) Whole-time Director.

Mr. B Narendran, Independent Director is the Chairman of the Committee. The Committee met 5 (Five) times during the year i.e 15th June 2020, 11th August 2020, 19th November 2020; 11th February 2021 and 31st March 2021

Name	Designation	No of Meetings attended	Category
Mr. B Narendran	Chairman	5	Independent
Mr. T K Arun	Member	5	Non-Executive
Mr. S R Ramakrishnan	Member	2	Whole-time Director

INVESTOR COMPLAINTS

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

There were no share transfers pending registration as on 31st March 2021.

Mr. M B Ganesh, Secretary, is the Company Secretary of the Committee.

6 RISK MANAGEMENT COMMITTEE:

The Company has a Risk Management Committee consisting of three Members with 1 (one) Independent Director as Chairman of the Committee, 1 (one) Non-Executive Director and 1 (one) Whole-time Director. Enterprise Risk Management Framework has been formulated and Executive Risk Management Committee headed by Mr. K R Anandan, Chief Financial Officer as the Chief Risk Officer monitors the Risks identified and implementation of the mitigation plans.

During the year the Committee met 2 (two) times on 4th August 2020 and 4th November 2020.

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

Mr. M B Ganesh, Secretary, is the Company Secretary of the Committee.

7 DIRECTORS' REMUNERATION DURING 2020-21

Name	Salary & Perquisites (*)	Special Allowance Paid/ Payable	Performance Pay	Sitting Fees
	(₹)	(₹)	(₹)	(₹)
Mr. Ashwin C Muthiah	-	-	-	5,00,000
Mr. K Balasubramaniam, IAS (upto 6th August 2020)**	-	-	-	-
Dr. K P Karthikeyan, IAS **	-	-	-	4,00,000
Mr. T K Arun	-	-	-	5,00,000
Mr. B Narendran	-	-	-	5,00,000
Mr. Debendranath Sarangi, IAS (Retd.)	-	-	-	5,00,000
Ms. Sashikala Srikanth	-	-	-	5,00,000
Ms. Rita Chandrasekar	-	-	-	5,00,000
Mr. S Radhakrishnan	-	-	-	5,00,000
Mr. S R Ramakrishnan*	50,51,700	5,94,300	15,00,000	-

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

** sitting fees is paid to the Tamil Nadu Industrial Development Corporation Ltd. which the Director represents as its Nominee.

- The Non-Executive Directors are paid sitting fees and out-of-pocket expenses for attending meetings of the Board.
- Whole-time Director is under contractual 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: https://www.spic.in/wp-content/uploads/2021/02/Criteria-for-making-payments-to-Non-Executive-Directors.pdf
- The Company does not have a scheme for grant of stock options either to the Directors or to its employees.

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

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

Major Classification	Sub Classification	Remarks	Directors Having the Skills
Personal	Qualification and Experience	Having formal education, well qualified to possess the skills and competencies outlined above and previous experience as Member of Board or senior management positions in corporates.	All the Directors

9 ANNUAL GENERAL MEETINGS

Year	Date	Time	Venue
2018	7 August 2018	2.30 P.M.	Rajah Annamalai Mandram, Chennai 600 108
2019	8 August 2019	11:15 A.M	Rajah Annamalai Mandram, Chennai 600 108
2020	18 September 2020	2.00 P.M.	Through Video Conferencing / Other Audio Visual Means

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

7 August 2018	• To make investment in M/s Tuticorin Alkali Chemicals and Fertilizers Limited to tune of ₹46.85 Crores arising out of conversion of outstanding loans aggregating to ₹ 29.81 Crores, and 20,00,000 5% Redeemable Cumulative Preference Shares of ₹ 100/- each • To provide security by way of pledge of equity shares held / to be held in Greenam Energy Private Limited in favour of Indian Renewable Energy Development Agency Limited for a value not exceeding ₹ 12 crores
8 August 2019	• Re-appointment of Mr. B Narendran, as Independent Director of the Company. • Re-appointment of Ms. Sashikala Srikanth, as Independent Director of the Company. • To approve the investments made by the Company in Mercantile Ventures Limited and South India Travels Private Limited
18 September 2020	• To give guarantee / provide security in favour of M/s. New India Co-operative Bank Limited, Mumbai, for a value not exceeding ₹ 100 crores for securing the repayment of loan to be availed by the Dealers.

Details of resolutions passed through postal ballot during Financial Year 2020-21 and details of the voting pattern:

The Company sought the approval of shareholders by way of Special Resolution through Postal Ballot for the Re-appointment of Mr. S R Ramakrishnan as Whole-time Director of the Company for a period of three years from 30th July 2020 and payment of remuneration as set out in the Notice of Postal Ballot dated 18th June 2020. Ms. B Chandra, Partner of B Chandra & Associates, Practicing Company Secretaries, appointed as the Scrutinizer to scrutinize the remote e-voting process in a fair and transparent manner, submitted their Report dated 27th July 2020 declaring the Special Resolution as passed with requisite majority which was announced by the Company on 27th July 2020 in compliance to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

Particulars (1)		Voter Count (2)	No. of valid votes (3)	% of voting to total valid votes
E-voting	**In favour**	70	100644783	99.9841
	Against	27	16031	0.0159
	Invalid	1	2004	

Procedure for Postal Ballot:

The postal ballot was conducted pursuant to Section 110 of the Companies Act, 2013, as amended read together with Rule 22 of the Companies (Management and Administration) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), General Circular No. 17/2020 dated April 13, 2020 issued by Ministry of Corporate Affairs, SEBI (LODR) Regulations, 2015 and other applicable Laws, Regulations. The shareholders were provided the facility of e-voting. Due to non-availability of postal and courier services, on account of threat posed by COVID-19 pandemic situation, the Company has sent the Notice of Postal Ballot in electronic form only and expressed its inability to dispatch hard copy of Postal Ballot Notice along with the Explanatory Statement and other information. This procedure of sending by email only was permitted by MCA vide the General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020 and General Circular No. 20/2020 dated May 5, 2020 and SEBI vide Circular No. SEBI/ HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020.

The Company published Notice in the newspapers in accordance with the requirements of the aforementioned Circulars and as per the Companies Act, 2013.

Shareholders holding equity shares as on the cut-off date were allowed to cast their votes through e-voting during the voting period fixed for this purpose. After completion of scrutiny of votes, the scrutinizer submits their report to the whole-time Director and the results of voting by postal ballot are announced within 48 hours of conclusion of the voting period. The results were displayed on the website of the Company (www.spic.in), and communicated to the NSE and CDSL. The resolutions, if passed by the requisite majority, are deemed to have been passed on the last date specified for receipt of duly completed postal ballot forms or e-voting.

10 MEANS OF COMMUNICATION

The Financial Results (Unaudited quarterly/half-yearly 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 news releases made to the Stock Exchange on Financial Results and on Natural Gas supply to the Company and no presentations made to the institutional investors or to the analysts that to be displayed in the website of the Company.

11 GENERAL SHAREHOLDERS' INFORMATION

(a)	DATE AND TIME OF ANNUAL GENERAL MEETING	:	Thursday the 30th Sep 2021 at 3:30 PM (IST)
(b)	FINANCIAL YEAR	:	2020-21
(c)	DATES OF BOOK CLOSURE	:	24th Sep 2021 to 30th Sep 2021
(d)	DIVIDEND DECLARED	:	NIL
(e)	LISTING ON STOCK EXCHANGES	:	National Stock Exchange of India Limited, [Stock Symbol /Code SPIC]
(f)	STOCK EXCHANGE ADDRESS	:	Exchange Plaza, C-1, Block G. Bandra Kurla Complex Bandra East, Mumbai - 400 051.

The Global Depository Receipts (GDRs) of the Company which are listed in the Luxembourg Exchange (Code: US8436131002) of Luxembourg Stock Exchange. The Company paid the listing fees for the financial year 2020-21 to both NSE and Luxembourg Stock Exchange.

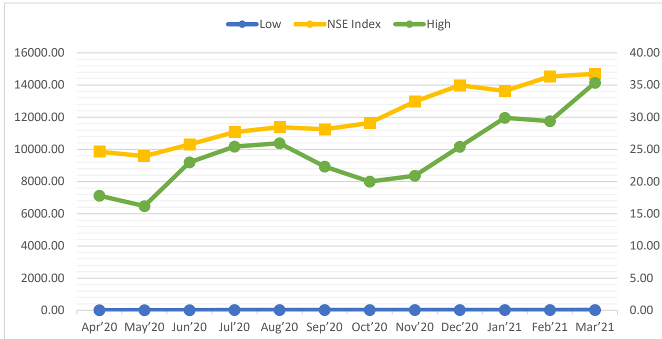
Demat International Securities Identification Number (ISIN) for equity shares is INE147A01011.

(g) MARKET/SHARE PRICE DATA

(Amount in ₹)

Month	Apr'20	May'20	Jun'20	Jul'20	Aug'20	Sep'20	Oct'20	Nov'20	Dec'20	Jan'21	Feb'21	Mar'21
High	17.80	16.20	23.00	25.45	25.95	22.35	20.00	20.90	25.40	29.90	29.40	35.35
Low	10.80	13.70	14.70	19.35	20.45	16.80	17.00	17.00	18.10	22.05	23.40	27.40
NSE Index	9859.90	9580.30	10302.10	11073.45	11387.50	11247.55	11642.40	12968.95	13981.75	13634.60	14529.15	14690.70

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 2021

Sl. No	Shares Range	No. of Equity Shares held	% to paid up Capital	No. of Members	% to total Members
1	Up to 5000	86,53,054	4.25	58,407	83.03
2	5001 - 10000	52,72,814	2.59	6,168	8.77
3	10001 – 20000	44,85,847	2.20	2,822	4.01
4	20001 – 30000	24,90,147	1.22	948	1.35
5	30001 – 40000	17,02,603	0.84	468	0.67
6	40001 – 50000	22,23,375	1.09	460	0.65
7	50001 -100000	43,78,987	2.15	578	0.82
8	100000 and above	17,44,33,509	85.66	490	0.70
	Total	**20,36,40,336**	**100.00**	**70,341**	**100.00**

(j) SHAREHOLDING PATTERN AS OF 31st MARCH 2021

Particulars	Equity shares held	% to paid-up Capital
PROMOTERS:		
TIDCO	8,840,000	4.34
Dr. M A Chidambaram Group	89,805,488	44.10
Financial Institutions & Nationalized Banks	4,479,440	2.19
The Bank of New York Mellon (as depository for Global Depository Receipts)	16,791,800	8.25
Foreign Institutional Investors	8,100	0.00
Non-Resident Individuals	1,060,585	0.52
Foreign Companies	39,800	0.02
Mutual Funds	10,750	0.00
Public & Others	82,604,373	40.56
Total	**203,640,336**	**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. 19,97,79,092 equity shares constituting 98.10 per cent of the paid-up equity capital of the Company stood dematerialised as on 31st March 2021. 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 as shown in the shareholding pattern are held by The Bank of New York, Mellon, as depository for the GDRs The Company has not issued AD₹

(m) NOMINATION FOR PHYSICAL SHARES:

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

(n) UNCLAIMED SUSPENSE ACCOUNT:

a	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year;	1730 shareholders holding 1,81,420 eq. shares
b	Number of shareholders who approached listed entity for transfer of shares from suspense account during the year;	---
c	Number of shares transferred from suspense account during the year;	---
d	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year;	1730 shareholders holding 1,81,420 eq. shares

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

(o) RECONCILIATION OF SHARE CAPITAL AUDIT

The Company has obtained a certificate from a qualified Company Secretary in Practise reconciling the total issued and listed capital as required under Regulation 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.

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

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

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

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

(u) Total fees paid to the Statutory Auditors for all the services in connection with the audit of the Company is ₹ 23.63 lacs. There are no subsidiary companies

(v) PLANT LOCATION

Fertilizer Division : SPIC Nagar, Tuticorin 628 005

(w) FINANCIAL CALENDAR (TENTATIVE)

Financial year	1 April 2021 to 31 March 2022
First quarter results	August 2021
Half-yearly results	November 2021
Third quarter results	February 2022
Annual results	May 2022
51st Annual General Meeting	August / September 2022

(x) ADDRESS FOR CORRESPONDENCE

SECRETARIAL DEPARTMENT	REGISTRAR AND SHARE TRANSFER AGENTS
Southern Petrochemical Industries Corporation Ltd SPIC HOUSE, 88 Mount Road, Guindy, Chennai - 600 032 Phone No. 044-22350245; 044-22350292. E-mail: (a) General : spiccorp@spic.co.in (b) Investor complaints/grievance redressal: shares.dep@spic.co.in	Cameo Corporate Services Ltd. "Subramanian Building" No. 1 Club House Road, Chennai - 600 002. Tel: 044-28460390 / 28460718; Fax : 044–28460129; E-mail : investor@cameoindia.com

12 DISCLOSURES

a. There was no materially significant related party transaction i.e., transactions of the Company of material nature, with its promoters, the Directors, or the Management, their subsidiaries or relatives etc., having potential conflict with the interests of the Company at large.

b. There is no instance of non-compliance by the Company or penalties / strictures imposed on the Company by the Stock Exchange or SEBI or any Statutory Authority on any matter related to capital markets during the last three years.

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

d. The Policy for determining 'material' subsidiaries is disclosed in the website of the Company under the weblink: https://www.spic.in/wp-content/uploads/2021/02/MATERIAL-SUBSIDIARY-POLICY.pdf

e. The Policy on Related Party Transactions is disclosed in the website of the Company under the weblink: https://www.spic.in/wp-content/uploads/2021/02/Policy-on-Related-Parties-11th-Feb-2021.pdf

f. The Policy for Determining Materiality for Disclosure of Material Events / Information is disclosed in the website of the Company under the link: https://www.spic.in/wp-content/uploads/2021/02/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

h. The Policy for Dividend Distribution is disclosed in the website of the Company under the link: https://www.spic.in/wp-content/uploads/2021/08/Dividend-Distribution-Policy.pdf

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 Chairperson 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 2021.

For Southern Petrochemical
Industries Corporation Limited

Place : Tuticorin
Date : 12th August 2021

S R RAMKRISHNAN
Whole-time Director

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,
The Members of
Southern Petrochemical Industries Corporation Limited,
"Spic House", 88 Mount Road,
Guindy, Chennai – 600 032

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Southern Petrochemical Industries Corporation Limited having

CIN: L11101TN1969PLC005778 and having registered office at "Spic House", 88 Mount Road, Guindy, Chennai – 600 032 (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority

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

During the year 2020-21, it was observed that the Company's Board had appointed Ms.E.Sundaravalli, IAS, nominee of Tamilnadu Industrial Development Corporation Limited (TIDCO), as Director of the Company on 12th August 2021 and recorded the disclosure of interest made by Ms.E.Sundaravalli . Post such appointment, while filing eform DIR 12 it was noticed that the Director had exceeded the limits laid down under proviso to Sec.165(1) regarding number of directorship in public companies , which shall not exceed 10. Hence, the appointment was void ab initio read with Sec.167 and 164(1) of the Companies Act 2013. The Company had therefore informed the position to TIDCO and also intimated to the Stock Exchange that the Director's appointment proposed in the Notice of 49th Annual General Meeting was not being taken up.

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

B CHANDRA
PRACTISING COMPANY SECRETARY
CP 7859
UDIN A020879000554313
Peer Review No. I2008TN611500

Place: Chennai
Date: June 30, 2021

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, 2021 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 Company's Management including the preparation and maintenance of all the relevant records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility

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

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

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

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

Opinion

Based on our examination of relevant records and information and according to the explanations given to us and the representation provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D, E of schedule V of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015, during the year ended March 31, 2021, 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.

Restriction on Use

The certificate is addressed and provided to the members of the Company solely for the purpose for enabling the Company to comply with the regulations. It should not be used by any other person or for any other purpose. MSKA & Associates shall not be liable to the Company or to any other concerned for any claims, liabilities or expenses relating to this assignment. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

MSKA & Associates
Chartered Accountants
Firm Registration No. 105047W

Geetha Jeyakumar
Partner
Membership No. 029409
UDIN: 21029409AAAAGB5926

Place: Chennai
Date: June 30, 2021

BUSINESS RESPONSIBILITY REPORT

[See Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

No.	Particulars	Details
1	Corporate Identity Number (CIN) of the Company	L11101TN1969PLC005778
2	Name of the Company	Southern Petrochemical Industries Corporation Limited
3	Registered address	SPIC House No. 88, Mount Road Guindy, Chennai 600032
4	Website	www.spic.in
5	E-mail id	spiccorp@spic.co.in
6	Financial Year reported	2020-21
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Manufacture of Neem Coated Urea
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	Neem Coated Urea
9	Total number of locations where business activity is undertaken by the Company	
	(a) Number of International Locations (Provide details of major 5)	Nil
	(b) Number of National Locations	7 National Locations
10	Markets served by the Company – Local/State/ National/International	Local - 2 (includes Chennai & Tuticorin) States - 6 & Union Territory - 1 National – 6 States & Union Territory - 1 International - Nil

SECTION B: FINANCIAL DETAILS OF THE COMPANY

No.	Particulars	Details
1	Paid-up Capital (INR)	2,03,64,03,360
2	Total Turnover (INR)	15,55,58,78,691
3	Total profit after taxes (INR in lakhs)	5185.01
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)** (INR in lakhs)	57.07
5	List of major activities in which expenditure in 4 above has been incurred:-	1. Covid-19 relief work – Food and Groceries donation, Donation of PPE Kits, cloth masks to public, Thermometer, Hand gloves, sanitizer, Oxymeter, Medical items, and Fumigation work. 2. Rural Development projects. 3. Donation of bedsheets, Mats, Soap, water bottles to public and dresses to physically challenged children. 4. Promotional of Rural sports. 5. Making available of safe drinking water etc.

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

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/Companies? No
2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s) Not applicable
3. Do any other entity/entities (e.g. suppliers, distributors, etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

In view of the COVID-19 Pandemic during 2020-21, it is proposed to be taken up during the current year 2021-22.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

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

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

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

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

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

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

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

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

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

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

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

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

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

3. **Governance related to BR :**

(a)	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.	Annually
(b)	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	BRR for 2020-21 will form part of Annual Report 2020-21 and will be available on Company's Website immediately after circulating to the shareholders.

PRINCIPLE WISE INDEX:

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

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

Principle 3 : Businesses should promote the wellbeing of all employees

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

Principle 5 : Businesses should respect and promote human rights

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

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

Principle 8 : Businesses should support inclusive growth and equitable development

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

SECTION E: PRINCIPLE-WISE PERFORMANCE

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

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

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

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

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

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

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

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

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

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

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

      ii. The Company has started receiving Natural Gas (NG) from ONGC, Ramanathapuram through IOC's pipeline infrastructure and used in Boilers and Reformer. Natural gas is clean fuel and it will reduce the energy consumption. Ramp up of NG intake is under progress.

      iii. The Company is upgrading the equipment with improved efficiency to reduce the energy consumption. Tube replacement was done for Syn Gas Compressor Turbine surface condenser to improve the Heat Duty. New CO2 Blower was erected and commissioned to reduce the power consumption

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

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

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

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

   Yes

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

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

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

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

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

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

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

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

Principle 3 : Businesses should promote the wellbeing of all employees

1. Please indicate the Total number of employees - 636
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis - 650
3. Please indicate the Number of permanent women employees - 43
4. Please indicate the Number of permanent employees with disabilities - Not Applicable
5. Do you have an employee association that is recognized by Management - Yes (One Union)
6. What percentage of your permanent employees is members of this recognized employee association – 27%
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year - Nil
8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

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

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

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

   (d) Employees with Disabilities – Not Applicable

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

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

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

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

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

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

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

Principle 5 : Businesses should respect and promote human rights

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

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

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

   No complaint was received.

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

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

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

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

   The Company has Safety Health and Environmental Policy which intends to ensure safe work place and reduction of potential hazard to environment. The shift of feedstock from Naphtha to Natural Gas for Urea production will reduce the emission of SO2. Furnace oil fired Boilers will be replaced with cleaner fuel Natural Gas. The Energy saving project will reduce the Specific electrical power consumption of the Urea to 50 percent of present level.

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

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

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

   The Company has taken up projects towards clean development, eg., conversion of feed stock from Naptha and Furnace oil to Natural gas. Environmental Impact Analysis & Environmental Management Reports have been filed. Tree plantation programmes were organized towards Green Development with a target of 785 tree saplings to be planted every year. Giving priority to the concept of "Reduce, Reuse and Recycle, the Company donated and installed a Plastic Bottle Crusher at the Tirunelveli Railway Station.

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

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

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

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

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

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

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

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

   (a) South India Chamber of Commerce and Industry, Chennai.

   (b) Indian Chamber of Commerce & Industry, Tuticorin,

   (c) All India Chamber of Commerce & Industry, Tuticorin.

   (d) Tuticorin Chamber of Commerce & Industry.

   (e) Tamilnadu Chamber of Commerce & Industry.

   (f) Fertiliser Association of India, New Delhi.

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

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

Principle 8 : Businesses should support inclusive growth and equitable development

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

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

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

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

   During the year, the Company has spent directly ₹57.07 lakhs towards CSR activities. Details of activities, undertaken are Covid relief work – Food and Groceries donation, Donation of PPE Kits, cloth masks to public, Thermometer, Hand gloves, sanitizer, Oxymeter, Medical items, and Fumigation work. 2. Rural Development projects. 3. Donation of bedsheets, Mats, Soap, water bottles to public and dresses to physically challenged children. 4. Promotional of Rural sports. 5. Making available of safe drinking water etc.

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

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

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

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

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

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

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

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

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

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

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

STANDALONE
FINANCIAL STATEMENTS
2020-21

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

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Southern Petrochemical Industries Corporation Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2021 and the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021 and profit including, 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 Note 27 (iii) of the standalone financial statements regarding computation of subsidy income based on the provisional Retention price (RP) in line with the government's policy dated 17 June 2015 as the final retention price has not been announced by the Department of Fertilizers. The necessary adjustments, if any, and its consequential impact 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 judgement, 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.

Key Audit Matter	
Capitalization of costs as per Ind AS 16 Property, Plant and Equipment(PPE) (Refer to note 2 (ii) to the standalone financial statements)	**How the Key Audit Matter was addressed in our audit**
The company has approved major capital expenditure projects aggregating to ₹47,128 lakhs towards equipment to support production of urea using natural gas and equipment related to energy efficiency. The Company has incurred ₹20,269 lakhs towards the capitalisation of PPE during the year ended 31 March 2021 to support production of urea using natural gas and to increase energy efficiency of the production process.	Our audit procedures in respect of this area included: • Assessing the nature of the costs incurred towards capital expenditure and to test whether such costs incurred meet the recognition criteria as set out in para 16 to 22 of Ind AS 16. • Verified the management's approval for the project cost. • Verified the design and implementation, and operating effectiveness of internal controls including relevant information technology controls relating to capitalization of PPE.

The project has been completed as at 31 March 2021 and the company started receiving Natural Gas from IOC's Ramanathapuram. Accordingly, significant level of judgement is involved to ensure that capitalisation of Property, Plant and Equipment meet the recognition criteria of Ind AS 16 - Property, Plant and Equipment. Accordingly, the aforesaid matter was determined to be a key audit matter.	• Performed substantive procedures on a test check basis including authorization for capitalization of PPE and testing with source documentation such as quotation/vendor selection, purchase orders, invoices and installation certificate to ascertain whether they meet the recognition criteria provided in Ind AS 16. • Obtained the report on physical verification of PPE conducted by the management during the year. • Assessed the appropriateness and adequacy of the related presentation and disclosures in compliance with the applicable Ind AS.

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

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

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

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

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

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

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

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

Auditor's 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 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 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 Auditor's 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, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

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

   (e) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2021 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 Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 29 to the standalone financial statements;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

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

Geetha Jeyakumar
Partner
Membership No. 029409
UDIN : 21029409AAAAFZ7131

Place: Chennai
Date: 30 June 2021

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 Standalone Financial Statements

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

- Identify and assess the risks of material misstatement of the 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 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's 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 financial statements, including the disclosures, and whether the 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 financial statements of the current period and are therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Geetha Jeyakumar
Partner
Membership No. 029409
UDIN : 21029409AAAAFZ7131

Place: Chennai
Date: 30 June 2021

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, 2021

[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 Property, Plant and Equipment.

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

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

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

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

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

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

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

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

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

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

Name of the statute	Nature of dues	Amount ₹ In Lac	Period to which the amount relates	Forum where dispute is pending
The Central Exercise Act, 1944	Excise Duty	55.78	1999-2000 to 2004-05, July 2016	Customs, Excise and Service tax appellate Tribunal
The Finance Act, 1994	Service Tax	235.64	2015-16 to 2017-18 (April 2015 to June 2017)	Customs, Excise and Service tax appellate Tribunal
The Sales Tax Act under various state enactments	Local Sales Tax	835.21	1996-97 to 2011-12	Deputy commissioner (Appeals)/ Additional Commissioner (Appeals)/ Sales Tax Appellate Tribunal/Hon'ble Madras high court and high court of Telangana and Andhra Pradesh

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks. The company does not have any loans or borrowings from financial institution 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 3 (xvi) of the Order are not applicable to the Company.

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

Geetha Jeyakumar
Partner
Membership No. 029409
UDIN : 21029409AAAAFZ7131

Place: Chennai
Date: 30 June 2021

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 31 March 2021 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 auditor's 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 adequate internal financial controls system over financial reporting with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at 31 March 2021, based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

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

Geetha Jeyakumar
Partner
Membership No. 029409
UDIN : 21029409AAAAFZ7131

Place: Chennai
Date: 30 June 2021

Balance sheet as at 31 March 2021

(₹ In Lac)

S. No.	Particulars	Note No.	As at 31 March 2021	As at 31 March 2020
A	**ASSETS**			
1	**Non-current assets**			
	(a) Property Plant & Equipment	4 (i)	**52341.62**	35081.54
	(b) Capital work-in-progress		**1753.79**	2622.41
	(c) Investment Property	5	**122.24**	125.71
	(d) Other Intangible assets	4 (ii)	**65.72**	101.80
	(e) Financial assets			
	i) Non Current Investments			
	Investments in Associate	6 (A)	**3617.34**	3710.86
	Investments in Joint Venture	6 (B)	**1980.47**	1980.47
	Other Equity Investments	6 (C)	**253.61**	703.69
	Other investments	6 (D)	**1.00**	1.00
	ii) Other financial assets	7 (A)	**226.39**	243.29
	(f) Deferred tax asset (Net)	31	**10379.02**	10441.47
	(g) Income tax assets (Net)		**888.86**	380.57
	(h) Other non-current assets	8	**5562.73**	7742.53
	Total Non- Current Assets		**77192.79**	63135.34
2	**Current assets**			
	(a) Inventories	9	**35063.40**	13505.79
	(b) Financial assets			
	i) Trade receivables	10	**718.58**	896.27
	ii) Cash and cash equivalents	11 (A)	**5287.04**	6409.33
	iii) Bank balances other than ii) above	11 (B)	**5574.34**	811.54
	iv) Other financial assets	7 (B)	**22885.16**	110353.85
	(c) Other current assets	12	**17826.82**	10792.67
	(d) Assets held for sale		**1080.51**	-
	Total Current Assets		**88435.85**	142769.45
	TOTAL ASSETS		**165628.64**	205904.79
B	**EQUITY AND LIABILITIES**			
1	**Equity**			
	(a) Equity Share capital	13	**20364.03**	20364.03
	(b) Other Equity	14	**25629.26**	19688.88
	Total Equity		**45993.29**	40052.91
2	**Liabilities**			
	Non-current liabilities			
	(a) Financial Liabilities			
	- Other financial Liabilities	15 (A)	**3211.80**	3013.31
	Total Non-Current Liabilities		**3211.80**	3013.31
3	**Current liabilities**			
	(a) Financial Liabilities			
	i) Current Borrowings	16	**10375.01**	27909.72
	ii) Trade payables			
	- Total outstanding dues to Micro and Small Enterprises	17 (i)	**-**	-
	- Total outstanding dues to other than Micro and Small Enterprises	17	**97441.16**	118173.64
	iii) Other financial liabilities	15 (B)	**1482.19**	14428.89
	(b) Provisions	18	**427.68**	461.33
	(c) Other current liabilities	19	**6697.51**	1864.99
	Total Current Liabilities		**116423.55**	162838.57
	Total liabilities		**119635.35**	165851.88
	TOTAL EQUITY AND LIABILITIES		**165628.64**	205904.79
	The accompaning notes are an integral part of these Finacial 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 : 30 June 2021

For and on behalf of the Board of Directors

SASHIKALA SRIKANTH
Director
DIN: 01678374

S R RAMAKRISHNAN
Whole-Time Director
DIN: 00120126

K R ANANDAN
Chief Financial Officer

M B GANESH
Company Secretary

Place : Chennai
Date : 30 June 2021

Statement of Profit and Loss for the year ended 31 March 2021

(₹ In Lac)

S. No.	Particulars	Note No.	Year ended 31 March 2021	Year ended 31 March 2020
	Income			
1	Revenue from operations	20	**152700.73**	207918.00
2	Other income	21	**2858.06**	1046.83
3	**Total Income (1+2)**		**155558.79**	208964.83
4	**Expenses**			
	(a) Cost of materials consumed	22	**83770.63**	116842.89
	(b) Changes in inventories of finished goods and work-in-progress	23	**(2234.99)**	1675.01
	(c) Employee benefits expense	24	**6005.13**	5891.97
	(d) Finance costs	25	**1415.46**	3415.07
	(e) Depreciation and amortisation expense	4 & 5	**3823.30**	3214.27
	(f) Other expenses	26	**58117.00**	72227.81
	Total expenses		**150896.53**	203267.02
5	**Profit before exceptional items and tax (3-4)**		**4662.26**	5697.81
6	**Exceptional items**		**-**	-
7	Profit before tax (5+6)		**4662.26**	5697.81
8	**Tax (benefit) / expense**			
	Current tax (credit)/charge		**(522.75)**	3.77
9	**Profit after Tax (7-8)**		**5185.01**	5694.04
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		**616.77**	(328.67)
	b) Remeasurement of defined benefit plans		**200.29**	(129.03)
	ii) Income tax relating to items that will not be re-classified to profit or loss		**(61.68)**	32.87
	Total Other comprehensive Income/(loss)		**755.38**	(424.83)
11	**Total comprehensive income (9+10)**		**5940.39**	5269.21
12	**Earnings Per Equity Share (Nominal value per share ₹ 10/-)**			
	Basic & Diluted	35	**2.92**	2.59
	The accompanying notes are an integral part of these financial statements			

In terms of our report attached.

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

GEETHA JEYAKUMAR
Partner
Membership No: 029409

Place : Chennai
Date : 30 June 2021

For and on behalf of the Board of Directors

SASHIKALA SRIKANTH
Director
DIN: 01678374

S R RAMAKRISHNAN
Whole-Time Director
DIN: 00120126

K R ANANDAN
Chief Financial Officer

M B GANESH
Company Secretary

Place : Chennai
Date : 30 June 2021

Statement of changes in equity for the year ended 31 March 2021

(A) Equity share capital

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

Particulars	No. of shares	(₹ In Lac)
As at 31 March 2020 (Refer Note 13)	203640336	20364.03
As at 31 March 2021 (Refer Note 13)	**203640336**	**20364.03**

(B) Other equity

(₹ In Lac)

Particulars	Reserve and surplus					Items of other comprehensive income		Total
	Capital Reserve	Capital Redemption Reserve	Securities Premium Account	Statutory Reserve	Retained earnings	Effect of measuring investments at fair value through OCI	Remeasurement of defined benefit plans	
Balance as at 1 April 2019	97.24	6500.00	21047.71	41.33	(12324.69)	(729.51)	(212.41)	14419.67
Profit for the year	-	-	-	-	5694.04	-	-	5694.04
Other comprehensive income	-	-	-	-	-	(295.80)	(129.03)	(424.83)
Total other comprehensive income for the year	-	-	-	-	5694.04	(295.80)	(129.03)	5269.21
Balance as at 31 March 2020	97.24	6500.00	21047.71	41.33	(6630.65)	(1025.31)	(341.44)	19688.88
Balance as at 1 April 2020	**97.24**	**6500.00**	**21047.71**	**41.33**	**(6630.65)**	**(1025.31)**	**(341.44)**	**19688.88**
Profit for the year	**-**	**-**	**-**	**-**	**5185.01**	**-**	**-**	**5185.01**
Other comprehensive income net of taxes	**-**	**-**	**-**	**-**	**-**	**555.09**	**200.28**	**755.37**
Total other comprehensive income for the year	**-**	**-**	**-**	**-**	**5185.01**	**555.09**	**200.28**	**5940.38**
Balance as at 31 March 2021	**97.24**	**6500.00**	**21047.71**	**41.33**	**(1445.64)**	**(470.22)**	**(141.16)**	**25629.26**

The accompanying notes are an integral part of the 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 : 30 June 2021

For and on behalf of the Board of Directors

SASHIKALA SRIKANTH
Director
DIN: 01678374

S R RAMAKRISHNAN
Whole-Time Director
DIN: 00120126

K R ANANDAN
Chief Financial Officer

M B GANESH
Company Secretary

Place : Chennai
Date : 30 June 2021

Cash Flow Statement for the year ended 31 March 2021

(₹ In Lac)

S. No.	Particulars	Year ended 31 March 2021		Year ended 31 March 2020	
A.	**CASH FLOW FROM OPERATING ACTIVITIES:**				
	Profit for the year before tax		**4662.26**		5697.81
	Adjustment for :				
	Depreciation and amortisation expense	**3823.30**		3214.27	
	Assets Written off	**49.23**		27.07	
	Profit on sale of assets	**(0.01)**		(7.68)	
	Provision for non-moving inventories	**13.47**		12.84	
	Allowances for doubtful debts and advances	**1.74**		0.81	
	Provisions no longer required written back	**(2079.75)**		(30.00)	
	Bad debts and advances written off	**-**		53.44	
	Exchange difference (Gain)/ Loss	**(48.05)**		293.55	
	Finance Costs	**1415.46**		3415.07	
	Income from investments	**(231.48)**		(154.75)	
	Interest income	**(127.04)**		(122.72)	
			2816.87		6701.90
	Operating profit before working capital changes		**7479.13**		12399.71
	Adjustments for (Increase)/Decrease in:				
	Trade receivables	**(23.68)**		898.69	
	Inventories	**(21571.08)**		5266.73	
	Non current financial assets	**16.90**		43.82	
	Other Non-current assets	**225.40**		1014.05	
	Current financials assets	**87469.32**		(3361.14)	
	Other current assets	**(7034.15)**		3126.57	
	Bank balances other than cash and cash equivalents	**(4762.80)**		(342.86)	
	Adjustments for Increase/(Decrease) in:				
	Other non current financial liabilities	**198.49**		124.62	
	Trade payables	**(20684.43)**		(2992.86)	
	Other current financial liabilities	**(12864.62)**		(2157.86)	
	Other current liabilities	**5032.81**		(84.44)	
	Short-term provisions	**(33.65)**		71.99	
			25968.51		1607.31
	Cash from operations		**33447.64**		14007.02
	Direct taxes refund / (paid)		**14.46**		(367.94)
	NET CASH FROM OPERATING ACTIVITIES		**33462.10**		13639.08
B.	**CASH FLOW FROM INVESTING ACTIVITIES :**				
	Purchase of Property, Plant and Equipment including capital work-in-progress and capital advance	**(18269.25)**		(15163.34)	
	Proceeds from sale of Property, Plant and Equipment	**0.01**		13.97	
	Income from investments	**231.48**		154.75	
	Purchase of non current investment	**-**		(193.42)	
	Sale of Investment	**2146.33**		-	
	Interest income	**124.67**		76.08	
			(15766.76)		(15111.96)
	NET CASH USED IN INVESTING ACTIVITIES		**(15766.76)**		(15111.96)

Cash Flow Statement for the year ended 31 March 2021

(₹ In Lac)

S. No.	Particulars	Year ended 31 March 2021		Year ended 31 March 2020	
C.	**NET CASH FROM FINANCING ACTIVITIES**				
	Proceeds from Short Term Borrowings (net)	**(17685.97)**		3967.11	
	Finance Costs	**(1131.66)**		(3325.42)	
			(18817.63)		641.69
	NET CASH (USED IN)/ FROM FINANCING ACTIVITIES:		**(18817.63)**		641.69
	NET CASH FLOWS DURING THE YEAR (A+B+C)		**(1122.29)**		(831.19)
	Cash and cash equivalents at the beginning of the year		**6409.33**		7240.52
	Cash and cash equivalents at the end of the year		**5287.04**		6409.33
			1122.29		831.19
	Cash and cash equivalents comprise				
	Cash on hand		**5.44**		5.94
	With the Banks		**5281.60**		6403.39
	Total cash and bank balances at end of the year		**5287.04**		6409.33

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

The accompanying notes are an integral part of these financial statements

In terms of our report attached.

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

GEETHA JEYAKUMAR
Partner
Membership No: 029409

Place : Chennai
Date : 30 June 2021

For and on behalf of the Board of Directors

SASHIKALA SRIKANTH
Director
DIN: 01678374

S R RAMAKRISHNAN
Whole-Time Director
DIN: 00120126

K R ANANDAN
Chief Financial Officer

M B GANESH
Company Secretary

Place : Chennai
Date : 30 June 2021

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

Note 1 GENERAL INFORMATION

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

The Ind AS financial statements were approved by the Board of Directors of the Company on 30 June 2021

Note 2 SIGNIFICANT ACCOUNTING POLICIES

i) Basis of preparation of financial statements

a. Statement of Compliance with IND AS

The financial statements which comprise the Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement, and the Statement of Changes in Equity ("financial statements") have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Section 133 of the Companies Act, 2013 ("the Act"), Companies (Indian Accounting Standards) Rules, 2016, along with relevant amendment rules issued thereafter and other relevant provisions of the Act, as applicable.

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

b. Basis of measurement

The financial statements have been prepared on a historical cost convention and on accrual basis, except for the below material item that have been measured at fair values at the end of each reporting period as required by relevant Ind AS:-

Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments)

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

c. Use of Estimates

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

ii) Property, Plant and Equipment

Property, plant and equipment are stated at cost less depreciation and impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items.

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

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

Depreciation methods, estimated useful lives

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

Depreciation on tangible assets is recognized so as to write off the cost of assets (other than freehold land and capital work in progress) less their residual values over the useful lives, using the straight line method. The company has followed the useful life as prescribed in Schedule II of the Companies Act 2013, except in respect of the assets pertaining to Tuticorin manufacturing plant in whose case the life of the assets has been assessed as under based on technical expert, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support.

Asset	Useful Life
Building – Factory	25-65 years
Building – Others	45-75 years
Plant and Machinery	10-49 years
Furniture and Fixtures	12-33 years
Vehicles	8-26 years
Office Equipments	7-38 years
Roads	34-44 years
Railway sidings	40 years

The management believes that these estimated useful lives reflect fair approximation of the period over which the assets are likely to be used

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

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

iii) Investment Properties

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

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

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

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

iv) Intangible Assets

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

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

v) Foreign Currency Transactions

a. Functional and presentation currency

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

b. Transactions and balances

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

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

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

vi) Fair value measurements

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

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

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

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

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

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

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

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

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

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

vii) Revenue Recognition

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

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

Under the New Pricing Scheme for Urea, the Government of India reimburses, in the form of subsidy, to the Fertilizer Industry based on the Retention Price computed on the lower of 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.

Company has started receiving natural gas from March 13, 2021 and has become a gas-based urea manufacturing unit. The Subsidy would be paid based on the Retention Price computed on the lower of Naphtha/Fuel oil or RLNG price until March 12, 2021. From March 13, 2021 the company is eligible for fiscal incentives by higher energy norms.

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

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

viii) Taxes

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

a. Current Income tax

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

b. Deferred tax

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

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

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

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

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

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

ix) Assets classified as held for sale

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

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

- The appropriate level of management is committed to a plan to sell the asset (or disposal group),
- An active program to locate a buyer and complete the plan has been initiated (if applicable),
- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification , and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

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

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

x) Leases

The Company as a Lessee

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

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

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

The Company as a Lessor

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

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

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

xi) Inventories

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

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

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

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

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

xii) Impairment of non-financial assets

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

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

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

xiii) Provisions and Contingent liabilities

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

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

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

xiv) Cash and Cash Equivalents

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

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

xv) Financial Instruments

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

a. Financial Assets

Initial recognition and measurement

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

Subsequent measurement

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

a) at amortized cost; or

b) at fair value through other comprehensive income; or

c) at fair value through profit or loss.

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

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

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

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

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

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

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

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

Impairment of financial assets

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

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

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

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

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

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

Derecognition of financial assets

A financial asset is derecognized only when

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

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

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

b. Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

Loans and borrowings

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

Derecognition

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

c. Offsetting financial instruments

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

xvi) Employee Benefits

a. Short-term obligations

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

b. Other long-term employee benefit obligations

Defined Contribution plan

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

The company's contribution to provident fund and Employee State Insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

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

Defined benefit plans

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

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

- Re-measurement

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

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

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

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

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

xvii) Contributed Equity

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

xviii) Earnings Per Share

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

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

xix) Borrowing costs

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

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

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

xx) Rounding off amounts

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

xxi) Subsidy from Government

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

xxii) Derivative financial instruments

Initial recognition and subsequent measurement

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

xxiii) Functional and presentation currency

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

xxiv) Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Company), whose operating results are regularly reviewed by the Company’s chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. Operating segments of the Company are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

Standards (including amendments) issued but not yet effective:

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1 April 2021.

Note 3 : Significant accounting judgements, estimates and assumptions

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

Estimates and assumptions

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

a. Taxes

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

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

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

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

The principal assumptions are the discount and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis. For details refer Note 30.

c. Useful lives of Property, Plant and Equipment

The depreciation of property, plant and equipment is derived on determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time of acquisition of asset and is reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life.

d. Revenue Recognition

Revenue from contracts with customers Concessions in respect of Urea, as notified under the New Pricing Scheme, is recognized with adjustments for escalation/deescalation in the prices of inputs and other adjustments, as estimated by the management in accordance with the known policy parameters in this regard. The Company recognises Urea subsidy income from the Government of India ("GOI") based on estimates as per the GOI notification dated 17 June 2015 and changes, if any, are recognised in the year of finalisation of the prices by the GOI under the scheme. Also, the Company determines and updates its assessment of expected rebates periodically and the accruals are adjusted accordingly. Estimates of expected rebates are sensitive to changes in circumstances and the Company's past experience regarding these amounts may not be representative of actual amounts in the future.

e. Impairment of financial and non-financial assets

Significant management judgement is required to determine the amounts of impairment loss on the financial and non-financial assets. The calculations of impairment loss are sensitive to underlying assumptions.

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

(₹ In Lac)

	Description	Gross block				Accumulated depreciation and impairment				Net block	
		Opening Balance as at 1 April 2020	Additions/ Adjustments	Deletions/ Adjustments	Closing Balance as at 31 March 2021	Opening Balance as at 1 April 2020	Additions/ Adjustments	Deletions/ Adjustments	Closing Balance as at 31 March 2021	As at 31 March 2021	As at 31 March 2020
i)	**Tangible Assets (Owned)**										
(a)	Land - Freehold	**5824.73**	**-**	**-**	**5824.73**	**-**	**-**	**-**	**-**	**5824.73**	**5824.73**
(b)	Buildings	**3428.24**	**1.56**	**-**	**3429.80**	**648.89**	**164.91**	**-**	**813.80**	**2616.00**	**2779.35**
(c)	Plant and Equipment	**33419.05**	**20315.78**	**447.15**	**53287.68**	**9252.79**	**3309.55**	**399.20**	**12163.14**	**41124.54**	**24166.26**
(d)	Furniture and Fixtures	**59.72**	**0.49**	**-**	**60.21**	**20.71**	**5.66**	**-**	**26.37**	**33.84**	**39.01**
(e)	Vehicles	**152.65**	**-**	**-**	**152.65**	**21.66**	**22.68**	**-**	**44.34**	**108.31**	**130.99**
(f)	Office equipments	**3337.17**	**698.07**	**2.06**	**4033.18**	**1490.40**	**253.14**	**0.76**	**1742.78**	**2290.40**	**1846.77**
(g)	Roads	**119.45**	**76.46**	**-**	**195.91**	**71.71**	**13.70**	**-**	**85.41**	**110.50**	**47.74**
(h)	Railway Sidings	**302.00**	**0.70**	**-**	**302.70**	**55.29**	**14.11**	**-**	**69.40**	**233.30**	**246.71**
Total		**46643.01**	**21093.06**	**449.21**	**67286.86**	**11561.45**	**3783.75**	**399.96**	**14945.24**	**52341.62**	**35081.54**
ii)	**Other Intangible Assets**	**189.89**	**-**	**-**	**189.89**	**88.09**	**36.08**	**-**	**124.17**	**65.72**	**101.80**

Depreciation Expenses:

(₹ In Lac)

	Particulars	**As at 31 March 2021**	As at 31 March 2020
(i)	Property, Plant & Equipments	**3783.75**	3174.72
(ii)	Investment Property	**3.47**	3.47
(iii)	Other Intangible Assets	**36.08**	36.08
Total		**3823.30**	3214.27

Previous year

(₹ In Lac)

	Description	Gross block				Accumulated depreciation and impairment				Net block	
		Opening Balance as at 1 April 2019	Additions/ Adjustments	Deletions/ Adjustments	Closing Balance as at 31 March 2020	Opening Balance as at 1 April 2019	Additions/ Adjustments	Deletions/ Adjustments	Closing Balance as at 31 March 2020	As at 31 March 2020	As at 31 March 2019
(i)	Tangible Assets (Owned)										
(a)	Land - Freehold	5829.73	-	5.00	5824.73	-	-	-	-	5824.73	5829.73
(b)	Buildings	3341.16	87.08	-	3428.24	486.46	162.43	-	648.89	2779.35	2854.70
(c)	Plant and Equipment	19742.67	13906.73	230.35	33419.05	6654.46	2810.89	212.56	9252.79	24166.26	13088.21
(d)	Furniture and Fixtures	62.87	0.89	4.04	59.72	15.18	5.53	-	20.71	39.01	47.69
(e)	Vehicles	148.10	12.18	7.63	152.65	5.24	22.26	5.84	21.66	130.99	142.86
(f)	Office equipments	2203.56	1238.59	104.98	3337.17	1439.71	150.66	99.97	1490.40	1846.77	763.85
(g)	Roads	74.55	44.90	-	119.45	62.60	9.11	-	71.71	47.74	11.95
(h)	Railway Sidings	298.14	3.86	-	302.00	41.46	13.83	-	55.29	246.71	256.68
Total		31700.78	15294.22	352.00	46643.00	8705.11	3174.72	318.37	11561.45	35081.54	22995.66
(ii)	Other Intangible Assets	189.89	-	-	189.89	52.01	36.08	-	88.09	101.80	137.88

Note 5: Investment Property (₹ In Lac)

Particulars	As at 31 March 2021	As at 31 March 2020
Carrying amount of		
Completed investment property (Refer notes below)	**122.24**	125.71
Total	**122.24**	125.71

(₹ In Lac)

Particulars	As at 31 March 2021	As at 31 March 2020
Cost or Deemed cost		
Balance at the beginning of the year	**139.59**	139.59
Additions	**-**	-
Balance at the end of the year	**139.59**	139.59
Accumulated depreciation and impairment		
Balance at the beginning of the year	**13.88**	10.41
Depreciation expense	**3.47**	3.47
Balance at the end of the year	**17.35**	13.88
Net balance at the end of the year	**122.24**	125.71

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

The fair value of the property is ₹316.96 lacs, as per valuation performed by M/s. Anbusivam Valuers., an accredited independent valuer in the earlier year. M/s. Anbusivam Valuers is a specialist in valuing these types of investment properties.

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

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

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Rental income derived from investment properties	**14.15**	10.48
Direct operating expenses (including repairs and maintenance) generating rental income	**-**	-
	14.15	10.48
Less – Depreciation	**(3.47)**	(3.47)
Income arising from investment properties before indirect expenses	**10.68**	7.01

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

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

	Particulars	As at 31 March 2021	As at 31 March 2020
(A)	**Investments in Associates at cost**		
1.	**Quoted Investments in equity instruments**		
	- Tuticorin Alkali Chemicals and Fertilizers Limited - 2,85,86,872 (5,35,30,113) Equity Shares of ₹ 10 each, fully paid up (Refer Note 6 (b) below)	**3535.66**	6620.67
	Provision for Diminution in Investment value	**(676.97)**	(3668.46)
	Total Aggregate Quoted Investments (1)	**2858.69**	2952.21

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

	Particulars	As at 31 March 2021	As at 31 March 2020
2.	**Unquoted investments**		
a)	**Investments in equity instruments.**		
	- Gold Nest Trading Company Limited - 2,49,000 (2,49,000) Equity Shares of ₹ 100 each, fully paid up	**250.25**	250.25
	Provision for Diminution in Investment value	**(250.25)**	(250.25)
	-Greenam Energy Private Limited - 75,86,502 (75,86,502) Equity Shares of ₹ 10 each, fully paid up (Refer Note 6 (d) below)	**758.65**	758.65
	Total Aggregate Unquoted Investments (2)	**758.65**	758.65
	Total Investments in Associates (1) + (2)	**3617.34**	3710.86
(B)	**Investments in Joint venture at Cost:**		
1.	**Quoted Investments in equity instruments**		
	- Tamilnadu Petroproducts Limited - 1,52,34,375 (1,52,34,375) Equity Shares of ₹ 10 each	**1980.47**	1980.47
	Total Aggregate Quoted Investments (1)	**1980.47**	1980.47
2.	**Unquoted Investments in equity instruments**		
	- National Aromatics and Petrochemicals Corporation Limited - 25,000 (25,000) Equity Shares of ₹ 10 each	**2.50**	2.50
	Provision for Diminution in Investment value	**(2.50)**	(2.50)
	Total Aggregate Unquoted Investments (2)	**-**	-
	Total Investments in joint ventures (1) + (2)	**1980.47**	1980.47
(C)	**Other Equity Investment Carried at FVTOCI**		
1.	**Quoted Investments in equity instruments**		
	Investments in equity		
	- Manali Petrochemicals Limited - 10,000 (10,000) Equity shares of ₹ 5 each, fully paid up	**5.93**	1.01
	- State Bank of India - 9,660 (9,660) Equity Shares of ₹1 each, fully paid up	**35.19**	19.02
	- ICICI Bank Limited - 2,106 (2,106) Equity Shares of ₹ 2 each, fully paid up	**12.26**	6.82
	- Mercantile Ventures Limited -1,50,28,000 (1,50,28,000) Equity Shares of ₹ 10 each, fully paid up (Refer Note 6 (c))	**-**	521.47
	- SICAGEN India Limited - 5,77,681 (5,77,681) Equity Shares of ₹ 10 each, fully paid up	**83.47**	52.28
	Total Aggregate Quoted Investments (1)	**136.85**	600.60
2.	**Unquoted investments**		
	Investments in equity		
	- Biotech Consortium India Limited - 2,50,000 (2,50,000) Equity Shares of ₹ 10 each, fully paid up	**25.00**	25.00
	- Chennai Willington Corporate Foundation - 50 (50) Equity Shares of ₹ 10 each costing ₹ 450, fully paid up	**0.00**	0.00
	- OPG Power Generation Private Limited - 3,57,300 (2,38,500) Equity Shares of ₹10, fully paid up (Refer Note 6 (a) below)	**40.76**	27.08
	- R K Wind Farms (Karur) Private Limited - 456 (456)Equity shares of ₹10, fully paid up	**0.05**	0.05
	- South India Travels Private Limited - 5,09,575 (5,09,575) Equity Shares of ₹ 10 each, fully paid up	**50.96**	50.96
	Total Aggregate Unquoted Investments (2)	**116.76**	103.09
	Total Other equty Investments (1) + (2)	**253.61**	703.69

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

	Particulars	As at 31 March 2021	As at 31 March 2020
(D)	**Other Investments carried at Cost**		
1	**Investment in Mutual Funds (all fully paid)**		
	- Canara Robecco Equity Diversified - Growth Plan (formerly known as Canara Robecco Fortune) - 94 units - 12,760 (12,760) Units of ₹ 10 each	**1.00**	1.00
	Total Aggregate Investments In Mutul Funds (1)	**1.00**	1.00
	Total Other Investments (1)	**1.00**	1.00
	Aggregate book value of		
	- a) Quoted investments	**4976.01**	5533.28
	- b) Unquoted investments	**876.41**	862.74
	Aggregate market value of		
	-Quoted investments	**10590.00**	6068.83

a. In November 2020, 1,59,200 Equity shares of ₹10/- each of OPG Power Generation Private Limited (OPG) @ ₹11.50 per share was transferred to the company due to increase in consumption of power and in March 2021, 40,400 Equity shares of ₹10/- each of OPG @ ₹11.50 per share was transferred by the company due to reduction in consumption of power as per Group Captive Scheme of the Government of India under Electricity Rules, 2005. The balance Equity shares held is 3,57,300.

b. There was sale of 2,49,43,241 Equity shares of ₹10/- each of Tuticorin Alkali Chemical and Fertilisers Limited (TFL) (which includes 1,89,43,241 equity shares sold to enable TFL to achieve Minimum Public Shareholding as required under SEBI Regulations). Consequent to the sale of the said equity shares, provision for impairment of investment, amounting to ₹ 2,066.48 lacs (Net), created in the earlier years and no longer required has been written back and is disclosed under "Other Income".

c. Investment in M/s Mercantile Ventures Limited (MVL) is classified as 'Held for Sale' considering management's intention to sell in next 12 months.

d. 56,86,502 equity shares of ₹10/- each of Greenam Energy Private Limited (Greenam) held by company has been pledged in favour of Indian Renewable Energy Development Agency Limited to secure the term loan of ₹ 88 crores availed by Greenam. The company has also given undertaking for non-disposal of the said shares during the tenure of the loan and to infuse additional funds to meet the shortfall in the resources of Greenam for completing the project.

Note 7: Other financial assets (₹ In Lac)

	Particulars	As at 31 March 2021	As at 31 March 2020
A	**Other financial assets - Non current**		
	Financial assets carried at amortized cost		
	Deposits		
	Considered good	**226.39**	243.29
	Doubtful	**41.88**	43.16
		268.27	286.45
	Less: Provision for doubtful deposits	**41.88**	43.16
		226.39	243.29
	Loans to employees		
	Considered good	**-**	-
	Doubtful	**5.84**	5.84
		5.84	5.84
	Less: Provision for doubtful loans	**5.84**	5.84
		-	-
Total		**226.39**	243.29

Note 7: Other financial assets

(₹ In Lac)

Particulars		As at 31 March 2021	As at 31 March 2020
B	**Other financial assets - current**		
	Financial assets carried at amortized cost		
	Advances to related parties		
	Considered good (Refer Note 33)	**1164.44**	1408.40
	Doubtful	**1491.51**	1489.77
		2655.95	2898.17
	Less: Provision for doubtful advances	**1491.51**	1489.77
		1164.44	1408.40
	Interest accrued on deposits	**290.13**	287.76
	Subsidy Receivable (Refer Note 27(ii))	**21430.59**	108657.69
	Total	**22885.16**	110353.85

Note 8: Other Non-Current Assets

(₹ In Lac)

Particulars	As at 31 March 2021	As at 31 March 2020
Deposits:		
Considered good	**511.65**	736.27
Advances to employees:		
Considered doubtful	**10.61**	9.34
Less: Provision for doubtful loans and advances	**10.61**	9.34
	-	-
Capital advances	**4327.72**	6282.89
Balances with government authorities:		
Considered good	**723.36**	723.37
Doubtful	**23.27**	23.27
	746.63	746.64
Less: Provision for doubtful balances	**23.27**	23.27
	723.36	723.37
Total	**5562.73**	7742.53

Note 9: Inventories

(₹ In Lac)

Particulars	As at 31 March 2021	As at 31 March 2020
Raw materials in stock (at cost)	**12736.25**	10028.07
Raw material in-transit (at cost)	**14954.91**	-
	27691.16	10028.07
Work in progress in stock (At cost) (Refer Note 9 (i) below)	**1897.85**	118.92
Finished goods in stock (At lower of cost and net realisable value)	**490.93**	34.87
Stores and spares including packing material (At cost)	**1771.66**	2112.25
Fuel Oil (at cost)	**3211.80**	1211.68
Total	**35063.40**	13505.79

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

(₹ In Lac)

Particulars	As at 31 March 2021	As at 31 March 2020
Urea	**1657.32**	53.17
Tissue Culture	**222.92**	57.06
Others	**17.61**	8.69
Total	**1897.85**	118.92

Note 10: Trade receivables

(₹ In Lac)

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good *	**718.58**	896.27
Unsecured, considered doubtful	**647.03**	649.03
	1365.61	1545.30
Less: Allowance for doubtful debts	**647.03**	649.03
Total	**718.58**	896.27

* Includes amount receivable from related parties ₹ 176.64 lac (previous year ₹ 45.04 lac), Refer Note 33.

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

Note 11(A): Cash and cash equivalents

(₹ In Lac)

Particulars	As at 31 March 2021	As at 31 March 2020
Balances with banks:		
-In current accounts	**5281.60**	6403.39
Cash on hand	**5.44**	5.94
Total	**5287.04**	**6409.33**

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

(₹ In Lac)

Particulars	As at 31 March 2021	As at 31 March 2020
Balances with banks:		
-In current accounts	**5281.60**	6403.39
Cash on hand	**5.44**	5.94
Total	**5287.04**	6409.33

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

(₹ In Lac)

Particulars	As at 31 March 2021	As at 31 March 2020
Balances with banks		
- Balances held as margin money or security against borrowings, guarantees and other commitments	**5573.20**	810.40
- Balance in Escrow Account	**1.14**	1.14
Total	**5574.34**	811.54

Note 12: Other current assets

(₹ In Lac)

Particulars	As at 31 March 2021	As at 31 March 2020
Advances to employees - Considered good	**0.62**	0.91
Other Advances *		
Considered good	**274.23**	146.18
Doubtful	**93.70**	93.70
	367.93	239.88
Less: Provision for doubtful advances	**93.70**	93.70
	274.23	146.18
Prepaid expenses	**355.24**	335.77
Balances with government authorities		
Considered good	**12772.86**	8342.03
Doubtful	**37.40**	37.40
	12810.26	8379.43
Less: Provision for doubtful balances	**37.40**	37.40
	12772.86	8342.03
Advances to Suppliers #	**4423.87**	1967.78
Total	**17826.82**	10792.67

* Includes ₹ 80.57 lac (previous year ₹ 49.33 lac) advances to related parties, Refer Note 33.

Includes ₹ 160.37 lac (previous year ₹ 18.53 lac) advances to related parties, Refer Note 33.

Note 13: Equity Share Capital

(₹ In Lac)

Particulars	As at 31 March 2021	As at 31 March 2020
Authorised Share Capital		
31,60,00,000 (31,60,00,000) Equity shares of ₹10 each	**31600.00**	31600.00
55,00,000 (55,00,000) Redeemable cumulative preference shares of ₹100 each	**5500.00**	5500.00
3,00,00,000 (3,00,00,000) Fully Compulsorily Convertible Preference (FCCP) shares of ₹18 each	**5400.00**	5400.00
	42500.00	42500.00
Issued, subscribed and fully paid up:		
20,36,40,336 (20,36,40,336) Equity shares of ₹10 each	**20364.03**	20364.03
(Refer note 13 (i) to 13(iv) below)		

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

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

Class of shares / Name of shareholders	As at 31 March 2021		As at 31 March 2020	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
AMI Holdings Private Limited	**37276700**	**18.31**	37276700	18.31
Lotus Fertilisers Pvt Ltd	**27995454**	**13.75**	27995454	13.75
The Bank of Newyork Mellon	**16791800**	**8.25**	16791800	8.25
FICON Holdings Limited	**15682775**	**7.70**	15682775	7.70
Preference Shares (Refer Note 16)				
14.50% Redeemable cumulative non-convertible preference shares				
Bajaj Auto Ltd	**-**	**-**	300000	100.00
Dynamic Global Trading Corporation Ltd	**300000**	**100.00**	-	-
11.50% Redeemable cumulative non-convertible preference shares				
AMI Holdings Private Limited	**850000**	**100.00**	650000	76.47
Dynamic Global Trading Corporation Ltd	**-**	**-**	200000	23.53
10.00% Redeemable cumulative non-convertible preference shares				
AMI Holdings Private Limited	**100000**	**100.00**	100000	100.00

Note 13(iii): Equity shares include:

1,67,91,800 equity shares were issued against the Global Depository Receipts (GDRs) and is held by The Bank of New York Mellon, as depository for the GDRs

Terms / Rights attached to Equity Shares:

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

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

Note 13(iv): Terms/ rights attached to Preference Shares

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

Note 14: Other Equity

(₹ In Lac)

Particulars	As at 31 March 2021	As at 31 March 2020
Capital Reserve	**97.24**	97.24
Capital Redemption Reserve	**6500.00**	6500.00
Securities Premium Account	**21047.71**	21047.71
Statutory Reserve	**41.33**	41.33
(Deficit) in Statement of Profit and Loss:		
Opening balance	**(6630.65)**	(12324.69)
Add: Profit for the year	**5185.01**	5694.04
Closing balance	**(1445.64)**	(6630.65)
-Reserve for equity instruments through other comprehensive income:		
Opening balance	**(1025.31)**	(729.51)
Add: Effect of measuring investments at fair value	**555.09**	(295.80)
Closing balance	**(470.22)**	(1025.31)
Remeasurement of defined plans:		
Opening balance	**(341.44)**	(212.41)
-Actuarial movement through other comprehensive income	**200.28**	(129.03)
Closing balance	**(141.16)**	(341.44)
Total	**25629.26**	19688.88

Capital Reserve and Statutory Reserve

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

Capital Redemption Reserve

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

Securities Premium Account

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

Note 15: Other Financial Liabilities (₹ In Lac)

	Particulars	As at 31 March 2021	As at 31 March 2020
(A)	**Other financial liabilities - non-current at amortised cost**		
	Trade / security deposits received $	**3206.01**	3007.52
	Liabilities for expenses	**5.79**	5.79
		3211.80	3013.31
(B)	**Other financial liabilities - current at amortised cost**		
	Current maturities of long term borrowings *	**-**	12865.50
	Interest accrued but not due on borrowings	**2.23**	40.91
	Interest accrued and due on Payable	**1387.68**	1387.68
	Interest accrued and due on borrowings	**-**	43.40
	Retention Money #	**92.28**	91.40
	Total	**1482.19**	14428.89

$ Includes trade / security deposit received from related parties ₹ 16.05 lac (previous year ₹ 16.05 lac), Refer note 33.

* The Company had issued unsecured indian rupee denomiated bonds (Masala Bonds) to AM International Holdings Pte Ltd., Singapore and had obtained ₹ 16275 lacs at 9% interest p.a in earlier years. Out of the amount the company had repaid ₹ 3409.50 lac in previous year and balance ₹ 12865.50 lac was repaid in current year.

Includes amount relating to related party ₹ 10.56 lac (previous year ₹ 10.56 lac), Refer note 33.

Note 16: Current borrowings (₹ In Lac)

Particulars	As at 31 March 2021	As at 31 March 2020
Term loans (at amortised cost)		
From banks- Secured (Refere Note 16 (i) & (ii) below)	**6100.00**	23491.53
Unsecured - at amortised cost		
3,00,000 (3,00,000) 14.50% Redeemable cumulative non-convertible preference shares of ₹100 each (Refer Note 16 (iii) below)	**300.00**	300.00
8,50,000 (8,50,000) 11.50% Redeemable cumulative non-convertible preference shares of ₹100 each (Refere Note 16 (iv) below)	**850.00**	850.00
1,00,000 (1,00,000) 10.00% Redeemable cumulative non-convertible preference shares of ₹100 each (Refere Note 16 (v) below)	**100.00**	100.00
Interest accrued on cummulative preference shares	**3025.01**	3168.19
Total	**10375.01**	27909.72

Note 16(i): During the year the Company had obtained working capital demand loan from HDFC Bank of ₹ 5000 lac at interest of 8% p.a based on the security of inventory, book debts and factory land.

Note 16(ii): During the year the Company for meeting its capex requirements had obtained loan from New India Co-operative Bank Ltd. of ₹ 1700 lac at interest of 11.50% p.a based on the security of land.

Note 16(iii): 14.50% Redeemable cumulative non-convertible preference shares of ₹300 lac issued on private placement basis, redeemable at par after the expiry of 60 months from the date (s) of allotment, have fallen due for redemption during the year 2001-02.

Note 16(iv): 11.50% Redeemable cumulative non-convertible preference shares of ₹850 lac issued on private placement basis, redeemable at par after the expiry of 36 months from the date (s) of allotment, have fallen due for redemption during the year 2002-03.

16 (v): 10.00% Redeemable cumulative non-convertible preference shares of ₹100 lac issued on private placement basis, redeemable at par after the expiry of 36 months from the date (s) of allotment, have fallen due for redemption during the year 2003-04.

Note 17: Trade payables

(₹ In Lac)

Particulars	**As at 31 March 2021**	As at 31 March 2020
Trade payables:		
- Total outstanding dues to Micro and Small Enterprises (Refer Note 17 (i) below)	**-**	-
- Total outstanding dues to other than Micro and Small Enterprises *	**97441.16**	118173.64
Total	**97441.16**	118173.64

* Includes ₹ 4629.09 lac (previous year ₹ 19261.10 lac) relating to payables to related parties, Refer Note 33.

Note 17(i): Dues to Micro and Small Enterprises :

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

(₹ In Lac)

	Particulars	**As at 31 March 2021**	As at 31 March 2020
(i)	Principal amount remaining unpaid to any supplier as at the end of the accounting year	**-**	-
(ii)	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	**-**	-
(iii)	The amount of interest paid along with the amounts of the payments made to the supplier beyond the appointed day	**-**	-
(iv)	The amount of interest due and payable for the year	**-**	-
(v)	The amount of interest accrued and remaining unpaid at the end of the accounting year	**-**	-
(vi)	The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	**-**	-

Note 17 (ii): Trade payable (other than Related Parties) are not interest bearing and settled on 30 to 90 days term Refer Note 33.

Note 18: Provisions

(₹ In Lac)

Particulars	**As at 31 March 2021**	As at 31 March 2020
Provision for employee benefits:		
- Compensated absences (Refer Note 30)	**427.68**	461.33
Total	**427.68**	461.33

Note 19: Other current liabilities

(₹ In Lac)

Particulars	As at 31 March 2021	As at 31 March 2020
Other payables		
- Statutory remittances	**145.87**	205.99
- Gratuity payable (Refer Note 30)	**165.28**	122.15
- National Pension Scheme Payable	**7.50**	2.49
- Superannuation fund payable	**714.56**	511.13
- Advances from customers and other parties *	**5604.30**	963.23
-Other Deposits	**60.00**	60.00
Total	**6697.51**	1864.99

* Includes advance from related party ₹ 2463.21 lac (previous year Nil) Refer Note 33.

Note 20 : Revenue from operations

(₹ In Lac)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Sale of products	**35025.75**	31983.88
Less: Rebates and discounts	**(3277.05)**	(3128.01)
	31748.70	28855.87
Subsidy Income	**120007.12**	177855.88
Sales (Refer Note 20 (i) below)	**151755.82**	206711.75
Other operating revenues (Refer Note 20 (ii) below)	**944.91**	1206.25
Total	**152700.73**	207918.00

Note 20(i): Sales

(₹ In Lac)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Urea	**31270.61**	28197.99
Fertiliser Subsidy (Urea) (Refer Note 27 (iii))	**111835.90**	170232.63
Transport Subsidy (Urea)	**8171.22**	7623.25
Others	**478.09**	657.88
Total	**151755.82**	206711.75

Note 20(ii): Other Operating Revenues

(₹ In Lac)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Facility Sharing Income	**812.44**	775.42
Sale of scrap	**98.28**	95.65
Others	**34.19**	335.18
Total	**944.91**	1206.25

Note 21: Other income

(₹ In Lac)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Interest income (Refer Note 21 (i) below)	**127.04**	122.72
Dividend income from long-term investments	**231.48**	154.75
Liabilities / Provision no longer required written back (Refer Note 6 (b))	**2374.19**	30.00
Rental Income	**38.37**	56.90
Profit on sale of assets	**-**	7.68
Insurance Claims received	**27.54**	0.14
Others	**59.44**	674.64
Total	**2858.06**	1046.83

Note 21(i): Interest income

(₹ In Lac)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Interest from banks deposits	**96.65**	79.78
Other interest	**30.39**	42.94
Total	**127.04**	122.72

Note 22: Cost of materials consumed

(₹ In Lac)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Opening stock	**10028.07**	12842.16
Add: Purchases *	**101433.73**	114028.80
	111461.80	126870.96
Less: Closing stock	**27691.17**	10028.07
Total	**83770.63**	116842.89

* Includes ₹ 840.04 lacs (previous year ₹8621.15 lacs) of foreign exchange gain / loss.

Note 23: Changes in inventories of finished goods and work-in-progress

(₹ In Lac)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Inventories at the beginning of the year:		
Finished goods	**34.87**	1529.32
Work-in-progress	**118.92**	299.48
	153.79	1828.80
Inventories at the end of the year:		
Finished goods	**490.93**	34.87
Work-in-progress	**1897.85**	118.92
	2388.78	153.79
Net (Increase)/ Decrease	**(2234.99)**	1675.01

Note 24: Employee benefits expense

(₹ In Lac)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Salaries and wages	**4510.70**	4794.07
Contributions to provident fund and other funds	**591.28**	466.57
Contribution to gratuity fund	**119.04**	108.46
Staff welfare expenses	**784.11**	522.87
Total	**6005.13**	5891.97

Note 25: Finance costs

(₹ In Lac)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Interest expense on:		
-Borrowings	**1047.35**	1628.50
-Deposits	**214.64**	206.10
-Others*	**2.22**	1398.43
Other borrowing costs	**151.25**	182.04
Total	**1415.46**	3415.07

* includes ₹ Nil (₹ 1387.68 Lac) finance charges relating to raw material payments.

Note 26: Other expenses

(₹ In Lac)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Consumption of stores and spare parts	**1176.28**	1375.25
Packing, transportation and handling	**12661.74**	11803.74
Power and fuel #	**36296.52**	50395.77
Water	**2364.58**	2544.50
Rent	**355.97**	421.47
Repairs to		
- Buildings	**589.80**	531.68
- Machinery	**1594.31**	1415.56
- Others	**783.18**	980.62
Insurance	**510.29**	403.91
Rates and taxes	**136.10**	108.74
Travelling and conveyance	**271.50**	468.78
Sales promotion expenses	**16.40**	20.71
Professional fees	**484.70**	407.89
Payment to auditors (Refer Note 26 (i) below)	**23.63**	25.10
Bad trade and other receivables, loans and advances written off	**-**	53.44
Assets written off	**49.23**	27.07
Provision for doubtful trade and other receivables, loans and advances (net)	**1.74**	0.81
Provision For Inventories	**13.47**	12.84
Director's sitting fees	**39.00**	37.00
Miscellaneous expenses	**748.56**	1192.93
Total	**58117.00**	72227.81

Includes ₹1385.83 lac (previous year ₹3859.53 lac) of foreign exchange gain/ loss.

Note 26(i): Payment to Auditors

(₹ In Lac)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Payments to the auditors comprises (net of GST input credit, where applicable):		
- As auditors - statutory audit	**15.00**	15.00
- For limited reviews	**6.00**	6.00
-For certification	**1.15**	3.30
- Reimbursement of expenses	**1.48**	0.80
Total	**23.63**	25.10

Note 27: Plant Operation

(i) During the year the Company achieved a production of 6.20 lac MT.

(ii) Government of India vide its notification dated 17 June 2015 had permitted the Company to produce Urea using Naphtha as feedstock on existing provisions till assured supply of gas is made available. Company has started receiving natural gas from 13 March 2021 and has become a gas-based urea manufacturing unit. The Subsidy would be paid based on the Retention Price computed on the lower of Naphtha/Fuel oil or RLNG price until March 12, 2021. From 13 March 2021 the company is eligible for fiscal incentives by higher energy norms.

(iii) Subsidy for the period 1 April 2020 to 31 March 2021 of ₹111835.90 lac has been accounted based on the provisional Retention Price (RP) computed in line with the Government's policy indicated in the notification dated 17 June 2015, as the final retention price has not been announced by the Department of Fertilizers. The necessary adjustments, if any, will be made when the final retention price is notified by the Department of Fertilizers.

Note 28: Commitments

Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 7476 lac (Previous year ₹ 10951.17 lac).

Note 29: Contingent Liabilities

(a) Claims not acknowledged as debts

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

(ii) Tamilnadu Water Supply And Drainage Board (TWAD) has claimed vide their letter dt. 26 February 2009, payments for the period during which the Nitrogenous plants were not in operation, on the basis of 50% allotted quantity of water. The Company alongwith other beneficiaries has been enjoying this facility since inception of the 20 MGD Scheme for the last 45 years. Water Charges were paid to TWAD on the basis of actual receipt by individual industries. The claims including interest made by TWAD for ₹ 4032.15 lac (Previous year ₹ 3719.80 lac) is not acknowledged as debt, as this differential value from April 2009 to March 2021 is not supported by any Government Order and also the other beneficiaries are objecting to such claims of TWAD.

(iii) The Company has received a demand from VOC Port Trust towards increase in rental charges from 1 July 2007 onwards. The amount payable as on 31.03.2021 is ₹ 1,184.79 lac (from 01.07.2007 to 31.03.2021) (Previous year ₹ 1,078.11 lac). The Company obtained an injunction from the Madurai Bench of the Hon'ble Madras High Court against the claim made by the VOCPT and the stay has been granted till 10 June 2015. On 23.07.2015, Madurai Bench of the Hon'ble Madras High Court extended the stay until further orders.

(b) No provision has been considered necessary by the Management for the following disputed Excise duty, Service tax, Sales tax and Electricity tax demands which are under various stages of appeal proceedings. The Company has been advised that there are reasonable chances of successful outcome of the appeals and hence no provision is considered necessary for these demands.

(Rupees in lac)

Name of the Statute	**As at 31 March 2021**	As at 31 March 2020
The Central Excise Act, 1944	**55.78**	55.78
The Finance Act, 1994 (Service Tax)	**235.64**	235.64
Sales Tax Act under various State enactments	**835.21**	884.11
The Tamilnadu Electricity (Taxation on Consumption) Act, 1962	**1050.54**	1050.54
Total	**2177.17**	2226.07

Out of the above demand of ₹2,177.17 lac (Previous year ₹ 2,226.07 lac), an amount of ₹ 94.85 lac (Previous year ₹ 125.02 lac) has been deposited under protest/adjusted by relevant authorities.

Note 30: Employee benefits

A. Defined contribution plan

(Rupees in Lac)

Particulars	**Year ended 31st March 2021**	Year ended 31st March 2020
During the year, the Company has recognized the following amounts in the Statement of Profit and Loss- Employers' Contribution to Provident Fund, ESI and Superannuation.	**456.01**	455.14

B. Defined benefit plans

Gratuity:

In respect of Gratuity plan, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out on 31st March 2021 by the Actuary. The present value of the Defined benefit obligation and the related current service cost and past service cost, were measured using the projected unit cost method. The following table sets forth the status of the gratuity plan of the company and the amount recognized in the balance sheet and statement of profit and loss. The company provides the gratuity benefit through annual contributions to a fund managed by the Life Insurance Corporation of India (LIC).

(Rupees in Lac)

Sl No	**Particulars**	**31st March 2021**	31st March 2020
	Defined benefit plans		
	a) Gratuity payable to employees	**165.28**	122.15
	b) Compensated absences for Employees	**427.68**	461.33
		Employees' gratuity fund	
i)	Actuarial assumptions	**31st March 2021**	31st March 2020
	Discount rate (per annum)	**6.94%**	6.66%
	Rate of increase in Salary	**7.00%**	7.00%
	Expected rate of return on Plan Assets	**6.94%**	6.66%
	Attrition rate	**3.00%**	1.00%

ii)	Changes in the present value of defined benefit obligation	**31st March 2021**	31st March 2020
	Present value of obligation at the beginning of the year	**1697.68**	1558.93
	Interest cost	**105.75**	111.61
	Current service cost	**111.06**	96.14
	Benefits paid and charges deducted	**(219.71)**	(180.89)
	Actuarial (gain)/ loss on obligations	**(71.89)**	111.89
	Present value of obligation at the end of the year	**1622.89**	1697.68
iii)	Changes in fair value of plan assets	**31st March 2021**	31st March 2020
	Fair value of plan assets as at the beginning of the period	**1575.53**	1119.46
	Expected return on plan assets	**97.77**	99.29
	Contributions	**4.65**	554.81
	Benefits paid and Charges deducted	**(219.71)**	(180.89)
	Actuarial gain/(loss) on plan assets [balancing figure]	**(0.63)**	(17.14)
	Fair value of plan assets as at the end of the period	**1457.61**	1575.53
iv)	Expense recognized in the Statement of Profit and Loss	**Employees' gratuity fund**	
		31st March 2021	31st March 2020
	Current service cost	**111.06**	96.14
	Interest cost	**7.98**	12.32
	Total expenses recognized in the Statement Profit and Loss*	**119.04**	108.46
	*Included in Employee benefits expense (Refer Note 24). Actuarial (gain)/loss of ₹ 71.26 Lac (31 March 2020: ₹ 129.03 Lac) is included in other comprehensive income.		
v)	Assets and liabilities recognized in the Balance Sheet:	**Employees' gratuity fund**	
		31st March 2021	31st March 2020
	Present value of funded obligation as at the end of the year	**1622.89**	1697.68
	Fair value of plan assets	**1457.61**	1575.53
	Funded net liability recognized in Balance Sheet*	**165.28**	122.15
	*Included in other current liabilities		
vi)	Amount recognized for the current period in the statement of other comprehensive income (OCI)	**31st March 2021**	31st March 2020
	Actuarial (gain)/loss on Plan Obligations	**(71.89)**	111.89
	Difference between Actual Return and Interest Income on Plan Assets- (gain)/loss	**0.63**	17.14
	(Gain)/ loss recognized in OCI for the current period	**(71.26)**	129.03
vii)	A quantitative sensitivity analysis for significant assumption as at 31 March 2021 and 31 March 2020 are as shown below:	**Employee's gratuity fund**	
		31st March 2021	31st March 2020
	Impact on defined benefit obligation		
	Discount rate		
	0.5% increase	**1561.91**	1625.00
	0.5% decrease	**1688.58**	1776.62
	Rate of increase in salary		
	0.5% increase	**1689.39**	1776.56
	0.5% decrease	**1560.57**	1624.35

viii)	Expected Benefit Payments in following years	Employee's gratuity fund	
		31st March 2021	31st March 2020
	Year 1	**123.86**	98.30
	Year 2	**303.08**	325.13
	Year 3	**189.93**	164.96
	Year 4	**132.30**	162.70
	Year 5	**164.76**	108.84
	Next 5 Years	**647.59**	656.15

C. Long Term Compensated Absences – Unfunded

Leave Encashment (Unfunded) payable to eligible employees who have earned leaves, during the employment and/or on separation, as per the company's policy, is estimated as per actuarial valuation using projected unit credit method

Actuarial Assumptions:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Discount rate as per para 83 of Ind AS 19	**6.94%**	6.66%
Expected rate of return on Plan Assets	**0.00%**	0.00%
Rate of increase in compensation levels	**7.00%**	7.00%
Attrition rate fixed by the Company	**3.00%**	1.00%

D. Provision for employee benefits - Current and Non-current bifurcation

Particulars	As at March 31, 2021		
	Gratuity	**Long term compensated absences**	**Total**
Current portion	**165.28**	**427.68**	592.96
Total	**165.28**	**427.68**	**592.96**

Particulars	As at March 31, 2020		
	Gratuity	Long term compensated absences	Total
Current portion	122.15	461.33	583.48
Total	122.15	461.33	583.48

Note 31 Income Tax

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

(₹ In Lac)

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred Tax Assets	**7565.56**	5597.56
Deferred Tax Liabilities	**3888.23**	1858.55
	3677.33	3739.01

2020-21:-

(₹ In Lac)

Particulars	**Opening Balance**	**Recognized in Profit & loss**	**Recognised in Other Comprehensive Income**	**Closing Balance**
Deferred Tax (Liabilities)/Assets in relation to				
Property, Plant and Equipment	**(1858.55)**	**(2029.69)**	**-**	**(3888.24)**
Provision for Doubtful Debts, Compensated absence and others	**818.35**	**80.55**	**-**	**898.90**
Unabsorbed Depreciation	**4696.27**	**463.83**	**-**	**5160.10**
Unabsorbed Business Loss	**-**	**1485.31**	**-**	**1485.31**
Financial Assets at FVTOCI	**82.94**	**-**	**(61.68)**	**21.26**
	3739.01	**-**	**(61.68)**	**3677.33**
Deferred Tax Assets (Net)	**3739.01**	**-**	**(61.68)**	**3677.33**
MAT Credit Entitlement	**6702.46**	**(0.77)**	**-**	**6701.69**
Net Deferred Tax Assets	**10441.47**	**(0.77)**	**(61.68)**	**10379.02**

2019-20:-

(₹ In Lac)

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

(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 2021**	As at 31 March 2020
Business losses	**39131.64**	42377.13
Capital losses	**11352.64**	9460.25
Total	**50484.28**	51837.38

Note 31.1 There is no provision for tax in view of the brought forward book losses under MAT relating to earlier years available for set off while computing income under the provisions of 115-JB and due to loss under normal computation for other than Sec 115-JB of the Income Tax Act, 1961.

(C) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2021 and 31 March 2020

(₹ In Lac)

Reconciliation of tax charge	Year ended 31 March 2021	Year ended 31 March 2020
Accounting Profit / loss before income tax	**4662.26**	5697.81
Enacted tax rates in India	**34.94%**	34.94%
Computed tax expense	**1629.18**	1991.04
Tax effects of:		
- Effects of expenses/income that are not deductible/considered in determining the taxable profits	**301.18**	(116.48)
- Deductible expenses for tax purpose	**(1.49)**	(1.41)
- Effect of income that is exempt fom taxation	**-**	(54.08)
- Adjustment in respect of Previous Years	**(523.52)**	3.77
- Adjustment in respect to MAT credit	**0.77**	-
- Deferred tax recognised on losses and deductible temporary differences pertaining to Prior Years	**(1754.26)**	(815.73)
- Effect of unused tax losses and tax offsets not recognised as deferred tax assets	**(1045.36)**	(1955.58)
- Effect of Revalued assets not recoginsed as deffered tax liabilities	**870.75**	952.23
Income tax expense	**(522.75)**	3.77

Note 32: Segment Reporting

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

(i) Agro inputs - Urea Operations

(ii) Others - Agri Business

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

(₹ In Lac)

Particulars	Segment Revenue		Segment Profit	
	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2021	Year ended 31 March 2020
Agro Inputs (Urea Operations)	**152438.21**	207213.96	**5186.73**	10710.09
Others (Agri business)	**372.05**	561.59	**(92.47)**	(319.87)
Unallocated income	**2748.52**	1189.28		
Total	**155558.79**	208964.83	**5094.27**	10390.22
Finance Cost			**(1415.46)**	(3415.07)
Other Net Unallocable (Expenses)			**983.45**	(1277.34)
Income Tax / (FBT)			**522.75**	(3.77)
Profit for the year			**5185.01**	5694.04

Segment Assets and Liabilities: (₹ In Lac)

Particulars	As at 31 March 2021	As at 31 March 2020
Segment Assets		
Agro inputs (Urea Operations)	**123473.74**	169934.25
Others (Agri business)	**1710.23**	1539.20
Unallocable Assets	**40444.67**	34431.34
Total Assets	**165628.64**	205904.79
Segment Liabilities		
Agro inputs (Urea Operations)	**107346.55**	119629.60
Others (Agri business)	**184.13**	145.79
Unallocable Liabilities	**12104.67**	46076.49
Total Liabilities	**119635.35**	165851.88

Other Segment Information: (₹ In Lac)

Particulars	Depreciation and Amortisation		Capital Expenditure	
	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2021	Year ended 31 March 2020
Agro Inputs (Urea Operations)	**3735.16**	3124.29	**20215.36**	11001.64
Others (Agri business)	**46.74**	46.69	**3.93**	0.03
Unallocable	**41.40**	43.29	**5.15**	13.78
Total	**3823.30**	3214.27	**20224.44**	11015.45

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 33 (i) Related party disclosures for the year ended 31 March 2021.

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

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 Limted 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 Twinshield Consultants Private Limited 13 AM Foundation 14 SPIC Group Companies Employees Welfare Foundation 15 I3 Security Private Limited

Note 33(ii) (A) Balance Outstanding as at 31.03.2021

(₹ In Lac)

Sl No		PARTICULARS	As at 31 March 2021	As at 31 March 2020
	(a)	**Receivables including Advances**		
		Tamilnadu Petroproducts Limited	**-**	3.09
		Tuticorin Alkali Chemicals and Fertilizers Limited	**193.40**	13.53
		Greenstar Fertilizers Limited	**-**	533.88
		Wilson International Trading Pvt Ltd, India	**0.03**	-
		National Aromatics and Petrochemicals Corporation Limited *	**1491.51**	1489.77
		Manali Petrochemicals Limited	**0.73**	1.30
		Twinshield Consultants Private Limited	**24.85**	21.15
		Sicagen India Limited	**-**	4.04
		AM Foundation	**0.13**	0.22
		Greenam Energy Private Limited	**192.95**	28.39
		Wilson International Trading Pte. Ltd, Singapore	**741.22**	-
	(b)	**Payables**		
		Greenstar Fertilizers Limited	**4423.47**	-
		Tamilnadu Petroproducts Limited	**1.65**	1.06
		Sicagen India Limited	**354.90**	287.46
		Wilson International Trading Pte. Ltd, Singapore	**-**	15505.57
		EDAC Engineering Limited	**60.51**	83.34
		Tuticorin Alkali Chemicals and Fertilizers Limited	**-**	646.67
		Lotus Fertilizers Private Limited	**1812.12**	1806.50
		South India Travels Pvt Ltd	**3.14**	1.38
		I3 Security Private Limited	**34.41**	40.32
	(c)	**Cash collateral provided against bank borrowings**		
		AM International Holdings Pte Ltd,Singapore (in USD)	**37.50**	37.50
	(d)	**Borrowings**		
		AM International Holdings Pte Ltd,Singapore	**-**	12949.80

*Dues have been fully provided for

Note 33(ii) (B) The following transactions were carried out with the related parties

(₹ In Lac)

Sl No	PARTICULARS	Year ended 31 March 2021	Year ended 31 March 2020
1	**Sale of goods**		
	Greenstar Fertilizers Limited	**118.88**	202.22
	Lotus Fertilizers Private Limited	**124.08**	135.71
2	**Purchase of materials**		
	Tuticorin Alkali Chemicals and Fertilizers Limited	**22.07**	10.15
	Greenstar Fertilizers Limited	**2495.61**	987.89
	Tamilnadu Petroproducts Limited	**24.48**	69.49
	Wilson International Trading Pte Ltd, Singapore	**-**	10902.13
	Sicagen India Limited	**909.40**	554.30
3	**Reimbursement of Expenses (Receipts)**		
	Tuticorin Alkali Chemicals and Fertilizers Limited	**-**	96.23
	Greenstar Fertilizers Limited	**491.05**	1050.44
	Sicagen India Limited	**1.52**	-
	National Aromatics and Petrochemicals Corporation Limited	**1.74**	0.81
	EDAC Engineering Limited	**0.03**	-
	AM Foundation	**23.20**	6.29
	Greenam Energy Private Limited	**-**	0.01
	Wilson International Trading (India) Private Limited	**-**	0.07
	SPIC Group Companies Employees Welfare Foundation	**-**	1.90
4	**Reimbursement of Expenses (Payments)**		
	Greenstar Fertilizers Limited	**-**	0.55
	Sicagen India Limited	**-**	1.31
5	**Income from services rendered**		
	AM Foundation	**-**	0.29
	Manali Petrochemicals Limited	**2.47**	7.43
	Tamilnadu Petroproducts Limited	**3.75**	0.85
	Tuticorin Alkali Chemicals and Fertilizers Limited	**4.98**	10.19
	Greenstar Fertilizers Limited	**961.82**	905.85
	Wilson International Trading (India) Private Limited	**-**	0.43
	Sicagen India Limited	**10.84**	14.89
	EDAC Engineering Limited	**4.49**	2.15
	Greenam Energy Private Limited	**0.11**	0.14
	I3 Security services private limited	**2.91**	-
6	**Services / Consultancy Charges**		
	Greenstar Fertilizers Limited	**381.81**	317.91
	EDAC Automation Limited	**-**	66.23
	Sicagen India Limited	**19.03**	4.02
	EDAC Engineering Limited	**150.04**	743.13
	I3 Security Private Limited	**1.36**	-
7	**Exchange Fluctuation**		
	Greenstar Fertilizers Limited	-	31.40
8	**Dividend Income**		
	Manali Petrochemicals Limited	**0.08**	0.08
	Tamilnadu Petroproducts Limited	**228.52**	152.34
	Sicagen India Limited	**2.89**	2.31

(₹ In Lac)

Sl No	PARTICULARS	Year ended 31 March 2021	Year ended 31 March 2020
9	**Managerial Remuneration**		
	Thiru. S R Ramakrishnan	**75.02**	75.00
10	**Handling Charges**		
	Greenstar Fertilizers Limited	**141.88**	95.49
11	**Rent Paid**		
	Greenstar Fertilizers Limited	**517.10**	662.59
12	**Director Sitting Fees**		
	Thiru. Ashwin C Muthiah	**5.00**	5.00
13	**Income from Rentals**		
	Greenstar Fertilizers Limited	**27.11**	26.09
14	**Advance for Ammonia/water charges**		
	Greenstar Fertilizers Limited	**2463.21**	1329.70
15	**Interest on Borrowings**		
	AM International Holdings Pte Ltd, Singapore	**664.86**	1381.13
16	**Borrowings Repaid**		
	AM International Holdings Pte Ltd, Singapore	**12865.50**	3409.50
17	**Demurrage Charges**		
	Wilson International Trading Pte. Ltd, Singapore	**-**	238.16
18	**Car Rental Charges**		
	South India Travels Private Limited	**22.72**	33.61
19	**Settlement of old dues**		
	Goldnest Trading Company Ltd	**-**	65.00
20	**Investment in Equity**		
	Greenam Energy Private Limited	**-**	190.00
21	**Rebates and Discounts**		
	Lotus Fertilizers Private Limited	**3.13**	0.33
22	**Manpower Charges**		
	I3 Security Service Pvt Ltd	**235.71**	139.32
23	**Guest House Expense**		
	South India House Estates & Properties Ltd	**2.37**	6.96
24	**Sale of Investment**		
	Greenstar Fertilizers Limited	**862.80**	-
25	**Rebate on purchase**		
	Wilson International Trading Pte. Ltd, Singapore	**758.32**	-

Note 34: Financial Instruments

Note 34.1: Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity shareholders. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and capital ratios in order to support its business and maximise shareholder value. The Company determines the amount of capital required on the basis of annual operating plan and long-term strategic plans. The funding requirements are met through internal accruals and long-term/short-term borrowings. The Company monitors the capital structure on the basis of Net debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

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

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

	Particulars	As at 31 March 2021	As at 31 March 2020
a)	Equity	**45993.29**	40052.92
b)	Non-Convertible preference share	**1250.00**	1250.00
c)	Borrowings other than non-convertible preference shares	**9125.01**	39525.22
d)	Less: Cash and Cash equivalants	**(10861.38)**	(7220.88)
e)	Total debt(b+c+d)	**(486.37)**	33554.34
f)	Overall financing(a+e)	**45506.92**	73607.26
h)	Net debt to capital ratio (e/f)	**(0.01)**	0.46
i)	Interest coverage ratio	**4.29**	2.67

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2021 and 31 March 2020

Note 34.2: Categories of Financial instruments (₹ In Lac)

	Particulars	As at 31 March 2021	As at 31 March 2020
Financial Assets			
Measured at FVTOCI			
a)	Investments	136.85	600.60
Measured at amortised cost			
b)	Trade receivables	718.58	896.27
c)	Cash and cash equivalents	5287.04	6409.34
d)	Bank balances other than (c) above	5574.34	811.54
e)	Other financial assets - Current Asset	22885.16	110353.84
f)	Assets held for sale	1080.51	-
g)	Other Financial Assets - Non Current Asset	226.39	243.29
Financial Liabilities			
Measured at amortised cost			
a)	Borrowings - Current Liabilities	10375.01	27909.72
b)	Trade payables	97441.16	118173.64
c)	Other financial liabilities - Current Liabilites	1482.19	1563.38
d)	Other Financial Liabilties - Non Current Liabilities	3211.80	3013.31

Note 34.3: Financial Risk and Management Objectives

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

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

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

1. Credit Risk

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

Trade receivables and subsidy receivable

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

2. Liquidity Risk

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

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

(₹ In Lac)

Particulars	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
31 March 2021					
Short term borrowings	-	6100.00	-	-	6100.00
Long-term borrowings	-	-	-	-	-
Trade payables	97441.16	-	-	-	97441.16
Other financial liability	-	4693.99	-	-	4693.99
	97441.16	**10793.99**	**-**	**-**	**108235.15**
31 March 2020					
Short term borrowings	23491.53	-	-	-	23491.53
Long-term borrowings	-	12865.50	-	-	12865.50
Trade payables	118173.64	-	-	-	118173.64
Other financial liability	-	4576.69	-	-	4576.69
	141665.17	**17442.19**	**-**	**-**	**159107.36**

3. Market Risk

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

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

4. Foreign Currency Risk

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

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

(In millions USD)

Particulars of Liabilities	**As at 31 March 2021**	As at 31 March 2020
Trade Payables		
Amount due on account of goods supplied	**(0.09)**	42.17

b. Foreign currency sensitivity analysis

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

Currency impact relating to the foreign currencies of	**As at 31 March 2021**		As at 31 March 2020	
	(Profit) or Loss	**Equity**	(Profit) or Loss	Equity
₹/USD - increase by INR 2	**(1.87)**	**(1.87)**	843.40	843.40
₹/USD - decrease by INR 2	**1.87**	**1.87**	(843.40)	(843.40)

5. Interest Rate Risk

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

6. Commodity Price Risk

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

Fair Value Measurements

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

(₹ In Lac)

As at 31 March 2021		Carrying Amount				Fair Value			
Particulars	Note	Financial Assets at amortised cost	Financial Assets at FVTOCI	Other Financial liabilities at amortised cost	Total carrying value	Level 1	Level 2	Level 3	Total
Assets									
Financial Assets measured at fair value									
Investments in quoted equity instruments at FVTOCI	6C(1)		136.85		136.85	136.85			136.85
Financial Assets not measured at fair value									
Trade Receivables	10	718.58			718.58		718.58		718.58
Cash and Cash Equivalents	11(A)	5287.04			5287.04		5287.04		5287.04
Other Bank balances	11 (B)	5574.34			5574.34		5574.34		5574.34
Other financial assets	7 (A&B)	23111.55			23111.55		23111.55		23111.55
Total		**34691.50**	**136.85**	**-**	**34828.35**	**136.85**	**34691.50**	**-**	**34828.35**
Liabilities									
Financial Liabilities not measured at fair value									
Current Borrowings	16			10375.01	10375.01		10375.01		10375.01
Trade payables	17			97441.16	97441.16		97441.16		97441.16
Other financial liabilities	15 (A&B)			4693.99	4693.99		4693.99		4693.99
Total		**-**	**-**	**112510.16**	**112510.16**	**-**	**112510.16**	**-**	**112510.16**

(₹ In Lac)

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

Note 35: Earnings Per Equity Share

Particulars	**Year ended 31 March 2021**	Year ended 31 March 2020
Face Value per share (In Rupees)	**10**	10
Profit for the year (Rupees in lac)	**5940.39**	5269.21
Basic		
Weighted Average Number of shares outstanding	**203640336**	203640336
Earnings per share (In Rupees)	**2.92**	2.59
Diluted		
Weighted Average Number of shares outstanding	**203640336**	203640336
Earnings per share (In Rupees)	**2.92**	2.59

Note 36.

(a) The Company has assessed the impact of COVID - 19 and concluded that there is no material impact on the operations of the Company and no material adjustment is required at this stage in the financial results of the Company for the year/quarter ended 31 March 2021. However, the Company will continue to monitor the impact which is a continuing process, given the uncertainties with its nature and duration of COVID - 19 and the impact may be different from the estimates considered while preparing these results.

(b) The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits, received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date from which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

Note 37:

(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 2021 in its meeting held on 30 June 2021.

In terms of our report attached.

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

GEETHA JEYAKUMAR
Partner
Membership No: 029409

Place : Chennai
Date : 30 June 2021

For and on behalf of the Board of Directors

SASHIKALA SRIKANTH
Director
DIN: 01678374

S R RAMAKRISHNAN
Whole-Time Director
DIN: 00120126

K R ANANDAN
Chief Financial Officer

M B GANESH
Company Secretary

Place : Chennai
Date : 30 June 2021

CONSOLIDATED
FINANCIAL STATEMENTS
2020-21

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") and its associates and jointly controlled entities, which comprise the Consolidated Balance Sheet as at March 31, 2021, and the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows 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 and on the other financial information of subsidiaries, associates and jointly controlled entities/ joint ventures/ joint operations[1], the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group, its associates and jointly controlled entities as at March 31, 2021, 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 Group, its associate and jointly controlled entities 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 Note 27 (iii) of the consolidated financial statements regarding computation of subsidy income based on the provisional Retention price (RP) in line with the government's policy dated June 17, 2015 as the final retention price has not been announced by the Department of Fertilizers. The necessary adjustments, if any, and its consequential impact 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.

Key Audit Matter	
Capitalization of costs as per Ind AS 16 Property, Plant and Equipment (PPE) (Refer to note 2 (ii) to the consolidated financial statements)	How the Key Audit Matter was addressed in our audit
The company has approved major capital expenditure projects aggregating to ₹47,128 lakhs towards equipment to support production of urea using natural gas and equipment related to energy efficiency The Company has incurred ₹20,269 lakhs towards the capitalisation of PPE during the year ended 31st March 2021 to support production of urea using natural gas and to increase energy efficiency of the production process. The project has been completed as at March 31, 2021 and the company started receiving Natural Gas from IOC's Ramanathapuram. Accordingly, significant level of judgement is involved to ensure that capitalisation of Property, Plant and Equipment meet the recognition criteria of Ind AS 16 - Property, Plant and Equipment. Accordingly, the aforesaid matter was determined to be a key audit matter.	Our audit procedures in respect of this area included: • Assessing the nature of the costs incurred towards capital expenditure and to test whether such costs are incurred meet the recognition criteria as set out in para 16 to 22 of Ind AS 16. • Verified the management's approval for the project cost. • Verified the design and implementation, and operating effectiveness of internal controls including relevant information technology controls relating to capitalization of PPE. • Performed substantive procedures on a test check basis including authorization for capitalization of PPE and testing with source documentation such as quotation/vendor selection, purchase orders, invoices and installation certificate to ascertain whether they meet the recognition criteria provided in Ind AS 16 • Obtained the report on physical verification of PPE conducted by the management during the year. • Assessed the appropriateness and adequacy of the related presentation and disclosures in compliance with the applicable Ind AS.

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 term 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 Jointly controlled entities 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 its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company, its associates and jointly controlled entities and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

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

The respective Board of Directors of the company and of its associates and jointly controlled entities are responsible for overseeing the financial reporting process of the Company and of its associates and jointly controlled entities.

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 ₹ 2,129.00 lakhs and total other comprehensive income of ₹ (58.94) lakhs for the year ended March 31, 2021, in respect 2 associate companies, 2 joint ventures, 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 relate to the amounts and disclosures included in respect of these joint ventures and associates, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid joint ventures and associates, is based solely on the reports of the other auditors.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

    a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

    b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

    c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow 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, 2021 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its associate companies and jointly controlled companies incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled companies incorporated in India are disqualified as on March 31, 2021 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 Group, its associates and jointly controlled entities– Refer Note 29 to the consolidated financial statements.

   ii. The Company, its associates and jointly controlled entities did not have any material foreseeable losses 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 jointly controlled companies incorporated in India.

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

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

Geetha Jeyakumar
Partner
Membership No. 029409
UDIN: 21029409AAAAGA4710

Place: Chennai
Date: June 30, 2021

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 judgement 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 jointly controlled entities 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 jointly controlled entities 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 jointly controlled entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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

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

Geetha Jeyakumar
Partner
Membership No. 029409
UDIN: 21029409AAAAGA4710

Place: Chennai
Date: June 30, 2021

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, 2021]

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, 2021, we have audited the internal financial controls with reference to consolidated financial statements of Southern Petrochemical Industries Corporation Limited (hereinafter referred to as "the Company") and its associate companies and jointly controlled companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the company, its associate companies and jointly controlled companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control 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.

Auditor's 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 jointly controlled companies, 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 jointly controlled companies, 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 jointly controlled companies, which are companies incorporated in India, have, in all material respects, 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, 2021, based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to 2 associate companies and 2 joint ventures, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

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

Geetha Jeyakumar
Partner
Membership No. 029409
UDIN: 21029409AAAAGA4710

Place: Chennai
Date: June 30, 2021

Consolidated Balance sheet as at 31 March 2021

(₹ In Lac)

S. No.	Particulars	Note No.	As at 31 March 2021	As at 31 March 2020
A	**ASSETS**			
1	**Non-current assets**			
	(a) Property Plant & Equipment	4 (i)	**52341.62**	35081.54
	(b) Capital work-in-progress		**1753.79**	2622.41
	(c) Investment Property	5	**122.24**	125.71
	(d) Other Intangible assets	4 (ii)	**65.72**	101.80
	(e) Financial assets			
	i) Non-Current Investments			
	Investments in Associate	6 (A)	**758.83**	766.42
	Investments in Joint Venture	6 (B)	**10421.88**	8344.23
	Other Equity Investments	6 (C)	**253.61**	703.69
	Other investments	6 (D)	**1.00**	1.00
	ii) Other financial Assets	7 (A)	**226.39**	243.29
	(f) Deferred tax asset (Net)	31	**10379.02**	10441.47
	(g) Income tax assets (Net)		**888.86**	380.57
	(h) Other non current assets	8	**5562.73**	7742.53
	Total Non- Current Assets		**82775.69**	66554.66
2	**Current assets**			
	(a) Inventories	9	**35063.40**	13505.79
	(b) Financial assets			
	i) Trade receivables	10	**718.58**	896.27
	ii) Cash and cash equivalents	11 (A)	**5287.04**	6409.33
	iii) Bank balances other than ii) above	11 (B)	**5574.34**	811.54
	iv) Other financial assets	7 (B)	**22885.16**	110353.85
	(c) Other current assets	12	**17826.82**	10792.67
	(d) Assets held for sale		**1080.51**	-
	Total Current Assets		**88435.85**	142769.45
	TOTAL ASSETS		**171211.54**	209324.11
B	**EQUITY AND LIABILITIES**			
1	**EQUITY**			
	(a) Equity Share capital	13	**20364.03**	20364.03
	(b) Other Equity	14	**31212.16**	23108.20
	Total Equity		**51576.19**	43472.23
2	**LIABILITIES**			
	Non-current liabilities			
	(a) Financial Liabilities			
	Other financial Liabilities	15 (A)	**3211.80**	3013.31
	Total Non-Current Liabilities		**3211.80**	3013.31
	Current liabilities			
	(a) Financial Liabilities			
	i) Current Borrowings	16	**10375.01**	27909.72
	ii) Trade payables			
	- Total outstanding dues to Micro and Small Enterprises	17 (i)	**-**	-
	- Total outstanding dues to other than Micro and Small Enterprises	17	**97441.16**	118173.64
	iii) Other financial liabilities	15 (B)	**1482.19**	14428.89
	(b) Provisions	18	**427.68**	461.33
	(c) Other current liabitlies	19	**6697.51**	1864.99
	Total Current Liabilities		**116423.55**	**162838.57**
	Total liabilities		**119635.35**	**165851.88**
	TOTAL EQUITY AND LIABILITIES		**171211.54**	**209324.11**

The accompanying notes are integral part of these financial statements

In terms of our report attached.

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

GEETHA JEYAKUMAR
PARTNER
MEMBERSHIP NO: 029409

Place : Chennai
Date : 30 June 2021

For and on behalf of the Board of Directors

SASHIKALA SRIKANTH
Director
DIN: 01678374

S R RAMAKRISHNAN
Whole-Time Director
DIN: 00120126

K R ANANDAN
Chief Financial Officer

M B GANESH
Company Secretary

Place : Chennai
Date : 30 June 2021

Consolidated Statement of Profit and Loss for the year ended 31 March 2021

(₹ In Lac)

S. No.	Particulars	Note No.	Year ended 31 March 2021	Year ended 31 March 2020
	Income			
1	Revenue from operations	20	**152700.73**	207918.00
2	Other income	21	**2951.58**	1046.83
3	**Total income (1+2)**		**155652.31**	208964.83
4	**Expenses**			
	(a) Cost of materials consumed	22	**83770.63**	116842.89
	(b) Changes in inventories of finished goods and work-in-progress	23	**(2234.99)**	1675.01
	(c) Employee benefits expense	24	**6005.13**	5891.97
	(d) Finance costs	25	**1415.46**	3415.07
	(e) Depreciation and amortisation expense	4 & 5	**3823.30**	3214.27
	(f) Other expenses	26	**58117.00**	72227.81
	Total expenses		**150896.53**	**203267.02**
5	**Profit before exceptional items, share of profit of equity accounted investees and tax (3-4)**		**4755.78**	5697.81
6	Exceptional items		**-**	-
7	**Profit before share of profit of equity accounted investees and tax (5+6)**		**4755.78**	5697.81
8	**Share of profit of Joint Ventures**		**2946.90**	1317.45
9	**Profit before tax (7+8)**		**7702.68**	7015.26
10	**Tax expense**			
	Current tax		**295.15**	335.31
	Deferred tax (MAT)		**-**	(68.40)
	Net tax (benefit) / expense		**295.15**	266.91
11	**Profit after Tax (9-10)**		**7407.53**	6748.35
12	**Other comprehensive income/(Loss)**			
	i) Items that will not be reclassified to profit or loss			
	a) Effect of measuring investments at fair value through OCI		**616.77**	(328.67)
	b) Remeasurement of defined benefit plans		**200.29**	(129.03)
	ii) Income tax relating to items that will not be reclassified to profit or loss		**(61.68)**	32.87
	iii) Share of Other Comprehensive Income from Joint Ventures		**(58.94)**	67.87
	Total Other Comprehensive Income/(Loss)		**696.44**	**(356.96)**
13	**Total Comprehensive Income (11+12)**		**8103.97**	6391.39
14	**Earnings Per Equity Share (Nominal value per share ₹ 10/-)**			
	Basic & Diluted	35	**3.98**	3.14

The accompanying notes are integral part of these financial statements

In terms of our report attached.

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

GEETHA JEYAKUMAR
PARTNER
MEMBERSHIP NO: 029409

Place : Chennai
Date : 30 June 2021

For and on behalf of the Board of Directors

SASHIKALA SRIKANTH
Director
DIN: 01678374

S R RAMAKRISHNAN
Whole-Time Director
DIN: 00120126

K R ANANDAN
Chief Financial Officer

M B GANESH
Company Secretary

Place : Chennai
Date : 30 June 2021

Consolidated Statement of changes in equity for the year ended 31 March 2021

(A) Equity share capital

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

Particulars	No. of shares	(₹ In Lac)
As at 31 March 2020 (Refer Note 13)	203640336	20364.03
As at 31 March 2021 (Refer Note 13)	**203640336**	**20364.03**

(B) Other equity

(₹ In Lac)

Particulars	Reserve and surplus					Items of other comprehensive income		Total
	Capital Reserve	Capital Redemption Reserve	Securities Premium Account	Statutory Reserve	Retained Earnings	Effect of measuring investments at fair value through OCI	Remeasurement of defined benefit plans	
Balance as at 1 April 2019	97.24	6500.00	21047.71	41.33	(10101.25)	(729.51)	(138.72)	16716.80
Profit for the year	-	-	-	-	6748.35	-	-	6748.35
Other comprehensive income	-	-	-	-	-	(295.80)	(61.16)	(356.96)
Total other comprehensive income for the year	-	-	-	-	6748.35	(295.80)	(61.16)	6391.39
Balance as at 31 March 2020	97.24	6500.00	21047.71	41.33	(3352.90)	(1025.31)	(199.88)	23108.19
Balance as at 1 April 2020	**97.24**	**6500.00**	**21047.71**	**41.33**	**(3352.90)**	**(1025.31)**	**(199.88)**	**23108.19**
Profit for the year	**-**	**-**	**-**	**-**	**7407.53**	**-**	**-**	**7407.53**
Other comprehensive income net of taxes	**-**	**-**	**-**	**-**	**-**	**555.09**	**141.35**	**696.44**
Total other comprehensive income for the year	**-**	**-**	**-**	**-**	**7407.53**	**555.09**	**141.35**	**8103.97**
Balance as at 31 March 2021	**97.24**	**6500.00**	**21047.71**	**41.33**	**4054.62**	**(470.22)**	**(58.53)**	**31212.16**

The accompanying notes are an integral part of the financial statements.

In terms of our report attached.

For and on behalf of the Board of Directors

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

SASHIKALA SRIKANTH
Director
DIN: 01678374

S R RAMAKRISHNAN
Whole-Time Director
DIN: 00120126

GEETHA JEYAKUMAR
PARTNER
MEMBERSHIP NO: 029409

K R ANANDAN
Chief Financial Officer

M B GANESH
Company Secretary

Place : Chennai
Date : 30 June 2021

Place : Chennai
Date : 30 June 2021

Consolidated Cash Flow Statement for the year ended 31 March 2021

(₹ In Lac)

S. No.	Particulars	Year ended 31 March 2021		Year ended 31 March 2020	
A.	**CASH FLOW FROM OPERATING ACTIVITIES:**				
	Profit for the year before tax		**4755.78**		5697.81
	Adjustment for :				
	Depreciation and amortisation expense	**3823.30**		3214.27	
	Assets Written off	**49.23**		27.07	
	Profit on sale of assets	**(0.01)**		(7.68)	
	Provision for non-moving inventories	**13.47**		12.84	
	Allowances for doubtful debts and advances	**1.74**		0.81	
	Income on sale of shares in Associates (Net)	**(2066.00)**		-	
	Provisions no longer required written back	**(13.75)**		(30.00)	
	Bad debts and advances written off	**-**		53.44	
	Exchange difference (Gain)/ Loss	**(48.05)**		293.55	
	Finance Costs	**1415.46**		3415.07	
	Income from investments	**(231.48)**		(154.75)	
	Interest income	**(127.04)**		(122.72)	
			2816.87		6701.90
	Operating profit before working capital changes		**7572.65**		12399.71
	Adjustments for (Increase)/Decrease in:				
	Trade receivables	**(23.68)**		898.69	
	Inventories	**(21571.08)**		5266.73	
	Non current financial assets	**16.90**		43.82	
	Other Non-current assets	**225.40**		1014.05	
	Current financials assets	**87469.32**		(3361.14)	
	Other current assets	**(7034.15)**		3126.57	
	Bank balances other than cash and cash equivalents	**(4762.80)**		(342.86)	
	Adjustments for Increase/(Decrease) in:				
	Other non current financial liabilities	**198.49**		124.62	
	Trade payables	**(20684.43)**		(2992.86)	
	Other current financial liabilities	**(12864.61)**		(2157.86)	
	Other current liabilities	**5032.81**		(84.44)	
	Short-term provisions	**(33.65)**		71.99	
			25968.53		1607.31
	Cash from operations		**33541.18**		14007.02
	Direct taxes refund / (paid)		**14.46**		(367.94)
	NET CASH FROM OPERATING ACTIVITIES		**33555.63**		13639.08
B.	**CASH FLOW FROM INVESTING ACTIVITIES :**				
	Purchase of Property, Plant and Equipment including capital work-in-progress and Capital Advances	**(18269.27)**		(15163.34)	
	Proceeds from sale of Property, Plant and Equipment	**0.01**		13.97	
	Income from investments	**231.48**		154.75	
	Purchase of non current investment	**-**		(193.42)	
	Sale of Investment	**2052.82**		-	
	Interest income	**124.67**		76.08	
			(15860.29)		(15111.96)
	NET CASH USED IN INVESTING ACTIVITIES		**(15860.29)**		(15111.96)

(₹ In Lac)

S. No.	Particulars	Year ended 31 March 2021		Year ended 31 March 2020	
C.	**CASH FROM FINANCING ACTIVITIES:**				
	Proceeds from Short Term Borrowings (net)	**(17685.97)**		3967.11	
	Finance Costs	**(1131.66)**		(3325.42)	
			(18817.64)		641.69
	NET CASH (USED IN)/ FROM FINANCING ACTIVITIES:		**(18817.64)**		641.69
	NET CASH FLOWS DURING THE YEAR (A+B+C)		**(1122.29)**		(831.19)
	Cash and cash equivalents at the beginning of the year		**6409.33**		7240.52
	Cash and cash equivalents at the end of the year		**5287.04**		6409.33
			1122.29		831.19
	Cash and cash equivalents comprise				
	Cash on hand		**5.44**		5.94
	With the Banks		**5281.60**		6403.39
	Total cash and bank balances at end of the year		**5287.04**		6409.33

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

The accompanying notes are an integral part of these financial statements

In terms of our report attached.

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

GEETHA JEYAKUMAR
PARTNER
MEMBERSHIP NO: 029409

Place : Chennai
Date : 30 June 2021

For and on behalf of the Board of Directors

SASHIKALA SRIKANTH
Director
DIN: 01678374

S R RAMAKRISHNAN
Whole-Time Director
DIN: 00120126

K R ANANDAN
Chief Financial Officer

M B GANESH
Company Secretary

Place : Chennai
Date : 30 June 2021

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Note 1 GENERAL INFORMATION

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

Joint Venture Company Tamilnadu Petroproducts Limited (TPL) is in the manufacturing and selling of petrochemical products namely Linear Alkyl Benzene (LAB) and Caustic Soda from the manufacturing facilities situated at Manali, near Chennai.

The Ind AS financial statements were approved by the Board of Directors of the Company on June 30, 2021

Note 2 SIGNIFICANT ACCOUNTING POLICIES

i) Basis of preparation of financial statements

a. Statement of Compliance with IND AS

The financial statements which comprise the Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement, and the Statement of Changes in Equity ("financial statements") have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Section 133 of the Companies Act, 2013 ("the Act"), Companies (Indian Accounting Standards) Rules, 2016, along with relevant amendment rules issued thereafter and other relevant provisions of the Act, as applicable

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

b. Basis of measurement

The financial statements have been prepared on a historical cost convention and on accrual basis, except for the below material item that have been measured at fair value at the end of each reporting period as required by relevant Ind AS:-

Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments)

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

c. Use of Estimates

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

d. Basis of consolidation:

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;

- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the company's accounting policies.

Investments in Associates and Joint Ventures

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Company's investments in its associate and joint venture are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Company's share of net assets of the associate or joint venture since the acquisition date.

The statement of profit and loss reflects the Company's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Company's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Company recognises its share of any changes, when applicable, in the statement of changes in equity.

The aggregate of the Company's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit and loss.

(1) Interests in Jointly Controlled entities:

The Group's interests in jointly controlled entities are:

Name of the Company	Country of incorporation	Percentage of ownership interest	
		As at 31 March 2021	As at 31 March 2020
Tamilnadu Petroproducts Limited	India	**16.93**	16.93
National Aromatics and Petrochemicals Corporation Limited	India	**50.00**	50.00

(2) Investments in Associates:

The Group's associates are

Name of the Company	Country of incorporation	Percentage of ownership interest	
		As at 31 March 2021	As at 31 March 2020
Tuticorin Alkali Chemicals and Fertilizers Limited	India	23.46	43.94
Gold Nest Trading Company Limited	India	32.76	32.76
Greenam Energy Private Limited	India	20.00	20.00

(3) Investment in Tuticorin Alkali Chemicals and Fertilizers Limited, an associate company in which the Company holds 23.46 % 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 2021 is Nil. Accordingly, the Company's share in the net assets of the associate company have not been recognised in the consolidated financial statements.

ii) Property, Plant and Equipment

Property, plant and equipment are stated at cost less depreciation and impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items.

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

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

Depreciation methods, estimated useful lives

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

Depreciation on tangible assets is recognized so as to write off the cost of assets (other than freehold land and capital work in progress) less their residual values over the useful lives, using the straight line method. The company has followed the useful life as prescribed in Schedule II of the Companies Act 2013, except in respect of the assets pertaining to Tuticorin manufacturing plant in whose case the life of the assets has been assessed as under based on technical expert, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support.

Asset	Useful Life
Building – Factory	25-65 years
Building – Others	45-75 years
Plant and Machinery	10-49 years
Furniture and Fixtures	12-33 years
Vehicles	8-26 years
Office Equipments	7-38 years
Roads	34-44 years
Railway sidings	40 years

The management believes that these estimated useful lives reflect fair approximation of the period over which the assets are likely to be used

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

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

iii) Investment Properties

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

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

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

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

iv) Intangible Assets

Intangible assets are stated at acquisition cost, net of accumulated amortization. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. The estimated useful lives of intangible assets – Software is 5 Years

v) Foreign Currency Transactions

a. Functional and presentation currency

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

b. Transactions and balances

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

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

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

vi) Fair value measurements

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

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

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

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

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

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

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

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

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

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

vii) Revenue Recognition

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

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

Under the New Pricing Scheme for Urea, the Government of India reimburses, in the form of subsidy, to the Fertilizer Industry based on the Retention Price computed on the lower of 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.

Company has started receiving natural gas from March 13, 2021 and has become a gas-based urea manufacturing unit. The Subsidy would be paid based on the Retention Price computed on the lower of Naphtha/Fuel oil or RLNG price until March 12, 2021. From March 13, 2021 the company is eligible for fiscal incentives by higher energy norms.

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

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

viii) Taxes

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

a. Current Income tax

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

b. Deferred tax

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

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

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

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

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

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

ix) Assets classified as held for sale

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

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

- The appropriate level of management is committed to a plan to sell the asset (or disposal group),
- An active program to locate a buyer and complete the plan has been initiated (if applicable),
- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification , and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

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

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

x) Leases

The Company as a Lessee

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

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

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

The Company as a Lessor

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

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

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

xi) Inventories

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

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

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

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

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

xii) Impairment of non-financial assets

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

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

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

xiii) Provisions and Contingent liabilities

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

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

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

xiv) Cash and Cash Equivalents

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

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

xv) Financial Instruments

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

a. Financial Assets

<u>Initial recognition and measurement</u>

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

Subsequent measurement

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

a) at amortized cost; or

b) at fair value through other comprehensive income; or

c) at fair value through profit or loss.

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

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

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

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

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

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

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

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

Impairment of financial assets

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

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

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

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

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

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

Derecognition of financial assets

A financial asset is derecognized only when

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

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

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

b. Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

Loans and borrowings

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

Derecognition

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

c. **Offsetting financial instruments**

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

xvi) Employee Benefits

a. **Short-term obligations**

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

b. **Other long-term employee benefit obligations**

Defined Contribution plan

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

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

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

Defined benefit plans

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

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

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

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

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

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

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

xvii) Contributed Equity

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

xviii) Earnings Per Share

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

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

xix) Borrowing costs

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

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

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

xx) Rounding off amounts

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

xxi) Subsidy from Government

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

xxii) Derivative financial instruments

Initial recognition and subsequent measurement

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

xxiii) Functional and presentation currency

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

xxiv) Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Company), whose operating results are regularly reviewed by the Company's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. Operating segments of the Company are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

Standards (including amendments) issued but not yet effective:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021

Note 3 Significant accounting judgments, estimates and assumptions

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

Estimates and assumptions

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

a. Taxes

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

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

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

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

The principal assumptions are the discount and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis. For details refer Note 30.

c. Useful lives of Property, Plant and Equipment

The depreciation of property, plant and equipment is derived on determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time of acquisition of asset and is reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life.

d. Revenue Recognition

Revenue from contracts with customers Concessions in respect of urea, as notified under the New Pricing Scheme, is recognized with adjustments for escalation/deescalation in the prices of inputs and other adjustments, as estimated by the management in accordance with the known policy parameters in this regard. The Company recognises urea subsidy income from the Government of India ("GOI") based on estimates as per the GOI notification dated June 17, 2015 and changes, if any, are recognised in the year of finalisation of the prices by the GOI under the scheme. Also, the Company determines and updates its assessment of expected rebates periodically and the accruals are adjusted accordingly. Estimates of expected rebates are sensitive to changes in circumstances and the Company's past experience regarding these amounts may not be representative of actual amounts in the future.

e. Impairment of financial and non-financial assets

Significant management judgement is required to determine the amounts of impairment loss on the financial and non-financial assets. The calculations of impairment loss are sensitive to underlying assumptions.

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

(₹ In Lac)

Description	Gross block				Accumulated depreciation and impairment				Net block	
	Opening Balance as at 1 April, 2020	Additions/ Adjustments	Deletions/ Adjustments	Closing Balance as at 31 March, 2021	Opening Balance as at 1 April, 2020	Additions/ Adjustments	Deletions/ Adjustments	Closing Balance as at 31 March, 2021	As at 31 March, 2021	As at 31 March, 2020
i) Tangible Assets (Owned)										
(a) Land - Freehold	5824.73	-	-	**5824.73**	-	-	-	**-**	**5824.73**	5824.73
(b) Buildings	3428.24	1.56	-	**3429.80**	648.89	164.91	-	**813.80**	**2616.00**	2779.35
(c) Plant and Equipment	33419.05	20315.78	447.15	**53287.68**	9252.79	3309.55	399.20	**12163.14**	**41124.54**	24166.26
(d) Furniture and Fixtures	59.72	0.49	-	**60.21**	20.71	5.66	-	**26.37**	**33.84**	39.01
(e) Vehicles	152.65	-	-	**152.65**	21.66	22.68	-	**44.34**	**108.31**	130.99
(f) Office equipments	3337.17	698.07	2.06	**4033.18**	1490.40	253.14	0.76	**1742.78**	**2290.40**	1846.77
(g) Roads	119.45	76.46	-	**195.91**	71.71	13.70	-	**85.41**	**110.50**	47.74
(h) Railway Sidings	302.00	0.70	-	**302.70**	55.29	14.11	-	**69.40**	**233.30**	246.71
Total	**46643.01**	21093.06	449.21	**67286.86**	11561.45	3783.75	399.96	**14945.24**	**52341.62**	35081.54
(ii) Other Intangible Assets	**189.89**	-	-	**189.89**	88.09	36.08	-	**124.17**	**65.72**	101.80

Depreciation Expenses:

(₹ In Lac)

Particulars	**As at 31 March 2021**	As at 31 March 2020
(i) Property, Plant & Equipment	**3783.75**	3174.72
(ii) Investment Property	**3.47**	3.47
(iii) Other Intangible Assets	**36.08**	36.08
Total	**3823.30**	3214.27

Note 4 Property Plant & Equipments and Other Intangible Assets (previous year)

(₹ In Lac)

Description	Gross block				Accumulated depreciation and impairment				Net block	
	Opening Balance as at 1 April, 2019	Additions/ Adjustments	Deletions/ Adjustments	Closing Balance as at 31 March, 2020	Opening Balance as at 1 April, 2019	Additions/ Adjustments	Deletions/ Adjustments	Closing Balance as at 31 March, 2020	As at 31 March, 2020	As at 31 March, 2019
(i) Tangible Assets (Owned)										
(a) Land - Freehold	5829.73	-	5.00	5824.73	-	-	-	-	5824.73	5829.73
(b) Buildings	3341.16	87.08	-	3428.24	486.46	162.43	-	648.89	2779.35	2854.70
(c) Plant and Equipment	19742.67	13906.73	230.35	33419.05	6654.46	2810.89	212.56	9252.79	24166.26	13088.21
(d) Furniture and Fixtures	62.87	0.89	4.04	59.72	15.18	5.53	-	20.71	39.01	47.69
(e) Vehicles	148.10	12.18	7.63	152.65	5.24	22.26	5.84	21.66	130.99	142.86
(f) Office equipments	2203.56	1238.59	104.98	3337.17	1439.71	150.66	99.97	1490.40	1846.77	763.85
(g) Roads	74.55	44.90	-	119.45	62.60	9.11	-	71.71	47.74	11.95
(h) Railway Sidings	298.14	3.86	-	302.00	41.46	13.83	-	55.29	246.71	256.68
Total	31700.78	15294.22	352.00	46643.00	8705.11	3174.72	318.37	11561.45	35081.54	22995.66
(ii) Other Intangible Assets	189.89	-	-	189.89	52.01	36.08	-	88.09	101.80	137.88

Note 5: Investment Property

(₹ In Lac)

Particulars	As at 31 March 2021	As at 31 March 2020
Carrying amount of		
Completed investment property (Refer Notes below)	**122.24**	125.71
Total	**122.24**	125.71

(₹ In Lac)

Particulars	As at 31 March 2021	As at 31 March 2020
Cost or Deemed cost		
Balance at the beginning of the year	**139.59**	139.59
Additions	**-**	-
Balance at the end of the year	**139.59**	139.59
Accumulated depreciation and impairment		
Balance at the beginning of the year	**13.88**	10.41
Depreciation expense	**3.47**	3.47
Balance at the end of the year	**17.35**	13.88
Net Balance at the end of the year	**122.24**	125.71

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

The fair value of the property is ₹316.96 lacs, as per valuation performed by M/s. Anbusivam Valuers., an accredited independent valuer in the earlier year. M/s. Anbusivam Valuers is a specialist in valuing these types of investment properties.

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

Note 5.2: Information regarding income and expenditure of Investment property

(₹ In Lac)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Rental income derived from investment properties	**14.15**	10.48
Direct operating expenses (including repairs and maintenance) generating rental income	**-**	-
	14.15	10.48
Less – Depreciation	**(3.47)**	(3.47)
Income arising from investment properties before indirect expenses	**10.68**	7.01

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

Note 6: Non-Current Investments

(₹ In Lac)

	Particulars	As at 31 March 2021	As at 31 March 2020
(A)	**Investments in Associates at cost**		
1.	**Quoted Investments in equity instruments**		
	- Tuticorin Alkali Chemicals and Fertilizers Limited (Refer Note 6 (b) below)		
	2,85,86,872 (5,35,30,113) Equity Shares of ₹ 10 each, fully paid up	**-**	-
	Less: Adjusted in statement of Profit and Loss	**-**	-
	Total Aggregate Quoted Investments (1)	**-**	-
2.	**Unquoted investments**		
a)	**Investments in equity instruments.**		
	- Gold Nest Trading Company Limited		
	2,49,000 (2,49,000) Equity Shares of ₹ 100 each, fully paid up	**9.00**	25.24
	Add: Share of Loss and Other Comprehensive Income	**(6.07)**	(16.24)
		2.93	9.00
	-Greenam Energy Limited		
	75,86,502 (75,86,502) Equity Shares of ₹ 10 each, fully paid up (Refer Note 6 (d) below)	**757.42**	758.29
	Add: Share of Loss and Other Comprehensive Income	**(1.52)**	(0.87)
		755.90	757.42
	Total Aggregate Unquoted Investments (2)	**758.83**	766.42
	Total Investments in associates (1) + (2)	**758.83**	766.42
	As per IND AS - Investments in Associate is carried at book value	**758.83**	766.42
(B)	**Investments in Joint Ventures at cost**		
1.	**Quoted Investments in equity instruments**		
	- Tamilnadu Petroproducts Limited		
	1,52,34,375 (1,52,34,375) Equity Shares of ₹ 10 each	**8344.23**	7204.93
	Add: Share of Profit and Other Comprehensive Income	**2077.65**	1139.31
	Total Aggregate Quoted Investments	**10421.88**	8344.23
	As per IND AS - Investments in JV is carried at book value	**10421.88**	8344.23
(C)	**Other Equity Investments carried at FVTOCI**		
1.	**Quoted Investments in equity instruments**		
	Investments in equity		
	- Manali Petrochemicals Limited	**5.93**	1.01
	10,000 (10,000) Equity shares of ₹ 5 each, fully paid up		
	- State Bank of India		
	9,660 (9660) Equity Shares of ₹1 each, fully paid up	**35.19**	19.02
	- ICICI Bank Limited		
	2106 (2106) Equity Shares of ₹ 2 each, fully paid up	**12.26**	6.82
	- Mercantile Ventures Limited		
	1,50,28,000 (1,50,28,000) Equity Shares of ₹ 10 each, fully paid up (Refer Note 6(c) below)	**-**	521.47
	- SICAGEN India Limited		
	5,77,681 (5,77,681) Equity Shares of ₹ 10 each, fully paid up	**83.47**	52.28
	Total Aggregate Quoted Investments (1)	**136.85**	600.60

Note 6: Non-Current Investments

(₹ In Lac)

	Particulars	As at 31 March 2021	As at 31 March 2020
2.	**Unquoted investments**		
	Investments in equity		
	- Biotech Consortium India Limited		
	2,50,000 (2,50,000) Equity Shares of ₹ 10 each, fully paid up	**25.00**	25.00
	- Chennai Willington Corporate Foundation		
	50 (50) Equity Shares of ₹ 10 each costing ₹ 450, fully paid up	**0.00**	0.00
	- OPG Power Generation Private Limited (Refer Note 6 (a) below)		
	3,57,300 (2,38,500) Equity Shares of ₹10, fully paid up	**40.75**	27.08
	- R K Wind Farms (Karur) Private Limited		
	456 (456) Equity shares of ₹10, fully paid up	**0.05**	0.05
	- South India Travels Private Limited		
	5,09,575 (5,09,575) Equity Shares of ₹ 10 each, fully paid up	**50.96**	50.96
	Total Aggregate Unquoted Investments (2)	**116.76**	103.09
	Total Other equity Investments (1) + (2)	**253.61**	703.69
(D)	**Other Investments carried at cost**		
1	**Investment in Mutual Funds (all fully paid)**		
	- Canara Robecco Equity Diversified - Growth Plan (formerly known as Canara Robecco Fortune) - 94 units - 12,760 (12,760) Units of ₹ 10 each	**1.00**	1.00
	Total Aggregate Investments In Mutual Funds	**1.00**	**1.00**
	Total Other Investments	**1.00**	**1.00**
	Aggregate book value of		
	- a) Quoted investments	**10559.73**	8945.83
	- b) Unquoted investments	**875.59**	869.52
	Aggregate market value		
	Quoted investments	**7571.23**	4355.87

During the year:

a. In November 2020, 1,59,200 Equity shares of ₹10/- each of OPG Power Generation Private Limited (OPG) @ ₹11.50 per share was transferred to the company due to increase in consumption of power and in March 2021, 40,400 Equity shares of ₹10/- each of OPG @ ₹11.50 per share was transferred by the company due to reduction in consumption of power as per Group Captive Scheme of the Government of India under Electricity Rules, 2005. The balance Equity shares held is 3,57,300.

b. There was sale of 2,49,43,241 Equity shares of ₹10/- each of Tuticorin Alkali Chemical and Fertilisers Limited (TFL) (which includes 1,89,43,241 equity shares sold to enable TFL to achieve Minimum Public Shareholding as required under SEBI Regulations). Consequent to the sale of the said equity shares, provision for impairment of investment, amounting to ₹ 2,066.48 lacs (Net), created in the earlier years and no longer required has been written back and is disclosed under “Other Income”

c. Investment in M/s Mercantile Ventures Limited (MVL) is classified as Held for Sale considering management’s intention to sell in next 12 months.

d. 56,86,502 equity shares of ₹10/- each of Greenam Energy Private Limited (Greenam) held by company has been pledged in favour of Indian Renewable Energy Development Agency Limited to secure the term loan of ₹ 88 crores availed by Greenam. The company has also given undertaking for non-disposal of the said shares during the tenure of the loan and to infuse additional funds to meet the shortfall in the resources of Greenam for completing the project.

Note 7: Other financial assets

(₹ In Lac)

	Particulars	As at 31 March 2021	As at 31 March 2020
(A)	**Other financial assets - Non-current**		
	Financial assets carried at amortized cost		
	Deposits		
	Considered good	**226.39**	243.29
	Doubtful	**41.88**	43.16
		268.27	286.45
	Less: Provision for doubtful deposits	**41.88**	43.16
		226.39	243.29
	Loans to employees		
	Considered good	**-**	-
	Doubtful	**5.84**	5.84
		5.84	5.84
	Less: Provision for doubtful loans	**5.84**	5.84
		-	-
	Total	**226.39**	243.29
(B)	**Other financial assets - Current**		
	Financial assets carried at amortized cost		
	Advances to related parties		
	Considered good (Refer Note 33)	**1164.44**	1408.40
	Doubtful	**1491.51**	1489.77
		2655.95	2898.17
	Less: Provision for doubtful advances	**1491.51**	1489.77
		1164.44	1408.40
	Interest accrued on deposits	**290.13**	287.76
	Subsidy Receivable (Refer Note 27 (ii))	**21430.59**	108657.69
	Total	**22885.16**	110353.85

Note 8: Other Non-Current Assets

(₹ In Lac)

Particulars	As at 31 March 2021	As at 31 March 2020
Deposits		
Considered good	**511.65**	736.27
Advances to employees		
Doubtful	**10.61**	9.34
Less: Provision for doubtfu advances	**10.61**	9.34
	-	-
Capital advances	**4327.72**	6282.89
Balances with government authorities		
Considered good	**723.36**	723.37
Doubtful	**23.27**	23.27
	746.63	746.64
Less: Provision for doubtful balances	**23.27**	23.27
	723.36	723.37
Total	**5562.73**	7742.53

Note 9: Inventories

(₹ In Lac)

Particulars	As at 31 March 2021	As at 31 March 2020
Raw materials in stock (at cost)	**12736.25**	10028.07
Raw material in-transit (at cost)	**14954.91**	-
	27691.16	10028.07
Work in progress in stock (At cost) (Refer Note 9 (i) below)	**1897.85**	118.92
Finished goods in stock (At lower of cost and net realizable value)	**490.93**	34.87
Stores and spares including packing material (At cost)	**1771.66**	2112.25
Fuel Oil (at cost)	**3211.80**	1211.68
Total	**35063.40**	13505.79

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

(₹ In Lac)

Particulars	As at 31 March 2021	As at 31 March 2020
Urea	**1657.32**	53.17
Tissue Culture	**222.92**	57.06
Others	**17.61**	8.69
Total	**1897.85**	118.92

Note 10: Trade receivables

(₹ In Lac)

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good*	**718.58**	896.27
Unsecured, considered doubtful	**647.03**	649.03
	1365.61	1545.30
Less: Allowance for doubtful debts	**647.03**	649.03
Total	**718.58**	896.27

* Includes amount receivable from related parties ₹ 176.64 lac (previous year ₹ 45.04 lac), Refer Note 33.

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

Note 11(A): Cash and cash equivalents

(₹ In Lac)

Particulars	As at 31 March 2021	As at 31 March 2020
Balances with banks:		
-In current accounts	**5281.60**	6403.39
Cash on hand	**5.44**	5.94
Total	**5287.04**	**6409.33**

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

(₹ In Lac)

Particulars	As at 31 March 2021	As at 31 March 2020
Balances with banks:		
-In current accounts	**5281.60**	6403.39
Cash on hand	**5.44**	5.94
Total	**5287.04**	6409.33

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

(₹ In Lac)

Particulars	As at 31 March 2021	As at 31 March 2020
Balances with banks		
- Balances held as margin money or security against borrowings, guarantees and other commitments	**5573.20**	810.40
-Balance in Escrow Account	**1.14**	1.14
Total	**5574.34**	811.54

Note 12: Other current assets

(₹ In Lac)

Particulars	As at 31 March 2021	As at 31 March 2020
Advances to employees - Considered good	**0.62**	0.91
Other Advances*		
Considered good	**274.23**	146.18
Doubtful	**93.70**	93.70
	367.93	239.88
Less: Provision for doubtful advances	**93.70**	93.70
	274.23	146.18
Prepaid expenses	**355.24**	335.77
Balances with government authorities		
Considered good	**12772.86**	8342.03
Doubtful	**37.40**	37.40
	12810.26	8379.43
Less: Provision for doubtful balances	**37.40**	37.40
	12772.86	8342.03
Advances to Suppliers #	**4423.87**	1967.78
Total	**17826.82**	10792.67

* Includes ₹ 80.57 lac (previous year ₹ 49.33 lac) advances to related parties, Refer Note 33.

Includes ₹ 160.37 lac (previous year ₹ 18.53 lac) advances to related parties, Refer Note 33.

Note 13: Equity Share Capital

(₹ In Lac)

Particulars	As at 31 March 2021	As at 31 March 2020
Authorised Share Capital		
31,60,00,000 (31,60,00,000) Equity shares of ₹10 each	**31600.00**	31600.00
55,00,000 (55,00,000) Redeemable cumulative preference shares of ₹100 each	**5500.00**	5500.00
3,00,00,000 (3,00,00,000) Fully Compulsorily Convertible Preference (FCCP) shares of ₹18 each	**5400.00**	5400.00
	42500.00	42500.00
Issued, subscribed and fully paid up:		
20,36,40,336 (20,36,40,336) Equity shares of ₹10 each	**20364.03**	20364.03
(Refer note 13 (i) to 13(iv) below)		

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

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

Class of shares / Name of shareholders	As at 31 March 2021		As at 31 March 2020	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
AMI Holdings Private Limited	**37276700**	**18.31**	37276700	18.31
Lotus Fertilisers Pvt Ltd	**27995454**	**13.75**	27995454	13.75
The Bank of Newyork Mellon	**16791800**	**8.25**	16791800	8.25
FICON Holdings Limited	**15682775**	**7.70**	15682775	7.70
Preference Shares (Refer Note 16)				
14.50% Redeemable cumulative non-convertible preference shares				
Bajaj Auto Ltd	**-**	**-**	300000	100.00
Dynamic Global Trading Corporation Ltd	300000	100.00	-	-
11.50% Redeemable cumulative non-convertible preference shares				
AMI Holdings Private Limited	**850000**	**100.00**	650000	76.47
Dynamic Global Trading Corporation Ltd	-	-	200000	23.53
10.00% Redeemable cumulative non-convertible preference shares				
AMI Holdings Private Limited	**100000**	**100.00**	100000	100.00

Note 13(iii): Equity shares include:

1,67,91,800 equity shares were issued against the Global Depository Receipts (GDRs) and is held by The Bank of New York Mellon, as depository for the GDRs.

Terms/Rights attached to Equity Shares:

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

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

Note 13(iv): Terms/Rights attached to Preference Shares

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

Note 14: Other Equity

(₹ In Lac)

Particulars	As at 31 March 2021	As at 31 March 2020
Capital Reserve	**97.24**	97.24
Capital Redemption Reserve	**6500.00**	6500.00
Securities Premium Account	**21047.71**	21047.71
Statutory Reserve	**41.33**	41.33
(Deficit) in Statement of Profit and Loss:		
Opening balance	**(3352.90)**	(10101.25)
Add: Profit for the year	**7407.53**	6748.35
Closing balance	**4054.63**	(3352.90)
-Reserve for equity instruments through other comprehensive income:		
Opening balance	**(1025.31)**	(729.51)
Add: Effect of measuring investments at fair value	**555.09**	(295.80)
Closing balance	**(470.22)**	(1025.31)
-Remeasurement of defined plans:		
Opening balance	**(341.45)**	(212.42)
-Acturial movement through other comprehensive income	**200.29**	(129.03)
Closing balance	**(141.16)**	(341.45)
- Share of Joint ventures	**82.63**	141.58
Total	**31212.16**	23108.20

Capital Reserve and Statutory Reserve

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

Capital Redemption Reserve

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

Securities Premium Account

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

Note 15: Other Financial Liabilities

(₹ In Lac)

	Particulars	As at 31 March 2021	As at 31 March 2020
A	**Other financial liabilities non-current at amortised cost**		
	Trade / security deposits received $	**3206.01**	3007.52
	Liabilities for expenses	**5.79**	5.79
	Total	**3211.80**	3013.31
B	**Other financial liabilities current at amortised cost**		
	Current maturities of long term borrowings*	**-**	12865.50
	Interest accrued but not due on borrowings	**2.23**	40.91
	Interest accrued and due on Payable	**1387.68**	1,387.68
	Interest accrued and due on borrowings	**-**	43.40
	Retention Money #	**92.28**	91.40
Total		**1482.19**	14428.89

$ Includes trade / security deposit received from related parties ₹ 16.05 lac (previous year ₹ 16.05 lac), Refer note 33.

* The Company had issued unsecured Indian rupee denominated bonds (Masala Bonds) to AM International Holdings Pte Ltd., Singapore and had obtained ₹ 16275 lacs at 9% interest p.a in earlier years. Out of the amount the company had repaid ₹ 3409.50 lac in previous year and balance ₹ 12865.50 lac was repaid in current year.

Includes amount relating to related party ₹ 10.56 lac (previous year ₹ 10.56 lac), Refer note 33.

Note 16: Current borrowings

(₹ In Lac)

Particulars	As at 31 March 2021	As at 31 March 2020
Term loans (at amortised cost)		
From banks - Secured (Refer Note 16 (i) & (ii) below)	**6100.00**	23491.53
Unsecured - at amortised cost		
3,00,000 (3,00,000) 14.50% Redeemable cumulative non-convertible preference shares of ₹100 each (Refer Note 16 (iii) below)	**300.00**	300.00
8,50,000 (8,50,000) 11.50% Redeemable cumulative non-convertible preference shares of ₹100 each (Refer Note 16 (iv) below)	**850.00**	850.00
1,00,000 (1,00,000) 10.00% Redeemable cumulative non-convertible preference shares of ₹100 each (Refer Note 16 (v) below)	**100.00**	100.00
Interest accrued on cummulative preference shares	**3025.01**	3168.19
Total	**10375.01**	27909.72

Note 16(i): During the year the Company had obtained working capital demand loan from HDFC bank of ₹ 5000 lac at interest of 8% p.a based on the security of inventory, book debts and land.

Note 16(ii): During the year the Company for meeting its capex requirements had obtained loan from New India Co-operative Bank Ltd. of ₹ 1700 lac at interest of 11.50% p.a based on the security of land.

Note 16(iii): 14.50% Redeemable cumulative non-convertible preference shares of ₹300 lac issued on private placement basis, redeemable at par after the expiry of 60 months from the date (s) of allotment, have fallen due for redemption during the year 2001-02.

Note 16(iv): 11.50% Redeemable cumulative non-convertible preference shares of ₹850 lac issued on private placement basis, redeemable at par after the expiry of 36 months from the date (s) of allotment, have fallen due for redemption during the year 2002-03.

Note 16(v): 10.00% Redeemable cumulative non-convertible preference shares of ₹100 lac issued on private placement basis, redeemable at par after the expiry of 36 months from the date (s) of allotment, have fallen due for redemption during the year 2003-04.

Note 17: Trade payables

(₹ In Lac)

Particulars	As at 31 March 2021	As at 31 March 2020
Trade payables:		
- Total outstanding dues to Micro and Small Enterprises (Refer Note 17(i) below)	**-**	-
- Total outstanding dues other than Micro and Small Enterprises*	**97441.16**	118173.64
Total	**97441.16**	118173.64

* Includes ₹ 4629.09lac (previous year ₹ 19261.10 lac) relating to payables to related parties Refer Note 33.

Note 17(i): Dues to Micro and Small Enterprises:

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

(₹ In Lac)

	Particulars	As at 31 March 2021	As at 31 March 2020
(i)	Principal amount remaining unpaid to any supplier as at the end of the accounting year	**-**	-
(ii)	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	**-**	-
(iii)	The amount of interest paid along with the amounts of the payments made to the supplier beyond the appointed day	**-**	-
(iv)	The amount of interest due and payable for the year	**-**	-
(v)	The amount of interest accrued and remaining unpaid at the end of the accounting year	**-**	-
(vi)	The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	**-**	-

Note 17 (ii): Trade payable (other than Related Parties) are not interest bearing and settled on 30 to 90 days term Refer Note 33.

Note 18: Provisions

(₹ In Lac)

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for employee benefits:		
- Compensated absences (Refer Note 30)	**427.68**	461.33
Total	**427.68**	461.33

Note 19: Other current liabilities

(₹ In Lac)

Particulars	As at 31 March 2021	As at 31 March 2020
Other payables		
- Statutory remittances	**145.88**	205.99
- Gratuity payable (Refer Note 30)	**165.28**	122.15
- National Pension Scheme Payable	**7.50**	2.49
- Superannuation fund payable	**714.56**	511.13
- Advances from customers and other parties*	**5604.30**	963.23
- Other Deposits	**60.00**	60.00
`Total	**6697.51**	1864.99

* Includes advance from related party ₹ 2463.21 lac (previous year Nil) Refer Note 33.

Note 20: Revenue from operations

(₹ In Lac)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Sale of products	**35025.75**	31983.88
Less: Rebates and discounts	**(3277.05)**	(3128.01)
	31748.70	28855.87
Subsidy Income	**120007.12**	177855.88
Sales (Refer Note 20 (i) below)	**151755.82**	206711.75
Other operating revenues (Refer Note 20 (ii) below)	**944.91**	1206.25
Total	**152700.73**	207918.00

Note 20(i): Sales

(₹ In Lac)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Urea	**31270.61**	28197.99
Fertiliser Subsidy (Urea) (Refer Note 27 (iii))	**111835.90**	170232.63
Transport Subsidy (Urea)	**8171.22**	7623.25
Others	**478.09**	657.88
Total	**151755.82**	206711.75

Note 20(ii): Other Operating Revenues

(₹ In Lac)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Facility Sharing Income	**812.44**	775.42
Sale of scrap	**98.28**	95.65
Others	**34.19**	335.18
Total	**944.91**	1206.25

Note 21: Other income

(₹ In Lac)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Interest income (Refer Note 21 (i) below)	**127.04**	122.72
Dividend income from long-term investments	**231.48**	154.75
Liabilities / Provision no longer required written back (Refer Note 6 (b))	**2467.71**	30.00
Rental Income	**38.37**	56.90
Profit on sale of assets	**-**	7.68
Insurance Claims received	**27.54**	0.14
Others	**59.44**	674.63
Total	**2951.58**	1046.83

Note 21(i): Interest income

(₹ In Lac)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Interest from banks deposits	**96.65**	79.78
Other interest	**30.39**	42.94
Total	**127.04**	122.72

Note 22: Cost of materials consumed

(₹ In Lac)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Opening stock	**10028.07**	12842.16
Add: Purchases *	**101433.73**	114028.80
	111461.80	126870.96
Less: Closing stock	**27691.17**	10028.07
Total	**83770.63**	116842.89

* Includes ₹ 840.04 lacs (previous year ₹8621.15 lacs) of foreign exchange gain / loss.

Note 23: Changes in inventories of finished goods and work-in-progress

(₹ In Lac)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Inventories at the beginning of the year:		
Finished goods	**34.87**	1529.32
Work-in-progress	**118.92**	299.48
	153.79	1828.80
Inventories at the end of the year:		
Finished goods	**490.93**	34.87
Work-in-progress	**1897.85**	118.91
	2388.78	153.78
Net Decrease	**(2234.99)**	1675.01

Note 24: Employee benefit expenses

(₹ In Lac)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Salaries and wages	**4510.70**	4794.07
Contributions to provident and other funds	**591.28**	466.57
Contributions to gratuity fund	**119.04**	108.46
Staff welfare expenses	**784.11**	522.87
Total	**6005.13**	5891.97

Note 25: Finance costs

(₹ In Lac)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Interest expense on:		
-Borrowings	**1047.35**	1628.50
-Deposits	**214.64**	206.10
-Others*	**2.22**	1398.43
Other borrowing costs	**151.25**	182.04
Total	**1415.46**	3415.07

* includes ₹ Nil (previous year ₹ 1387.68 Lac) finance charges relating to raw material payments

Note 26: Other expenses

(₹ In Lac)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Consumption of stores and spare parts	**1176.28**	1375.25
Packing, transportation and handling	**12661.74**	11803.74
Power and fuel #	**36296.52**	50395.77
Water	**2364.58**	2544.50
Rent	**355.97**	421.47
Repairs to		
- Buildings	**589.80**	531.68
- Machinery	**1594.31**	1415.56
- Others	**783.18**	980.62
Insurance	**510.29**	403.91
Rates and taxes	**136.10**	108.74
Travelling and conveyance	**271.50**	468.78
Sales promotion expenses	**16.40**	20.71
Professional fees	**484.70**	407.89
Payment to auditors (Refer Note 26 (i) below)	**23.63**	25.10
Bad trade and other receivables, loans and advances written off	**-**	53.44
Assets written off	**49.23**	27.07
Provision for doubtful trade and other receivables, loans and advances (net)	**1.74**	0.81
Provision for Inventories	**13.47**	12.84
Director's sitting fees	**39.00**	37.00
Miscellaneous expenses	**748.56**	1192.93
Total	**58117.00**	72227.81

Includes ₹ 1385.83 lac (previous year ₹3859.53 lac) of foreign exchange gain / loss.

Note 26(i): Payment to Auditors

(₹ In Lac)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Payments to the auditors comprises (net of GST input credit, where applicable):		
- For statutory audit	**15.00**	15.00
- For limited reviews	**6.00**	6.00
- For certification	**1.15**	3.30
- Reimbursement of expenses	**1.48**	0.80
Total	**23.63**	25.10

Note 27 Plant Operation

(i) During the year the Company achieved a production of 6.20 lac MT.

(ii) Government of India vide its notification dated 17 June 2015 had permitted the Company to produce Urea using Naphtha as feedstock on existing provisions till assured supply of gas is made available. Company has started receiving natural gas from March 13, 2021 and has become a gas-based urea manufacturing unit. The Subsidy would be paid based on the Retention Price computed on the lower of Naphtha/Fuel oil or RLNG price until March 12, 2021. From March 13, 2021 the company is eligible for fiscal incentives by higher energy norms.

(iii) Subsidy for the period 1 April 2020 to 31 March 2021 of ₹111835.90 lac has been accounted based on the provisional Retention Price (RP) computed in line with the Government's policy indicated in the notification dated 17 June 2015, as the final retention price has not been announced by the Department of Fertilizers. The necessary adjustments, if any, will be made when the final retention price is notified by the Department of Fertilizers.

Note 28 Commitments

Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 7476 lac (Previous year ₹ 10951.17 lac).

Note 29 Contingent Liabilities

(a) Claims not acknowledged as debts:

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

(ii) Tamilnadu Water Supply And Drainage Board (TWAD) has claimed vide their letter dt. 26 February 2009, payments for the period during which the Nitrogenous plants were not in operation, on the basis of 50% allotted quantity of water. The Company alongwith other beneficiaries has been enjoying this facility since inception of the 20 MGD Scheme for the last 45 years. Water Charges were paid to TWAD on the basis of actual receipt by individual industries. The claims including interest made by TWAD for ₹ 4032.15 lac (Previous year ₹ 3719.80 lac) is not acknowledged as debt, as this differential value from April 2009 to March 2021 is not supported by any Government Order and also the other beneficiaries are objecting to such claims of TWAD.

(iii) The Company has received a demand from VOC Port Trust towards increase in rental charges from 1 July 2007 onwards. The amount payable as on 31.03.2021 is ₹ 1184.79 lac (from 01.07.2007 to 31.03.2021) (Previous year ₹ 1078.11 lac). The Company obtained an injunction from the Madurai Bench of the Hon'ble Madras High Court against the claim made by the VOCPT and the stay has been granted till 10 June 2015. On 23.07.2015, Madurai Bench of the Hon'ble Madras High Court extended the stay until further orders.

(b) No provision has been considered necessary by the Management for the following disputed Excise duty, Service tax, Sales tax and Electricity tax demands which are under various stages of appeal proceedings. The Company has been advised that there are reasonable chances of successful outcome of the appeals and hence no provision is considered necessary for these demands.

(₹ in lac)

Name of the Statute	**As at 31 March 2021**	As at 31 March 2020
The Central Excise Act, 1944	**55.78**	55.78
The Finance Act, 1994 (Service Tax)	**235.64**	235.64
Sales Tax Act under various State enactments	**835.21**	884.11
The Tamilnadu Electricity (Taxation on Consumption) Act, 1962	**1050.54**	1050.54
Total	**2177.17**	2226.07

Out of the above demand of ₹2,177.17 lac (Previous year ₹ 2,226.07 lac), an amount of ₹ 94.85 lac (Previous year ₹ 125.02 lac) has been deposited under protest/adjusted by relevant authorities.

With respect to a Jointly Controlled entity:

(₹ in lac)

S No.	Particulars	**As at 31 March 2021**	As at 31 March 2020
1	Sales tax	**293.10**	293.10
2	Excise Duty	**12.00**	12.00
3	Service tax	**17.35**	17.35
4	Income tax	**504.98**	504.98
5	Electricity tax	**178.60**	178.60
6	Cross Subsidy Charge under Group Captive Scheme (Refer Note below)	**1037.89**	1037.89

The Company has invested in various power generating companies under Group Captive Schemes governed by individual power purchase agreements with the private power producers. As per the covenants of the Group Captive Scheme introduced by Government of India, Ministry of Power in exercise of its power under Section 176 of the Electricity Act, 2003, captive users are required to hold collectively not less than 26% of the share capital in the generating units and consume not less than 51% of the power generated on an annual basis. Non compliance with either of the conditions above shall attract cross subsidy charges at applicable rates for power consumed from various class of power sources. The Company has received a demand from Tamilnadu Electricity Board (TNEB) for ₹ 61.30 crores in respect of power purchased by the company under Group Captive Scheme during the years 2014-15 to 2016-17, alleging non compliance with covenants during the entire period mentioned above, even though such non compliance was for a limited period in 2015-16 due to disrupted operations during December 2015 floods. As per management estimates no liability is likely to accrue to the company in this regard as a writ petition has been filed by the private power producers before the Honourable High Court of Madras, challenging levy of cross subsidy and obtained stay on the demand. This is expected to be disposed off in favour of the power producers.

30. Employee benefits

A. Defined contribution plan

(₹ in Lac)

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
During the year, the Company has recognized the following amounts in the Statement of Profit and Loss- Employers' Contribution to Provident Fund, ESI and Superannuation.	456.01	455.14

B. Defined benefit plans

Gratuity:

In respect of Gratuity plan, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out on 31 March 2021 by the Actuary. The present value of the Defined benefit obligation and the related current service cost and past service cost, were measured using the projected unit cost method. The following table sets forth the status of the gratuity plan of the company and the amount recognized in the balance sheet and statement of profit and loss. The company provides the gratuity benefit through annual contributions to a fund managed by the Life Insurance Corporation of India (LIC).

(₹ in Lac)

Sl No	Particulars	31st March 2021	31st March 2020
	Defined benefit plans		
	a) Gratuity payable to employees	**165.28**	122.15
	b) Compensated absences for Employees	**427.68**	461.33
		Employees' gratuity fund	
i)	**Actuarial assumptions**		
	Discount rate (per annum)	**6.94%**	6.66%
	Rate of increase in Salary	**7.00%**	7.00%
	Expected rate of return on Plan Assets	**6.94%**	6.66%
	Attrition rate	**3.00%**	1.00%
ii)	**Changes in the present value of defined benefit obligation**		
	Present value of obligation at the beginning of the year	**1697.68**	1558.93
	Interest cost	**105.75**	111.61
	Current service cost	**111.06**	96.14
	Benefits paid and charges deducted	**(219.71)**	(180.89)
	Actuarial (gain)/ loss on obligations	**(71.89)**	111.89
	Present value of obligation at the end of the year	**1622.89**	1697.68

Sl No	Particulars	31st March 2021	31st March 2020
iii)	**Changes in fair value of plan assets**		
	Fair value of plan assets as at the beginning of the period	**1575.53**	1119.46
	Expected return on plan assets	**97.77**	99.29
	Contributions	**4.65**	554.81
	Benefits paid and Charges deducted	**(219.71)**	(180.89)
	Actuarial gain/(loss) on plan assets [balancing figure]	**(0.63)**	(17.14)
	Fair value of plan assets as at the end of the period	**1457.61**	1575.53
iv)	**Expense recognized in the Statement of Profit and Loss**		
	Current service cost	**111.06**	96.14
	Interest cost	**7.98**	12.32
	Total expenses recognized in the Statement Profit and Loss*	**119.04**	108.46
	*Included in Employee benefits expense (Refer Note 24). Actuarial (gain)/loss of ₹ 71.26 Lac (31 March 2020: ₹ 129.03 Lac) is included in other comprehensive income.		
v)	**Assets and liabilities recognized in the Balance Sheet:**		
	Present value of funded obligation as at the end of the year	**1622.89**	1697.68
	Fair value of plan assets	**1457.61**	1575.53
	Funded net liability recognized in Balance Sheet*	**165.28**	122.15
	*Included in other current liabilities		
vi)	**Amount recognized for the current period in the statement of other comprehensive income (OCI)**		
	Actuarial (gain)/loss on Plan Obligations	**(71.89)**	111.89
	Difference between Actual Return and Interest Income on Plan Assets- (gain)/loss	**0.63**	17.14
	(Gain)/ loss recognized in OCI for the current period	**(71.26)**	129.03
vii)	**A quantitative sensitivity analysis for significant assumption as at 31 March 2021 and 31 March 2020 are as shown below:**		
	Impact on defined benefit obligation		
	Discount rate:		
	0.5% increase	**1561.91**	1625.00
	0.5% decrease	**1688.58**	1776.62
	Rate of increase in salary:		
	0.5% increase	**1689.39**	1776.56
	0.5% decrease	**1560.57**	1624.35

viii)	Expected Benefit Payments in following years	Employee's gratuity fund	
		31st March 2021	31st March 2020
	Year 1	**123.86**	98.30
	Year 2	**303.08**	325.13
	Year 3	**189.93**	164.96
	Year 4	**132.30**	162.70
	Year 5	**164.76**	108.84
	Next 5 Years	**647.59**	656.15

C. Long Term Compensated Absences – Unfunded

Leave Encashment (Unfunded) payable to eligible employees who have earned leaves, during the employment and/or on separation, as per the company's policy, is estimated as per actuarial valuation using projected unit credit method.

Actuarial Assumptions:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Discount rate as per para 83 of Ind AS 19	6.94%	6.66%
Expected rate of return on Plan Assets	0.00%	0.00%
Rate of increase in compensation levels	7.00%	7.00%
Attrition rate fixed by the Company	3.00%	1.00%

D. Provision for employee benefits - Current and Non-current bifurcation

Particulars	As at March 31, 2021		
	Gratuity	Long term compensated absences	Total
Current portion	**165.28**	**427.68**	**592.96**
Total	**165.28**	**427.68**	**592.96**

As at March 31, 2020

Particulars	Gratuity	Long term compensated absences	Total
Current portion	122.15	461.33	583.48
Total	**122.15**	**461.33**	**583.48**

Note 31 Income Tax

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

(₹ In Lac)

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred Tax Assets	**7565.56**	5597.56
Deferred Tax Liabilities	**3888.23**	1858.55
Net	**3677.33**	3739.01

2020-21:- (₹ In Lac)

Particulars	Opening Balance	Recognized in Profit & loss	Recognised in Other Comprehensive Income	Closing Balance
Deferred Tax (Liabilities)/Assets in relation to				
Property, Plant and Equipment	(1858.55)	(2029.69)	-	(3888.24)
Provision for Doubtful Debts, provision for Compensated absence and others	818.35	80.55	-	898.90
Unabsorbed Depreciation	4696.27	463.83	-	5160.10
Unabsorbed Business Loss	-	1485.31	-	1485.31
Financial Assets at FVTOCI	82.94	-	(61.68)	21.26
	3739.01	**-**	**(61.68)**	**3677.33**
Deferred Tax Assets (Net)	3739.01	-	(61.68)	3677.33
MAT Credit Entitlement	6702.46	(0.77)	-	6701.69
Net Deferred Tax Assets	**10441.47**	**(0.77)**	**(61.68)**	**10379.02**

2019-20:- (₹ In Lac)

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

(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 2021	As at 31 March 2020
Business losses	**39131.64**	42377.13
Capital losses	**11352.64**	9460.25
Total	**50484.28**	51837.38

Note 31.1: There is no provision for tax in view of the brought forward book losses under MAT relating to earlier years available for set off while computing income under the provisions of 115-JB and due to loss under normal computation for other than Sec 115-JB of the Income Tax Act, 1961.

(C) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2021 and March 31, 2020

(₹ In Lac)

Reconciliation of tax charge	Year ended 31 March 2021	Year ended 31 March 2020
Accounting Profit / loss before income tax	**7702.68**	7015.33
Enacted tax rates in India	**34.94%**	34.94%
Computed tax expense	**2691.62**	2451.44
Tax effects of:		
- Effects of expenses/income that are not deductible/considered in determining the taxable profits	**212.76**	(75.50)
- Deductible expenses for tax purpose	**(1.49)**	(1.41)
- Effect of income that is exempt fom taxation	**-**	(54.08)
- Adjustment in respect of Previous Years	**(348.03)**	(29.80)
- Adjustment in respect to MAT credit	**0.77**	56.86
- Effect of changes in tax rate	**(36.98)**	(125.25)
- Difference in tax rate applicable to group companies	**(264.07)**	(141.95)
- Deferred tax recognised on losses and deductible temporary differences pertaining to Prior Years	**(1754.26)**	(815.73)
- Tax on common control transactions	**(32.68)**	-
- Item for which no deferred tax asset was recognised	**2.11**	5.67
- Effect of unused tax losses and tax offsets not recognised as deferred tax assets	**(1045.36)**	(1955.58)
- Effect of Revalued assets not recoginsed as deffered tax liabilities	**870.75**	952.23
Income tax expense	**295.15**	266.91

Note 32: Segment Reporting

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

(i) Agro inputs - Urea Operations

(ii) Others - Agri Business

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

(₹ In Lac)

Particulars	Segment Revenue		Segment Profit	
	Year ended 31 March 2021	Year ended 31 March 2020	**Year ended 31 March 2021**	Year ended 31 March 2020
Agro Inputs (Urea Operations)	**152438.21**	207213.96	**5186.73**	10710.09
Others (Agri business)	**372.05**	561.59	**(92.47)**	(319.87)
Unallocated income	**2842.05**	1189.28		
Total	**155652.31**	208964.83	**5094.27**	10390.22
Finance Cost			**(1415.46)**	(3415.07)
Other Net Unallocable (Expenses)			**1076.98**	(1277.34)
Share of profit in joint venture			**2946.90**	1317.45
Tax expenses			**(295.15)**	(266.91)
Profit for the year			**7407.53**	6748.35

Segment Assets and Liabilities:

(₹ In Lac)

Particulars	**As at 31 March 2021**	As at 31 March 2020
Segment Assets		
Agro inputs (Urea Operations)	**123473.74**	169934.25
Others (Agri business)	**1710.22**	1649.19
Unallocable Assets	**46027.58**	37740.67
Total Assets	**171211.54**	209324.11
Segment Liabilities		
Agro inputs (Urea Operations)	**107346.55**	119629.60
Others (Agri business)	**184.13**	145.79
Unallocable Liabilities	**12104.67**	46076.49
Total Liabilities	**119635.35**	165851.88

Other Segment Information:

(₹ In Lac)

Particulars	Depreciation and Amortisation		Capital Expenditure	
	Year ended 31 March 2021	Year ended 31 March 2020	**Year ended 31 March 2021**	Year ended 31 March 2020
Agro Inputs (Urea Operations)	**3735.16**	3124.29	**20215.36**	11001.64
Others (Agri business)	**46.74**	46.69	**3.93**	0.03
Unallocable	**41.40**	43.29	**5.15**	13.78
Total	**3823.30**	3214.27	**20224.44**	11015.45

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.

33 (i) Related party disclosures for the year ended 31 March 2021.

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 Limted
	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	Twinshield Consultants Private Limited
	13	AM Foundation
	14	SPIC Group Companies Employees Welfare Foundation
	15	I3 Security Private Limited

(₹ In Lac)

Sl No	PARTICULARS		As at 31 March 2021	As at 31 March 2020
A	**BALANCE OUTSTANDING AS AT 31.03.2021**			
	(a)	**Receivables including Advances**		
		Tamilnadu Petroproducts Limited	**-**	3.09
		Tuticorin Alkali Chemicals and Fertilizers Limited	**193.40**	13.53
		Greenstar Fertilizers Limited	**-**	533.88
		Wilson International Trading Pvt Ltd, India	**0.03**	-
		National Aromatics and Petrochemicals Corporation Limited *	**1491.51**	1489.77
		Manali Petrochemicals Limited	**0.73**	1.30
		Twinshield Consultants Private Limited	**24.85**	21.15
		Sicagen India Limited	**-**	4.04
		AM Foundation	**0.13**	0.22

(₹ In Lac)

Sl No	PARTICULARS	As at 31 March 2021	As at 31 March 2020
	Greenam Energy Private Limited	**192.95**	28.39
	Wilson International Trading Pte. Ltd, Singapore	**741.22**	-
	(b) Payables		
	Greenstar Fertilizers Limited	**4423.47**	-
	Tamilnadu Petroproducts Limited	**1.65**	1.06
	Sicagen India Limited	**354.90**	287.46
	Wilson International Trading Pte. Ltd, Singapore	**-**	15505.57
	EDAC Engineering Limited	**60.51**	83.34
	Tuticorin Alkali Chemicals and Fertilizers Limited	**-**	646.67
	Lotus Fertilizers Private Limited	**1812.12**	1806.50
	South India Travels Pvt Ltd	**3.14**	1.38
	I3 Security Private Limited	**34.41**	40.32
	(c) Cash collateral provided against bank borrowings		
	AM International Holdings Pte Ltd,Singapore (in USD)	**37.50**	37.50
	(d) Borrowings		
	AM International Holdings Pte Ltd,Singapore	**-**	12949.80

*Dues have been fully provided for

(₹ In Lac)

Sl No	PARTICULARS	Year ended 31 March 2021	Year ended 31 March 2020
B	**TRANSACTIONS DURING THE YEAR**		
1	**Sale of goods**		
	Greenstar Fertilizers Limited	**118.88**	202.22
	Lotus Fertilizers Private Limited	**124.08**	135.71
2	**Purchase of materials**		
	Tuticorin Alkali Chemicals and Fertilizers Limited	**22.07**	10.15
	Greenstar Fertilizers Limited	**2495.61**	987.89
	Tamilnadu Petroproducts Limited	**24.48**	69.49
	Wilson International Trading Pte Ltd, Singapore	**-**	10902.13
	Sicagen India Limited	**909.40**	554.30
3	**Reimbursement of Expenses (Receipts)**		
	Tuticorin Alkali Chemicals and Fertilizers Limited	**-**	96.23
	Greenstar Fertilizers Limited	**491.05**	1050.44
	Sicagen India Limited	**1.52**	-
	National Aromatics and Petrochemicals Corporation Limited	**1.74**	0.81
	EDAC Engineering Limited	**0.03**	-
	AM Foundation	**23.20**	6.29
	Greenam Energy Private Limited	**-**	0.01
	Wilson International Trading (India) Private Limited	**-**	0.07
	SPIC Group Companies Employees Welfare Foundation	**-**	1.90

(₹ In Lac)

Sl No	PARTICULARS	Year ended 31 March 2021	Year ended 31 March 2020
4	**Reimbursement of Expenses (Payments)**		
	Greenstar Fertilizers Limited	**-**	0.55
	Sicagen India Limited	**-**	1.31
5	**Income from services rendered**		
	AM Foundation	**-**	0.29
	Manali Petrochemicals Limited	**2.47**	7.43
	Tamilnadu Petroproducts Limited	**3.75**	0.85
	Tuticorin Alkali Chemicals and Fertilizers Limited	**4.98**	10.19
	Greenstar Fertilizers Limited	**961.82**	905.85
	Wilson International Trading (India) Private Limited	**-**	0.43
	Sicagen India Limited	**10.84**	14.89
	EDAC Engineering Limited	**4.49**	2.15
	Greenam Energy Private Limited	**0.11**	0.14
	I3 Security services private limited	**2.91**	-
6	**Services / Consultancy Charges**		
	Greenstar Fertilizers Limited	**381.81**	317.91
	EDAC Automation Limited	**-**	66.23
	Sicagen India Limited	**19.03**	4.02
	EDAC Engineering Limited	**150.04**	743.13
	I3 Security Private Limited	**1.36**	-
7	**Exchange Fluctuation**		
	Greenstar Fertilizers Limited	**-**	31.40
8	**Dividend Income**		
	Manali Petrochemicals Limited	**0.08**	0.08
	Tamilnadu Petroproducts Limited	**228.52**	152.34
	Sicagen India Limited	**2.89**	2.31
9	**Managerial Remuneration**		
	Thiru. S R Ramakrishnan	**75.02**	75.00
10	**Handling Charges**		
	Greenstar Fertilizers Limited	**141.88**	95.49
11	**Rent Paid**		
	Greenstar Fertilizers Limited	**517.10**	662.59
12	**Director Sitting Fees**		
	Thiru. Ashwin C Muthiah	**5.00**	5.00
13	**Income from Rentals**		
	Greenstar Fertilizers Limited	**27.11**	26.09
14	**Advance for Ammonia/water charges**		
	Greenstar Fertilizers Limited	**2463.21**	1329.70
15	**Interest on Borrowings**		
	AM International Holdings Pte Ltd, Singapore	**664.86**	1381.13
16	**Borrowings Repaid**		
	AM International Holdings Pte Ltd, Singapore	**12865.50**	3409.50

(₹ In Lac)

Sl No	PARTICULARS	Year ended 31 March 2021	Year ended 31 March 2020
17	**Demurrage Charges**		
	Wilson International Trading Pte. Ltd, Singapore	**-**	238.16
18	**Car Rental Charges**		
	South India Travels Private Limited	**22.72**	33.61
19	**Settlement of old dues**		
	Goldnest Trading Company Ltd	**-**	65.00
20	**Investment in Equity**		
	Greenam Energy Private Limited	**-**	190.00
21	**Rebates and Discounts**		
	Lotus Fertilizers Private Limited	**3.13**	0.33
22	**Manpower Charges**		
	I3 Security Service Pvt Ld	**235.71**	139.32
23	**Guest House Expense**		
	South India House Estates & Properties Ltd	**2.37**	6.96
24	**Sale of Investment**		
	Greenstar Fertilizers Limited	**862.80**	-
25	**Rebate on purchase**		
	Wilson International Trading Pte. Ltd, Singapore	**758.32**	-

Note 34: Financial Instruments

Note 34.1: Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity shareholders. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and capital ratios in order to support its business and maximise shareholder value. The Company determines the amount of capital required on the basis of annual operating plan and long-term strategic plans. The funding requirements are met through internal accruals and long-term/short-term borrowings. The Company monitors the capital structure on the basis of Net debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

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

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

	Particulars	31 March 2021	31 March 2020
a)	Equity	**51576.19**	43472.23
b)	Non-Convertible preference share	**1250.00**	1250.00
c)	Borrowings other than non-convertible preference shares	**9125.01**	39525.22
d)	Less: Cash and Cash equivalants	**(10861.38)**	(7220.88)
e)	Total debt(b+c+d)	**(486.37)**	33554.34
f)	Overall financing(a+e)	**51089.82**	73607.26
g)	Net debt to capital ratio (e/f)	**(0.01)**	0.46
h)	Interest coverage ratio	**4.33**	2.67

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2021 and 31 March 2020

34.2: Categories of Financial instruments

(₹ In Lac)

Particulars		31 March 2021	31 March 2020
Financial Assets			
Measured at FVTOCI			
a)	Investments	**136.85**	600.60
Measured at amortised cost			
b)	Trade receivables	**718.58**	896.27
c)	Cash and cash equivalents	**5287.04**	6409.34
d)	Bank balances other than (c) above	**5574.34**	811.54
e)	Other financial assets - Current Asset	**22940.97**	110353.84
f)	Other Financial Assets - Non Current Asset	**226.39**	243.29
Financial Liabilities			
Measured at amortised cost			
a)	Borrowings - Current Liabilities	**10375.01**	27909.72
b)	Trade payables	**97441.16**	118173.64
c)	Other financial liabilities - Current Liabilites	**1482.19**	1563.38
d)	Other Financial Liabilties - Non Current Liabilities	**3211.80**	3013.31

34.3: Financial Risk and Management Objectives

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

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

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

1. Credit Risk

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

Trade receivables and subsidy receivable

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

2. Liquidity Risk

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

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

(₹ In Lac)

Particulars	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
31 March 2021					
Short term borrowings	**-**	**6100.00**	**-**	**-**	**6100.00**
Long-term borrowings	**-**	**-**	**-**	**-**	**-**
Trade payables	**97441.16**	**-**	**-**	**-**	**97441.16**
Other financial liability	**-**	**4693.99**	**-**	**-**	**4693.99**
	97441.16	**10793.99**	**-**	**-**	**108235.15**
31 March 2020					
Short term borrowings	23491.53	-	-	-	23491.53
Long-term borrowings	-	12865.50	-	-	12865.50
Trade payables	118173.64	-	-	-	118173.64
Other financial liability	-	4576.69	-	-	4576.69
	141665.17	**17442.19**	**-**	**-**	**159107.36**

3. Market Risk

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

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

4. Foreign Currency Risk

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

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

(In millions USD)

Particulars of Liabilities	As at 31 March 2021	As at 31 March 2020
Trade Payables		
Amount due on account of goods supplied	**(0.09)**	42.17

b. Foreign currency sensitivity analysis

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

Currency impact relating to the foreign currencies of	**As at 31 March 2021**		As at 31 March 2020	
	(Profit) or Loss	**Equity**	(Profit) or Loss	Equity
₹/USD - increase by INR 2	**(1.87)**	**(1.87)**	843.40	843.40
₹/USD - decrease by INR 2	**1.87**	**1.87**	(843.40)	(843.40)

5. Interest Rate Risk

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

6. Commodity Price Risk

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

Note 34.4: Fair Value Measurements

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

(₹ In Lac)

As at 31 March, 2021		Carrying Amount				Fair Value			
Particulars	**Note**	**Financial Assets at amortised cost**	**Financial Assets at FVTOCI**	**Financial liabilities at amortised cost**	**Total carrying value**	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets									
Financial Assets measured at fair value									
Investments in quoted equity instruments at FVTOCI	6C(1)		136.85		136.85	136.85			136.85
Financial Assets not measured at fair value									
Trade Receivables	10	718.58			718.58		718.58		718.58
Cash and Cash Equivalents	11(A)	5287.04			5287.04		5287.04		5287.04
Other Bank balances	11 (B)	5574.34			5574.34		5574.34		5574.34
Other financial assets	7 (A&B)	23111.55			23111.55		23111.55		23111.55
Total		**34691.50**	**136.85**	**-**	**34828.35**	**136.85**	**34691.50**	**-**	**34828.35**
Liabilities									
Financial Liabilities not measured at fair value									
Current Borrowings	16			10375.01	10375.01		10375.01		10375.01
Trade payables	17			97441.16	97441.16		97441.16		97441.16
Other financial liabilities	15 (A&B)			4694.00	4694.00		4694.00		4694.00
Total		**-**	**-**	**112510.17**	**112510.17**	**-**	**112510.17**	**-**	**112510.17**

(₹ In Lac)

As at 31 March, 2020	Note	Carrying Amount				Fair Value			
Particulars		Financial Assets at amortised cost	Financial Assets at FVTOCI	Financial liabilities at amortised cost	Total carrying value	Level 1	Level 2	Level 3	Total
Assets									
Financial Assets measured at fair value									
Investments in quoted equity instruments at FVTOCI	6C(1)		600.60		600.60	600.60			600.60
Financial Assets not measured at fair value									
Trade Receivables	10	896.27			896.27		896.27		896.27
Cash and Cash Equivalents	11(A)	6409.33			6409.33		6409.33		6409.33
Other Bank balances	11 (B)	811.54			811.54		811.54		811.54
Other financial assets	7 (A&B)	110597.14			110597.14		110597.14		110597.14
Total		118714.28	600.60	-	119314.88	600.60	118714.28	-	119314.88
Liabilities									
Financial Liabilities not measured at fair value									
Current Borrowings	16			27909.72	27909.72		27909.72		27909.72
Trade payables	17			118173.64	118173.64		118173.64		118173.64
Other financial liabilities	15 (A&B)			17442.20	17442.20		17442.20		17442.20
Total		-	-	163525.56	163525.56	-	163525.56	-	163525.56

Note 35: Earnings Per Equity Share

Particulars	**Year ended 31 March 2021**	Year ended 31 March 2020
Face Value per share (In Rupees)	**10**	10
Profit for the year (Rupees in lac)	**8103.97**	6391.39
Basic		
Weighted Average Number of shares outstanding	**203640336**	203640336
Earnings per share (In Rupees)	**3.98**	3.14
Diluted		
Weighted Average Number of shares outstanding	**203640336**	203640336
Earnings per share (In Rupees)	**3.98**	3.14

Note 36:

(a) The Company has assessed the impact of COVID - 19 and concluded that there is no material impact on the operations of the Company and no material adjustment is required at this stage in the financial results of the Company for the year/quarter ended March 31, 2021. However, the Company will continue to monitor the impact which is a continuing process, given the uncertainties with its nature and duration of COVID - 19 and the impact may be different from the estimates considered while preparing these results.

(b) The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits, received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date from which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

Note 37: Additional information required under Schedule III of the Companies Act, 2013

A Information regarding Associates and Joint Ventures included in the Consolidated Financial Statements for the year ended 31 March 2021

(₹ in lac)

Particulars	Net Assets (Total assets minus Total Liabilities)		Share in Profit/(Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Net Assets	Amount	As % of Consolidated Net Assets	Amount	As % of Consolidated Net Assets	Amount
Parent								
Southern Petrochemical Industries Corporation Ltd	78.32	40395.48	71.26	5278.53	108.46	755.38	74.46	6033.91
Joint Venture								
Tamilnadu Petroproducts Limited	20.21	10421.88	28.84	2136.57	(8.46)	(58.92)	25.64	2077.65
Associates								
Gold Nest Trading Company Limited	0.01	2.93	(0.08)	(6.05)	-	(0.02)	(0.08)	(6.07)
Greenam Energy Private Limited	1.47	755.90	(0.02)	(1.52)	-	-	(0.02)	(1.52)
Total	100.00	51576.19	100.00	7407.54	100.00	696.44	100.00	8103.98

A Information regarding Associates and Joint Ventures included in the Consolidated Financial Statements for the year ended 31 March 2020

(₹ in lac)

Particulars	Net Assets (Total assets minus Total Liabilities)		Share in Profit/(Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Net Assets	Amount	As % of Consolidated Net Assets	Amount	As % of Consolidated Net Assets	Amount
Parent								
Southern Petrochemical Industries Corporation Ltd	79.04	34361.57	84.38	5694.04	119.01	(424.83)	82.44	5269.21
Joint Venture								
Tamilnadu Petroproducts Limited	19.19	8344.23	15.88	1071.43	(19.01)	67.87	17.83	1139.30
Associates								
Gold Nest Trading Company Limited	0.02	9.00	(0.24)	(16.24)	-	-	(0.25)	(16.24)
Greenam Energy Private Limited	1.75	757.42	(0.01)	(0.88)	-	-	(0.02)	(0.88)
Total	100.00	43472.23	100.00	6748.35	100.00	(356.96)	100.00	6391.39

Note 38:

(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 2021 in its meeting held on 30 June 2021.

In terms of our report attached.

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

GEETHA JEYAKUMAR
PARTNER
MEMBERSHIP NO: 029409

Place : Chennai
Date : 30 June 2021

For and on behalf of the Board of Directors

SASHIKALA SRIKANTH
Director
DIN: 01678374

S R RAMAKRISHNAN
Whole-Time Director
DIN: 00120126

K R ANANDAN
Chief Financial Officer

M B GANESH
Company Secretary

Place : Chennai
Date : 30 June 2021

ATTACHMENT TO THE FINANCIAL STATEMENTS

FORM AOC - 1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts), Rule, 2014)

Associates and Joint Ventures

Statements pursuant to section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates / Joint Ventures	Tuticorin Alkali Chemicals and Fertilizers Limited	Gold Nest Trading Company Limited	Greenam Energy Private Limited	National Aromatics and Petrochemicals Corporation Limited	Tamilnadu Petroproducts Limited
1. Latest Audited Balance Sheet Date	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21
2. Shares of Associate / Joint Ventures held by the company on the year end					
No. Shares	28586872	249000	7586502	25000	15234375
Amount of Investment in Associates / Joint Venture (₹ in Lac)	3535.66	250.25	758.65	2.50	1980.47
Extent of Holding (%)	23.46%	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	Consolidated	Consolidated	Not considered for consolidation, since carrying amount is Nil as per Ind AS 28	Consolidated
5. Networth attributable to Shareholding as per latest audited Balance Sheet (₹ in Lac)	(6003.26)	2.96	914.23	434.76	10002.58
6. Profit/(Loss) for the year (₹ in Lac)					
i. Considered in Consolidation		(6.05)	(1.52)		2077.65
ii. Not Considered in Consolidation	(1359.96)			(0.85)	

Names of Associates or Joint Ventures which are yet to commence operations - National Aromatics and Petrochemicals Corporation Limited (Joint Venture) & Greenam Energy Private Limited (Associate)

For and on behalf of the Board of Directors

SASHIKALA SRIKANTH
Director
DIN: 01678374

S R RAMAKRISHNAN
Whole-Time Director
DIN: 00120126

Place : Chennai
Date : 30 June 2021

K R ANANDAN
Chief Financial Officer

M B GANESH
Company Secretary

SPIC

SOUTHERN PETROCHEMICAL INDUSTRIES CORPORATION LIMITED

SPIC HOUSE, 88 Mount Road, Guindy, Chennai – 600 032.

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