



**51st ANNUAL REPORT
2021 - 22**

**SOUTHERN PETROCHEMICAL INDUSTRIES
CORPORATION LIMITED**

SOUTHERN PETROCHEMICAL INDUSTRIES CORPORATION LIMITED**Board of Directors** (as on 10th August 2022)

| | | |
|-----------------------------------|--------------|--|
| Ashwin C Muthiah | DIN 00255679 | Chairman |
| Debendranath Sarangi I.A.S (Retd) | DIN 01408349 | Independent Director |
| B Narendran | DIN 01159394 | Independent Director |
| Sashikala Srikanth | DIN 01678374 | Independent Director |
| S Radhakrishnan | DIN 00061723 | Independent Director |
| T K Arun | DIN 02163427 | Independent Director |
| Rita Chandrasekar | DIN 03013549 | Independent Director |
| Ms. Vandana Garg I.A.S | DIN 09205529 | Director |
| Ms. A R Rajalakshmi | DIN 09213839 | Director (from 21 st July 2022) |
| S R Ramakrishnan | DIN 00120126 | Whole-time Director |

Company Secretary

M B Ganesh

Chief Financial Officer

K R Anandan

Registered Office

SPIC House, No. 88, Mount Road, Guindy,
Chennai 600 032
CIN: L11101TN1969PLC005778
Phone : 044 22350245
Website : www.spic.in
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

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

Plant

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

Bankers

HDFC Bank Limited
Bank of India
State Bank of India

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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 **FIFTY FIRST ANNUAL GENERAL MEETING** of the Members of Southern Petrochemical Industries Corporation Limited will be held at 2:30 PM (IST) on Friday, 30th September 2022 through Video Conferencing (VC) / Other Audio Visual Means (OAVM), to transact the following business:

ORDINARY BUSINESS:**1. Adoption of Financial Statements**

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an

ORDINARY RESOLUTION:**"RESOLVED THAT**

- a. The audited standalone financial statement of the Company for the year ended 31st March 2022 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 2022 and the Report of the Auditors thereon;

be and are hereby received and adopted."

2. Declaration of Dividend

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an

ORDINARY RESOLUTION:

"RESOLVED THAT as recommended by the Board of Directors, a dividend of Re. 0.50 per equity share on 20,36,40,336 equity shares of Rs. 10/- each, fully paid-up, (subject to rounding off and withholding tax) be and is hereby declared out of the profits of the Company for the year ended 31st March 2022 and the same be paid:

- i. In respect of shares held in physical form, to those Members whose names appear in the Register of Members on 30th September 2022 and
- ii. In respect of shares held in electronic form, to those Members whose names appear in the list of Beneficial Owners furnished by National Securities Depository Limited and Central Depository Services (India) Limited, as at the end of business hours on 23rd September 2022."

3. Appointment of Director

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, Director (DIN: 09205529), retiring by rotation, eligible for re-appointment and having offered herself for

re-appointment be and is hereby re-appointed as Director of the Company."

4. Appointment of Statutory Auditors

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

"RESOLVED THAT pursuant to Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, and the Rules made thereunder, M/s. MSKA & Associates, Chartered Accountants, Chennai (Firm Registration No. 105047W), be and are hereby re-appointed as Statutory Auditors of the Company for a period of five years from the Financial Year 2022-23 and to hold Office from the conclusion of this 51st Annual General Meeting until the conclusion of the 56th Annual General Meeting of the Company on a remuneration of ₹24 lakh plus out of pocket expenses and applicable taxes for audit and related services, for each year.

RESOLVED FURTHER THAT the Board of Directors is hereby authorised to revise the remuneration of the Statutory Auditors from time to time during their term taking into account the scope and volume of service and other aspects as it deems appropriate."

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

"RESOLVED THAT Ms. AR Rajalakshmi, (DIN: 09213839), 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."

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

"RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder including any statutory modification(s) or re-enactment thereof for the time being in force read with Schedule IV of the Act and Regulations 16 (1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the appointment of Mr. T K Arun, (DIN: 02163427) as an Independent Director of the Company and to hold office for a period of five years from 11th November 2021 be and is hereby approved."

7. 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 thereunder 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 2023, 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.”

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

“**RESOLVED THAT** approval be and is hereby accorded pursuant to Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) (including any statutory modification(s) or re-enactment thereof for the time being in force) for the transaction

entered into with M/s. AM International Holdings Private Limited, Singapore, a related party, in the ordinary course of business at arm’s length basis during the year 2021-22 for availing ₹180 crores (Rupees one hundred and eighty crores only) by way of External Commercial Borrowings considered to be material under proviso to Regulation 23(1) of LODR.”

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

“**RESOLVED THAT** pursuant to the provisions of Section 197 and 198, and other applicable provisions of the Companies Act, 2013, read with relevant Rules and Schedule (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, remuneration be paid to all the Non-Executive Directors (including Independent Directors) of the Company for attending the Meetings of the Board of Directors held during the financial year 2021-22 at the rate of ₹1 lakh per meeting of the Board attended by them, besides the sitting fees being paid for attending each Board Meeting.”

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

Place: Chennai
Date: 10th August 2022

M B Ganesh
Secretary

NOTES:

- a. In view of the on-going Covid-19 pandemic, the Ministry of Corporate Affairs (MCA) vide General Circular No.02/2022 dated 5th May 2022 and SEBI vide Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13th May 2022 (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 51st 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 2022 to 30th September 2022 (both days inclusive).
- c. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, (the Act) in respect of items 4 to 9 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.

For updation / modification of any information relating to shares held in physical form, please refer to the procedure as laid down in the website of the Company <https://www.spic.in/investors/get-in-touch/> and follow the procedure.

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 - Refer note h. given above.

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.

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 2021-22 are being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories/Registrars and Share Transfer Agents. The hard copy of full Annual Report of the Company shall be sent to the shareholders on request.

l. Members may also note that the Notice and the Annual Report will be available on the website of the

Company www.spic.in/investors/financial-results/, National Stock Exchange www.nseindia.com, and CDSL 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, 23rd September 2022, 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.

Payment of dividend and withholding tax thereon:

p. The dividend for the year 2021-22 upon declaration at the AGM, would be paid on 26th October 2022, as below:

i. In respect of shares held in physical form, to those Members whose names appear on the Register of Members on 30th September 2022; and

ii. In respect of shares held in electronic form, to those Members whose names appear in the list of Beneficial Owners furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), the Depositories, as at the end of business hours on 23rd September 2022.

q. Dividend is taxable in the hands of the recipient from 1st April 2020. The Company is required to deduct tax at source from dividend. Accordingly dividend would be paid net of TDS @ 20% if the Member has not provided his/her valid PAN and @ 10% in other cases.

r. Tax Deduction would be PAN based and so in the case of multiple holding by the same first named person, dividend amount would be aggregated for determining the rate of TDS.

s. If the Member

i. is a resident individual and the amount of dividend does not exceed Rs. 5,000 or furnishes a declaration in Form 15G/15H, no tax will be deducted.

ii. is a Non Resident or a Foreign Institutional Investor or a Foreign Portfolio Investor, tax deduction would be at 20%

iii. In addition to the above, surcharge and cess as applicable will be deducted.

Resident shareholders may also submit certificate under Section 197 of the Income-tax Act, 1961, issued by the concerned authority for no or lower deduction of tax.

Non-Resident Shareholders, including foreign companies and institutional investors like FIIs, FPIs, etc. if eligible can avail lower withholding taxes under the Double Taxation Avoidance Agreements by submitting the necessary documents such as Tax Residency Certificate, Form 10F and other declarations specified in the relevant Rules.

- t. The aforesaid Forms / declarations may be submitted through the Web-portal of the via <https://investors.cameoindia.com> and other documents mentioned above by email to investor@cameoindia.com/shares.dep@spic.co.in before 25th September 2022 in order to enable the Company to determine and deduct appropriate TDS / withholding tax rate. Incomplete and/or unsigned forms and declarations will not be considered by the Company. No communication/ documents on the tax determination / deduction shall be considered after 25th September 2022.
- u. As per SEBI guidelines, dividend is to be paid through electronic mode into the bank account of the shareholder as per the details furnished by the depositories. In case electronic payment is not possible, the bank account details, if available will be printed on the warrant/other payment instrument. The Company is not permitted to entertain any request for deletion or change of such bank details.
- v. Members may register / update their bank account details with the Depository Participant for share held in electronic form. For shareholders holding shares in physical form may update their bank account with Cameo Corporate Services Limited (RTA) by submitting Form ISR-1 on or before 30th September 2022 for receiving the dividend electronically. Where bank account details are not available, the Company shall dispatch the dividend warrants to the respective shareholders by post to their registered address.

For shares held in physical mode, please follow the procedure as laid down in the website of the Company <https://www.spic.in/investors/get-in-touch/>

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.

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

| Type of shareholders | Login Method |
|--|--|
| Individual Shareholders holding securities in Demat mode with CDSL | <ol style="list-style-type: none"> 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/KFINTECH/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. |

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 Tuesday, 27th September 2022 at 9:00 AM (IST) and ends on Thursday, 29th September 2022 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 2022 may cast their vote electronically. The e-voting module shall be disabled by the Scrutinizer for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote during the Meeting.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple User IDs and Passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting 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 ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, 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.

| Type of shareholders | Login Method |
|--|---|
| | <p>3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p> <p>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 or click on https://evoting.cdslindia.com/Evoting/EvotingLogin. 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.</p> |
| Individual Shareholders holding securities in demat mode with NSDL | <p>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.nsd.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.</p> <p>2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS” Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.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.</p> |
| Individual Shareholders (holding securities in demat mode) login through their Depository Participants | <p>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.</p> |

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

(v) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.

| 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 |

- 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 Physical shareholders and other than individual shareholders holding shares in Demat. |
|--|--|
| PAN | <p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • 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) | <p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field. |

- (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 **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) Additional Facility for Non – Individual Shareholders and Custodians – For Remote Voting only.
 - 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 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 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 2022 to 5:00 PM on 27th September 2022.
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 2022 by email to shares.dep@spic.co.in mentioning their name, demat account number/folio number and mobile number. These queries will be responded 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. 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.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For shares held in physical mode – Refer point h. above to this Notice and send the duly filed form by email / post to the RTA.
2. For share held in Demat mode – Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have 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, 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 o 22-23058542/43.

**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.4 to 9 of the Notice convening the 51st AGM:

ITEM NO. 4:

M/s. MSKA & Associates, Chartered Accountants, Chennai (Firm Registration No. 105047W), were appointed as Statutory Auditors at the 46th Annual General Meeting ('AGM') of the Company held on 26th July 2017 and to hold office from the conclusion of the 46th AGM till the conclusion of this 51st AGM of the Company. They are eligible for re-appointment for a second term as per Section 139(9) of the Companies Act 2013 (the Act) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR). Taking into consideration the performance of the Statutory Auditors during their present tenure, their credentials as a reputed firm with wide range of services which includes Audit & Assurance, Taxation and Accounting Advisory, the Audit Committee at their meeting held on 27th May 2022 had recommended the re-appointment

for a second consecutive term of five years from the conclusion of 51st AGM till the conclusion of 56th AGM of the Company at a remuneration of ₹24 Lakhs plus out of pocket expenses and applicable taxes for audit and related services, for each year. The Board of Directors be further authorised to revise the remuneration of the Statutory Auditors from time to time during their term taking into account the scope and volume of service and other aspects as it deems appropriate.

M/s. MSKA & Associates have given their consent for their appointment as the Statutory Auditors and have confirmed that the appointment, if made, would be within the limits specified under Section 141(3) (g) of the Act and that they are not disqualified to be appointed as the Statutory Auditors in terms of the provisions of Section 139 and 141 of the Act and the Rules framed thereunder. The Board recommends the Ordinary Resolution set forth at Item No.4 of the Notice for approval by the Members. The above said information is furnished as required under Regulation 36(5) of LODR.

Memorandum of Interest:

None of the Directors, Key Managerial Personnel or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the proposal.

ITEM NO. 5

The Board of Directors vide Circular Resolution dated 27th July 2022 on the recommendation of the Nomination and Remuneration Committee had appointed Ms. AR Rajalakshmi, (DIN: 09213839), nominee of Tamil Nadu Industrial Development Corporation Limited (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. A R Rajalakshmi as Director for approval by the Members of the Company as set out in Item No. 5 of the Notice.

Memorandum of Interest:

Except Ms. A R Rajalakshmi and her relatives and Ms. Vandana Garg IAS Nominee Director of TIDCO, none of the Directors, Key Managerial Personnel of the Company is interested in this Resolution.

ITEM NO. 6

The Board of Directors, at their Meeting held on 11th November 2021 on the recommendation of Nomination and Remuneration Committee had appointed Mr. T K Arun (DIN: 02163427) as Independent Director for a period of five years from 11th November 2021 pursuant to applicable provisions of the Companies Act, 2013 (the Act) and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (LODR) subject to the approval of the Shareholders. Prior to that he was a Non-Executive Non-Independent Director. In the opinion of the Board, pursuant to proviso to Section 152 (5) of the Act, and LODR, Mr. T K Arun fulfils the conditions specified in the Act, and Rules made under for appointment as an Independent Director of the Company and is independent of the Management. Consent has been received from Mr. T K Arun to hold Office as Independent Director of the Company. Notice proposing his candidature has been received as required 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. Hence the Special Resolution, for approval by the Members of the Company as set out in Item No. 6 of the Notice.

Memorandum of Interest:

Except Mr. T K Arun and his relatives, none of the Directors, Key Managerial Personnel of the Company is interested in this Resolution.

ITEM NO. 7

The Board of Directors, at their Meeting held on 27th May 2022 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 2023 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. 7 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending 31st March 2023.

Memorandum of Interest:

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

ITEM NO. 8

During the financial year 2021-22, the Company had availed loan of ₹179.08 crores by way of External Commercial Borrowings from M/s. AM International Holdings PTE. LTD., Singapore, a Related Party in the ordinary course of business and at arm's length basis. The transaction is considered material pursuant to Regulation 23 of the Listing Regulations and hence the proposed Ordinary Resolution seeking approval of the Members. Prior approval of the Audit Committee was obtained and then the Board of Directors had approved the borrowings as required under the Company's Policy on Related Party Transactions. As per Listing Regulations, all the Related Parties shall not vote to approve the transaction irrespective of whether the entity is a party to the particular transaction or not. AM International Holdings PTE. LTD., Singapore, do not hold any shares in the Company.

Justification for why the proposed transaction is in the interest of the listed entity: The transaction is executed to meet the CAPEX requirements of the Company. The Company has been looking for financial support from Banks and Financial Institutions for meeting the CAPEX. The terms were not very favourable and were insisting on security. The present facility was at a reasonable rate of interest and without security. Rate of Interest: 9.10% payable in quarterly intervals commencing from March 2022. Tenor – 15 months commencing from the date of drawdown. Repayment – To commence from 24th February 2023.

Where the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary: Not applicable

A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the shareholders: Not applicable

The Board recommends the Ordinary Resolution seeking consent of the Members as set out at Item No.8 of the Notice for having entered into transaction with a Related Party.

Memorandum of Interest

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

ITEM NO. 9

At present the Non-Executive Directors of SPIC (including Independent Directors) are paid sitting fee of ₹ 1 lakh per meeting of the Board attended. Considering the improved performance of the Company and the contribution by the Non-Executive Directors (NEDs) during the Meetings, it is considered necessary to remunerate the NEDs besides the sitting fee of ₹ 1 lakh paid for attending each Board Meeting.

The Board of Directors at their Meeting held on 27th May 2022 based on the recommendation of the Nomination and Remuneration Committee, considered and approved the proposal to pay remuneration to Non-Executive Directors (including ID's) of the Company for the FY 2021-22. The Board recommends the Special Resolution in relation to the payment of remuneration to Non-Executive Directors (including ID's) of the Company for the FY 2021-22

for approval by the Members of the Company as set out in Item No. 9 of the Notice. In respect of sitting fees payable to Nominee Directors of Tamil Nadu Industrial Development Corporation (TIDCO), the payment will be made to TIDCO.

Memorandum of Interest:

All the Non-Executive Directors (Including Independent Directors) and their relatives are interested in this resolution. None of the 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: 10th August 2022

M B Ganesh
Secretary

**Details of the Directors seeking appointment/re-appointment at the 51st Annual General Meeting
[Pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]**

Ms. Vandana Garg, IAS

Ms. Vandana Garg, IAS (DIN: 09205529) is a 2017 batch IAS Officer, who has held many key positions in various departments in the Government of Tamil Nadu.

Presently, Ms. Vandana Garg is the Executive Director, Tamil Nadu Industrial Development Corporation Limited (TIDCO). Earlier had served as the Assistant Secretary in Social Justice and Empowerment, Government of India, Assistant Collector (Trg), Salem District and sub-collector Tirupathur District. She does not hold any shares in the Company and there is no relationship between the Directors inter-se. She is also a Director of M/s. Tanflora Infrastructure Park Limited; Tamilnadu Power Finance and Infrastructure Development Corporation Limited; TIDEL Neo Limited; Tiruchirapalli Engineering and Technology Cluster; TIDEL Park Limited; Tamilnadu Trade Promotion Organisation; Tamil Nadu Centre of Excellence for Advanced Manufacturing. She is a Member of Audit Committee of Tamilnadu Trade Promotion Organisation.

Ms. A R Rajalakshmi

Ms. A R Rajalakshmi (DIN: 09213839), a qualified Chartered Accountant from Institute of Chartered Accountants of India with more than 22 years of experience in Treasury Department is presently working as Chief General Manager (Finance) of TIDCO, a Government of Tamilnadu Enterprise. She does not hold any shares in the Company and there

is no relationship between the Directors inter-se. She is also a Director of SKM Egg Products Export India Limited; Tamilnadu Salt Corporation Limited; and Chennai Aerospace Park Limited. Membership / Chairmanship of Committees of other Boards: NIL

Mr. T K Arun

Mr. T K Arun (DIN: 02163427) was a Nominee Director representing TIDCO from 2009 to 2017 and he resigned in November 2017, upon his superannuation from TIDCO. In order to benefit from his vast knowledge and experience on various corporate issues, governance matters and acquaintance with the Company, he was appointed by the Company as a Non-Executive Director in February 2018 under Non-Independent category.

However, as he was a KMP of TIDCO, one of the Promoters and also Associate of Manali Petrochemicals Limited (MPL), there were regulatory restrictions on his taking up a position as Independent Director in the Company for 3 years, post his retirement. After the said cooling off period he was inducted as an Independent Director of the Company. He is also an Independent Director of MPL and does not hold any shares in the Company. There is no relationship between the Directors inter-se. He is Chairman of Stakeholders Relationship Committee and Member of Risk Management Committee of MPL.

DIRECTORS' REPORT AND MANAGEMENT DISCUSSION & ANALYSIS

Your Directors present their 51st Annual Report together with the Audited Financial Statements of the Company for the year ended 31st March 2022.

FINANCIAL SUMMARY

| Particulars | ₹ in crores) | |
|--|----------------|------------|
| | 31.03.2022 | 31.03.2021 |
| Revenue from Operations | 1874.92 | 1527.01 |
| Add: Other Income | 23.39 | 28.58 |
| Total Income | 1898.31 | 1555.59 |
| Profit before interest, depreciation and tax | 199.03 | 99.00 |
| Less: Finance Cost | 14.19 | 14.15 |
| Less: Depreciation & amortisation expenses | 44.41 | 38.23 |
| Profit Before Tax | 140.43 | 46.62 |
| Less: Tax expenses / (benefit) | -- | (5.23) |
| Profit After Tax | 140.43 | 51.85 |
| Add: Net Comprehensive Income | 14.06 | 7.55 |
| Total Comprehensive Income | 154.49 | 59.40 |

The Company's performance has improved during the last 5 years and the accumulated losses which stood at ₹14.45 Crs as on 31st March 2021 has been wiped off. The profit as on 31st March 2022 was ₹140.43 Crs, after providing for depreciation. All the series of Preference Shares of aggregate value ₹12.50 Crs have been redeemed and the Dividend dues to Preference shareholders were also paid in full. Accordingly, ₹12.50 Crs was transferred to Capital Redemption Reserve from the Statement of Profit and Loss, as required under the provision of the Companies Act, 2013. The Capital Redemption Reserve can be utilised for issue of bonus shares.

DIVIDEND

Taking into account the financial position of the Company and the norms of your Company's Dividend Distribution Policy, the Directors have recommended a Dividend of Re. 0.50 per equity share of ₹10 each fully paid-up, for the year 2021-22 on the paid-up equity share capital.

STATE OF COMPANY'S AFFAIRS

Production

During the year under review, despite the challenges faced due to the second wave of Covid pandemic, the Plants were in operation for 326 on stream days. Planned shutdowns were taken for Annual Turnaround Maintenance, Reliability improvement activities and balance NG Conversion activities and associated energy consumption improvements. Supply of High pressure Natural Gas commenced from 2nd Aug 2021 and full allotted quantity of 0.9MMSCMD commenced from 16th Oct 2021. During the year under review, your Company

manufactured 620,408 MTs of Neem Coated Urea and sold 629,306 MTs. The Plants were operated using Natural Gas (NG), imported Naphtha and Furnace Oil and achieved energy efficiency levels of 6.521 Gcal/MT of Urea for 2021-22 as against 6.454 Gcal/MT of Urea during the previous year.

Handling of Imported Naphtha

Your Company has an arrangement with Indian Oil Corporation (IOC) 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 continued until such time the reliable supply of full quantum of NG is assured.

Progress of NG Supply Pipelines.

IOC, authorized to lay the Natural Gas Pipeline from Ennore to Tuticorin, has completed the 145 km Natural Gas pipeline in Ramanathapuram – Tuticorin sector in the first phase and laying of the pipeline from Ennore to Ramnad line merging at Sayalkudi is in progress and expected to be ready by this year end. On completion of this pipeline your Company will get the full requirement of 1.5 MMSCMD. All the four compressors are made ready, compressor station at Ramnad is ready for operation and your Company is getting high pressure gas with a quantity of 0.9 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 Plants to be gas based, NG conversion and improvement activities have been completed as on March 2022. Environmental clearance and Consent to Operate the modernized facility to produce 7.592 lakhs MTPA of Neem coated Urea has been obtained and it is valid for next 5 years.

Your Company has an arrangement with an associate 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 on your Company's water requirements since rainfall has been adequate and water supply position is comfortable. However, the project activities have commenced and when commissioned it 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 2021-22, 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 2021-22, revenue from operations was ₹1,805.58 crores as compared to ₹1,145.21 crores in 2020-21. The Company's net profits registered an increase at ₹170.64 crores as compared to ₹ 121.65 crores in the previous fiscal. Linear Alkyl Benzene (LAB) the main product sustained its contribution despite increase in oil prices and the increase in income came from Chlor-alkali business and Propylene oxide helped by increase in product prices and optimal production. Both revenue and Profit Before Tax (PBT) in the current year are the highest in the history of the Company. The Board of TPL has recommended a dividend of ₹3 per equity share of ₹10 each fully paid-up for the year 2021-22 (25% in the previous year) subject to the approval of Members.

TUTICORIN ALKALI CHEMICALS AND FERTILIZERS LIMITED (TFL)

Refurbishment of defective systems and installation of newer ones continued this year also to stabilise the production. To overcome the shortage of salt, a large shipment of 45,000 Mts of salt was brought from Gujarat. The year witnessed huge increase in price of ammonia, a major raw material and to offset that the price rise of soda ash and ammonium chloride helped the Company to record a significant profit in the last quarter of the year. With production being stabilised, improved results are expected in the next financial year.

GREENAM ENERGY PRIVATE LIMITED (GREENAM)

25.33 MW DC / 22.0 MW AC Floating Solar Project was successfully commissioned on 7th March 2022 by Greenam an Associate of your Company. The final project cost is ₹148.58 crore against the original projection of ₹126 crore estimated in 2019 due to Pandemic related delays and consequent enhanced interest paid during construction. Your Company's contribution towards equity in this project is ₹9.09 crore. Greenam is expected to make profit from the current financial year onwards.

The unit is supplying green power to your Company as envisaged at its full capacity, thus meeting the renewable power obligation of your Company. Further the fresh water loss by evaporation from the Company's water reservoirs has been brought down by 60%, saving scarce natural resource. This project would also result in lowering the emission of Green House Gas, Carbon dioxide equivalent by 38,705MT every year.

SAFETY, HEALTH AND ENVIRONMENT

DNV (Det Norske Veritas) conducted the periodical audit for QMS.ISO 9001:2015, EMS – ISO 14001:2015 and OHS – ISO 45001:2018 during May 2021. DNV have

certified that all the requirements as per the standards are being practiced 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.

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 814 tree saplings planted during this year. Your Company has obtained Consent to Operate with mixed feed stock, namely, Natural Gas and Naphtha, valid up to 30th September 2022.

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 2022 is 617. 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 the year 2020-21 as required under Section 92 of the Act has been placed on the website of the Company. The Form MGT-7 for the year 2021-22 shall be filed with Registrar of Companies within the prescribed time after the date of 51st Annual General Meeting (AGM) of your Company. Thereafter it can be accessed using the web link: <https://www.spic.in/investors/annual-return/>.

DIRECTORS

Since the date of last Report, the Board of Directors had appointed Mr. Pankaj Kumar Bansal, IAS, Nominee Director of TIDCO with effect from 11th November 2021 and Ms. A R Rajalakshmi, Nominee Director of TIDCO with effect from 21st July 2022. Mr. R Madhusudhan, and Mr. Pankaj Kumar Bansal, IAS, Nominee Directors of TIDCO resigned with effect from 4th July 2022 and 5th August 2022 respectively. The Board of Directors placed on record the invaluable services rendered by M/s. Pankaj Kumar Bansal, IAS and R Madhusudhan during their tenure.

Ms. Vandana Garg, IAS, Nominee Director of TIDCO shall retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers herself for re-appointment.

The Board of Directors at their Meeting held on 11th November 2021 appointed Mr. T K Arun as Independent Director for a period of 5 years from 11th November 2021, and the approval of the Shareholders is being sought at the ensuing 51st AGM. In the opinion of the Board, Mr. T K Arun, appointed as Independent Director during the year, is a person of integrity, with expertise, experience & proficiency. He is independent of the Management.

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, (Listing Regulations) 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 Act read with the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules 2016, the Company during March 2018 transferred to IEPF Authority, 1,66,454 equity shares in respect of 1008 shareholders. 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/2022/07/Familiarization-Programmes-2021-22.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 2022 is given in **Annexure I** to this Report.

STATUTORY AUDITORS

M/s. MSKA & Associates, Chartered Accountants (Firm Registration No.: 105047W) Chennai, the Statutory Auditors appointed by the shareholders for a period of five years from 2017-18 will hold office until the conclusion of 51st AGM of the Company. There is no qualification, reservation or adverse remark or disclaimer made by the Statutory Auditors in their Report on the Financial Statements of your Company for 2021-22.

The Board of Directors at their Meeting held on 27th May 2022, on the recommendation of the Audit Committee, have re-appointed M/s. MSKA & Associates, Chartered Accountants, for the second term of five years from financial year 2022-23 to 2026-27 on such terms as approved by the Board, subject to approval of shareholders.

COST AUDITOR

M/s. B Y & Associates, Cost Accountant (Firm Registration No. 003498) was appointed as the Cost Auditor of the Company for the year 2021-22 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 2021 was duly filed within the time stipulated under the Act.

The Board of Directors at their Meeting held on 27th May 2022, on the recommendation of the Audit Committee, have re-appointed M/s. B Y & Associates, Cost Accountant as Cost Auditor for the year 2022-23 at a remuneration of ₹1,50,000/- plus reimbursement of actual out-of-pocket expenses subject to ratification by Members.

SECRETARIAL AUDIT REPORT

In terms of Section 204 of the Act, Regulation 24A of Listing Regulations, your Company has appointed Ms. B Chandra, Practising Company Secretary, Chennai as Secretarial Auditor. The Secretarial Audit Report for the year 2021-22 as furnished is given as **Annexure II** to this Report. There is no qualification, reservation or adverse remark or disclaimer made by the Secretarial Auditor in their Report.

The Company has complied with the requirements of the Secretarial Standards with respect to General and Board Meetings specified by the Institute of Company Secretaries of India constituted under Section 3 of the Company Secretaries Act, 1980, and approved as such by the Central Government.

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 2022, 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 2022 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.

REPORTING OF FRAUDS BY AUDITORS

During the year under review, the Statutory Auditors, Cost Auditors and Secretarial Auditors have not reported any instances of frauds committed in the Company by its Officers or Employees, to the Audit Committee formed as per the requirements of Companies Act, 2013.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

No loans or guarantees were given by the Company under Section 186 of the Act during the year under review. During the year, your Company invested 15,00,000 equity shares of ₹10 each at par in Greenam Energy Private Limited (Greenam) offered on rights basis. Your Company, on 6th May 2022 pledged 3,40,000 equity shares of ₹10/- each held in Greenam in favour of Indian Renewable Energy Development Agency Limited (IREDA) to secure the Term loan of ₹88 crores and the Additional loan of ₹7 crores sanctioned to Greenam, to meet its capital expenditure for its Floating Solar Power Project.

RELATED PARTY TRANSACTIONS

The transactions entered into during the year 2021-22 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 IV**.

As required under Regulation 23 of Listing Regulations approval of the Members is being sought at this Annual General Meeting for the transaction entered into with a Related Party considered material in nature.

The details of transactions with any person or entity belonging to the Promoter/Promoter Group which holds 10% or more shareholding in the Company, in the format prescribed under IND AS are furnished in Note No. 32 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 2022 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:

- Improvement to the efficiency of the Turbo Generator I has been carried out.
- New boiler at the downstream of ammonia converter, generating 60mTPH of steam from the heat available with the gas, has been installed.
- Heat Recovery & Steam Generation system which recovers the heat from the Gas Turbine flue gas has been installed.

- Critical turbines were overhauled to improve the efficiency.
- Periodical Steam system audit was carried out 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 | 2021 - 22 | 2020 - 21 |
| Foreign Exchange earnings | 35.78 | 2.55 |
| Foreign Exchange expenditure | 2,119.28 | 47,296.42 |

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 2021-22 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, the Board as a whole and its Committees. The Independent Directors at their Meeting held on 10th March 2022 evaluated the performance of Non-Independent Directors, Board as a whole, the 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 27th May 2022 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, 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 business 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 and is available on the Company's website under the web link: <https://www.spic.in/wp-content/uploads/2022/08/Nomination-and-Remuneration-Policy-23-05-2019.pdf>

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-30th-Mar-2022.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. The details of the Policy are available on the website of the Company under weblink: <https://www.spic.in/wp-content/uploads/2021/02/Policy-for-Determining-Material-Events.pdf>

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 thereunder. 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 (UPS) 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 III** to this Report. The details of the Policy are available on the website of the Company under weblink: <https://www.spic.in/wp-content/uploads/2021/02/Corporate-Social-Responsibility-Policy.pdf>

DIVIDEND DISTRIBUTION POLICY

Dividend Distribution Policy has been formulated as required under Listing Regulations. 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 2021-22 started with favourable monsoon with sufficient precipitation and spread. As a result of this more area was sown creating an usual demand of fertilizers during Khariff and Rabi seasons of the year. The total cropped area increased by 4.75% over the normal coverage in the country.

As a result, the agricultural production increased during the year. The increase in production of food grain is 1.71%; Oil seeds is 3.34 % and Sugarcane is 10.6% over the previous year. The enhancement of support price by about 9% also propelled additional area under cultivation.

The overall availability of Urea during the year was satisfactory, with reports of non-availability in certain pockets during peak cultivation period. There was a reduction in the supply of Urea by 3.5% over the last year due to reduction in the import of Urea. However the supplies from the indigenous production increased by 1.89% at 25.07 million tonnes from 24.60 million tonnes a year ago. The total supplies during the year stood at 33.48 million tonnes as against 34.71 million tonnes during the previous year.

Impact of COVID-19 Pandemic.

During the COVID Pandemic, your Company ensured continuity in business and protected the employees through appropriate measures by facilitating large scale testing and implementing the guidelines given the Government. Regular screening and monitoring of all the employees who attended

the work also helped us to take appropriate preventive actions to contain the spread of the virus.

Services extended to the Farmers (Consumers).

Your Company continued to provide services to the farmers in improved cultivation practices, soil health management, integrated nutrient and pest management practices to bring down the deposits of residues on the soil, crop and harvest.

Your Company undertook the following activities during the year.

1. DBT (Direct Benefit Transfer) in Fertilizers:

Your Company is the Lead Fertilizer Supplier (LFS) for Tamil Nadu and Puducherry. As an LFS, we ensured the active usage of ePOS devices at the fertilizer retail points. We conducted awareness programs among the farmers, capacity building exercise to retailers to ensure effective utilisation of the ePOS machines while conducting the sale of fertilisers in association with the officials of Agriculture Department and National Informatics Centre (NIC). There are 12,673 numbers of ePOS devices deployed in the states of Tamil Nadu and Puducherry.

2. Model Fertilizer Retail Shops (MFRS):

The Department of Fertilizers, Government of India has introduced a new concept of Model Fertilizer Retail Shop (MFRS) during the year 2016-17, with an aim to impart the latest technologies in Agriculture for resource optimization and to increase the returns from the farms. As a result Your Company established 27 numbers of MFRS spread across Tamil Nadu, Puducherry, Kerala, Karnataka and Andhra Pradesh. These Centres provide Agro Services like soil testing, irrigation water testing, educating the farmers to practice soil test based nutrient management, integrated pest management, soil health management, etc.

3. Mobile Soil Testing Lab Services (MSTL):

Through our Mobile Soil Testing Facility, we have extended the soil testing services to farmers located in the neighbouring states of Karnataka and Andhra Pradesh; in addition to the farmers of Tamil Nadu. Based on soil health and nutritive status of the soil analysed, we encouraged the farmers to follow soil health based agronomical practices with due importance of using organic inputs for sustaining and improving the soil fertility and productivity levels.

4. Trainings to Farmers.

We offered In-house training programs to progressive farmers from the State of Tamil Nadu in our training centre located at Tuticorin. The outreach programs were conducted to groups of farmers in different parts of the state.

5. Model Integrated Agriculture Farm.

As part of the In-house training programs, we have developed and are managing an integrated agriculture farm having high value agriculture crops, medicinal plants, farm animals in Tuticorin. The concept of integrated agriculture is being demonstrated to the farmers to adopt this concept to further enhancing the returns from farming.

6. Pannai Cheythi Malar.

The bimonthly Tamil Magazine covers pertinent articles related to improved agricultural practices. The new technologies in

Agriculture with stories of success achieved by the fellow farmers in the state is published. This is becoming a platform for sharing new found knowledge / technologies in improving the productivity of farms.

Prospects for 2022-23:

Rainfall forecast and demand estimation of Urea:

India is likely to witness normal rainfall during the Southwest monsoon season this year as per IMD predictions as the LPA considered so far has been revised to 868.6 mm (1971-2010) from the earlier value of 880.6 mm based on 1961-2010 period. Considering this normal forecast, country will be working towards a targeted food grain production at 328 million tonnes for the year compared to expected production of 316 million tonnes during 2021-22.

Demand is expected to be higher for urea by 3.3% during 2022-23 which means, the domestic urea production should exceed 30 MT to reduce India's dependence on imports. The promising fact is that the demand can be met by enhanced domestic production of urea as new plants are being commissioned and old ones are expected to produce more.

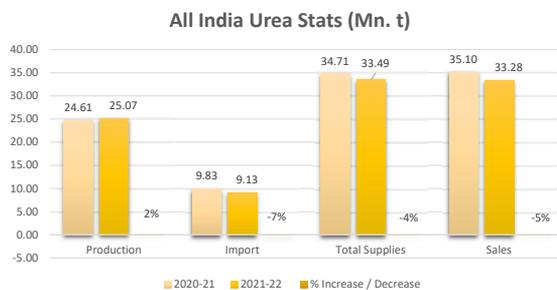
Nano Urea:

Nano Urea, a liquid formulation containing 4 ~ 14 % Nitrogen has been introduced by Indian Farmers Fertiliser Cooperative Ltd (IFFCO) during 2021. This is recommended as a substitute product for the prilled and granulated Urea. The acceptance of this Nano Urea by the farmer is yet to gain momentum due to the instability of Nutrient content, non-compatibility with other agro chemicals and higher cost of application. As Urea forms 82 % of the total nitrogenous fertilisers consumed in India, Government is encouraging fertilizer companies to formulate strategies to replace Urea with Nano-Urea.

Your Company has entered into a research tie up with Tamil Nadu Agriculture University for a detailed field study to know the efficacy and phytotoxicity of Nano Urea in comparison to SPIC Urea (Prilled Urea). This study will also reveal the economic benefit of using Nano Urea over SPIC Urea in Paddy cultivation. Once the field trails are completed, more information on the efficacy of the product to device suitable strategy of employing Nano Technology in Nutrient Delivery Systems would be available.

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

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



Tissue Culture Business:

Your Company supplies highest quality of Tissue Culture (TC) Banana plants to the farmers at a price that is higher than the competitors. As a COVID relief activity to farmers, the Tamil Nadu Horticulture Department supplied TC Banana plants free of cost. This has curtailed the demand from a section of farmers and forced to slash the prices, compromising on the margins. Since this scheme is likely to continue for some more time, focus was shifted from low cost Banana Plants to high value Ornamental plants from 2021-22.

As a result, production of Tissue Cultured Ornamental plants was started and supplied to another organisation on B2B format.

Having got the protocols streamlined your Company planned to produce larger quantities of high value of ornamental plants including Orchids and market directly to the large nurseries.

In order to increase the profitability by optimising the cost, we have undertaken the replacement of high energy consuming machines with latest ones with low energy consumptions. Replacement of old machines with latest one to increase the productivity is also planned. The downsizing of employee to retain the core competencies has resulted in substantial reduction in the cost of production during the year.

Continuous cost optimisation at all stages of production and inclusion of high value products is showing positive results.

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 | 2021-22 | 2020-21 | Reasons for change |
|-------------------------------------|---------|---------|--|
| Net Profit Ratio (%) | 7.53% | 3.42% | Increased Net Profit due to gas conversion of plant had resulted in higher Net Profit ratio in current year. |
| Debt Service Coverage Ratio (times) | 2.13 | 0.42 | Increased operating profit due to gas conversion of plant and repayment of borrowings had improved debt coverage ratio in current year. |
| Debtors Turnover Ratio (days) | 4 | 9 | Due to high demand for Urea, Customer has settled their dues in shorter period, which has let to reduction in debtors and overall improvement in Debtors Turnover Ratio. |

CHALLENGES

Your Company's stable operation depends on completion of NG supply infrastructure in all respects by IOC and sustained supply of gas thereafter. Reliable availability of full quantity of NG (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 Limited, 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.

For Southern Petrochemical
Industries Corporation Limited

Place: Singapore
Date: 10th August 2022

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

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 | 12.5 |

- 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 2021-22 |
|------------------|-------------------------|--|
| S R Ramakrishnan | Whole-time Director | - |
| K R Anandan | Chief Financial Officer | 11.5% |
| M B Ganesh | Company Secretary | 15% |

- iii) The percentage increase in the median remuneration of employees in the financial year was 8%.
- iv) The number of permanent employees on the rolls of Company is **617**.
- 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 2021 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 | Qualification | Experience | Last Employment & Position held | Date of Commencement of employment | Gross Remuneration (Actual CTC) (Amount in ₹) |
|-------------------|------------------------------------|-----|--|-------------|--|------------------------------------|---|
| Ramakrishnan S R | Whole-time Director | 72 | B. Tech (Chem), M. Tech (Indl Mgmt) | 7 Yrs 9 M | M/s.Bharath Coal Chemicals Ltd. (Shriram Group) as Managing Director | 30-Jul-14 | 7500000 |
| Anandan K R | Chief Financial Officer | 58 | B.Com, M.Com, ACA, AICWA, ACS, PGDBA, PGDPP, PGDMM | 6 Yrs 10 M | TPL as Chief Financial Officer | 01-Jul-15 | 8500000 |
| Gopalakrishnan K | Vice President - Corporate Affairs | 56 | BA, MA, DIP(PR) | 18 Yrs 11 M | SICAL, Joint Manager-PR | 01-May-03 | 5100000 |
| Senthil Nayagam P | General Manager - Works | 50 | BE (Chem), MS | 28 Yrs 2 M | SPIC EMS Trainee | 17-Feb-94 | 4482000 |
| Rajagopalan N | Head-IT | 56 | Dip (Com), B.Sc, MSc(IT) | 7 Yrs 5 M | Freelance consultant | 12-Nov-14 | 3594000 |

| Name | Designation & Nature of Duties | Age | Qualification | Experience | Last Employment & Position held | Date of Commencement of employment | Gross Remuneration (Actual CTC) (Amount In ₹) |
|----------------|---|-----|--------------------------------|------------|---|------------------------------------|---|
| Rajeshkumar E | Deputy General Manager Phosphatics Production | 46 | BTech (Chem) | 24 Yrs 3 M | SPIC EMS Trainee | 01-Jan-98 | 3325002 |
| Madhukar V | Head-HR | 53 | BA (Eng),MA (Sociology), PGDPM | 7 Yrs 4 M | Freelance consultant | 01-Dec-14 | 3289002 |
| Manivannan S S | Deputy General Manager | 47 | BE (Mech) | 15 Yrs 8 M | M/s.Indo Jordan Chemicals, Jordan as Sr Engineer - Inspection | 01-Aug-06 | 3265002 |
| Shanmugam P | Deputy General Manager | 48 | BE (Mech) | 25 Yrs 1 M | SPIC EMS Trainee | 01-Mar-97 | 3165996 |
| Prembabu D | Assistant General Manager | 47 | B.Com, ACA, AICWA | 9 Yrs 1 M | SPEL Semiconductor Ltd as Manager (Finance) | 01-Mar-13 | 3156000 |

- The employment of Whole-Time Director and Chief Financial Officer are 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: Singapore
Date: 10th August 2022

Ashwin C Muthiah
Chairman

Form No. MR-3
SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2022

[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 31.03.2022, 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 31.03.2022, 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. The 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 Nitrogenous Chemical Fertilizer (3) the compliance reports made by the functional heads of various departments based on which the Whole-time Director and the Company Secretary submit a Report to the Board of Directors of the Company (4) a test check on the licences and returns made available on other applicable laws, I report that the Company has complied with the provisions of the following industry specific statutes and the rules made there under to the extent it is applicable to them:
- Factories Act, 1948 including The Hazardous Waste (Management and Handling) Rules, 1989
 - Explosives Act, 1884
 - The Environment (Protection) Act, 1986
 - The Water (Prevention and Control of Pollution) Act, 1974
 - The Air (Prevention and Control of Pollution) Act, 1981
 - The Insecticides Act, 1968
 - Drugs and Cosmetics Act, 1940
 - The Fertiliser (Control) Order, 1985

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreement entered into by the Company with National Stock Exchange of India Limited.

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

I further report that

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

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

I further report that

- a. 300000 14.5% Redeemable Preference shares of ₹100/- each, 850000 11.5% Redeemable cumulative Preference shares of ₹100/- each, 100000 10% Redeemable cumulative Non-convertible Preference shares of ₹100/- each aggregating ₹12.50 crores were redeemed on 22nd February 2022.
- b. The company obtained approval for availing External Commercial borrowings from one of the related parties of the company amounting to Rs.180 crores in tranches.

Signature:

B.CHANDRA

ACS No.: 20879, C P No. : 7859

UDIN : A020879D000406154

Peer Review No.: 602/2019

Place: Chennai

Date: 27th May 2022

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

ACS No.: 20879, C P No. : 7859

Peer Review No.: 602/2019

Place: Chennai

Date: 27th May 2022

Annual Report on CSR Activities for the Financial Year ended on 31st March 2022.

1. Brief outline on CSR Policy of the Company:

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:

| Sl. No. | Name of Director | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---------|----------------------|--------------------------------------|--|--|
| 1 | Mr. S R Ramakrishnan | Whole-time Director | 1 | 1 |
| 2 | Mr. B Narendran | Independent Director | 1 | 1 |
| 3 | Mr. T K Arun | Independent Director | 1 | 1 |

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

- CSR Committee: <https://www.spic.in/wp-content/uploads/2021/02/SPIC-Composition-of-Committees.pdf>
- CSR Policy: <https://www.spic.in/wp-content/uploads/2021/02/Corporate-Social-Responsibility-Policy.pdf>
- CSR Projects: <https://www.spic.in/csr/>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable – Not applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any – Not applicable

6. Average net profit of the company as per Section 135(5). (₹ in Crores)

| Year | 2018-19 | 2019-20 | 2020-21 | Average Net Profit |
|-------------------------|-----------|-----------|-----------|--------------------|
| Net Profit / (Net Loss) | (1455.30) | (1397.58) | (1373.31) | (1408.73) |

7. Total CSR obligation for the financial year – Not applicable.

8. (a) CSR amount spent or unspent for the financial year:

| Total Amount Spent for the Financial Year. (in Rs.) | Amount Unspent (in Rs.) | | | | |
|---|--|-------------------|--|---------|-------------------|
| | Total Amount transferred to Unspent CSR Account as per section 135(6). | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5). | | |
| 2021-22 | Amount. | Date of transfer. | Name of the Fund | Amount. | Date of transfer. |
| 1.72 Crs | Not Applicable | | Not Applicable | | |

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.

Voluntary initiatives: Covid-19 Food and Grocery kit donation; Oxygen flow meters (400nos.) donation; Oxygen plant constructed and free oxygen supplied to the Government hospital, Thoothukudi; Contribution towards PPE for Government UPHC; Construction of temporary isolation wards and Covid testing facility in township; Donation of

50,000 3 ply masks to the Covid-19 front line sanitary and health workers through Tuticorin corporation; Contribution made to promote Yoga ; Contribution for Paralympics – Thoothukudi competition; Sports materials sponsored to rural community youth; Installation of RO water purifier systems at Thoothukudi Government Hospital; Donation of drinking water to public in railway station (through RO system) & bottle to rural community; Donation of pumps to remove water logging in Thoothukudi; Donation towards arranging a Diesel generator for Thoothukudi GH Emergency ICU ward (since power failure due to heavy rains); Donation of study chair to Toovipuram ICDS & Library in rural village

- (b) Details of CSR amount spent against ongoing projects for the financial year: Not applicable.
 - (c) Details of CSR amount spent against other than ongoing projects for the financial year: Not applicable.
 - (d) Amount spent in Administrative Overheads - Not applicable.
 - (e) Amount spent on Impact Assessment, if applicable - Not applicable.
 - (f) Total amount spent for the Financial Year - Not applicable.
 - (g) Excess amount for set off, if any - Not applicable.
9. (a) Details of Unspent CSR amount for the preceding three financial years: Not applicable
- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not applicable
10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: Not applicable
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not applicable

S R Ramakrishnan
Chairman of the Committee
(DIN: 00120126)

B Narendran
Member of the Committee
(DIN: 01159394)

Date: 10th August 2022

Annexure IV

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 2021-22 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 (2021-22)

1 COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

As a responsible corporate citizen, your Company is conscious that a business which 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 statutory bodies and Regulators 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 2022, the Board of Directors of the Company had 11 (Eleven) Directors. During the year 2021-22, 5 (Five) Board Meetings were held on 30th June 2021, 12th August 2021, 11th November 2021, 14th February 2022 and 30th March 2022.

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 30 th September 2021 |
|--|------------------------------|--|
| Mr. Ashwin C Muthiah, (00255679) Chairman, Non- Executive Promoter Nominee | 5 | Yes |
| Dr. K P Karthikeyan (08218878), Non-Executive, TIDCO Nominee (upto 18 th Jun 2021) | - | NA |
| Mr. Pankaj Kumar Bansal, IAS (05197128), Non-Executive, TIDCO Nominee (from 11 th Nov 2021) | 2 | NA |
| Ms. Vandana Garg, IAS (09205529), Non-Executive, TIDCO Nominee | 2 | No |
| Mr. Rangavittal Madhusudhan (09218879), Non-Executive, TIDCO Nominee | 3 | Yes |
| Mr. B Narendran (01159394), Non-Executive Independent | 5 | Yes |
| Mr. T K Arun (02163427), 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 |

*Mr. T K Arun, a Non-Executive Non-Independent Director was appointed as Non-Executive Independent Director with effect from 11th November 2021.

| Name of the Director, Designation and Category | No. of other Director- ships (*) | No. of Membership in Board Committees of other companies (**) | | Names of other Listed Entities in which he/she holds Directorship and category of Directorship |
|---|---|---|--------------|--|
| | | As Chairman | As Member | |
| Mr. Ashwin C Muthiah, (00255679) Chairman, Non- Executive Promoter Nominee | 3(2) | 1 | 1 | Manali Petrochemicals Limited, Chairman; Tamilnadu Petroproducts Limited, Vice-Chairman; Sicagen India Limited, Chairman. |
| Mr. Pankaj Kumar Bansal, IAS Non-Executive, TIDCO Nominee | 9 | 1 | 2 | Tamilnadu Petroproducts Limited, Director; Titan Company Limited, Director. |
| Ms. Vandana Garg, IAS, Non-Executive, TIDCO Nominee | 8 | - | 2 | Manali Petrochemicals Limited, Nominee Director. |
| Mr. Rangavittal Madhusudhan , Non-Executive, TIDCO Nominee | 1 | - | - | - |
| Mr. B Narendran, Non- Executive Independent | 6 | 4 | 4 | Tuticorin Alkali Chemicals and Fertilizers Limited, Independent Director; Sicagen India Limited, Independent Director; Mercantile Ventures Limited, Independent Director; India Radiators Limited, Independent Director. |
| Mr. T K Arun, Non-Executive Independent | 1 | - | 1 | Manali Petrochemicals Limited, Independent Director. |
| Ms. Sashikala Srikanth, Non- Executive Independent | 6 | 3 | 4 | Sicagen India Limited, Independent Director; Tamilnadu Petroproducts Limited, Independent Director; Manali Petrochemicals Limited, Independent Director; Mercantile Ventures Limited, Independent Director. |
| Mr. Debendranath Sarangi, IAS (Retd.) Non-Executive Independent Director | 4 | 1 | 1 | Voltas Limited, Independent Director; Shriram City Union Finance Limited, Independent Director; Tamilnadu Petroproducts Limited, Independent Director. |
| Mr. S Radhakrishnan, Non-Executive Independent | 2 | - | 2 | Sicagen India Limited, Independent Director. |
| Ms. Rita Chandrasekar, Non- Executive Independent | 3 | 2 | 2 | Tuticorin Alkali Chemicals and Fertilizer Limited, Independent Director; India Radiators Limited, Independent Director; Sicagen India Limited, Independent Director. |
| Mr. S R Ramakrishnan, Whole-time Director | 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 2022, 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 4 (Four) Independent Directors, 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 30th June 2021, 12th August 2021, 11th November 2021, 14th February 2022 and 30th March 2022. 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 | Independent |

Mr. M B Ganesh, Company Secretary, is the 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 of 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 3 (Three) Independent Directors. Mr. B Narendran, Independent Director is the Chairman of the Committee. During the year, the Committee met 1 (one) time on 31st March 2022.

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

[#]During the year, Mr. T K Arun was inducted as a Member in the place of Mr. Ashwin C Muthiah.

Mr. M B Ganesh, Company Secretary, is the 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 2 (two) Independent Directors 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 25th June 2021, 18th August 2021, 12th November 2021, 9th February 2022 and 31st March 2022.

| Name | Designation | No. of Meetings attended | Category |
|----------------------|-------------|--------------------------|---------------------|
| Mr. B Narendran | Chairman | 5 | Independent |
| Mr. T K Arun | Member | 5 | Independent |
| 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 | 3 |
| No. of complaints redressed during the year | 3 |
| No. of complaints pending at the end of the year | Nil |

There were no share transfers pending registration as on 31st March 2022.

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

6 RISK MANAGEMENT COMMITTEE:

The Company has a Risk Management Committee consisting of three Members with 2 (two) Independent Directors 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 3 (three) times on 7th May 2021, 19th October 2021 and 15th March 2022.

| Name | Designation | No. of Meetings attended | Category |
|----------------------|-------------|--------------------------|---------------------|
| Mr. S Radhakrishnan | Chairman | 3 | Independent |
| Mr. T K Arun | Member | 3 | Independent |
| Mr. S R Ramakrishnan | Member | 3 | Whole-time Director |

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

7 DIRECTORS' REMUNERATION DURING 2021-22

| Name | Salary & Perquisites (*) | Special Allowance Paid/ Payable | Performance Pay | Sitting Fees |
|---------------------------------------|--------------------------|---------------------------------|-----------------|--------------|
| | (₹) | (₹) | (₹) | (₹) |
| Mr. Ashwin C Muthiah | - | - | - | 5,00,000 |
| Mr. Pankaj Kumar Bansal, IAS** | - | - | - | 2,00,000 |
| Ms. Vandana Garg, IAS** | - | - | - | 2,00,000 |
| Mr. R Madhusudhan** | - | - | - | 3,00,000 |
| 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* | 50,52,713 | 5,94,300 | 15,00,000 | - |

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

** sitting fees is paid to the M/s. 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](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, overseas funding arrangements and budgets | Debendranath Sarangi IAS (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 IAS (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 IAS (Retd.), T K Arun, S Radhakrishnan, B Narendran, Rita Chandrasekar, Sashikala Srikanth, K P Karthikeyan IAS 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 IAS (Retd.), |

| Major Classification | Sub Classification | Remarks | Directors Having the Skills |
|----------------------|------------------------------|--|-----------------------------|
| Board Conduct | Contribution | Participate actively in the matters discussed and contribute effectively at the meetings. Help in arriving at unanimous decisions in the event of difference of opinions. | All the Directors |
| Personal | Qualification and Experience | Having formal education, well qualified to possess the skills and competencies outlined above and previous experience as Member of Board or senior management positions in corporates. | All the Directors |

9 ANNUAL GENERAL MEETINGS

| Year | Date | Time | Venue |
|------|-------------------|------------|---|
| 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 |
| 2021 | 30 September 2021 | 3:30 P.M. | Through Video Conferencing / Other Audio Visual Means |

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

| Year | Special Resolutions |
|-------------------|---|
| 8 August 2019 | <ul style="list-style-type: none"> 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 | <ul style="list-style-type: none"> 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. |
| 30 September 2021 | <ul style="list-style-type: none"> To provide security by way of pledge of equity shares held / to be held in Greenam Energy Private Limited in favour of Indian Renewable Energy Development Agency Limited for a value not exceeding Rs. 12 crores. |

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 were to be displayed in the website of the Company.

11 GENERAL SHAREHOLDERS' INFORMATION

| | | | |
|-----|---|---|---|
| (a) | DATE AND TIME OF ANNUAL GENERAL MEETING | : | Friday the 30 th Sep 2022 at 2:30 PM (IST) |
| (b) | FINANCIAL YEAR | : | 2021-22 |
| (c) | DATES OF BOOK CLOSURE | : | 24 th Sep 2022 to 30 th Sep 2022 (both days inclusive) |
| (d) | DIVIDEND DECLARED | : | Final dividend at the rate of Re. 0.50 per share |
| (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 2021-22 to both NSE and Luxembourg Stock Exchange.

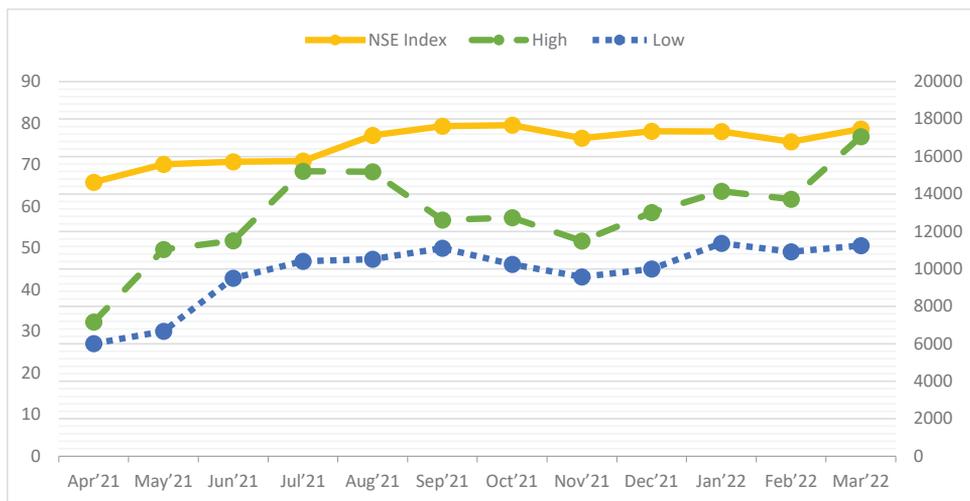
Demat International Securities Identification Number (ISIN) for equity shares is INE147A01011.

(g) MARKET/SHARE PRICE DATA

(Amount in ₹)

| Month | Apr'21 | May'21 | Jun'21 | Jul'21 | Aug'21 | Sep'21 | Oct'21 | Nov'21 | Dec'21 | Jan'22 | Feb'22 | Mar'22 |
|------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| High | 32.25 | 49.65 | 51.75 | 68.45 | 68.35 | 56.75 | 57.30 | 51.70 | 58.55 | 63.65 | 61.75 | 76.80 |
| Low | 27.05 | 30.05 | 42.75 | 46.85 | 47.30 | 50.00 | 46.10 | 43.10 | 45.00 | 51.15 | 49.10 | 50.60 |
| NSE Index | 14631.10 | 15582.80 | 15721.50 | 15763.05 | 17132.20 | 17618.15 | 17671.65 | 16983.20 | 17354.05 | 17339.85 | 16793.90 | 17464.75 |

PERFORMANCE OF SPIC'S EQUITY SHARES VIS-A-VIS THE NSE NIFTY INDEX



(h) SHARE TRANSFER SYSTEM

The Stakeholders Relationship Committee approve, inter alia, transfer of shares, transmission of shares etc., in physical form and also ratify the confirmations made to the demat requests and redress complaints from investors received by the Company. The entire process including dispatch of share certificates to the shareholders, were completed within the time stipulated under the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

(i) DISTRIBUTION OF SHAREHOLDING AS OF 31st MARCH 2022

| Sl. No | Shares Range | No. of Equity Shares held | % to paid up Capital | No. of Members | % to total Members |
|--------|------------------|---------------------------|----------------------|----------------|--------------------|
| 1 | Up to 5000 | 1,02,91,298 | 5.05 | 80,545 | 85.41 |
| 2 | 5001 - 10000 | 58,23,359 | 2.86 | 6,911 | 7.33 |
| 3 | 10001 - 20000 | 52,16,150 | 2.56 | 3,296 | 3.50 |
| 4 | 20001 - 30000 | 30,47,234 | 1.50 | 1,163 | 1.23 |
| 5 | 30001 - 40000 | 18,08,841 | 0.89 | 497 | 0.53 |
| 6 | 40001 - 50000 | 25,70,765 | 1.26 | 535 | 0.57 |
| 7 | 50001 - 100000 | 53,89,447 | 2.65 | 711 | 0.75 |
| 8 | 100000 and above | 16,94,93,242 | 83.23 | 641 | 0.68 |
| | Total | 20,36,40,336 | 100.00 | 94,299 | 100.00 |

(j) SHAREHOLDING PATTERN AS OF 31st MARCH 2022

| Particulars | Equity shares held | % to paid-up Capital |
|--|---------------------|----------------------|
| PROMOTERS: | | |
| TIDCO | 88,40,000 | 4.34 |
| Dr. M A Chidambaram Group | 9,07,05,488 | 44.54 |
| Financial Institutions & Nationalized Banks | 44,74,440 | 2.20 |
| The Bank of New York Mellon (as depository for Global Depository Receipts) | 1,67,91,800 | 8.25 |
| Mutual Funds | 10,750 | 0.01 |
| Foreign Institutional Investors | 8,100 | 0.00 |
| Foreign Portfolio Investors | 17,67,738 | 0.87 |
| Non-Resident Individuals | 19,31,787 | 0.95 |
| Foreign Companies | 39,800 | 0.02 |
| Public & Others | 7,90,70,433 | 38.83 |
| Total | 20,36,40,336 | 100.00 |

(k) DEMATERIALISATION OF SHARES AND LIQUIDITY

The Company's equity shares are in the compulsory demat segment and are available for trading in the depository systems of National Securities Depository Limited and Central Depository Services (India) Limited. 19,98,29,890 equity shares constituting 98.13 per cent of the paid-up equity capital of the Company stood dematerialised as on 31st March 2022. 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 ADRs.

(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 ₹30.75 lacs. There are no subsidiary companies.

(v) PLANT LOCATION

Fertilizer Division : SPIC Nagar, Tuticorin - 628 005

(w) FINANCIAL CALENDAR (TENTATIVE)

| | |
|-----------------------------|-------------------------------|
| Financial year | 1 April 2022 to 31 March 2023 |
| First quarter results | August 2022 |
| Half-yearly results | November 2022 |
| Third quarter results | February 2023 |
| Annual results | May 2023 |
| 52nd Annual General Meeting | August / September 2023 |

(x) ADDRESS FOR CORRESPONDENCE

| | |
|---|---|
| <p>SECRETARIAL DEPARTMENT 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</p> | <p>REGISTRAR AND SHARE TRANSFER AGENTS Cameo Corporate Services Ltd. "Subramanian Building" No. 1 Club House Road, Chennai - 600 002. Tel: 044-28460390 / 28460718; Fax: 044-28460129; E-mail: investor@cameoindia.com</p> |
|---|---|

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 except the company had executed a loan agreement with one of the Related Parties to avail ₹180 Crores by way of External Commercial Borrowings for meeting the CAPEX requirements of the Company.
- 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-30th-Mar-2022.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 2022.

For Southern Petrochemical
Industries Corporation Limited

Place: Tuticorin
Date: 10th August 2022

S R Ramakrishnan
Whole-time Director

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,
The Members 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 2022 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 |
| Pankaj Kumar Bansal | 05197128 | 11/11/2021 |
| Vandana Garg | 09205529 | 07/07/2021 |
| Rangavittal Madusudhan | 09218879 | 12/08/2021 |

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 A020879D000406198
Peer Review No. 602/2019

Place: Chennai
Date: 27th May 2022

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, 2022 as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D, E of schedule V of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015 ('the Regulations') and as amended from time to time.

Management's Responsibility

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

Auditor's Responsibility

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

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

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

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

Opinion

Based on our examination of relevant records and information and according to the explanations given to us and the representation provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D, E of schedule V of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015, during the year ended March 31, 2022, 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. M S K A & 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.

M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Geetha Jeyakumar
Partner
Membership No. 029409
UDIN: 22029409AJTIWK4149

Place: Chennai
Date: May 27, 2022

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 | 2021-22 |
| 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) | 203,64,03,360 |
| 2 | Total Turnover (INR) | 18,98,31,23,443.40 |
| 3 | Total profit after taxes (INR in lakhs) | 140,43.44 |
| 4 | Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)** (INR in lakhs) | 1,72.55 |
| 5 | List of major activities in which expenditure in 4 above has been incurred:- | 1) Contribution towards Covid-19 relief activities; 2) Contribution towards sports; 3) Making Available of Safe Drinking Water; 4) Disaster management, including relief, rehabilitation & reconstruction activities; 5) Contribution to support Education. |

**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

- Does the Company have any Subsidiary Company/Companies? No
- 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
- 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 2021-22, it is proposed to be taken up during the current year 2022-23.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

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

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

(b) Details of the BR head:

| 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

(c) 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 the 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/>.

(a) 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 2021-22 will form part of Annual Report 2021-22 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 - 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 feedstock conversion project and improvement activities have been completed as on March 2022.
 - 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 has installed new converter basket internals and one boiler in the synthesis section of the ammonia plant and also Heat Recovery and Steam Generator at the downstream of the Gas turbine. This modification will bring down the energy consumption substantially.
 - 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, soil health management 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.

"As a Brand Owner, the company recycles Pre and Post Consumer Plastic Waste generated during the business process. As per the guidelines stipulated by Central Pollution Control Board (CPCB) the Company has engaged a Plastic Waste Processor authorized by CPCB to carry out the recycling process."

Principle 3: Businesses should promote the wellbeing of all employees

1. Please indicate the Total number of employees - 617
2. Please indicate the Total number of employees hired on temporary / contractual / casual basis - 712
3. Please indicate the Number of permanent women employees - 32
4. Please indicate the Number of permanent employees with disabilities - NIL
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 - 23%
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 satisfactorily resolved by the management? No complaint was received.



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

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

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

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

The Company has Safety Health and Environmental Policy which intends 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 25.33 MW DC / 22.0 MW AC capacity Floating Solar Power Project has been commissioned by Greenam Energy Private Limited during March 2022 in which your Company is one of the Promoters. The Renewable Energy has been tapped and it would also contribute to reduction in Carbon Emission. This plant will also help in reducing the water evaporation from the storage reservoir of the Company.

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 Rs. 172.55 lakhs towards CSR activities. Details of activities: 1) Contribution towards Covid-19 relief activities; 2) Contribution towards sports; 3) Making Available of Safe Drinking Water; 4) Disaster management, including relief, rehabilitation & reconstruction activities; 5) contribution to support Education.

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** We mention all the information about the product as per the requirement of law as well as in the website.
3. Is there any case filed by any stakeholder, against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.
There are no cases for unfair trade practices, irresponsible advertising and anti-competitive behaviour.
4. Did your Company carry out any consumer survey/consumer satisfaction trends? - **Yes**.
Consumer satisfaction surveys were carried out for the year. The Company engages the farmers/Dealers/Sub dealers during regular meetings and get the feedback for improvements of the product and services.

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STANDALONE
FINANCIAL STATEMENTS
2021-22

INDEPENDENT AUDITOR’S REPORT

To the Members of Southern Petrochemical Industries Corporation Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Southern Petrochemical Industries Corporation Limited (“the Company”), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 32(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 judgment, were of most significance in our audit of the standalone financial statements for the year ended March 31, 2022. 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 Matters | How the KAM was addressed in our audit |
|--|---|
| <p>Capitalization of costs as per Ind AS 16 Property, Plant and Equipment (PPE) (Refer to note 2 (ii) to the standalone financial statements)</p> <p>The Company’s Board of directors have approved major capital expenditure projects aggregating to Rs.53,359 lakhs towards equipment to support production of urea using natural gas and equipment related to energy efficiency.</p> <p>Out the above approved expenditure, one project has been completed as at March 31, 2021 amounting to Rs 20,269 lakhs. Further, during the year Company has additionally Capitalised an amount of Rs.19,705 lakhs towards Modernisation and improving the energy efficiency in continuation of project already capitalised to support production of urea using natural gas and to increase energy efficiency of the production process.</p> | <p>Our audit procedures in respect of this area included:</p> <ul style="list-style-type: none"> • Assessing the nature of the costs incurred towards capital expenditure and verify 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. |

| | |
|--|---|
| <p>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.</p> <p>Accordingly, the aforesaid matter was determined to be a key audit matter.</p> | <ul style="list-style-type: none"> • 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 is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2022 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 34 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
 - iv.
 - 1. The Management has represented that, to the best of it's knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - 2. The Management has represented, that, to the best of it's knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
 - 3. Based on our audit procedures which we have considered reasonable and appropriate in the circumstances and according to the information and explanations provided to us by the Management in this regard, nothing has come to our notice that has caused us to believe that the representations made by the Management under sub-clause (1) and (2) contain any material misstatement.
 - v. The Company has declared and paid preference dividend during the year which is in compliance with section 123 of the Companies Act 2013.
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: 22029409AJTIAF5192

Place: Chennai

Date: May 27, 2022

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the year ended March 31, 2022 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: 22029409AJTIAF5192

Place: Chennai
Date: May 27, 2022

**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, 2022**

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

- i.
 - (a) A. The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
B. The Company has maintained proper records showing full particulars of intangible assets.
 - (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 (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in the standalone financial statements are held in the name of the Company.
 - (d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment (including Right of Use assets) and its intangible assets during the year. Accordingly, the requirements under paragraph 3(i)(d) of the Order are not applicable to the Company.
 - (e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder. Accordingly, the provisions stated in paragraph 3(i) (e) of the Order are not applicable to the Company.
- ii.
 - (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification, coverage and procedure of such verification is reasonable and appropriate. No material discrepancies were noticed on such verification.
 - (b) The Company has been sanctioned working capital limits in excess of Rs. 5 crores in aggregate from Banks on the basis of security of current assets. Quarterly returns / statements filed with such Banks are in agreement with the books of account.
- iii.
 - (a) According to the information explanation provided to us, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Hence, the requirements under paragraph 3(iii)(a) of the Order are not applicable to the Company.
 - (b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the investments made by the Company during the year is not prejudicial to the interest of the Company.
 - (c) The Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Hence, the requirements under paragraph 3(iii)(c) to (f) of the Order are not applicable to the Company.
- iv. According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has not provided any guarantee or security as specified under Sections 185 and 186 of the Act. In respect of the investments made and loans given by the Company, in our opinion the provisions of Sections 185 and 186 of the Act have been complied with.
- 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 accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013 in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these 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, undisputed statutory dues including goods and service tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess have been regularly deposited by the Company with appropriate authorities in all cases during the year.

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

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

| Name of the statute | Nature of dues | Amount (Rs. In Lakhs) | Period to which the amount relates | Forum where dispute is pending |
|--|-----------------|-----------------------|--|---|
| The Central Excise Act, 1944 | Excise Duty | 97.55 | 2000-01 to 2004-05 & 2011-12 to 2013-14 to June 2017 | Customs, Excise and Service tax appellate Tribunal |
| The Finance Act, 1994 | Service Tax | 235.64 | 2015-16 to June 2017 | Customs, Excise and Service Tax Appellate Tribunal |
| The Sales Tax Act under various state enactments | Local Sales Tax | 835.21 | 2003-04 to 2011-12 | Additional/Deputy Commissioner (Appeals)/ Sales Tax Appellate Tribunal. |
| Goods & Service Tax Act 2017 | GST | 934.50 | April 2017 to March 2018 | Madurai Bench of Madras High Court |

- viii. According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Tax Assessment of the Company. Also, there are no previously unrecorded income which has been now recorded in the books of account. Hence, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.
- ix. (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and 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.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information explanation given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its associates or joint ventures as defined under the Act.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its joint ventures or associate companies.
- x. (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions stated in paragraph 3 (x)(a) of the Order are not applicable to the Company.
- (b) 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, partly or optionally convertible debentures during the year. Accordingly, the provisions stated in paragraph 3 (x)(b) of the Order are not applicable to the Company.
- xi. (a) 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 nor on the Company.
- (b) We have not come across of any instance of material fraud by the Company or on the Company during the course of audit of the standalone financial statement for the year ended March 31, 2022, accordingly the provisions stated in paragraph 3 (xi)(b) of the Order is not applicable to the Company.

- (c) As represented to us by the management, there are no whistle-blower complaints received by the Company during the course of audit. Accordingly, the provisions stated in paragraph (xi)(c) of the Order is not applicable to Company.
- 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) (a) to (c) 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 standalone financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
(b) We have considered internal audit reports issued by internal auditors during our audit.
- xv. According to the information and explanations given to us, in our opinion during the year the Company has not entered into non-cash transactions with directors or persons connected with its directors and hence, provisions of section 192 of the Act are not applicable to Company. Accordingly, the provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.
- xvi. (a) In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph clause 3 (xvi)(a) of the Order are not applicable to the Company.
(b) In our opinion, the Company has not conducted any Non-Banking Financial or Housing Finance activities without any valid Certificate of Registration from Reserve Bank of India. Hence, the reporting under paragraph clause 3 (xvi)(b) of the Order are not applicable to the Company.
(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Hence, the reporting under paragraph clause 3 (xvi)(c) of the Order are not applicable to the Company.
(d) The Company does not have any CIC as part of its group. Hence the provisions stated in paragraph clause 3 xvi (d) of the order are not applicable to the Company.
- xvii. According to the information and explanation provided to us, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Hence, the provisions stated in paragraph clause 3 (xvii) of the Order are not applicable to the Company.
- xviii. There has been no resignation of the statutory auditors during the year. Hence, the provisions stated in paragraph clause 3 (xviii) of the Order are not applicable to the Company.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. According to the information and explanations given to us, the provisions of section 135 of the Act are not applicable to the Company. Hence, the provisions of paragraph (xx)(a) to (b) of the Order are not applicable to the Company.
- xxi. This reporting under clause 3(xx) of the order is not applicable in respect of audit of Standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

For MSKA & Associates
Chartered Accountants

ICAI Firm Registration No. 105047W

Geetha Jeyakumar
Partner
Membership No. 029409
UDIN: 22029409AJTIAF5192
Place: Chennai
Date: May 27, 2022

**ANNEXURE C TO THE INDEPENDENT AUDITOR'S 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 of even date to the Members of Southern Petrochemical Industries Corporation Limited on the Financial Statements for the year ended March 31, 2022]

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

Opinion

We have audited the internal financial controls with reference to standalone financial statements of Southern Petrochemical Industries Corporation Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2022, 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").

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. 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 adequate 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 adequacy of 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.

For MSKA & Associates

Chartered Accountants

ICAI Firm Registration No. 105047W

Geetha Jeyakumar

Partner

Membership No. 029409

UDIN: 22029409AJTIAF5192

Place: Chennai

Date: May 27, 2022

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Balance sheet as at 31 March 2022

(₹ in lac)

| S. No. | Particulars | Note No. | As at 31 March 2022 | As at 31 March 2021 |
|----------|--|----------|------------------------|------------------------|
| A | ASSETS | | | |
| 1 | Non-current assets | | | |
| | (a) Property Plant & Equipment | 4 (i) | 67726.87 | 52341.62 |
| | (b) Capital work-in-progress | 4 (iii) | 185.69 | 1753.79 |
| | (c) Investment Property | 5 | 118.77 | 122.24 |
| | (d) Right of Use-Assets | 4(iv) | 319.63 | - |
| | (e) Other Intangible assets | 4 (ii) | 30.01 | 65.72 |
| | (f) Investments - Accounted using equity method | 6(A) | 6424.78 | 5597.81 |
| | (g) <u>Financial assets</u> | | | |
| | i) Non Current Investments | 6 (B) | 296.77 | 253.61 |
| | ii) Other financial assets | 7 (A) | 1731.29 | 1040.82 |
| | (h) Deferred tax asset (Net) | 8 | 10211.66 | 10379.02 |
| | (i) Income tax assets (Net) | 9 | 963.80 | 888.86 |
| | (j) Other non-current assets | 10 | 1868.52 | 5051.08 |
| | Total Non- Current Assets | | 89877.79 | 77494.57 |
| 2 | Current assets | | | |
| | (a) Inventories | 11 | 44902.41 | 35063.40 |
| | (b) <u>Financial assets</u> | | | |
| | i) Trade receivables | 12 | 45.03 | 718.58 |
| | ii) Cash and cash equivalents | 13 (A) | 503.23 | 7790.32 |
| | iii) Bank balances other than ii) above | 13 (B) | 4971.14 | 2768.28 |
| | iv) Other financial assets | 7 (B) | 4696.32 | 22885.16 |
| | (c) Investments | 6 (C) | 2691.01 | 1.00 |
| | (d) Other current assets | 14 | 13514.38 | 17826.82 |
| | (e) Assets held for sale | 15 | - | 1080.51 |
| | Total Current Assets | | 71323.52 | 88134.07 |
| | TOTAL ASSETS | | 161201.31 | 165628.64 |
| B | EQUITY AND LIABILITIES | | | |
| 1 | Equity | | | |
| | (a) Equity Share capital | 16 | 20364.03 | 20364.03 |
| | (b) Other Equity | 17 | 41078.62 | 25629.26 |
| | Total Equity | | 61442.65 | 45993.29 |
| 2 | Liabilities | | | |
| | Non-current liabilities | | | |
| | (a) <u>Financial Liabilities</u> | | | |
| | i) Borrowings | 18 (A) | 3741.39 | - |
| | ii) Other financial Liabilities | 19 (A) | 3118.51 | 3211.80 |
| | iii) Lease Liabilities | | 209.17 | - |
| | Total Non-Current Liabilities | | 7069.07 | 3211.80 |
| 3 | Current liabilities | | | |
| | (a) <u>Financial Liabilities</u> | | | |
| | i) Current Borrowings | 18 (B) | 26433.27 | 10375.01 |
| | ii) Lease Liabilities | | 123.87 | - |
| | iii) Trade payables | | | |
| | - Total outstanding dues to micro enterprises and small enterprises | 20 (i) | 157.26 | - |
| | - Total outstanding dues to other than micro enterprises and small enterprises | 20 | 48655.67 | 94900.96 |
| | iv) Other financial liabilities | 19 (B) | 3591.80 | 4022.39 |
| | (b) Provisions | 21 | 510.27 | 427.68 |
| | (c) Other current liabilities | 22 | 13217.45 | 6697.51 |
| | Total Current Liabilities | | 92689.59 | 116423.55 |
| | Total liabilities | | 99758.66 | 119635.35 |
| | TOTAL EQUITY AND LIABILITIES | | 161201.31 | 165628.64 |
| | 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 : 27 May 2022

For and on behalf of the Board of Directors

SASHIKALA SRIKANTH
Director
DIN 01678374

K R ANANDAN
Chief Financial Officer

Place: Chennai
Date : 27 May 2022

S R RAMAKRISHNAN
Whole-Time Director
DIN: 00120126

M B GANESH
Company Secretary

Statement of Profit and Loss for the year ended 31 March 2022

(₹ in lac)

| S. No | Particulars | Note No. | Year ended 31 March 2022 | Year ended 31 March 2021 |
|-------|---|----------|-----------------------------|-----------------------------|
| | Income | | | |
| 1 | Revenue from operations | 23 | 187491.79 | 152700.73 |
| 2 | Other income | 24 | 2339.44 | 2858.06 |
| 3 | Total Income (1+2) | | 189831.23 | 155558.79 |
| | Expenses | | | |
| | (a) Cost of materials consumed | 25 | 120801.52 | 83770.63 |
| | (b) Purchases of Stock in Trade | 26 | 3633.18 | - |
| | (c) Changes in inventories of finished goods, stock in trade and work-in-progress | 27 | (5763.23) | (2234.99) |
| | (d) Employee benefits expense | 28 | 6701.25 | 6005.13 |
| | (e) Finance costs | 29 | 1419.15 | 1415.46 |
| | (f) Depreciation and amortisation expense | 30 | 4440.99 | 3823.30 |
| | (g) Other expenses | 31 | 44554.93 | 58117.00 |
| | Total expenses | | 175787.79 | 150896.53 |
| 5 | Profit before exceptional items and tax (3-4) | | 14043.44 | 4662.26 |
| 6 | Exceptional items | | - | - |
| 7 | Profit before tax (5+6) | | 14043.44 | 4662.26 |
| 8 | Tax expense | | | |
| | Current tax Expense / (credit) | 36 (C) | - | (522.75) |
| 9 | Profit after Tax (7-8) | | 14043.44 | 5185.01 |
| 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 | | 1673.63 | 616.77 |
| | b) Remeasurement of defined benefit plans | | (100.35) | 200.29 |
| | ii) Income tax relating to items that will not be re-classified to profit or loss | | (167.36) | (61.68) |
| | Total Other comprehensive Income | | 1405.92 | 755.38 |
| 11 | Total comprehensive income (9+10) | | 15449.36 | 5940.38 |
| 12 | Earnings Per Equity Share (Nominal value per share Rs. 10/-) | | | |
| | Basic & Diluted | 40 | 7.59 | 2.92 |
| | The accompanying notes are an integral part of these Financial Statements | | | |

In terms of our report attached.

For and on behalf of the Board of Directors

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

SASHIKALA SRIKANTH
Director
DIN 01678374

S R RAMAKRISHNAN
Whole-Time Director
DIN: 00120126

GEETHA JEYAKUMAR
Partner
Membership No: 029409

K R ANANDAN
Chief Financial Officer

M B GANESH
Company Secretary

Place : Chennai
Date : 27 May 2022

Place: Chennai
Date : 27 May 2022

Statement of changes in equity for the year ended 31 March 2022

(A) Equity share capital

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

| Particulars | No. of shares | ₹ in lac) |
|-------------------------------------|------------------|-----------------|
| As at 31 March 2021 (Refer Note 16) | 203640336 | 20364.03 |
| As at 31 March 2022 (Refer Note 16) | 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 | | Remeasurement of defined benefit plans |
| 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 | - | - | - | - | - | 555.09 | 200.28 | 755.38 |
| Total other comprehensive income for the year | - | - | - | - | 5185.01 | 555.09 | 200.28 | 5940.39 |
| Balance as at 31 March 2021 | 97.24 | 6500.00 | 21047.71 | 41.33 | (1445.64) | (470.22) | (141.16) | 25629.26 |
| Balance as at 1 April 2021 | 97.24 | 6500.00 | 21047.71 | 41.33 | (1445.64) | (470.22) | (141.16) | 25629.26 |
| Profit for the year | - | - | - | - | 14043.44 | - | - | 14043.44 |
| Other comprehensive income | - | - | - | - | - | 1506.27 | (100.35) | 1405.92 |
| Additions/(Transfer) during the year | - | 1250.00 | - | - | (1250.00) | - | - | - |
| Total other comprehensive income for the Year | - | 1250.00 | - | - | 12793.44 | 1506.27 | (100.35) | 15449.36 |
| Balance as at 31 March 2022 | 97.24 | 7750.00 | 21047.71 | 41.33 | 11347.80 | 1036.05 | (241.51) | 41078.62 |

The accompanying notes are an integral part of these financial statements.

In terms of our report attached.

For and on behalf of the Board of Directors

For MSKA & Associates
Chartered Accountants
Firm Registration No.: 105047W
GEETHA JEYAKUMAR
Partner
Membership No: 029409

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 : 27 May 2022

Place: Chennai
Date : 27 May 2022

Cashflow Statement for the year ended 31 March 2022

(₹ in lac)

| S.No. | Particulars | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|--|-----------------------------|-----------------------------|
| A. | CASH FLOW FROM OPERATING ACTIVITIES: | | |
| | Profit for the year before tax | 14043.44 | 4662.26 |
| | Adjustment for : | | |
| | Depreciation and amortisation expense | 4440.99 | 3823.30 |
| | Disposal of fixed assets | 55.37 | 49.23 |
| | Profit on sale of assets | (0.01) | (0.01) |
| | Provision for non-moving inventories | 6.19 | 13.47 |
| | Allowances for doubtful debts and advances | 29.31 | 1.74 |
| | Provisions / Liabilities no longer required written back | (1420.01) | (2079.75) |
| | Bad debts and advances written off | 11.48 | - |
| | Exchange difference (Gain)/ Loss | 58.22 | (48.05) |
| | Finance Costs | 1419.15 | 1415.46 |
| | Income from investments | (384.90) | (231.48) |
| | Interest income | (304.40) | (127.04) |
| | | 3911.39 | 2816.87 |
| | <u>Operating profit before working capital changes</u> | 17954.83 | 7479.13 |
| | Adjustments for (Increase)/Decrease in: | | |
| | Trade receivables | 645.89 | (23.68) |
| | Inventories | (9136.54) | (21571.08) |
| | Non current financial assets | (690.47) | 16.90 |
| Other Non-current assets | (57.20) | 225.40 | |
| Current financials assets | 18256.05 | 87469.32 | |
| Other current assets | 4329.37 | (7034.15) | |
| Bank balances other than cash and cash equivalents | (2202.86) | (2259.52) | |
| Adjustments for Increase/(Decrease) in: | | | |
| Other non current financial liabilities | (87.50) | 198.49 | |
| Trade payables | (46351.81) | (20684.43) | |
| Other current financial liabilities | (742.65) | (12864.62) | |
| Other current liabilities | 6419.60 | 5032.81 | |
| Short-term provisions | 82.59 | (33.65) | |
| Lease liability long term | 209.18 | - | |
| Lease liability short term | 123.87 | - | |
| | (29202.48) | 28471.79 | |
| Cash (used in)/from operations | (11247.65) | 35950.92 | |
| Direct taxes refund / (paid) | (74.94) | 14.46 | |
| NET CASH (USED IN) FROM OPERATING ACTIVITIES | (11322.59) | 35965.38 | |
| B. | CASH FLOW FROM INVESTING ACTIVITIES : | | |
| | Purchase of Property, Plant and Equipment including capital work-in-progress and capital advance | (14918.24) | (18269.25) |
| | Proceeds from sale of Property, Plant and Equipment | 0.02 | 0.01 |
| | Right to use asset | (447.46) | - |
| | Income from investments | 384.90 | 231.48 |
| | Purchase of non current investment | (150.00) | - |
| | Sale of investment | 20.99 | 2146.33 |
| | Interest income | 235.53 | 124.67 |
| | | (14874.26) | (15766.76) |
| | NET CASH USED IN INVESTING ACTIVITIES | (14874.26) | (15766.76) |

| S.No. | Particulars | Year ended 31 March 2022 | | Year ended 31 March 2021 | |
|-----------|--|--------------------------|------------------|--------------------------|------------|
| C. | NET CASH FROM FINANCING ACTIVITIES | | | | |
| | Proceeds from Non Current Borrowings (net of repayment) | 17173.67 | | (17685.97) | |
| | Proceeds from Current Borrowings (net of repayment) | 3741.39 | | - | |
| | Redemption of Preference Shares | (1250.00) | | - | |
| | Finance Costs | (755.30) | | (1131.66) | |
| | | | 18909.76 | | (18817.63) |
| | NET CASH (USED IN)/ FROM FINANCING ACTIVITIES: | | 18909.76 | | (18817.63) |
| | NET CASH FLOWS DURING THE YEAR (A+B+C) | | (7287.09) | | 1380.99 |
| | Cash and cash equivalents at the beginning of the year | | 7790.32 | | 6409.33 |
| | Cash and cash equivalents at the end of the year | | 503.23 | | 7790.32 |
| | | | 7287.09 | | (1380.99) |
| | Cash and cash equivalents comprise | | | | |
| | Cash on hand | | 5.37 | | 5.44 |
| | Deposits with original maturity of less than or equal to 3 months. | | 6.21 | | 2503.28 |
| | With the Banks | | 491.65 | | 5281.60 |
| | Total cash and bank balances at end of the year | | 503.23 | | 7790.32 |

In terms of our report attached.

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

GEETHA JEYAKUMAR
Partner
Membership No: 029409

Place : Chennai
Date : 27 May 2022

For and on behalf of the Board of Directors

SASHIKALA SRIKANTH
Director
DIN 01678374

K R ANANDAN
Chief Financial Officer

Place: Chennai
Date : 27 May 2022

S R RAMAKRISHNAN
Whole-Time Director
DIN: 00120126

M B GANESH
Company Secretary

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Note 1 : GENERAL INFORMATION

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

Note 2 : SIGNIFICANT ACCOUNTING POLICIES

i) Basis of preparation of financial statements

a. Statement of Compliance with IND AS

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

These financial statements for the year ended 31 March 2018 were the first set of financial statements prepared in accordance with Ind AS. The date of transition to Ind AS was 1 April 2016.

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

b. Basis of measurement

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

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

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

c. Use of Estimates

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

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 advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support.

| Asset | Useful Life |
|------------------------|-------------|
| Building – Factory | 25-65 years |
| Building – Others | 45-75 years |
| Plant and Machinery | 15-49 years |
| Furniture and Fixtures | 12-33 years |
| Vehicles | 8-26 years |
| Office Equipments | 7-38 years |
| Roads | 34-44 years |
| Railway sidings | 40 years |

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

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

iii) Investment Properties

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

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

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

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

iv) Intangible Assets

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

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

v) Foreign Currency Transactions

a. Functional and presentation currency

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

b. Transactions and balances

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

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

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

vi) Fair value measurements

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

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

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

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

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

- ▶ Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ▶ Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- ▶ Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

vii) Revenue Recognition

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

Revenue is recognized upon transfer of control of promised products to customers in an amount that reflects the consideration which the company expects to receive in exchange for those products.

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

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

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

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

viii) Taxes

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

a. Current Income tax

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

b. Deferred tax

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

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

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

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

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

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

ix) Assets classified as held for sale

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

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

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

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

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

x) Leases

The Indian Accounting Standard on leases (Ind AS 116) requires entity to determine whether a contract is or contains a lease at the inception of the contract.

Ind AS 116 requires lessee to recognise a liability to make lease payments and an asset representing the right-of-use asset during the lease term for all leases except for short term leases and leases of low-value assets, if they choose to apply such exemptions.

Payments associated with short-term leases and low-value assets are recognized as expenses in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise of office equipment’s and small items of plant and equipment and office furniture.

At the commencement date, Company recognise a right-of-use asset measured at cost and a lease liability measured at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee’s incremental borrowing rate.

The cost of the right-of-use asset comprised of, the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date, less any lease incentives received.

At the commencement date, the lease payments included in the measurement of the lease liability comprise (a) fixed payments less any lease incentives receivable; (b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; (c) amounts expected to be payable by the lessee under residual value guarantees; (d) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option and (e) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Depreciation on Right-of-use asset is recognised in statement of profit and Loss on a straight line basis over the period of lease and the Company separately recognises interest on lease liability as a component of finance cost in statement of profit and Loss.

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 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 9 (nine) 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 air value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

xxiii) Functional and presentation currency

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

Standards (including amendments) issued but not yet effective:

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Group does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Group does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract.

The amendments specify that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Group does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the ‘10 percent’ test of Ind AS 109 in assessing whether to derecognise a financial liability. The Group does not expect the amendment to have any significant impact in its financial statements.

Ind AS 116 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Group does not expect the amendment to have any significant impact in its financial statements

Note 3 : Significant accounting judgments, estimates and assumptions

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

Estimates and assumptions

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

a. Taxes

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

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

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

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

The principal assumptions are the discount and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis. For details refer Note 35.

c. Useful lives of Property, Plant and Equipment

The Company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. During current year, certain assets were reassessed with useful life of 15 to 30 years and accordingly, the revised useful life was considered.

d. Revenue Recognition

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

e. Subsidy Income

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

f. Provision for doubtful receivables

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

Note 4: Property, Plant & Equipments

(₹ in lac)

| Description | Gross block | | | Accumulated depreciation and impairment | | | | Net block | | |
|------------------------------------|-------------------------------------|------------------------|------------------------|---|-------------------------------------|------------------------|------------------------|-------------------------------------|----------------------|----------------------|
| | Opening Balance as at 1 April, 2021 | Additions/ Adjustments | Deletions/ Adjustments | Closing Balance as at 31 March 2022 | Opening Balance as at 1 April, 2021 | Additions/ Adjustments | Deletions/ Adjustments | Closing Balance as at 31 March 2022 | As at 31 March, 2022 | As at 31 March, 2021 |
| i) Tangible Assets (Owned) | | | | | | | | | | |
| (a) Land - Freehold | 5824.73 | - | - | 5824.73 | - | - | - | - | 5824.73 | 5824.73 |
| (b) Buildings | 3429.80 | 61.08 | - | 3490.88 | 813.80 | 165.71 | - | 979.51 | 2511.37 | 2616.00 |
| (c) Plant and Equipment | 53287.68 | 19349.10 | 794.34 | 71842.44 | 12163.14 | 3768.22 | 751.90 | 15179.46 | 56662.98 | 41124.54 |
| (d) Furniture and Fixtures | 60.21 | 0.83 | 24.47 | 36.57 | 26.37 | 5.58 | 23.18 | 8.77 | 27.80 | 33.84 |
| (e) Vehicles | 152.65 | - | - | 152.65 | 44.34 | 22.48 | - | 66.82 | 85.83 | 108.31 |
| (f) Office equipments | 4033.18 | 303.20 | 214.64 | 4121.74 | 1742.78 | 283.49 | 202.99 | 1823.28 | 2298.46 | 2290.40 |
| (g) Roads | 195.91 | - | - | 195.91 | 85.41 | 13.99 | - | 99.40 | 96.51 | 110.50 |
| (h) Railway Sidings | 302.70 | - | - | 302.70 | 69.40 | 14.11 | - | 83.51 | 219.19 | 233.30 |
| Total | 67286.86 | 19714.21 | 1033.45 | 85967.62 | 14945.24 | 4273.58 | 978.07 | 18240.75 | 67726.87 | 52341.62 |
| ii) Other Intangible Assets | 189.89 | 0.40 | - | 190.29 | 124.17 | 36.11 | - | 160.28 | 30.01 | 65.72 |

Notes:

- Freehold land, amounting in Rs. 827.69 lac (Previous Year Rs. 827.69 lac) is pledged with banks for availing loan facilities.
- During the year interest cost to the extent of Rs. 406.15 lacs was capitalised as borrowing cost as per IND AS 23.
- During the last quarter of the year the Company reassessed the useful life of few assets relating to Urea plant from 10 years to, 15 – 30 years from 1.4.2021. The depreciation for the quarter and year ended 31st March 2022 is net of Rs. 1123 lacs being adjustment relating to the impact of the depreciation on account of revision in useful life of the assets for the nine months ended December 2021.

Depreciation Expenses:

| Particulars | (₹ in lac) | |
|---------------------------------|---------------------|---------------------|
| | As at 31 March 2022 | As at 31 March 2021 |
| (i) Property, Plant & Equipment | 4273.58 | 3783.75 |
| (ii) Investment Property | 3.47 | 3.47 |
| (iii) Other Intangible Assets | 36.11 | 36.08 |
| (iv) Right to use Assets | 127.83 | - |
| Total | 4440.99 | 3823.30 |

Note 4 Property, Plant & Equipments (Previous Year)

(₹ 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 |

Note 4 (iii): Capital Work - in - Progress (₹ in lac)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|--------------------------------|------------------------|------------------------|
| Natural Gas Conversion Project | 71.69 | 1677.75 |
| Others | 114.00 | 76.04 |
| Total | 185.69 | 1753.79 |

Capital Work in Progress ageing schedule as on 31 March 2022 (₹ in lac)

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|--------------------------------|--|--------------------|------------------|--------------|-----------|---------------|
| | Not Due | Less than 6 months | 6 months -1 year | 1-2 years | 2-3 years | |
| Natural Gas Conversion Project | - | 71.69 | - | - | - | 71.69 |
| Others | - | 45.97 | 8.87 | 12.12 | - | 47.04 |
| | | | | | | 114.00 |

Capital Work in Progress ageing schedule as on 31 March 2021 (₹ in lac)

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|--------------------------------|--|--------------------|------------------|-----------|-----------|--------------|
| | Not Due | Less than 6 months | 6 months -1 year | 1-2 years | 2-3 years | |
| Natural Gas Conversion Project | - | 1677.75 | - | - | - | 1677.75 |
| Others | - | 15.33 | 13.67 | - | - | 47.04 |
| | | | | | | 76.04 |

Note 4 (iv) Right-of-Use Asset (₹ in lac)

| Description | 01.04.2021 | Additions | Closure / Pre closure | Depreciation | Net Carrying Amount 31.03.2022 |
|--------------|------------|---------------|-----------------------|---------------|-----------------------------------|
| Land | - | 188.86 | - | 37.77 | 151.09 |
| Building | - | 258.60 | - | 90.06 | 168.54 |
| Total | - | 447.46 | - | 127.83 | 319.63 |

Note 5: Investment Property

(₹ in lac)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|---|------------------------|------------------------|
| Carrying amount of Completed investment property | 118.77 | 122.24 |
| Total | 118.77 | 122.24 |

(₹ in lac)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|--|------------------------|------------------------|
| 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 | 17.35 | 13.88 |
| Depreciation expense | 3.47 | 3.47 |
| Balance at the end of the year | 20.82 | 17.35 |
| Net Balance at the end of the year | 118.77 | 122.24 |

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

The fair value of the property is Rs.277.53 lacs, as per valuation performed by M/s. Colliers (India) Pvt. Ltd., an accredited independent valuer during the current year. M/s. Colliers (India) Pvt. Ltd. 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 2022 | Year ended 31 March 2021 |
|--|-----------------------------|-----------------------------|
| Rental income derived from investment properties | 13.63 | 14.15 |
| Less – Depreciation | (3.47) | (3.47) |
| Income arising from investment properties before indirect expenses | 10.16 | 10.68 |

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

Note 6(A) Non-Current Investments

(₹ in lac)

| | Description | As at 31 March 2022 | | As at 31 March 2021 | |
|-----------|---|------------------------|-----------------|------------------------|----------|
| | | Nos. | ₹ In Lac | Nos. | ₹ In Lac |
| a) | Investments in Associates at cost | | | | |
| 1. | Investment in Equity Instruments (Quoted) (fully paidup unless otherwise stated) | | | | |
| | - Tuticorin Alkali Chemicals and Fertilizers Limited, Equity shares of Rs.10 each (Refer Note 6(A)(a) below) | 28586872 | 3535.66 | 28586872 | 3535.66 |
| | Provision for Diminution in Investment value | | - | | (676.97) |
| | Total Aggregate Quoted Investments (1) | | 3535.66 | | 2858.69 |
| 2. | Investment in Equity Instruments (unquoted) (fully paidup unless otherwise stated) | | | | |
| | - Gold Nest Trading Company Limited, Equity shares of Re.1 each (Refer Note 6(A)(c) below) | 249000 | 250.25 | 249000 | 250.25 |
| | Provision for Diminution in Investment value | | (250.25) | | (250.25) |
| | -Greenam Energy Private Limited, Equity shares of Rs.10 each (Refer Note 6(A)(b) below) | 9086502 | 908.65 | 7586502 | 758.65 |
| | Total Aggregate Unquoted Investments (2) | | 908.65 | | 758.65 |
| | Total Investments in Associates (1) + (2) | | 4444.31 | | 3617.34 |
| b) | Investments in Joint Ventures at cost | | | | |
| 1. | Investment in Equity Instruments (Quoted)(fully paidup unless otherwise stated) | | | | |
| | - Tamilnadu Petroproducts Limited, Equity shares of Rs.10 each. | 15234375 | 1980.47 | 15234375 | 1980.47 |
| | Total Aggregate Quoted Investments (1) | | 1980.47 | | 1980.47 |
| 2. | Investment in Equity Instruments (unquoted)(fully paidup unless otherwise stated) | | | | |
| | - National Aromatics and Petrochemicals Corporation Limited, Equity shares of Rs.10 each. | 25000 | 2.50 | 25000 | 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 |
| | Total Non-Current Investments | | 6424.78 | | 5597.81 |

Notes:

| Particulars | 31 March 2022 | 31 March 2021 |
|---|---------------|---------------|
| Aggregate value of quoted investments | 5516.13 | 4839.16 |
| Aggregate value of unquoted investments | 908.65 | 758.65 |
| Aggregate value of impairment in value of investments | (252.75) | (929.72) |

- a) The Investment in Tuticorin Alkali Chemicals and Fertilizers Limited (TFL) has been decided to be held as strategic Investment and in view of the stabilisation in its share price, provision for impairment of investment, amounting to Rs. 676.97 lac, created in the earlier years has been written back and is disclosed under Other Income.

- b) During the year, the Company had further invested 15,00,000 Equity shares of Rs.10 each valuing Rs.150 lac in Greenam Energy Private Limited (Greenam), and the total Investment is 90,86,502 Equity shares. 56,86,502 equity shares held by Company in Greenam, has been pledged in favour of Indian Renewable Energy Development Agency Limited to secure the term loan of Rs 8800 lac 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.
- c) Gold Nest Trading Company Limited got approval from its Shareholder for struck off the company and consequent to this the company has made an application with National Company Law Tribunal and the same is pending for disposal.

Note 6(B) : Non Current Financial Assets - Investments

(₹ in lac)

| | Description | As at 31 March 2022 | | As at 31 March 2021 | |
|-----------|---|------------------------|---------------|------------------------|----------|
| | | Nos. | ₹ In Lac | Nos. | ₹ In Lac |
| A | Other Equity Investments carried at FVTOCI | | | | |
| 1. | Investment in Equity Instruments (Quoted) (fully paidup unless otherwise stated) | | | | |
| | - Manali Petrochemicals Limited, Equity shares of Rs. 5 each | 10000 | 10.84 | 10000 | 5.93 |
| | - State Bank of India, Equity Shares of Re.1 each | 9660 | 47.68 | 9660 | 35.19 |
| | - ICICI Bank Limited, Equity Shares of Rs. 2 each | 2106 | 15.38 | 2106 | 12.26 |
| | - SICAGEN India Limited , Equity Shares of Rs. 10 each | 577681 | 127.09 | 577681 | 83.47 |
| | Total Aggregate Quoted Investments (1) | | 200.99 | | 136.85 |
| 2. | Investment in Equity Instruments (unquoted)(fully paidup unless otherwise stated) | | | | |
| | - Biotech Consortium India Limited, Equity Shares of Rs. 10 each | 250000 | 25.00 | 250000 | 25.00 |
| | - Chennai Willington Corporate Foundation, Equity Shares of Rs. 10 each costing Rs. 450. | 50 | 0.00 | 50 | 0.00 |
| | - OPG Power Generation Private Limited, Equity Shares of Rs.10 each (Refer Note 6(B)(a) below) | 175300 | 19.82 | 357300 | 40.76 |
| | - R K Wind Farms (Karur) Private Limited, Equity shares of Rs.10 each (Refer Note 6(B)(b) below) | - | - | 456 | 0.05 |
| | - South India Travels Private Limited, Equity Shares of Rs. 10 each | 509575 | 50.96 | 509575 | 50.96 |
| | Total Aggregate Unquoted Investments (2) | | 95.78 | | 116.76 |
| | Total Other equity Investments (1) + (2) | | 296.77 | | 253.61 |

Notes:

| Particulars | 31 March 2022 | 31 March 2021 |
|---|---------------|---------------|
| Aggregate value of quoted investments | 200.99 | 136.85 |
| Aggregate value of unquoted investments | 95.78 | 116.76 |
| Aggregate value of impairment in value of investments | - | - |

- a) 182,000 Equity shares of Rs.10 each @ Rs.11.50 per share valuing Rs.20.93 lac, was bought back by OPG Power Generation Private Limited due to reduction in consumption of power, as per Group Captive Scheme of the Government of India under Electricity Rules, 2005 and the balance equity shares held as on 31st March 2022 is 175,300.
- b) During the year, M/s. RK Wind Farms (Karur) Private Limited (RK Wind), had expressed their inability to supply power to the Company and hence the Investment of 456 Equity shares of Rs.10 each at par, in the Company was bought back by RK Wind.

Note 6 (C): Current Investments

(₹ in lac)

| | Description | As at 31 March 2022 | | As at 31 March 2021 | |
|----|--|------------------------|----------|------------------------|----------|
| | | Nos. | ₹ In Lac | Nos. | ₹ In Lac |
| 1. | Investment in Equity Instruments (Quoted)(fully paidup unless otherwise stated) | | | | |
| | - Mercantile Ventures Limited, Equity Shares of Rs. 10 each | 15028000 | 2690.01 | 15028000 | - |
| | Total Aggregate Quoted Current Investments (1) | | 2690.01 | | - |
| 2. | Investment in Mutual Funds (all fully paid) | | | | |
| | - Canara Robecco Equity Diversified - Growth Plan (formerly known as Canara Robecco Fortune) - 94 units of Rs. 10 each | 12760 | 1.00 | 12760 | 1.00 |
| | Total Aggregate Investments In Mutul Funds | | 1.00 | | 1.00 |
| | Total Other Investments (2) | | 1.00 | | 1.00 |
| | Total Current Investments (1+2) | | 2691.01 | | 1.00 |

Note 7 (A): Other financial assets

(₹ in lac)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|---|------------------------|------------------------|
| Other financial assets - Non current | | |
| Financial assets carried at amortized cost | | |
| Deposits | | |
| Considered good | 1424.60 | 738.04 |
| Doubtful | 41.88 | 41.88 |
| | 1466.48 | 779.92 |
| Less: Provision for doubtful deposits | 41.88 | 41.88 |
| | 1424.60 | 738.04 |
| Loan to Employees | | |
| Doubtful | 5.84 | 5.84 |
| | 5.84 | 5.84 |
| Less: Provision for doubtful loans | 5.84 | 5.84 |
| | - | - |
| Bank deposits with remaining maturity of greater than 12 months | 89.06 | 85.15 |
| Bank deposits held as security | 217.63 | 217.63 |
| Total | 1731.29 | 1040.82 |

(₹ in lac)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|--|------------------------|------------------------|
| 1. Movement in allowance for doubtful deposits: | | |
| Opening balance | 41.88 | 43.16 |
| Additions | - | - |
| Utilisations / Reversals | - | 1.28 |
| Closing balance | 41.88 | 41.88 |
| 2. Movement in allowance for loans to employees: | | |
| Opening balance | 5.84 | 5.84 |
| Additions | - | - |
| Utilisations / Reversals | - | - |
| Closing balance | 5.84 | 5.84 |

Note 7 (B): Other financial assets

(₹ in lac)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|---|------------------------|------------------------|
| Other financial assets - current | | |
| Financial assets carried at amortized cost | | |
| Advances to related parties | | |
| Considered good (Refer Noe 38) | 6.33 | 1164.44 |
| Doubtful | 1493.17 | 1491.51 |
| | 1499.50 | 2655.95 |
| Less: Provision for doubtful loans | 1493.17 | 1491.51 |
| | 6.33 | 1164.44 |
| Interest accrued on deposits | 359.00 | 290.13 |
| Subsidy Receivable | 4330.99 | 21430.59 |
| Total | 4696.32 | 22885.16 |

(₹ in lac)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|---|------------------------|------------------------|
| Movement in allowance for doubtful advances to related parties: | | |
| Opening balance | 1491.51 | 1489.77 |
| Additions | 1.66 | 1.74 |
| Closing balance | 1493.17 | 1491.51 |

Note 8 : Deferred Tax Assets (Net)

(₹ in lac)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|---------------------------------|------------------------|------------------------|
| (i) Deferred tax assets * | 10540.43 | 10539.62 |
| (ii) Deferred tax (liabilities) | (328.77) | (160.60) |
| Total | 10211.66 | 10379.02 |

* Includes Unused tax credits (MAT credit entitlement) of Rs. 6701.70 lac (previous year Rs 6701.70 lac).

Note:

Refer Note 36 for details of deferred tax liabilities and assets.

Note 9 : Income Tax Assets (Net)

(₹ in lac)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|---------------------------------------|------------------------|------------------------|
| Advance income tax (net of provision) | 963.80 | 888.86 |
| Total | 963.80 | 888.86 |

Note 10 : Other Non-Current Assets

(₹ in lac)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|---|------------------------|------------------------|
| Advances to employees | | |
| Considered Doubtful | 10.61 | 10.61 |
| Less: Provision for doubtful loans and advances | 10.61 | 10.61 |
| | - | - |
| Capital advances | 1087.96 | 4327.72 |
| Balances with government authorities | | |
| Considered good | 780.56 | 723.36 |
| Doubtful | 23.27 | 23.27 |
| | 803.83 | 746.63 |
| Less: Provision for doubtful balances | 23.27 | 23.27 |
| | 780.56 | 723.36 |
| Total | 1868.52 | 5051.08 |

(₹ in lac)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|---|------------------------|------------------------|
| 1. Movement in allowance for doubtful employee advances | | |
| Opening balance | 10.61 | 9.34 |
| Additions | - | 1.27 |
| Utilisations / Reversals | - | - |
| Closing balance | 10.61 | 10.61 |
| 2. Movement in allowance for balances with govt authorities | | |
| Opening balance | 23.27 | 23.27 |
| Additions | - | - |
| Utilisations / Reversals | - | - |
| Closing balance | 23.27 | 23.27 |

Note 11 : Inventories

(₹ in lac)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|---|------------------------|------------------------|
| Raw materials in stock (at cost) | 29973.70 | 12736.25 |
| Raw material in-transit (at cost) | - | 14954.91 |
| | 29973.70 | 27691.16 |
| Work in progress in stock (At cost) (Refer Note 11 (i) below) | 8106.50 | 1897.85 |
| Finished goods in stock (At lower of cost and net realisable value) | 45.51 | 490.93 |
| Stores and spares including packing material (At cost) | 1989.26 | 1771.66 |
| Fuel Oil (at cost) | 4826.02 | 3952.86 |
| | 44940.99 | 35804.46 |
| Less: Provision for non-moving inventory | (38.58) | (741.06) |
| Total | 44902.41 | 35063.40 |

11 (i) Details of work-in-progress

(₹ in lac)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|----------------|------------------------|------------------------|
| Urea | 8031.80 | 1657.32 |
| Tissue Culture | 72.15 | 222.92 |
| Others | 2.55 | 17.61 |
| Total | 8106.50 | 1897.85 |

(₹ in lac)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|--|------------------------|------------------------|
| Movement in allowance for Inventories: | | |
| Opening balance | 741.06 | 738.86 |
| Additions | 6.19 | 13.47 |
| Utilisations / Reversals | (708.67) | (11.27) |
| Closing balance | 38.58 | 741.06 |

Note 12: Trade receivables

(₹ in lac)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|---------------------------------|------------------------|------------------------|
| Related parties (Refer Note 38) | 10.66 | 159.62 |
| Unsecured, considered good | 34.37 | 558.96 |
| Unsecured, credit impaired | 674.69 | 647.03 |
| | 719.72 | 1365.61 |
| Less: Impairment loss allowance | 674.69 | 647.03 |
| Total | 45.03 | 718.58 |

Trade Receivables ageing schedule as on 31 March 2022

(₹ in lac)

| Particulars | Outstanding for following periods from due date of payment | | | | | | | |
|--|--|---------|--------------------|------------------|-----------|-----------|-------------------|--------|
| | Unbilled | Not Due | Less than 6 months | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) Undisputed Trade receivables – considered good | - | 0.64 | 33.06 | 0.08 | - | 1.71 | 9.54 | 45.03 |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables – credit impaired | - | - | - | - | - | - | - | 674.69 |
| (iv) Disputed Trade Receivables – considered good | - | - | - | - | - | - | - | - |
| (v) Disputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables – credit impaired | - | - | - | - | - | - | - | - |

Trade Receivables ageing schedule as on 31 March 2021

(₹ in lac)

| Particulars | Outstanding for following periods from due date of payment | | | | | | | |
|---|--|---------|--------------------|------------------|-----------|-----------|-------------------|--------|
| | Unbilled | Not Due | Less than 6 months | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) Undisputed Trade receivables – considered good | - | 70.34 | 398.72 | 84.86 | 58.05 | 21.03 | 85.57 | 718.58 |
| (ii) Undisputed Trade Receivables –which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables – credit impaired | - | - | - | - | - | - | - | 647.03 |
| (iv) Disputed Trade Receivables – considered good | - | - | - | - | - | - | - | - |
| (v) Disputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables – credit impaired | - | - | - | - | - | - | - | - |

(₹ in lac)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|---|---------------------|---------------------|
| Movement in credit impaired Trade Receivable: | | |
| Opening balance | 647.03 | 647.03 |
| Additions | 27.66 | - |
| Utilisations / Reversals | - | - |
| Closing balance | 674.69 | 647.03 |

Note 13 (A): Cash and cash equivalents

(₹ in lac)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|------------------------|---------------------|---------------------|
| Balances with banks: | | |
| -In current accounts | 491.65 | 5281.60 |
| -In Deposits Account * | 6.21 | 2503.28 |
| Cash on hand | 5.37 | 5.44 |
| Total | 503.23 | 7790.32 |

* This represents deposits with original maturity of less than or equal to 3 months.

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

(₹ in lac)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|----------------------|---------------------|---------------------|
| Balances with banks: | | |
| -In current accounts | 491.65 | 5281.60 |
| -In Deposits Account | 6.21 | 2503.28 |
| Cash on hand | 5.37 | 5.44 |
| Total | 503.23 | 7790.32 |

Note 13 (B) : Bank balances other than Cash and cash equivalents

(₹ in lac)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|---|------------------------|------------------------|
| Balances with banks | | |
| - Balance in Escrow Account | - | 1.14 |
| - Deposits with original maturity of more than 3 months but less than 12 months | 4971.14 | 2767.14 |
| Total | 4971.14 | 2768.28 |

Note 14: Other current assets

(₹ in lac)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|---|------------------------|------------------------|
| Advances to employees - Considered good | 0.78 | 0.62 |
| Other Advances | | |
| Considered good | 13.64 | 274.23 |
| Doubtful | 76.76 | 93.70 |
| | 90.40 | 367.93 |
| Less: Allowance for doubtful advances | 76.76 | 93.70 |
| | 13.64 | 274.23 |
| Prepaid expenses | 460.52 | 355.24 |
| Balances with government authorities | | |
| Considered good | 11285.06 | 12772.86 |
| Doubtful | 37.40 | 37.40 |
| | 11322.46 | 12810.26 |
| Less: Allowance for doubtful balances | 37.40 | 37.40 |
| | 11285.06 | 12772.86 |
| Advances to Suppliers | 1754.38 | 4423.87 |
| Total | 13514.38 | 17826.82 |

(₹ in lac)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|---|------------------------|------------------------|
| 1. Movement in Allowance for other advances: | | |
| Opening balance | 93.70 | 93.70 |
| Additions | - | - |
| Utilisations / Reversals | 16.94 | - |
| Closing balance | 76.76 | 93.70 |
| 2. Movement in Allowance for balance with government authorities: | | |
| Opening balance | 37.40 | 37.40 |
| Additions | - | - |
| Utilisations / Reversals | - | - |
| Closing balance | 37.40 | 37.40 |

Note 15 : Assets held for sale

(₹ in lac)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|---|------------------------|------------------------|
| Equity Investment in Mercantile Venture Ltd 15,20,800 shares | - | 1080.51 |
| Total | - | 1080.51 |

Note 16 : Equity Share Capital

(₹ in lac)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|--|------------------------|------------------------|
| Authorised: | | |
| 31,60,00,000 (31,60,00,000) Equity shares of Rs.10 each | 31600.00 | 31600.00 |
| 55,00,00,000 (55,00,00,000) Redeemable cumulative preference shares of Rs.100 each | 5500.00 | 5500.00 |
| 3,00,00,000 (3,00,00,000) Fully Compulsorily Convertible Preference (FCCP) shares of Rs.18 each | 5400.00 | 5400.00 |
| | 42500.00 | 42500.00 |
| Issued, subscribed and fully paid up: 20,36,40,336 (20,36,40,336) Equity shares of Rs.10 each | 20364.03 | 20364.03 |

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

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

| Class of shares / Name of shareholders | As at 31 March 2022 | | As at 31 March 2021 | |
|---|-----------------------|-----------------------------------|-----------------------|-----------------------------------|
| | Number of shares held | % holding in that class of shares | Number of shares held | % holding in that class of shares |
| Equity shares with voting rights | | | | |
| AMI Holdings Private Limited | 37276700 | 18.31 | 37276700 | 18.31 |
| Lotus Fertilizers Private Limited | 27995454 | 13.75 | 27995454 | 13.75 |
| The Bank of Newyork Mellon | 16791800 | 8.25 | 16791800 | 8.25 |
| FICON Holdings Limited | 15682775 | 7.70 | 15682775 | 7.70 |
| Finquest Securities Private Limited | 15470711 | 7.60 | 17830239 | 8.76 |
| Preference Shares (Refer Note 17) | | | | |
| 14.50% Redeemable cumulative non-convertible preference shares | | | | |
| Dynamic Global Trading Corporation Private Limited | - | - | 300000 | 100.00 |
| 11.50% Redeemable cumulative non-convertible preference shares | | | | |
| AMI Holdings Private Limited | - | - | 850000 | 100.00 |
| 10% Redeemable cumulative non-convertible preference shares | | | | |
| AMI Holdings Private Limited | - | - | 100000 | 100.00 |

16 (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 Rs. 10 per share. All these shares have the same rights and preferences with respect to payment of dividend, repayment of capital and voting.

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

Note 17: Other Equity

(₹ in lac)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|---|------------------------|------------------------|
| Capital Reserve | 97.24 | 97.24 |
| Capital Redemption Reserve: | | |
| Opening balance | 6500.00 | 6500.00 |
| Add: Transferred from profit | 1250.00 | - |
| Closing balance | 7750.00 | 6500.00 |
| Securities Premium Account | 21047.71 | 21047.71 |
| Statutory Reserve | 41.33 | 41.33 |
| Surplus/(Deficit) in Statement of Profit and Loss: | | |
| Opening balance | (1445.64) | (6630.65) |
| Add: Profit for the year | 14043.44 | 5185.01 |
| Less: Transferred to Capital Redemption Reserve | (1250.00) | - |
| Closing balance | 11347.80 | (1445.64) |
| Reserve for equity instruments through other comprehensive income: | | |
| Opening balance | (470.22) | (1025.31) |
| Add: Effect of measuring investments at fair value | 1506.27 | 555.09 |
| Closing balance | 1036.05 | (470.22) |
| Remeasurement of defined plans: | | |
| Opening balance | (141.16) | (341.44) |
| -Actuarial movement through other comprehensive income | (100.35) | 200.28 |
| Closing balance | (241.51) | (141.16) |
| Total | 41078.62 | 25629.26 |

Capital Reserve and Statutory Reserve

Capital Reserve of Rs.97.24 lac and Statutory Reserve of Rs.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 had redeemed the underlying preference shares in the earlier years. During the year, the Company had redeemed the Redeemable Cumulative non-convertible preference shares amounting to Rs.1250 lacs and accordingly had transferred Rs.1250 lacs to Capital Redemption Reserve from the Statement of Profit and Loss. 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 18 (A) : Non Current borrowings

(₹ in lac)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|---|------------------------|------------------------|
| Loans repayable on demand (at amortised cost) | | |
| From banks- Secured (Refer Note 18 (C)) | 736.80 | - |
| From Related Parties- Unsecured (Refer Note 38) | 3004.59 | - |
| Total | 3741.39 | - |

Note 18 (B) : Current borrowings

(₹ in lac)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|--|------------------------|------------------------|
| Term loans (at amortised cost) | | |
| From banks- Secured (Refer Note 18(C)) | 11529.87 | 6100.00 |
| Loans repayable on demand (at amortised cost) | | |
| From Related Parties- Unsecured (Refer Note 18 (i) below & Note 38) | 14903.40 | - |
| Unsecured - at amortised cost | | |
| Nil (3,00,000) 14.50% Redeemable cumulative non-convertible preference shares of Rs.100 each (Refer Note 18 (ii) below) | - | 300.00 |
| Nil (8,50,000) 11.50% Redeemable cumulative non-convertible preference shares of Rs.100 each (Refer Note 18 (ii) below) | - | 850.00 |
| Nil (1,00,000) 10.00% Redeemable cumulative non-convertible preference shares of Rs.100 each (Refer Note 18 (ii) below) | - | 100.00 |
| Interest accrued on cummulative preference shares (Refer Note 18 (ii) below) | - | 3025.01 |
| Total | 26433.27 | 10375.01 |

18 (i): During the year, for capital expenditure purposes, the Company had obtained Rs 17907.99 lac as External Commercial Borrowing from AM International Holdings Pte. Ltd., Singapore (related party) at an Interest Rate of 9.10% p.a, repayable after 12 months.

18 (ii) The Board of Directors, based on the review and recommendation of the Audit Committee at their respective meetings held on 14th February 2022, approved redemption of 12,50,000 redeemable cumulative non-convertible preference shares of Rs.100 each amounting to Rs.1250 lac, which were already due for redemption (including the unpaid dividend). Accordingly, the redeemable cumulative non-convertible preference shares were redeemed with dividend.

Note 18 (C): The carrying amounts of assets pledged as security for current and non-current borrowings are: (₹ in lac)

| Particulars | Notes | As at 31 March 2022 | As at 31 March 2021 |
|--|-------|------------------------|------------------------|
| Current assets | | | |
| Inventories | 9 | 44902.41 | 35063.40 |
| Trade receivables | 10 | 45.03 | 718.58 |
| Subsidy receivables | 7 | 4330.99 | 21430.59 |
| Total Current assets pledged as security | | 49278.43 | 57212.57 |
| Non-Current assets | | | |
| Freehold land | 4 | 827.69 | 827.69 |
| Buildings | 4 | 360.87 | 372.21 |
| Total Non-Current assets pledged as security | | 1188.56 | 1199.90 |
| Total Assets pledged as security | | 50466.99 | 58412.47 |

Note

- Security for HDFC Bank Ltd
Deed of Hypothication / Mortgage in favour of the bank creating charge on Inventory, Book debts and Tuticorin Factory / Township Land (Non-Agricultural) of an extent of 30.17 acres and 18.54 acres in Tuticorin.
- Security for New India Cooperative Bank Ltd
Land measuring 19 acres and 15 cents situated in Tuticorin

Note 19: Other Financial Liabilities

(₹ in lac)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|--|------------------------|------------------------|
| A Other financial liabilities - non-current at amortised cost | | |
| Trade / security deposits received | 3118.51 | 3206.01 |
| Liabilities for expenses | - | 5.79 |
| | 3118.51 | 3211.80 |
| B Other financial liabilities - current at amortised cost | | |
| Creditors for Property, Plant & Equipment | 1813.47 | 2540.20 |
| Interest accrued but not due on borrowings | 314.29 | 2.23 |
| Interest accrued and due on Supplier Payments | 1387.68 | 1387.68 |
| Retention Money | 76.36 | 92.28 |
| Total | 3591.80 | 4022.39 |

Note 20: Trade payables

(₹ in lac)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|---|------------------------|------------------------|
| Trade payables: | | |
| - Total outstanding dues to Micro Enterprises and Small Enterprises (Refer Note 20 (i) below) | 157.26 | - |
| - Total outstanding dues to other than Micro Enterprises and Small Enterprises | 48655.67 | 94900.96 |
| Total | 48812.93 | 94900.96 |

Note 20 (i) : Dues to Micro enterprises and Small enterprises :

Dues to micro enterprises 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 2022 | As at 31 March 2021 |
|--|------------------------|------------------------|
| (i) Principal amount remaining unpaid (not due) to any supplier as at the end of the accounting year | 157.26 | - |
| (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 | - | - |

Trade Payables ageing schedule as on 31 March 2022

(₹ in lac)

| Particulars | Outstanding for following periods from due date of payment | | | | | | | |
|-----------------------------|--|----------|--------------------|------------------|-----------|-----------|-------------------|----------|
| | Unbilled | Not Due | Less than 6 months | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Undisputed Trade Payables | | | | | | | | |
| (i) MSME | - | 157.26 | - | - | - | - | - | 157.26 |
| (ii) Disputed dues – MSME | - | - | - | - | - | - | - | - |
| (iii) Others | - | 13236.31 | 11250.69 | 15926.78 | 2809.50 | 1231.03 | 4201.36 | 48655.67 |
| (iv) Disputed dues - Others | - | - | - | - | - | - | - | - |

Trade Payables ageing schedule as on 31 March 2021

(₹ in lac)

| Particulars | Outstanding for following periods from due date of payment | | | | | | | |
|-----------------------------|--|----------|--------------------|------------------|-----------|-----------|-------------------|----------|
| | Unbilled | Not Due | Less than 6 months | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Undisputed Trade Payables | | | | | | | | |
| (i) MSME | - | - | - | - | - | - | - | - |
| (ii) Disputed dues – MSME | - | - | - | - | - | - | - | - |
| (iii) Others | - | 22516.39 | 29745.94 | 17361.74 | 20381.33 | 2661.13 | 2234.43 | 94900.96 |
| (iv) Disputed dues - Others | - | - | - | - | - | - | - | - |

Note 21: Provisions

(₹ in lac)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|--|---------------------|---------------------|
| Provision for employee benefits: | | |
| - Compensated absences (Refer Note 35) | 510.27 | 427.68 |
| Total | 510.27 | 427.68 |

Note 22: Other current liabilities

(₹ in lac)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|--|---------------------|---------------------|
| Other payables | | |
| - Statutory remittances | 406.90 | 145.87 |
| - Gratuity payable (Refer Note 35) | 378.68 | 165.28 |
| - National Pension Scheme Payable | 8.47 | 7.50 |
| - Superannuation fund payable | 850.20 | 714.56 |
| - Advances from customers and other parties* | 11513.20 | 5604.30 |
| - Other Deposits | 60.00 | 60.00 |
| Total | 13217.45 | 6697.51 |

* includes amount received from Related Parties to the extent of Rs. 7100 Lacs (Previous year Rs. 2463.21 lacs) (Refer Note 38).

Note 23 : Revenue from operations

(₹ in lac)

| Particulars | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|-----------------------------|-----------------------------|
| Sale of products | 40521.63 | 35025.75 |
| Less: Rebates and discounts | (3647.00) | (3277.05) |
| | 36874.63 | 31748.70 |
| Subsidy Income | 149601.33 | 120007.12 |
| Sales (Refer Note 23 (i) below) | 186475.96 | 151755.82 |
| Other operating revenues (Refer Note 23 (ii) below) | 1015.83 | 944.91 |
| Total | 187491.79 | 152700.73 |

23 (i) Sales

(₹ in lac)

| Particulars | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|-----------------------------|-----------------------------|
| Urea | 31900.34 | 31270.61 |
| Fertiliser Subsidy (Urea) (Refer Note 32 (iii)) | 141338.34 | 111835.90 |
| Transport Subsidy (Urea) | 8262.98 | 8171.22 |
| Others | 642.56 | 478.09 |
| Traded goods | | |
| Imported Ammonia | 3930.10 | - |
| Natural Gas | 401.64 | - |
| Total | 186475.96 | 151755.82 |

23 (ii) Other Operating Revenues

(₹ in lac)

| Particulars | Year ended 31 March 2022 | Year ended 31 March 2021 |
|-------------------------|-----------------------------|-----------------------------|
| Facility Sharing Income | 892.15 | 812.44 |
| Sale of scrap | 72.06 | 98.28 |
| Others | 51.62 | 34.19 |
| Total | 1015.83 | 944.91 |

Note 24: Other income

(₹ in lac)

| Particulars | Year ended 31 March 2022 | Year ended 31 March 2021 |
|--|-----------------------------|-----------------------------|
| Interest income (Refer Note 24 (i) below) | 304.40 | 127.04 |
| Dividend income from long-term investments (Refer note 38) | 384.90 | 231.48 |
| Liabilities / Provision no longer required written back | 1420.01 | 2374.19 |
| Rental Income | 36.17 | 38.37 |
| Others | 193.96 | 86.98 |
| Total | 2339.44 | 2858.06 |

24 (i) Interest income

(₹ in lac)

| Particulars | Year ended 31 March 2022 | Year ended 31 March 2021 |
|------------------------------|-----------------------------|-----------------------------|
| Interest from banks deposits | 259.59 | 96.65 |
| Other interest | 44.81 | 30.39 |
| Total | 304.40 | 127.04 |

Note 25: Cost of materials consumed

(₹ in lac)

| Particulars | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---------------------|-----------------------------|-----------------------------|
| Opening stock | 27691.17 | 10028.07 |
| Add: Purchases* | 123084.05 | 101433.73 |
| | 150775.22 | 111461.80 |
| Less: Closing stock | 29973.70 | 27691.17 |
| Total | 120801.52 | 83770.63 |

* Includes Rs. 995.17 lacs (previous Year Rs. (840.04) Lacs) of foreign exchange (gain)/loss

Note 26: Purchase of Stock-in-trade

(₹ in lac)

| Particulars | Year ended 31 March 2022 | Year ended 31 March 2021 |
|------------------|-----------------------------|-----------------------------|
| Imported Ammonia | 3633.18 | - |
| Total | 3633.18 | - |

Note 27: Changes in inventories of finished goods, stock in trade and work-in-progress

(₹ in lac)

| Particulars | Year ended 31 March 2022 | Year ended 31 March 2021 |
|--|-----------------------------|-----------------------------|
| <u>Inventories at the beginning of the year:</u> | | |
| Finished goods | 490.93 | 34.87 |
| Work-in-progress | 1897.85 | 118.92 |
| | 2388.78 | 153.79 |
| <u>Inventories at the end of the year:</u> | | |
| Finished goods | 45.51 | 490.93 |
| Work-in-progress | 8106.50 | 1897.85 |
| | 8152.01 | 2388.78 |
| Net Decrease/(Increase) | (5763.23) | (2234.99) |

Note 28: Employee benefit expenses

(₹ in lac)

| Particulars | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|-----------------------------|-----------------------------|
| Salaries and wages | 5292.51 | 4510.70 |
| Contributions to provident fund and other funds | 486.45 | 591.28 |
| Contribution to gratuity fund (Refer Note 35) | 122.66 | 119.04 |
| Staff welfare expenses | 799.63 | 784.11 |
| Total | 6701.25 | 6005.13 |

Note 29: Finance costs

(₹ in lac)

| Particulars | Year ended 31 March 2022 | Year ended 31 March 2021 |
|------------------------------|-----------------------------|-----------------------------|
| Interest expense on: | | |
| -Borrowings | 1037.25 | 1047.35 |
| -Deposits | 217.20 | 214.64 |
| -Interest on Lease Liability | 28.05 | - |
| -Other borrowing costs | 134.59 | 151.25 |
| -Others | 2.06 | 2.22 |
| Total | 1419.15 | 1415.46 |

Note 30: Depreciation and amortisation expense

(₹ in lac)

| Particulars | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|-----------------------------|-----------------------------|
| A) Property, plant and equipment | | |
| i) Buildings | 165.71 | 164.91 |
| ii) Plant and Equipment | 3768.22 | 3309.55 |
| iii) Furniture and Fixtures | 5.58 | 5.66 |
| iv) Vehicles | 22.48 | 22.68 |
| v) Office equipments | 283.49 | 253.14 |
| vi) Roads | 13.99 | 13.70 |
| vii) Railway Sidings | 14.11 | 14.11 |
| viii) Right to use assets | 127.83 | - |
| | 4401.41 | 3783.75 |
| B) Investment Property | 3.47 | 3.47 |
| C) Other Intangible assets | 36.11 | 36.08 |
| Total | 4440.99 | 3823.30 |

Note 31: Other expenses

(₹ in lac)

| Particulars | Year ended 31 March 2022 | Year ended 31 March 2021 |
|--|-----------------------------|-----------------------------|
| Consumption of stores and spare parts | 1230.83 | 1176.28 |
| Packing, transportation and handling | 13525.97 | 12661.74 |
| Power and fuel* | 21183.46 | 36296.52 |
| Water | 2861.56 | 2364.58 |
| Rent | 225.15 | 355.97 |
| Repairs to | | |
| - Buildings | 321.58 | 589.80 |
| - Machinery | 1210.03 | 1594.31 |
| - Others | 926.44 | 783.18 |
| Insurance | 590.94 | 510.29 |
| Rates and taxes | 140.45 | 136.10 |
| Travelling and conveyance | 237.63 | 271.50 |
| Sales promotion expenses | 17.41 | 16.40 |
| Professional fees | 414.98 | 484.70 |
| Payment to auditors (Refer Note 31(i) below) | 30.75 | 23.63 |
| Disposal of fixed assets | 55.37 | 49.23 |
| Bad debts and advances written off | 11.48 | - |
| Provision for doubtful trade and other receivables, loans and advances (net) | 29.31 | 1.74 |
| Provision For Inventories | 6.19 | 13.47 |
| Director's sitting fees | 42.00 | 39.00 |
| Provision for supplier settlement | 600.00 | - |
| Miscellaneous expenses | 893.40 | 748.56 |
| Total | 44554.93 | 58117.00 |

* Includes Rs. 316.68 lacs (previous Year Rs. (1385.83) Lacs) of foreign exchange (gain)/loss

31 (i) Payment to Auditors

(₹ in lac)

| Particulars | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|-----------------------------|-----------------------------|
| Payments to the auditors comprises (net of GST input credit, where applicable): | | |
| As auditor: | | |
| For Statutory audit | 15.00 | 15.00 |
| In other capacity: | | |
| For Limited Review | 6.00 | 6.00 |
| For Certification | 1.75 | 1.15 |
| For Other matters | 8.00 | - |
| Reimbursement of expenses | - | 1.48 |
| Total | 30.75 | 23.63 |

Note 32 : Plant Operation

- (i) During the year the Company achieved a production of 6.20 lac MT (previous year 6.20 lac MT).
- (ii) The Company has become a gas-based Urea manufacturing unit since 13th March 2021 and is therefore eligible for higher fiscal incentives in the form of subsidy income due to higher energy norms from the above said date for the next five-year period. Since the Company is not connected to the National Gas Grid, it will be kept out of "Gas Pooling Mechanism" as per the Office Memorandum received from Ministry of Chemical & Fertilizers dated 13th August 2021.

- (iii) Subsidy for the period 1 April 2021 to 31 March 2022 of Rs.141338.34 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 33 Commitments

Capital Commitments:

Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. 2379.48 lac (Previous year Rs. 7476 lac).

Note 34 : Contingent Liabilities

a. Claims not acknowledged as debts:

- (i) The District Collector, Tuticorin vide his letter dated, 21 August 2009 had demanded Rs. 16873.97 lac (Previous year Rs.16873.97 lac) towards lease rent for the utilization of 415.19 acres of sand quarry poramboke lands by the Company for its effluent treatment and storage of Gypsum for the period from 1975 to 2008. While raising this demand, the District Collector had ignored the proposal submitted by the Company during 1975 to the State Government seeking assignment of the said land which is still pending. The Company had filed a writ petition challenging the demand before the Hon'ble Madras High Court and the court granted interim stay vide its order dated 21 April 2010 on further proceedings. During November 2010 the District Collector, Tuticorin has filed a counter before Hon'ble Madras High Court praying for the vacation of interim stay and the case is still pending.
 - (ii) Tamilnadu Water Supply And Drainage Board (TWAD) has claimed payments for the period during which the Nitrogenous plants were not in operation, on the basis of 50% allotted quantity of water. The Company alongwith other beneficiaries has been enjoying this facility since inception of the 20 MGD Scheme for the last 46 years. Water Charges were paid to TWAD on the basis of actual receipt by individual industries. The claims including interest made by TWAD for Rs. 4345.19 lac (Previous year Rs. 4032.15 lac) is not acknowledged as debt, as this differential value from April 2009 to March 2022 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 31.03.2022 is Rs. 1293.54 lac (from 01.07.2007 to 31.03.2022) (Previous year Rs. 1184.79 lac). The Company obtained an injunction from the Madurai Bench of the Hon'ble Madras High Court against the claim made by the VOCPT and the stay has been granted till 10 June 2015. On 23.07.2015, Madurai Bench of the Hon'ble Madras High Court extended the stay until further orders.
 - (iv) During October 2021, there was a demand from Office of the Joint Commissioner of Central GST and Central Excise for recovery of excess refund of Input tax credit of Rs 934.50 lacs, based on the amended definition of 'Net Input Tax Credit' for the purpose of GST refund on account of inverted duty structure with effect from July 1, 2017 to March 2018, to include input tax credit availed only on inputs which excludes input services vide GST Notification No. 26/2018 dated June 13, 2018. Management has filed writ petitions challenging the retrospective amendment of the definition of ITC and is confident of obtaining a favorable order. Considering such credit is available for utilization also, the management is confident of utilization of aforesaid input tax credit.
- 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 2022 | As at 31 March 2021 |
|---|------------------------|------------------------|
| The Central Excise Act, 1944 | 97.55 | 55.78 |
| Central Goods and Service Tax Act 2017 | 934.50 | - |
| The Finance Act, 1994 (Service Tax) | 235.64 | 235.64 |
| Sales Tax Act under various State enactments | 835.21 | 835.21 |
| The Tamilnadu Electricity (Taxation on Consumption) Act, 1962 | 1050.54 | 1050.54 |
| Total | 3153.44 | 2177.17 |

Out of the above demand of Rs.3153.44 lac (Previous year Rs. 2177.17 lac), an amount of Rs. 97.98 lac (Previous year Rs. 94.85 lac) has been deposited under protest/adjusted by relevant authorities.

Note 35 : Employee benefits

A. Defined contribution plan

(₹ in lac)

| Particulars | Year ended 31 st March 2022 | Year ended 31 st March 2021 |
|---|---|---|
| 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. | 465.17 | 456.01 |

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 2022 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)

| S.No | Particulars | 31 st March 2022 | 31 st March 2021 | |
|---|---|-----------------------------|-----------------------------------|-----------------------------|
| i) | Defined benefit plans | | | |
| | a) Gratuity payable to employees | 378.68 | 165.28 | |
| | b) Compensated absences for Employees | 510.27 | 427.68 | |
| | Employees' gratuity fund | | | |
| | | | 31st March 2022 | 31 st March 2021 |
| | Discount rate (per annum) | | 7.14% | 6.94% |
| | Rate of increase in Salary | | 8.06% | 7.00% |
| Expected rate of return on Plan Assets | | 7.14% | 6.94% | |
| Attrition rate | | 6.43% | 3.00% | |
| S.No | Particulars | 31 st March 2022 | 31 st March 2021 | |
| ii) | Changes in the present value of defined benefit obligation | | | |
| | Present value of obligation at the beginning of the year | 1622.89 | 1697.68 | |
| | Interest cost | 104.36 | 105.75 | |
| | Current service cost | 106.69 | 111.06 | |
| | Benefits paid and charges deducted | (238.32) | (219.71) | |
| | Actuarial (gain)/ loss on obligations | 91.64 | (71.89) | |
| | Present value of obligation at the end of the year | 1687.25 | 1622.89 | |
| iii) | Changes in fair value of plan assets | | | |
| | Fair value of plan assets as at the beginning of the year | 1457.61 | 1575.53 | |
| | Expected return on plan assets | 93.06 | 97.77 | |
| | Contributions | 4.94 | 4.65 | |
| | Benefits paid and Charges deducted | (238.32) | (219.71) | |
| | Actuarial gain/(loss) on plan assets [balancing figure] | (8.72) | (0.63) | |
| Fair value of plan assets as at the end of the year | 1308.57 | 1457.61 | | |

| S.No | Particulars | 31 st March 2022 | 31 st March 2021 |
|---------------|---|-----------------------------|-----------------------------|
| iv) | Expense recognized in the Statement of Profit and Loss | | |
| | Current service cost | 106.69 | 111.06 |
| | Interest cost | 11.30 | 7.98 |
| | Total expenses recognized in the Statement Profit and Loss* | 117.98 | 119.04 |
| | *Included in Employee benefits expense (Refer Note 28). Actuarial (gain)/loss of Rs. 100.35 lac (31 March 2021: Rs. 71.26 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 | 1687.25 | 1622.89 |
| | Fair value of plan assets | 1308.57 | 1457.61 |
| | Funded net liability recognized in Balance Sheet* | 378.68 | 165.28 |
| | *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 | 91.64 | (71.89) |
| | Difference between Actual Return and Interest Income on Plan Assets- (gain)/loss | 8.72 | 0.63 |
| | (Gain)/ loss recognized in OCI for the current year | 100.35 | (71.26) |
| vii) | A quantitative sensitivity analysis for significant assumption as at 31 March 2022 and 31 March 2021 are as shown below: | | |
| | Impact on defined benefit obligation | | |
| | Discount rate | | |
| | 0.5% increase | 1632.73 | 1561.91 |
| | 0.5% decrease | 1745.43 | 1688.58 |
| | Rate of increase in salary | | |
| | 0.5% increase | 1746.61 | 1689.39 |
| 0.5% decrease | 1631.08 | 1560.57 | |
| viii) | Expected Benefit Payments in following years | | |
| | Year 1 | 160.43 | 123.86 |
| | Year 2 | 326.36 | 303.08 |
| | Year 3 | 179.26 | 189.93 |
| | Year 4 | 198.37 | 132.30 |
| | Year 5 | 147.28 | 164.76 |
| | Next 5 Years | 752.82 | 647.59 |

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, 2022 | Year ended March 31, 2021 |
|---|------------------------------|------------------------------|
| Discount rate as per para 83 of Ind AS 19 | 7.14% | 6.94% |
| Expected rate of return on Plan Assets | 0.00% | 0.00% |
| Rate of increase in compensation levels | 8.06% | 7.00% |
| Attrition rate fixed by Enterprise | 6.43% | 3.00% |

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

| Particulars | As at March 31, 2022 | | |
|-----------------|----------------------|--------------------------------|---------------|
| | Gratuity | Long term compensated absences | Total |
| Current portion | 378.68 | 510.27 | 888.95 |
| Total | 378.68 | 510.27 | 888.95 |

| 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 |

Note: 36 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 2022 | As at 31 March 2021 |
|---------------------------|---------------------|---------------------|
| Deferred tax assets | 10148.64 | 7565.57 |
| Deferred tax liabilities | (6638.67) | (3888.24) |
| Deferred Tax Asset (Net) | 3509.97 | 3677.33 |

2021-22:-

(₹ in lac)

| Particulars | Opening Balance | Recognized in Profit & loss | Recognised in Other Comprehensive Income | Closing Balance |
|---|-----------------|-----------------------------|--|-----------------|
| Deferred Tax (Liabilities)/Asset in relation to Property, plant and Equipment | (3888.24) | (2604.33) | - | (6492.57) |
| Provision for Doubtful Debts, Provision for Compensated absence and others | 898.90 | (94.64) | - | 804.26 |
| Unabsorbed Depreciation | 5160.10 | (414.91) | - | 4745.19 |
| Unabsorbed Business Loss | 1485.31 | 3113.88 | - | 4599.19 |
| Financial Assets at FVTOCI | 21.26 | - | (167.36) | (146.10) |
| | 3677.33 | - | (167.36) | 3509.97 |
| Deferred Tax Asset (Net) | 3677.33 | - | (167.36) | 3509.97 |
| MAT Credit Entitlement | 6701.69 | - | - | 6701.69 |
| Net Deferred Tax Assets | 10379.02 | - | (167.36) | 10211.66 |

2020-21:-

(₹ in lac)

| Particulars | Opening Balance | Recognized in Profit & loss | Recognised in Other Comprehensive Income | Closing Balance |
|---|-----------------|-----------------------------|--|-----------------|
| Deferred Tax (Liabilities)/Asset 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 Asset (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 |

(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 2022 | As at 31 March 2021 |
|-----------------|---------------------|---------------------|
| Business losses | 23154.17 | 39131.64 |
| Capital losses | 1867.19 | 11352.64 |
| Total | 25021.36 | 50484.28 |

There is no provision for tax under regular computation in view of the brought forward business losses/unabsorbed depreciation relating to earlier years available for set off. Similarly Tax under Minimum Alternate Tax (MAT) as per provisions of Section 115JB of Income Tax Act is also not provided since the Company is having the Accumulated Book Loss.

(C) Reconciliation of tax expenses and the accounting profit multiplied by India's domestic tax rate for 31st March 2022 and 31st March 2021 (₹ in lac)

| Reconciliation of tax charge | As at 31 March 2022 | As at 31 March 2021 |
|--|------------------------|------------------------|
| Accounting Profit / loss before income tax | 14043.44 | 4662.26 |
| Enacted tax rates in India | 34.94% | 34.94% |
| Computed tax expense | 4907.34 | 1629.18 |
| Tax effects of: | | |
| - Effects of expenses/income that are not deductible/ considered in determining the taxable profits | 289.12 | 301.18 |
| - Deductible expenses for tax purpose | (51.09) | (1.49) |
| - Effect of income that is exempt from taxation | - | - |
| - Adjustment in respect of Previous Years | - | (523.52) |
| - Adjustment in respect to MAT credit | - | 0.77 |
| - Deferred tax recognised on losses and deductible temporary differences pertaining to Prior Years | (2905.48) | (1754.26) |
| - Effect of unused tax losses and tax offsets not recognised as deferred tax assets | (2389.94) | (1045.36) |
| - Effect of Revalued assets not recognised as deferred tax liabilities | 150.05 | 870.75 |
| Income tax expenses | - | (522.75) |

Note 37: 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 2022 | Year ended 31 March 2021 | Year ended 31 March 2022 | Year ended 31 March 2021 |
| Agro Inputs (Urea Operations) | 185018.63 | 152438.21 | 16807.62 | 5186.73 |
| Others (Agri business) | 557.05 | 372.05 | (230.32) | (92.47) |
| Unallocated income | 4255.55 | 2748.52 | | |
| Total | 189831.23 | 155558.78 | 16577.30 | 5094.27 |
| Finance Cost | | | (1419.15) | (1415.46) |
| Other Net Unallocable (Expenses) | | | (1114.71) | 983.45 |
| Income Tax Expense/ (Benefit) | | | - | 522.75 |
| Profit for the year | | | 14043.44 | 5185.01 |

Segment Assets and Liabilities:

(₹ in lac)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|-------------------------------|------------------------|------------------------|
| Segment Assets | | |
| Agro inputs (Urea Operations) | 123767.13 | 123473.74 |
| Others (Agri business) | 1593.45 | 1710.23 |
| Unallocable Assets | 35840.73 | 40444.67 |
| Total Assets | 161201.31 | 165628.64 |
| Segment Liabilities | | |
| Agro inputs (Urea Operations) | 59102.41 | 107346.55 |
| Others (Agri business) | 70.11 | 184.13 |
| Unallocable Liabilities | 40586.14 | 12104.67 |
| Total Liabilities | 99758.66 | 119635.35 |

Other Segment Information:

(₹ in lac)

| Particulars | Depreciation and Amortisation | | Capital Expenditure | |
|-------------------------------|-------------------------------|-----------------------------|-----------------------------|-----------------------------|
| | Year ended 31 March 2022 | Year ended 31 March 2021 | Year ended 31 March 2022 | Year ended 31 March 2021 |
| Agro Inputs (Urea Operations) | 4267.70 | 3735.16 | 18137.28 | 20215.36 |
| Others (Agri business) | 47.07 | 46.74 | 6.59 | 3.93 |
| Unallocable | 126.22 | 41.40 | 2.64 | 5.15 |
| Total | 4440.99 | 3823.30 | 18146.51 | 20224.44 |

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: 38 (i) Related party disclosures for the year ended 31 March 2022

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

| Nature | Parties | |
|--|---------|---|
| Associates | 1 | Tuticorin Alkali Chemicals and Fertilizers Limited |
| | 2 | Gold Nest Trading Company Limited |
| | 3 | Greenam Energy Private Limited |
| Jointly Controlled entities | 1 | Tamilnadu Petroproducts Limited |
| | 2 | National Aromatics and Petrochemicals Corporation Limited |
| Key management personnel of the Company | 1 | Thiru. Ashwin C Muthiah |
| | 2 | Thiru. S.R. Ramakrishnan |
| Enterprises owned by / over which Key Management Personnel is able to exercise significant influence | 1 | Wilson International Trading Pte Ltd, Singapore |
| | 2 | Wilson International Trading India Private Limited |
| | 3 | Manali Petrochemicals Limited |
| | 4 | Greenstar Fertilizers Limited |
| | 5 | AM International Holdings Pte. Ltd, Singapore |
| | 6 | AMI Holdings Private Limited |
| | 7 | Sicagen India Limited |
| | 8 | SPIC Officers And Staff Welfare Foundation |
| | 9 | South India Travels Private Limited |
| | 10 | Lotus Fertilizers Private Limited |
| | 11 | EDAC Engineering Limited |
| | 12 | AM Foundation |

Note: 38 (ii) (A) Balance Outstanding

(₹ in lac)

| S.NO | PARTICULARS | As at 31 March 2022 | As at 31 March 2021 |
|------|---|------------------------|------------------------|
| (a) | Receivables including Advances | | |
| | Tamilnadu Petroproducts Limited | 3.11 | - |
| | Tuticorin Alkali Chemicals and Fertilizers Limited | 171.62 | 193.40 |
| | Greenstar Fertilizers Limited | 11.21 | - |
| | National Aromatics and Petrochemicals Corporation Limited * | 1493.17 | 1491.51 |
| | Wilson International Trading Pte. Ltd, Singapore | - | 741.22 |
| | Manali Petrochemicals Limited | 0.78 | 0.73 |
| | EDAC Engineering Limited | 23.63 | - |
| | Sicagen India Limited | 3.93 | - |
| | AM Foundation | - | 0.13 |
| | Greenam Energy Private Limited | 217.03 | 192.95 |
| | South India Travels Pvt Ltd | 0.01 | - |
| | Wilson International Trading(India) Pvt Ltd | 0.01 | 0.03 |
| (b) | Payables | | |
| | Greenstar Fertilizers Limited | 13304.95 | 4423.47 |
| | Tamilnadu Petroproducts Limited | - | 1.65 |
| | Sicagen India Limited | 262.02 | 354.90 |
| | EDAC Engineering Limited | 17.28 | 60.51 |
| | Tuticorin Alkali Chemicals and Fertilizers Limited | 59.26 | - |
| | Lotus Fertilizers Private Limited | 1827.52 | 1812.12 |
| | South India Travels Pvt Ltd | 4.86 | 3.14 |
| | AMI Holdings Pvt. Ltd.India | 4.41 | - |
| | Wilson International Trading Pte. Ltd, Singapore | 3105.33 | - |
| (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 Limited, Singapore | 17907.99 | - |
| (e) | Interest Payable on Borrowings | | |
| | AM International Holdings Pte Limited, Singapore | 291.05 | - |

*Dues have been fully provided

Note: 38 (ii) (B) The following transactions were carried out with the related parties

(₹ in lac)

| S.NO | PARTICULARS | For the year ended 31.03.2022 | For the Year ended 31.03.2021 |
|----------|---|----------------------------------|----------------------------------|
| B | TRANSACTIONS DURING THE YEAR | | |
| 1 | Sale of goods/Scrap | | |
| | Greenstar Fertilizers Limited | 4254.99 | 118.88 |
| | Lotus Fertilizers Private Limited | 126.39 | 124.08 |
| | Sicagen India Limited | 0.86 | - |
| 2 | Purchase of materials | | |
| | Tuticorin Alkali Chemicals and Fertilizers Limited | 13.05 | 22.07 |
| | Greenstar Fertilizers Limited | - | 2495.61 |
| | Tamilnadu Petroproducts Limited | 61.89 | 24.48 |
| | Wilson International Trading Pte Ltd, Singapore | 3864.77 | - |
| | Sicagen India Limited | 543.31 | 909.40 |
| 3 | Reimbursement of Expenses (Receipts) | | |
| | Greenstar Fertilizers Limited | 712.45 | 491.05 |
| | Sicagen India Limited | - | 1.52 |
| | National Aromatics and Petrochemicals Corporation Limited | 1.65 | 1.74 |
| | EDAC Engineering Limited | - | 0.03 |
| | AM Foundation | 0.11 | 23.20 |
| | Greenam Energy Private Limited | 1.69 | - |
| | SPIC Group Companies Employees Welfare Foundation | 1.50 | - |
| | SPIC Officers and Staff Welfare Foundation | 0.45 | - |
| 4 | Income from services rendered | | |
| | Manali Petrochemicals Limited | 2.93 | 2.47 |
| | Tamilnadu Petroproducts Limited | 0.01 | 3.75 |
| | Tuticorin Alkali Chemicals and Fertilizers Limited | 153.04 | 4.98 |
| | Greenstar Fertilizers Limited | 897.13 | 961.82 |
| | Wilson International Trading (India) Private Limited | 0.05 | - |
| | Sicagen India Limited | 5.16 | 10.84 |
| | EDAC Engineering Limited | 3.52 | 4.49 |
| | Greenam Energy Private Limited | 0.20 | 0.11 |
| 5 | Services / Consultancy Charges/Manpower Charges | | |
| | Greenstar Fertilizers Limited | 494.90 | 381.81 |
| | Sicagen India Limited | 14.84 | 19.03 |
| | EDAC Engineering Limited | 71.46 | 150.04 |
| 6 | Exchange Fluctuation | | |
| | Greenstar Fertilizers Limited | 20.47 | - |
| 7 | Dividend Income | | |
| | Manali Petrochemicals Limited | 0.15 | 0.08 |
| | Tamilnadu Petroproducts Limited | 380.86 | 228.52 |
| | Sicagen India Limited | 3.47 | 2.89 |
| 8 | Managerial Remuneration | | |
| | Thiru. S R Ramakrishnan | 75.03 | 75.02 |

| S.NO | PARTICULARS | For the year ended 31.03.2022 | For the Year ended 31.03.2021 |
|------|--|----------------------------------|----------------------------------|
| 9 | Handling Charges | | |
| | Greenstar Fertilizers Limited | 52.92 | 141.88 |
| 10 | Storage Charges Paid | | |
| | Greenstar Fertilizers Limited | 324.06 | 517.10 |
| 11 | Director Sitting Fees | | |
| | Thiru. Ashwin C Muthiah | 5.00 | 5.00 |
| 12 | Income from Rentals | | |
| | Greenstar Fertilizers Limited | 28.18 | 27.11 |
| | Tuticorin Alkali Chemicals and Fertilizers Limited | 1.09 | - |
| | AM Foundation | 0.14 | - |
| | Greenam Energy Private Limited | 14.16 | - |
| 13 | Advance for Materials | | |
| | Greenstar Fertilizers Limited | 7100.00 | 2463.21 |
| 14 | Interest on Borrowings(Payable) | | |
| | AM International Holdings Pte Ltd, Singapore | 342.42 | 664.86 |
| 15 | Borrowings Repaid | | |
| | AM International Holdings Pte Ltd, Singapore | - | 12865.50 |
| 16 | Borrowings | | |
| | AM International Holdings Pte Ltd, Singapore | 17907.99 | - |
| 17 | Redemption of Preference Shares | | |
| | AMI Holdings Private Ltd. | 950.00 | - |
| 18 | Payment of Preference Dividend | | |
| | AMI Holdings Private Ltd. | 2250.65 | - |
| 19 | Demurrage Charges / (Credit) | | |
| | Wilson International Trading Pte. Ltd, Singapore | (18.22) | - |
| 20 | Car Rental Charges | | |
| | South India Travels Private Limited | 20.88 | 22.72 |
| 21 | Investment in Equity | | |
| | Greenam Energy Private Limited | 150.00 | - |
| 22 | Rebates and Discounts | | |
| | Lotus Fertilizers Private Limited | 4.66 | 3.13 |
| 23 | Work Order Bill | | |
| | Sicagen India Limited | 6.72 | - |
| 24 | Sale of Investment | | |
| | Greenstar Fertilizers Limited | - | 862.80 |
| 25 | Rebate on purchase | | |
| | Wilson International Trading Pte. Ltd, Singapore | - | 758.32 |
| 26 | Purchase of Power | | |
| | Greenam Energy Private Limited | 44.51 | - |
| 27 | Power purchase deposit | | |
| | Greenam Energy Private Limited | 161.32 | - |

Note: 39 Financial Instruments

39.1 Capital Management

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

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

The following table summarises the capital of the Company:

(₹ in lac)

| Particulars | 31 March 2022 | 31 March 2021 |
|--|---------------|---------------|
| a) Equity | 61442.65 | 45993.28 |
| b) Non-Convertible preference shares | - | 1250.00 |
| c) Borrowings other than non-convertible preference shares | 30174.66 | 10375.01 |
| d) Less: Cash and Cash equivalents | (5474.37) | (10558.60) |
| e) Total debt(b+c+d) | 24700.29 | 1066.41 |
| f) Overall financing(a+e) | 86142.94 | 47059.69 |
| g) Net debt to capital ratio (e/f) | 0.29 | 0.02 |
| h) Interest coverage ratio | 10.90 | 4.29 |

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 2022 and 31 March 2021.

39.2 Categories of Financial instruments

(₹ in lac)

| Particulars | 31 March 2022 | 31 March 2021 |
|--|---------------|---------------|
| Financial Assets | | |
| Measured at FVTOCI | | |
| a) Investments | 2891.00 | 136.85 |
| Measured at amortised cost | | |
| b) Trade receivables | 45.03 | 718.58 |
| c) Cash and cash equivalents | 503.23 | 7790.32 |
| d) Bank balances other than (c) above | 4971.14 | 2768.28 |
| e) Other financial assets - Current Asset | 4696.32 | 22885.16 |
| f) Other Financial Assets - Non Current Asset | 1731.29 | 1040.82 |
| Financial Liabilities | | |
| Measured at amortised cost | | |
| a) Borrowings - Current Liabilities | 26433.27 | 10375.01 |
| b) Borrowings - Non Current Liabilities | 3741.39 | - |
| c) Current Lease Liability | 123.87 | - |
| d) Non Current Lease Liability | 209.17 | - |
| e) Trade payables | 48812.93 | 94900.96 |
| f) Other financial liabilities - Current Liabilities | 3591.80 | 4022.39 |
| g) Other Financial Liabilities - Non Current Liabilities | 3118.51 | 3211.80 |

39.3 Financial Risk and Management Objectives

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

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

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

1. Credit Risk

Credit risk is the risk that 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 Risks

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 2022 | | | | | |
| Short term borrowings (Current) | - | 26433.27 | - | - | 26433.27 |
| Long-term borrowings (Non Current) | - | 3741.39 | - | - | 3741.39 |
| Trade payables | 13393.57 | 27177.47 | 8241.89 | - | 48812.93 |
| Other financial liability | - | 6919.48 | - | - | 6919.48 |
| Total | 13393.57 | 64271.61 | 8241.89 | - | 85907.07 |

| | | | | | |
|------------------------------------|----------|----------|----------|---|-----------|
| 31 March 2021 | | | | | |
| Short term borrowings (Current) | - | 6100.00 | - | - | 6100.00 |
| Long-term borrowings (Non Current) | - | - | - | - | - |
| Trade payables | 22516.39 | 47107.68 | 25276.89 | - | 94900.96 |
| Other financial liability | - | 7234.19 | - | - | 7234.19 |
| Total | 22516.39 | 60441.87 | 25276.89 | - | 108235.15 |

3. Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and Interest rates will affect the company's income or the value of it holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the returns.

4. Foreign Currency Risks

The company is exposed to currency risk to the extent that there is a mismatch between the currencies in which transactions are denominated and the functional currency of the company. The functional currency of the company is Indian ₹ (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:

(USD in Million)

| Particulars of Liabilities | As at 31 March 2022 | As at 31 March 2021 |
|---|------------------------|------------------------|
| Trade Payables | | |
| Amount due on account of goods supplied | 5.25 | (0.09) |

- 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.

(₹ in lac)

| Currency impact relating to the foreign currencies of | As at 31 March 2022 | | As at 31 March 2021 | |
|---|---------------------|----------|---------------------|--------|
| | Profit or loss | Equity | Profit or loss | Equity |
| Rs/USD - increase by INR 2 | 104.94 | 104.94 | (1.87) | (1.87) |
| Rs/USD - decrease by INR 2 | (104.94) | (104.94) | 1.87 | 1.87 |

5. Interest Rate Risks

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

| As at 31 March, 2022 | | Note | Carrying Amount | | | | Fair Value | | | (₹ in lac) |
|--|------------------------|----------|------------------------------------|----------------------------|---|----------------------|------------|----------|---------|------------|
| | | | Financial Assets at amortised cost | Financial Assets at FVTOCI | Other Financial liabilities at amortised cost | Total carrying value | Level 1 | Level 2 | Level 3 | |
| Assets | | | | | | | | | | |
| Financial Assets measured at fair value | | | | | | | | | | |
| Investments in quoted equity instruments at FVTOCI | 6(B)(A)(1) & 6 (C) (1) | - | 2891.00 | - | - | 2891.00 | 2891.00 | | | 2891.00 |
| Investments in unquoted equity instruments at amortised cost | 6 (B) | 95.78 | | - | - | 95.78 | | 95.78 | | 95.78 |
| Financial Assets not measured at fair value | | | | | | | | | | |
| Trade Receivables | 12 | 45.03 | | | | 45.03 | | 45.03 | | 45.03 |
| Cash and Cash Equivalents | 13 (A) | 503.23 | | | | 503.23 | | 503.23 | | 503.23 |
| Other Bank balances | 13 (B) | 4971.14 | | | | 4971.14 | | 4971.14 | | 4971.14 |
| Other financial assets | 7 (A) & (B) | 6427.61 | | | | 6427.61 | | 6427.61 | | 6427.61 |
| Total | | 12042.79 | 2891.00 | - | - | 14933.79 | 2891.00 | 12042.79 | - | 14933.79 |
| Liabilities | | | | | | | | | | |
| Financial Liabilities not measured at fair value | | | | | | | | | | |
| Non Current Borrowings | 18 (A) | - | - | 3741.39 | | 3741.39 | | 3741.39 | | 3741.39 |
| Current Borrowings | 18 (B) | | | 26433.27 | | 26433.27 | | 26433.27 | | 26433.27 |
| Current Lease Liability | | | | 123.87 | | 123.87 | | 123.87 | | 123.87 |
| Non Current Lease Liability | | | | 209.17 | | 209.17 | | 209.17 | | 209.17 |
| Trade payables | 20 & 20 (i) | | | 48812.93 | | 48812.93 | | 48812.93 | | 48812.93 |
| Other Current financial liabilities | 19 (B) | | | 3591.80 | | 3591.80 | | 3591.80 | | 3591.80 |
| Other Non Current financial liabilities | 19 (A) | | | 3118.51 | | 3118.51 | | 3118.51 | | 3118.51 |
| Total | | - | - | 86030.94 | | 86030.94 | - | 86030.94 | - | 86030.94 |

Note 40: Earnings Per Share

| Particulars | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|-----------------------------|-----------------------------|
| Face Value per share (In Rupees) | 10.00 | 10.00 |
| Profit for the year (Rupees in lac) | 15449.36 | 5940.39 |
| Basic | | |
| Weighted Average Number of shares outstanding | 203640336 | 203640336 |
| Earnings per share (In Rupees) | 7.59 | 2.92 |
| Diluted | | |
| Weighted Average Number of shares outstanding | 203640336 | 203640336 |
| Earnings per share (In Rupees) | 7.59 | 2.92 |

Note 41: Relationship with Struck off Companies under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956,

(₹ in lac)

| Name of struck off Company | Nature of transactions with struck-off Company | Relationship with the Struck off company, if any | Balance outstanding as at current Year | Balance outstanding as at previous Year |
|---|--|--|--|---|
| ACT India Limited | Receivables | NA | 7.21 | 7.40 |
| Vikdas Agro Tech Ltd. | Payables | NA | - | 0.01 |
| Hunt Box Events & Entertainment Private Limited | Payables | NA | - | 3.39 |

Note 42: Registration of charges or satisfaction with Registrar of Companies

The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

Note 43:

Wilful Defaulter

The company has not been declared as a wilful defaulter by Reserve Bank of India, Banks, Financial Institutions or any other Lender.

Note 44:

Compliance with number of layers of companies

The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

Note 45

- The Company has not advanced or loaned or invested funds during the reporting periods to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding whether recorded in writing or otherwise that the Intermediary shall: (i).Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (ii).provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- The Company has not received any fund during the reporting periods from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (i). directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii). provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Note 46:**Undisclosed income**

The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year (previous year) in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

Note 47:**Details of Crypto Currency or Virtual Currency**

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

Note 48:**Corporate Social Responsibility**

In view of absence of Profit as per the computation of Section 198 of the Companies Act 2013, Company is not required to spend towards CSR Activity as per Section 135 of Companies Act, 2013

Note 49:

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 50:

The Board of Directors has recommended a dividend of Re. 0.50 (5%) per share on 20,36,40,336 equity shares of Rs.10/- each for the financial year 2021-22, subject to approval of Members at the Annual General Meeting.

| Note: 51 Ratios | | | | | | | | |
|-----------------|-----------------------------|---|--|--|---------------------------|---------------------------|-----------|---|
| S No. | Ratio | Formula | Particulars | | Ratio as on 31 March 2022 | Ratio as on 31 March 2021 | Variation | Reason (If variation is more than 25%) |
| | | | Numerator | Denominator | | | | |
| (a) | Current Ratio | Current Assets / Current Liabilities | Current Assets = Inventories + Current Investment + Trade Receivable + Cash & Cash Equivalents + Other Current Assets + Contract Assets + Assets held for Sale | Current Liability = Short term borrowings + Trade Payables + Other financial Liabilities + Current tax (Liabilities) + Contract Liabilities + Provisions + Other Current Liability | 0.77 | 0.76 | 2% | |
| (b) | Debt-Equity Ratio | Debt / Equity | Debt = long term borrowing and current maturities of long-term borrowings and redeemable preference shares treated as financial liability | Equity = Equity + Reserve and Surplus | 0.49 | 0.23 | 118% | Increase is due to ECB loan of Rs.179.08 crores borrowed for capex purpose. |
| (c) | Debt Service Coverage Ratio | Net Operating Income / Debt Service | Net Operating Income = Net profit after taxes + Non-cash operating expenses + finance cost | Debt Service = Interest & Lease Payments + Principal Repayments | 2.13 | 0.42 | 406% | Increased operating profit due to gas conversion of plant and repayment of borrowings had improved debt coverage ratio in current year. |
| (d) | Return on Equity Ratio | Profit after tax less pref. Dividend x 100 / Shareholder's Equity | Net Income = Net Profits after taxes – Preference Dividend | Shareholder's Equity | 0.68 | 0.26 | 161% | Due to higher profits in current year, ROE has improved. |
| (e) | Inventory Turnover Ratio | Cost of Goods Sold / Average Inventory | Cost of Goods Sold | (Opening Inventory + Closing Inventory)/2 | 2.88 | 3.36 | -14% | |

| S No. | Ratio | Formula | Particulars | | Ratio as on 31 March 2022 | Ratio as on 31 March 2021 | Variation | Reason (If variation is more than 25%) |
|-------|----------------------------------|---|--|--|---------------------------|---------------------------|-----------|---|
| | | | Numerator | Denominator | | | | |
| (f) | Trade Receivables Turnover Ratio | Net Credit Sales / Average Trade Receivables | Net Credit Sales | (Opening Trade Receivables + Closing Trade Receivable)/2 | 96.58 | 39.32 | 146% | Due to High Demand for Urea, Customer has settled their dues in shorter period, which has led to reduction in debtors and overall improvement in Debtors Turnover Ratio |
| (g) | Trade Payables Turnover Ratio | Net Credit Purchases / Average Trade Payables | Net Credit Purchases | (Opening Trade Payables + Closing Trade Payables)/2 | 1.71 | 0.95 | 80% | As the Company has moved from Naptha and Fuel Oil to Natural Gas, the creditors of Naptha and Fuel Oil has come down, as the Company settled the due out of Subsidy. |
| (h) | Net Capital Turnover Ratio | Revenue / Average Working Capital | Revenue | Average Working Capital= Average of Current assets – Current liabilities | -7.65 | -6.43 | 19% | |
| (i) | Net Profit Ratio | Net Profit / Net Sales | Net Profit | Net Sales | 7.53% | 3.42% | 120% | Increased Net profit due to gas conversion of plant had resulted in higher Net Profit ratio in current year. |
| (j) | Return on Capital Employed | EBIT / Capital Employed | EBIT= Earnings before interest and taxes | Capital Employed= Total Assets - Current Liability | 0.23 | 0.12 | 83% | Improved Net profits and repayment of trade payables had resulted in Improvement in ROCE. |
| (k) | Return on Investment | Net Profit / Net Investment | Net Profit | Net Investment= Net Equity | 0.23 | 0.11 | 103% | Due to appreciation of investments in current year the Return on Investment is increased. |

Note 52:

Details of Benami Property held

The Company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.

Note 53:

- 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 2022 in its meeting held on 27 May 2022.

In terms of our report attached.

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

GEETHA JEYAKUMAR

Partner
Membership No: 029409

Place : Chennai

Date : 27 May 2022

For and on behalf of the Board of Directors

SASHIKALA SRIKANTH

Director
DIN 01678374

K R ANANDAN

Chief Financial Officer

Place: Chennai

Date : 27 May 2022

S R RAMAKRISHNAN

Whole-Time Director
DIN: 00120126

M B GANESH

Company Secretary

**CONSOLIDATED
FINANCIAL STATEMENTS
2021-22**

INDEPENDENT AUDITOR'S 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, 2022, 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 associates and jointly controlled entities, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of their consolidated state of affairs of the Company its associates and jointly controlled entities as at March 31, 2022, of consolidated profit, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company, its 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 32(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 for the year ended March 31, 2022. 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 Matters | How the KAM was addressed in our audit |
|--|---|
| <p>Capitalization of costs as per Ind AS 16 Property, Plant and Equipment (PPE) (Refer to note 2 (ii) to the consolidated financial statements)</p> <p>The Company's Board of directors have approved major capital expenditure projects aggregating to Rs.53,359 lakhs towards equipment to support production of urea using natural gas and equipment related to energy efficiency.</p> <p>Out the above approved expenditure, one project has been completed as at March 31, 2021 amounting to Rs 20,269 lakhs. Further, during the year Company has additionally Capitalised an amount of Rs.19,705 lakhs towards Modernisation and improving the energy efficiency in continuation of project already capitalised to support production of urea using natural gas and to increase energy efficiency of the production process.</p> | <p>Our audit procedures in respect of this area included:</p> <ul style="list-style-type: none"> • Assessing the nature of the costs incurred towards capital expenditure and verify 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. |

| | |
|--|---|
| <p>Out the above approved expenditure, one project has been completed as at March 31, 2021 amounting to Rs 20,269 lakhs. Further, during the year Company has additionally Capitalised an amount of Rs.19,705 lakhs towards Modernisation and improving the energy efficiency in continuation of project already capitalised to support production of urea using natural gas and to increase energy efficiency of the production process.</p> <p>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.</p> <p>Accordingly, the aforesaid matter was determined to be a key audit matter.</p> | <ul style="list-style-type: none"> • 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 the companies included in the Company and 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 Group 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 companies included in 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 companies included in 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 Rs.2,967.94 lakhs and total other comprehensive income of Rs.3,043.80 lakhs for the year ended March 31, 2022, in respect of 2 associate, 1 joint venture, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it 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, 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, 2022 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 Company, its associate companies and jointly controlled companies incorporated in India are disqualified as on March 31, 2022 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, its associate companies and jointly controlled companies the operating effectiveness of such controls, refer to our separate report in "Annexure B".
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Company, its associates and jointly controlled entities– Refer Note 34 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, its associate companies and jointly controlled companies incorporated in India.
 - iv.
 1. The respective Managements of the Company and its associates and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such associates and joint ventures respectively that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such associates and joint ventures to or in any other person(s) or entity(ies), including foreign entities with the understanding,

whether recorded in writing or otherwise, as on the date of this audit report, that such parties shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such associates and joint ventures ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

2. The respective Managements of the Company and its associates and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such associates and joint ventures respectively that, to the best of their knowledge and belief, no funds have been received by the Company or any of such associates and joint ventures from any person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company or any of such associates and joint ventures shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 3. Based on our audit procedures which we have considered reasonable and appropriate in the circumstances and according to the information and explanations provided to us by the Management in this regard, nothing has come to our notice that has caused us to believe that the representations made by the Management under sub-clause (1) and (2) contain any material misstatement.
- v. The Company has declared and paid preference dividend during the year which is in compliance with section 123 of the Companies Act 2013.
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 jointly controlled entities to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.
 3. According to the information and explanations given to us and based on the CARO reports issued by us for the Company and on consideration of CARO reports by statutory auditors of associates and Joint Venture included in the consolidated financial statements of the Company to which reporting under CARO is applicable, we report that there are no Qualifications/adverse remarks.

For MSKA & Associates
Chartered Accountants

ICAI Firm Registration No. 105047W

Geetha Jeyakumar
Partner
Membership No. 029409
UDIN: 22029409AJTIFD8385

Place: Chennai
Date: May 27, 2022

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company and its associates and 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, 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, 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 for the year ended March 31, 2022 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: 22029409AJTIFD8385

Place: Chennai
Date: May 27, 2022

**ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON
THE CONSOLIDATED 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 of even date to the Members of Southern Petrochemical Industries Corporation Limited on the consolidated Financial Statements for the year ended March 31, 2022]

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

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2022, 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"), its associate companies and jointly controlled companies, which are companies incorporated in India, as of that date.

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, an adequate 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, 2022, 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").

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. 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 adequate 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 adequacy of 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.

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 1 jointly controlled Company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For MSKA & Associates Chartered Accountants

ICAI Firm Registration No. 105047W

Geetha Jeyakumar
Partner
Membership No. 029409
UDIN: 22029409AJTIFD8385

Place: Chennai
Date: May 27, 2022

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Consolidated Balance sheet as at 31 March 2022

(₹ in lac)

| S. No. | Particulars | Note No. | As at 31 March 2022 | As at 31 March 2021 |
|----------|--|----------|------------------------|------------------------|
| A | ASSETS | | | |
| 1 | Non-current assets | | | |
| | (a) Property, Plant & Equipment | 4 (i) | 67726.87 | 52341.62 |
| | (b) Capital work-in-progress | 4 (iii) | 185.69 | 1753.79 |
| | (c) Investment Property | 5 | 118.77 | 122.24 |
| | (d) Right of Use-Assets | 4(iv) | 319.63 | - |
| | (e) Other Intangible assets | 4 (ii) | 30.01 | 65.72 |
| | (f) Investments - Accounted using equity method | 6(A) | 14374.51 | 11180.71 |
| | (g) <u>Financial assets</u> | | | |
| | i) Non Current Investments | 6 (B) | 296.77 | 253.61 |
| | ii) Other financial assets | 7 (A) | 1731.29 | 1040.82 |
| | (h) Deferred tax asset (Net) | 8 | 10211.66 | 10379.02 |
| | (i) Income tax assets (Net) | 9 | 963.80 | 888.86 |
| | (j) Other non-current assets | 10 | 1868.52 | 5051.08 |
| | Total Non- Current Assets | | 97827.52 | 83077.47 |
| 2 | Current assets | | | |
| | (a) Inventories | 11 | 44902.41 | 35063.40 |
| | (b) <u>Financial assets</u> | | | |
| | i) Trade receivables | 12 | 45.03 | 718.58 |
| | ii) Cash and cash equivalents | 13 (A) | 503.23 | 7790.32 |
| | iii) Bank balances other than ii) above | 13 (B) | 4971.14 | 2768.28 |
| | iv) Other financial assets | 7 (B) | 4696.32 | 22885.16 |
| | (c) Investments | 6 (C) | 2691.01 | 1.00 |
| | (d) Other current assets | 14 | 13514.38 | 17826.82 |
| | (e) Assets held for sale | 15 | - | 1080.51 |
| | Total Current Assets | | 71323.52 | 88134.07 |
| | TOTAL ASSETS | | 169151.04 | 171211.54 |
| B | EQUITY AND LIABILITIES | | | |
| 1 | Equity | | | |
| | (a) Equity Share capital | 16 | 20364.03 | 20364.03 |
| | (b) Other Equity | 17 | 49028.35 | 31212.16 |
| | Total Equity | | 69392.38 | 51576.19 |
| 2 | Liabilities | | | |
| | Non-current liabilities | | | |
| | (a) <u>Financial Liabilities</u> | | | |
| | i) Borrowings | 18(A) | 3741.39 | - |
| | ii) Other financial Liabilities | 19 (A) | 3118.51 | 3211.80 |
| | iii) Lease Liabilities | | 209.17 | - |
| | Total Non-Current Liabilities | | 7069.07 | 3211.80 |
| 3 | Current liabilities | | | |
| | (a) <u>Financial Liabilities</u> | | | |
| | i) Current Borrowings | 18(B) | 26433.27 | 10375.01 |
| | ii) Lease Liabilities | | 123.87 | - |
| | iii) Trade payables | 20 | - | - |
| | - Total outstanding dues to micro enterprises and small enterprises | 20(i) | 157.26 | - |
| | - Total outstanding dues to other than micro enterprises and small enterprises | | 48655.67 | 94900.96 |
| | iv) Other financial liabilities | 19 (B) | 3591.80 | 4022.39 |
| | (b) Provisions | 21 | 510.27 | 427.68 |
| | (c) Other current liabilities | 22 | 13217.45 | 6697.51 |
| | Total Current Liabilities | | 92689.59 | 116423.55 |
| | Total liabilities | | 99758.66 | 119635.35 |
| | TOTAL EQUITY AND LIABILITIES | | 169151.04 | 171211.54 |

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 : 27 May 2022

For and on behalf of the Board of Directors

SASHIKALA SRIKANTH
Director
DIN 01678374

K R ANANDAN
Chief Financial Officer

Place: Chennai
Date : 27 May 2022

S R RAMAKRISHNAN
Whole-Time Director
DIN: 00120126

M B GANESH
Company Secretary

Consolidated Statement of Profit and Loss for the year ended 31 March 2022

(₹ in lac)

| S. No | Particulars | Note No. | Year ended 31 March 2022 | Year ended 31 March 2021 |
|-------|--|----------|-----------------------------|-----------------------------|
| | Income | | | |
| 1 | Revenue from operations | 23 | 187491.79 | 152700.73 |
| 2 | Other income | 24 | 1662.47 | 2951.58 |
| 3 | Total Income (1+2) | | 189154.26 | 155652.31 |
| 4 | Expenses | | | |
| | (a) Cost of materials consumed | 25 | 120801.52 | 83770.63 |
| | (b) Purchases of Stock in Trade | 26 | 3633.18 | - |
| | (c) Changes in inventories of finished goods, stock in trade and work-in-progress | 27 | (5763.23) | (2234.99) |
| | (d) Employee benefits expense | 28 | 6701.25 | 6005.13 |
| | (e) Finance costs | 29 | 1419.15 | 1415.46 |
| | (f) Depreciation and amortisation expense | 30 | 4440.99 | 3823.30 |
| | (g) Other expenses | 31 | 44554.93 | 58117.00 |
| | Total expenses | | 175787.79 | 150896.53 |
| 5 | Profit before exceptional items and tax (3-4) | | 13366.47 | 4755.78 |
| 6 | Exceptional items | | - | - |
| 7 | Profit before share of profit of equity accounted investees and tax | | 13366.47 | 4755.78 |
| 8 | Share of profit of Joint Venture | | 4002.21 | 2946.90 |
| 9 | Profit before tax (7+8) | | 17368.68 | 7702.68 |
| 10 | Tax expense | | | |
| | Current tax Expense / (credit) | 36 (C) | 1034.27 | 295.15 |
| 11 | Profit after Tax (9-10) | | 16334.41 | 7407.53 |
| 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 | | 1673.63 | 616.77 |
| | b) Remeasurement of defined benefit plans | | (100.35) | 200.29 |
| | ii) Income tax relating to items that will not be re-classified to profit or loss | | (167.36) | (61.68) |
| | iii) Share of Other Comprehensive Income as reported by Equity accounted investees | | 75.86 | (58.94) |
| | Total Other comprehensive Income | | 1481.78 | 696.44 |
| 13 | Total comprehensive income (11+12) | | 17816.19 | 8103.97 |
| 14 | Earnings Per Equity Share (Nominal value per share Rs. 10/-) | | | |
| | Basic & Diluted | 40 | 8.75 | 3.98 |

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 : 27 May 2022

For and on behalf of the Board of Directors

SASHIKALA SRIKANTH
Director
DIN 01678374

K R ANANDAN
Chief Financial Officer

Place: Chennai
Date : 27 May 2022

S R RAMAKRISHNAN
Whole-Time Director
DIN: 00120126

M B GANESH
Company Secretary

Consolidated Statement of changes in equity for the year ended 31 March 2022



(A) Equity share capital

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

| Particulars | No. of shares | (₹ in lac) |
|-------------------------------------|---------------|------------|
| As at 31 March 2021 (Refer Note 16) | 203640336 | 20364.03 |
| As at 31 March 2022 (Refer Note 16) | 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 | Remeasurement of defined benefit plans | Changes in foreign currency translation net | |
| Balance as at 1 April 2020 | 97.24 | 6500.00 | 21047.71 | 41.33 | (3352.90) | (1025.31) | (382.41) | 182.53 | 23108.19 |
| Profit for the year | - | - | - | - | 7407.53 | - | - | - | 7407.53 |
| Other comprehensive income (net of taxes) | - | - | - | - | - | 555.09 | 196.38 | (55.03) | 696.44 |
| Total other comprehensive income for the year | - | - | - | - | 7407.53 | 555.09 | 196.38 | (55.03) | 8103.97 |
| Balance as at 31 March 2021 | 97.24 | 6500.00 | 21047.71 | 41.33 | 4054.63 | (470.22) | (186.03) | 127.50 | 31212.16 |
| Balance as at 1 April 2021 | 97.24 | 6500.00 | 21047.71 | 41.33 | 4054.63 | (470.22) | (186.03) | 127.50 | 31212.16 |
| Profit for the year | - | - | - | - | 16334.41 | - | - | - | 16334.41 |
| Other comprehensive income (net of taxes) | - | - | - | - | - | 1506.27 | (94.59) | 70.10 | 1481.78 |
| Additions /Transfer during the year | - | 1250.00 | - | - | (1250.00) | - | - | - | - |
| Total other comprehensive income for the year | - | 1250.00 | - | - | 15084.41 | 1506.27 | (94.59) | 70.10 | 17816.19 |
| Balance as at 31 March 2022 | 97.24 | 7750.00 | 21047.71 | 41.33 | 19139.04 | 1036.05 | (280.62) | 197.60 | 49028.35 |

The accompanying notes are an integral part of these financial statements.

In terms of our report attached.

For and on behalf of the Board of Directors

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

SASHIKALA SRIKANTH
Director
DIN 01678374

S R RAMAKRISHNAN
Whole-Time Director
DIN: 00120126

GEETHA JEYAKUMAR
Partner
Membership No: 029409

K R ANANDAN
Chief Financial Officer

M B GANESH
Company Secretary

Place : Chennai
Date : 27 May 2022

Place: Chennai
Date : 27 May 2022

Consolidated Cash Flow Statement for the year ended 31 March 2022

(₹ in lac)

| S.No. | Particulars | Year ended 31 March 2022 | Year ended 31 March 2021 |
|-----------|--|-----------------------------|-----------------------------|
| A. | CASH FLOW FROM OPERATING ACTIVITIES: | | |
| | Profit for the Year before tax | 13366.47 | 4755.78 |
| | Adjustment for : | | |
| | Depreciation and amortisation expense | 4440.99 | 3823.30 |
| | Disposal of fixed assets | 55.37 | 49.23 |
| | Profit on sale of assets | (0.01) | (0.01) |
| | Provision for non-moving inventories | 6.19 | 13.47 |
| | Allowances for doubtful debts and advances | 29.31 | 1.74 |
| | Bad debts and advances written off | 11.48 | - |
| | Profit on Sale of shares in Associates (Net) | - | (2066.00) |
| | Provisions/Liabilities no longer required written back | (743.04) | (13.75) |
| | Exchange difference (Gain)/ Loss | 58.22 | (48.05) |
| | Finance Costs | 1419.15 | 1415.46 |
| | Income from investments | (384.90) | (231.48) |
| | Interest income | (304.40) | (127.04) |
| | | 4588.36 | 2816.87 |
| | Operating profit before working capital changes | 17954.83 | 7572.65 |
| | Adjustments for (Increase)/Decrease in: | | |
| | Trade receivables | 645.89 | (23.68) |
| | Inventories | (9136.54) | (21571.08) |
| | Non current financial assets | (690.46) | 16.90 |
| | Other Non-current assets | (57.20) | 225.40 |
| | Current financials assets | 18256.05 | 87469.32 |
| | Other current assets | 4329.37 | (7034.15) |
| | Bank balances other than cash and cash equivalents | (2202.87) | (2259.52) |
| | Adjustments for Increase/(Decrease) in: | | |
| | Other non current financial liabilities | (87.50) | 198.49 |
| | Trade payables | (46351.81) | (20684.43) |
| | Other current financial liabilities | (742.65) | (12864.61) |
| | Other current liabilities | 6419.60 | 5032.81 |
| | Short-term provisions | 82.59 | (33.65) |
| | Lease liability long term | 209.18 | - |
| | Lease liability short term | 123.87 | - |
| | | (29202.48) | 28471.80 |
| | Cash from operations | (11247.65) | 36044.45 |
| | Direct taxes refund / (paid) | (74.94) | 14.46 |
| | NET CASH (USED IN)/ FROM OPERATING ACTIVITIES | (11322.59) | 36058.91 |

| S.No. | Particulars | Year ended 31 March 2022 | | Year ended 31 March 2021 | |
|--|--|-----------------------------|------------------|-----------------------------|-------------------|
| | | | | | |
| B. | CASH FLOW FROM INVESTING ACTIVITIES : | | | | |
| | Purchase of Property, Plant and Equipment including capital work-in-progress and capital advance | (14918.24) | | (18269.27) | |
| | Proceeds from sale of Property, Plant and Equipment | 0.02 | | 0.01 | |
| | Right to use asset | (447.46) | | - | |
| | Income from investments | 384.90 | | 231.48 | |
| | Purchase of non current investment | (150.00) | | - | |
| | Sale of investment | 20.99 | | 2052.82 | |
| | Interest income | 235.53 | | 124.67 | |
| | | | (14874.26) | | (15860.29) |
| NET CASH USED IN INVESTING ACTIVITIES | | (14874.26) | | (15860.29) | |
| C. | NET CASH FROM FINANCING ACTIVITIES | | | | |
| | Proceeds from Non Current Borrowings (net of repayment) | 17173.67 | | (17685.97) | |
| | Proceeds from Current Borrowings (net of repayment) | 3741.39 | | - | |
| | Redemption of Preference Shares | (1250.00) | | - | |
| | Finance Costs | (755.30) | | (1131.66) | |
| | | | 18909.76 | | (18817.63) |
| | NET CASH (USED IN)/ FROM FINANCING ACTIVITIES: | | 18909.76 | | (18817.63) |
| | NET CASH FLOWS DURING THE YEAR (A+B+C) | | (7287.09) | | 1380.99 |
| | Cash and cash equivalents at the beginning of the year | | 7790.32 | | 6409.33 |
| | Cash and cash equivalents at the end of the year | | 503.23 | | 7790.32 |
| | | | 7287.09 | | (1380.99) |
| | Cash and cash equivalents comprise | | | | |
| | Cash on hand | | 5.37 | | 5.44 |
| | Deposits with original maturity of less than or equal to 3 months. | | 6.21 | | 2503.28 |
| | With the Banks | | 491.65 | | 5281.60 |
| Total cash and bank balances at end of the year | | 503.23 | | 7790.32 | |

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 : 27 May 2022

For and on behalf of the Board of Directors

SASHIKALA SRIKANTH
Director
DIN 01678374

K R ANANDAN
Chief Financial Officer

Place: Chennai
Date : 27 May 2022

S R RAMAKRISHNAN
Whole-Time Director
DIN: 00120126

M B GANESH
Company Secretary

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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.

Note 2 : SIGNIFICANT ACCOUNTING POLICIES

i) Basis of preparation of financial statements

a. Statement of Compliance with IND AS

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

The financial statements for the year ended 31 March 2018 were the first set of financial statements prepared in accordance with Ind AS. The date of transition to Ind AS was 1 April 2016.

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

b. Basis of measurement

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

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

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

c. Use of Estimates

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

d. Basis of consolidation:

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. When the Company has less than a

majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income 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 2022 | As at 31 March 2021 |
| 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 2022 | As at 31 March 2021 |
| Tuticorin Alkali Chemicals and Fertilizers Limited | India | 23.46 | 23.46 |
| 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 2022 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 advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support.

| Asset | Useful Life |
|------------------------|-------------|
| Building – Factory | 25-65 years |
| Building – Others | 45-75 years |
| Plant and Machinery | 15-49 years |
| Furniture and Fixtures | 12-33 years |
| Vehicles | 8-26 years |
| Office Equipments | 7-38 years |
| Roads | 34-44 years |
| Railway sidings | 40 years |

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

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

iii) **Investment Properties**

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

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

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

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

iv) **Intangible Assets**

Intangible assets are stated at acquisition cost, net of accumulated amortization. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting year, 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 (₹), 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. Effective April 1, 2018, the Company has applied Ind AS 115, Revenue from Contracts with Customers, which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognized. Ind AS 115 replaces Ind AS 18 "Revenue" and Ind AS 11 "Construction Contracts". The company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognized at the date of initial application (i.e. April 01, 2018). The impact of adoption of the standard on the financial statements of the company is insignificant.

Revenue is recognized upon transfer of control of promised products to customers in an amount that reflects the consideration which the company expects to receive in exchange for those products.

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

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

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

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

viii) **Taxes**

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

a. Current Income tax

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

b. Deferred tax

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other

than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

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

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

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

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

ix) **Assets classified as held for sale**

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

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

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

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

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

x) **Leases**

The Indian Accounting Standard on leases (Ind AS 116) requires entity to determine whether a contract is or contains a lease at the inception of the contract.

Ind AS 116 requires lessee to recognise a liability to make lease payments and an asset representing the right-of-use asset during the lease term for all leases except for short term leases and leases of low-value assets, if they choose to apply such exemptions.

Payments associated with short-term leases and low-value assets are recognized as expenses in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise of office equipment's and small items of plant and equipment and office furniture.

At the commencement date, Company recognise a right-of-use asset measured at cost and a lease liability measured at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate.

The cost of the right-of-use asset comprised of, the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date, less any lease incentives received.

At the commencement date, the lease payments included in the measurement of the lease liability comprise (a) fixed payments less any lease incentives receivable; (b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; (c) amounts expected to be payable by the lessee under residual value guarantees; (d) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option and (e) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Depreciation on Right-of-use asset is recognised in statement of profit and loss on a straight line basis over the period of lease and the Company separately recognises interest on lease liability as a component of finance cost in statement of profit and loss.

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 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 9 (nine) 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 (₹), the national currency of India, which is the functional currency of the Company.

Standards (including amendments) issued but not yet effective:

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Group does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Group does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract.

The amendments specify that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Group does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the ‘10 percent’ test of Ind AS 109 in assessing whether to derecognise a financial liability. The Group does not expect the amendment to have any significant impact in its financial statements.

Ind AS 116 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Group does not expect the amendment to have any significant impact in its financial statements

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 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 35.

c. Useful lives of Property, Plant and Equipment

The Company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. During current year, certain assets were reassessed with useful life of 15 to 30 years and accordingly, the revised useful life was considered.

d. Revenue Recognition

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

e. Subsidy Income

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

f. Provision for doubtful receivables

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

Note 4 Property, Plant & Equipments:

(₹ in lac)

| Description | Gross block | | | | Accumulated depreciation and impairment | | | | Net block | |
|------------------------------------|-------------------------------------|------------------------|------------------------|-------------------------------------|---|------------------------|------------------------|-------------------------------------|----------------------|----------------------|
| | Opening Balance as at 1 April, 2021 | Additions/ Adjustments | Deletions/ Adjustments | Closing Balance as at 31 March 2022 | Opening Balance as at 1 April, 2021 | Additions/ Adjustments | Deletions/ Adjustments | Closing Balance as at 31 March 2022 | As at 31 March, 2022 | As at 31 March, 2021 |
| i) Tangible Assets (Owned) | | | | | | | | | | |
| (a) Land - Freehold | 5824.73 | - | - | 5824.73 | - | - | - | - | 5824.73 | 5824.73 |
| (b) Buildings | 3429.80 | 61.08 | - | 3490.88 | 813.80 | 165.71 | - | 979.51 | 2511.37 | 2616.00 |
| (c) Plant and Equipment | 53287.68 | 19349.10 | 794.34 | 71842.44 | 12163.14 | 3768.22 | 751.90 | 15179.46 | 56662.98 | 41124.54 |
| (d) Furniture and Fixtures | 60.21 | 0.83 | 24.47 | 36.57 | 26.37 | 5.58 | 23.18 | 8.77 | 27.80 | 33.84 |
| (e) Vehicles | 152.65 | - | - | 152.65 | 44.34 | 22.48 | - | 66.82 | 85.83 | 108.31 |
| (f) Office equipments | 4033.18 | 303.20 | 214.64 | 4121.74 | 1742.78 | 283.49 | 202.99 | 1823.28 | 2298.46 | 2290.40 |
| (g) Roads | 195.91 | - | - | 195.91 | 85.41 | 13.99 | - | 99.40 | 96.51 | 110.50 |
| (h) Railway Sidings | 302.70 | - | - | 302.70 | 69.40 | 14.11 | - | 83.51 | 219.19 | 233.30 |
| Total | 67286.86 | 19714.21 | 1033.45 | 85967.62 | 14945.24 | 4273.58 | 978.07 | 18240.75 | 67726.87 | 52341.62 |
| ii) Other Intangible Assets | 189.89 | 0.40 | - | 190.29 | 124.17 | 36.11 | - | 160.28 | 30.01 | 65.72 |

Notes:

- Freehold land amounting of Rs. 827.69 Lac (Previous Year 827.69 Lac) is pledged with banks for availing loan facilities.
- During the year interest cost to the extent of Rs. 406.15 Lacs was capitalised as borrowing cost as per Ind AS 23.
- During the last quarter of the year the Company reassessed the useful life of few assets relating to Urea plant from 10 years to, 15 – 30 years from 1.4.2021. The depreciation for the quarter and year ended 31st March 2022 is net of Rs. 1123 lacs being adjustment relating to the impact of the depreciation on account of revision in useful life of the assets for the nine months ended December 2021.

Depreciation Expenses:

(₹ in lac)

| Particulars | As at | As at |
|---------------------------------|----------------|----------------|
| | 31 March 2022 | 31 March 2021 |
| (i) Property, Plant & Equipment | 4273.58 | 3783.75 |
| (ii) Investment Property | 3.47 | 3.47 |
| (iii) Other Intangible Assets | 36.11 | 36.08 |
| (iv) Right to use Assets | 127.83 | - |
| Total | 4440.99 | 3823.30 |

Note 4: Property, Plant & Equipments (Previous Year)

(₹ 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 | 46642.01 | 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 |

Note 4 (iii): Capital Work - in - Progress (₹ in lac)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|--------------------------------|------------------------|------------------------|
| Natural Gas Conversion Project | 71.69 | 1677.75 |
| Others | 114.00 | 76.04 |
| Total | 185.69 | 1753.79 |

Capital Work in Progress ageing schedule as on 31 March 2022

(₹ in lac)

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|--------------------------------|--|--------------------|------------------|-----------|-----------|-------------------|--------|
| | Not Due | Less than 6 months | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years | |
| Natural Gas Conversion Project | - | 71.69 | - | - | - | - | 71.69 |
| Others | - | 45.97 | 8.87 | 12.12 | - | 47.04 | 114.00 |

Capital Work in Progress ageing schedule as on 31 March 2021

(₹ in lac)

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|--------------------------------|--|--------------------|------------------|-----------|-----------|-------------------|---------|
| | Not Due | Less than 6 months | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years | |
| Natural Gas Conversion Project | - | 1677.75 | - | - | - | - | 1677.75 |
| Others | - | 15.33 | 13.67 | - | - | 47.04 | 76.04 |

Note 4 (iv) Right of Use Asset

(₹ in lac)

| Description | 01.04.2021 | Additions | Closure / Pre closure | Depreciation | Net Carrying Amount 31.03.2022 |
|--------------|------------|---------------|-----------------------|---------------|--------------------------------|
| Land | - | 188.86 | - | 37.77 | 151.09 |
| Building | - | 258.60 | - | 90.06 | 168.54 |
| Total | - | 447.46 | - | 127.83 | 319.63 |

Note 5: Investment Property

(₹ in lac)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|---|------------------------|------------------------|
| Carrying amount of Completed investment property | 118.77 | 122.24 |
| Total | 118.77 | 122.24 |

(₹ in lac)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|--|------------------------|------------------------|
| 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 | 17.35 | 13.88 |
| Depreciation expense | 3.47 | 3.47 |
| Balance at the end of the year | 20.82 | 17.35 |
| Net Balance at the end of the year | 118.77 | 122.24 |

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

The fair value of the property is Rs.277.53 lacs, as per valuation performed by M/s. Colliers (India) Pvt. Ltd., an accredited independent valuer during the current year. M/s. Colliers (India) Pvt. Ltd. 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 2022 | Year ended 31 March 2021 |
|--|-----------------------------|-----------------------------|
| Rental income derived from investment properties | 13.63 | 14.15 |
| Direct operating expenses (including repairs and maintenance) generating rental income | - | - |
| | 13.63 | 14.15 |
| Less – Depreciation | (3.47) | (3.47) |
| Income arising from investment properties before indirect expenses | 10.16 | 10.68 |

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

Note 6(A) Non-Current Investments

(₹ in lac)

| | Description | As at 31 March 2022 | | As at 31 March 2021 | |
|-----------|---|------------------------|-----------------|------------------------|-----------|
| | | Nos. | Rs In Lac | Nos. | Rs In Lac |
| a) | Investments in Associates at cost | | | | |
| 1. | Investment in Equity Instruments (Quoted) (fully paidup unless otherwise stated) | | | | |
| | - Tuticorin Alkali Chemicals and Fertilizers Limited, Equity shares of Rs.10 each. | 28586872 | - | 28586872 | - |
| | Provision for Diminution in Investment value | | - | | - |
| | Total Aggregate Quoted Investments (1) | | - | | - |
| 2. | Investment in Equity Instruments (unquoted)(fully paidup unless otherwise stated) | | | | |
| | - Gold Nest Trading Company Limited, Equity shares of Re.1 each (Refer Note 6(A)(b) below) | 249000 | 9.00 | 249000 | 9.00 |
| | Add: Share of Loss and other comprehensive income | | (9.00) | | (6.07) |
| | - Greenam Energy Private Limited, Equity shares of Rs.10 each (Refer Note 6(A)(a) below) | 9086502 | 907.42 | 7586502 | 757.42 |
| | Add: Share of Profit/ (Loss) and other comprehensive income | | 0.51 | | (1.52) |
| | Total Aggregate Unquoted Investments (2) | | 907.93 | | 758.83 |
| | Total Investments in Associates (1) + (2) | | 907.93 | | 758.83 |
| b) | Investments in Joint Ventures at cost | | | | |
| 1. | Investment in Equity Instruments (Quoted) (fully paidup unless otherwise stated) | | | | |
| | - Tamilnadu Petroproducts Limited, Equity shares of Rs.10 each. | 15234375 | 10421.88 | 15234375 | 8344.23 |
| | Add: Share of Profit and other comprehensive income | | 3044.70 | | 2077.65 |
| | Total Aggregate Quoted Investments (1) | | 13466.58 | | 10421.88 |
| 2. | Investment in Equity Instruments (unquoted)(fully paidup unless otherwise stated) | | | | |
| | - National Aromatics and Petrochemicals Corporation Limited, Equity shares of Rs.10 each. | 25000 | 2.50 | 25000 | 2.50 |
| | Provision for Diminution in Investment value | | (2.50) | | (2.50) |
| | Total Aggregate Unquoted Investments (2) | | - | | - |
| | Total Investments in joint ventures (1) + (2) | | 13466.58 | | 10421.88 |
| | Total Non-Current Investments | | 14374.51 | | 11180.71 |

Notes:

| Particulars | 31 March 2022 | 31 March 2021 |
|---|-----------------|---------------|
| Aggregate value of quoted investments | 13466.58 | 10421.88 |
| Aggregate value of unquoted investments | 907.93 | 758.83 |
| Aggregate value of impairment in value of investments | (2.50) | (2.50) |

- a) During the year, the Company had further invested 15,00,000 Equity shares of Rs.10 each valuing Rs.150 lac in Greenam Energy Private Limited (Greenam), and the total Investment is 90,86,502 Equity shares. 56,86,502 equity shares held by Company in Greenam, has been pledged in favour of Indian Renewable Energy Development Agency Limited to secure the term loan of Rs 8800 lac 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.

- b) During the year, Gold Nest Trading Company Limited got approval from its Shareholder for struck off the company and consequent to this the company has made an application with National Company Law Tribunal and the same is pending for disposal.

Note 6(B) : Non-current Financial Assets - Investments

(₹ in lac)

| | Description | As at 31 March 2022 | | As at 31 March 2021 | |
|-----------|--|------------------------|---------------|------------------------|-----------|
| | | Nos. | Rs In Lac | Nos. | Rs In Lac |
| A | Other Equity Investments carried at FVTOCI | | | | |
| 1. | Investment in Equity Instruments (Quoted)(fully paidup unless otherwise stated) | | | | |
| | Investments in equity | | | | |
| | - Manali Petrochemicals Limited, Equity shares of Rs. 5 each | 10000 | 10.84 | 10000 | 5.93 |
| | - State Bank of India, Equity Shares of Re.1 each | 9660 | 47.68 | 9660 | 35.19 |
| | - ICICI Bank Limited, Equity Shares of Rs. 2 each | 2106 | 15.38 | 2106 | 12.26 |
| | - SICAGEN India Limited , Equity Shares of Rs. 10 each | 577681 | 127.09 | 577681 | 83.47 |
| | Total Aggregate Quoted Investments (1) | | 200.99 | | 136.85 |
| 2. | Investment in Equity Instruments (unquoted)(fully paidup unless otherwise stated) | | | | |
| | Investments in equity | | | | |
| | - Biotech Consortium India Limited, Equity Shares of Rs. 10 each | 250000 | 25.00 | 250000 | 25.00 |
| | - Chennai Willington Corporate Foundation, Equity Shares of Rs. 10 each costing Rs. 450 | 50 | 0.00 | 50 | 0.00 |
| | - OPG Power Generation Private Limited, Equity Shares of Rs.10 each (Refer Note 6(B)(a) below) | 175300 | 19.82 | 357300 | 40.76 |
| | - R K Wind Farms (Karur) Private Limited, Equity shares of Rs.10 each (Refer Note 6(B)(b) below) | - | - | 456 | 0.05 |
| | - South India Travels Private Limited, Equity Shares of Rs. 10 each | 509575 | 50.96 | 509575 | 50.96 |
| | Total Aggregate Unquoted Investments (2) | | 95.78 | | 116.76 |
| | Total Other equity Investments (1) + (2) | | 296.77 | | 253.61 |

Notes:

| Particulars | 31 March 2022 | 31 March 2021 |
|---|---------------|---------------|
| Aggregate value of quoted investments | 200.99 | 136.85 |
| Aggregate value of unquoted investments | 95.78 | 116.76 |
| Aggregate value of impairment in value of investments | - | - |

- a) 182,000 Equity shares of Rs.10 each @ Rs.11.50 per share valuing Rs.20.93 lac, was bought back by OPG Power Generation Private Limited due to reduction in consumption of power, as per Group Captive Scheme of the Government of India under Electricity Rules, 2005 and the balance equity shares held as on 31st March 2022 is 175,300.
- b) During the year, M/s. RK Wind Farms (Karur) Private Limited (RK Wind), had expressed their inability to supply power to the Company and hence the Investment of 456 Equity shares of Rs.10 each at par, in the Company was bought back by RK Wind.

Note 6 (C): Current Investments

(₹ in lac)

| | Description | As at 31 March 2022 | | As at 31 March 2021 | |
|----|--|------------------------|----------------|------------------------|-------------|
| | | Nos. | Rs In Lac | Nos. | Rs In Lac |
| 1. | Investment in Equity Instruments (Quoted)(fully paidup unless otherwise stated) | | | | |
| | - Mercantile Ventures Limited , Equity Shares of Rs. 10 each | 15028000 | 2690.01 | 15028000 | - |
| | Total Aggregate Quoted Current Investments | | 2690.01 | | - |
| 2. | Investment in Mutual Funds (all fully paid) | | | | |
| | - Canara Robecco Equity Diversified - Growth Plan (formerly known as Canara Robecco Fortune) - 94 units of Rs. 10 each | 12760 | 1.00 | 12760 | 1.00 |
| | Total Aggregate Investments In Mutul Funds (1) | | 1.00 | | 1.00 |
| | Total Other Investments (1) | | 1.00 | | 1.00 |
| | Total Current Investments | | 2691.01 | | 1.00 |

Note 7(A): Other financial assets

(₹ in lac)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|---|------------------------|------------------------|
| Other financial assets - Non current | | |
| Financial assets carried at amortized cost | | |
| Deposits | | |
| Considered good | 1424.60 | 738.04 |
| Doubtful | 41.88 | 41.88 |
| | 1466.48 | 779.92 |
| Less: Provision for doubtful deposits | 41.88 | 41.88 |
| | 1424.60 | 738.04 |
| Loans to employees | | |
| Considered good | - | - |
| Doubtful | 5.84 | 5.84 |
| | 5.84 | 5.84 |
| Less: Provision for doubtful loans | 5.84 | 5.84 |
| | - | - |
| Bank deposits with remaining maturity of greater than 12 months | 89.06 | 85.15 |
| Bank deposits held as security | 217.63 | 217.63 |
| Total | 1731.29 | 1040.82 |

(₹ in lac)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|--|------------------------|------------------------|
| 1. Movement in allowance for doubtful deposits: | | |
| Opening balance | 41.88 | 43.16 |
| Additions | - | - |
| Utilisations / Reversals | - | 1.28 |
| Closing balance | 41.88 | 41.88 |
| 2. Movement in allowance for loans to employees: | | |
| Opening balance | 5.84 | 5.84 |
| Additions | - | - |
| Utilisations / Reversals | - | - |
| Closing balance | 5.84 | 5.84 |

Note 7(B): Other financial assets

(₹ in lac)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|---|------------------------|------------------------|
| Other financial assets - current | | |
| Financial assets carried at amortized cost | | |
| Advances to related parties | | |
| Considered good (Refer Note 38) | 6.33 | 1164.44 |
| Doubtful | 1493.17 | 1491.51 |
| | 1499.50 | 2655.95 |
| Less: Provision for doubtful loans | 1493.17 | 1491.51 |
| | 6.33 | 1164.44 |
| Interest accrued on deposits | 359.00 | 290.13 |
| Subsidy Receivable | 4330.99 | 21430.59 |
| Total | 4696.32 | 22885.16 |

(₹ in lac)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|---|------------------------|------------------------|
| Movement in allowance for doubtful advances to related parties: | | |
| Opening balance | 1491.51 | 1489.77 |
| Additions | 1.66 | 1.74 |
| Utilisations / Reversals | - | - |
| Closing balance | 1493.17 | 1491.51 |

Note 8: Deferred Tax Assets (Net)

(₹ in lac)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|---------------------------------|------------------------|------------------------|
| (i) Deferred tax assets * | 10540.43 | 10539.62 |
| (ii) Deferred tax (liabilities) | (328.77) | (160.60) |
| Total | 10211.66 | 10379.02 |

* Includes Unused tax credits (MAT credit entitlement) of Rs. 6701.70 lac (Previous year: Rs 6701.70 lac).

Note:

Refer Note 36 for details of deferred tax liabilities and assets.

Note 9: Income Tax Assets (Net)

(₹ in lac)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|---------------------------------------|------------------------|------------------------|
| Advance income tax (net of provision) | 963.80 | 888.86 |
| Total | 963.80 | 888.86 |

Note 10 : Other Non-Current Assets

(₹ in lac)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|---|------------------------|------------------------|
| Advances to employees | | |
| Considered Doubtful | 10.61 | 10.61 |
| Less: Provision for doubtful loans and advances | 10.61 | 10.61 |
| | - | - |
| Capital advances | 1087.96 | 4327.72 |
| Balances with government authorities | | |
| Considered good | 780.56 | 723.36 |
| Doubtful | 23.27 | 23.27 |
| | 803.83 | 746.63 |
| Less: Provision for doubtful balances | 23.27 | 23.27 |
| | 780.56 | 723.36 |
| Total | 1868.52 | 5051.08 |

(₹ in lac)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|--|------------------------|------------------------|
| 1. Movement in allowance for doubtful employee advances: | | |
| Opening balance | 10.61 | 9.34 |
| Additions | - | 1.27 |
| Utilisations / Reversals | - | - |
| Closing balance | 10.61 | 10.61 |
| 2. Movement in allowance for balances with government authorities: | | |
| Opening balance | 23.27 | 23.27 |
| Additions | - | - |
| Utilisations / Reversals | - | - |
| Closing balance | 23.27 | 23.27 |

Note 11: Inventories

(₹ in lac)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|---|------------------------|------------------------|
| Raw materials in stock (at cost) | 29973.70 | 12736.25 |
| Raw material in-transit (at cost) | - | 14954.91 |
| | 29973.70 | 27691.16 |
| Work in progress in stock (At cost) (Refer Note11 (i) below) | 8106.50 | 1897.85 |
| Finished goods in stock (At lower of cost and net realisable value) | 45.51 | 490.93 |
| Stores and spares including packing material (At cost) | 1989.26 | 1771.66 |
| Fuel Oil (at cost) | 4826.02 | 3952.86 |
| | 44940.99 | 35804.46 |
| Less: Provision for non-moving inventory | (38.58) | (741.06) |
| Total | 44902.41 | 35063.40 |

11 (i) Details of work-in-progress

(₹ in lac)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|----------------|------------------------|------------------------|
| Urea | 8031.80 | 1657.32 |
| Tissue Culture | 72.15 | 222.92 |
| Others | 2.55 | 17.61 |
| Total | 8106.50 | 1897.85 |

(₹ in lac)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|--|------------------------|------------------------|
| Movement in allowance for Inventories: | | |
| Opening balance | 741.06 | 738.86 |
| Additions | 6.19 | 13.47 |
| Utilisations / Reversals | (708.67) | (11.27) |
| Closing balance | 38.58 | 741.06 |

Note 12: Trade receivables

(₹ in lac)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|---------------------------------|------------------------|------------------------|
| Related parties (Refer Note 38) | 10.66 | 159.62 |
| Unsecured, considered good | 34.37 | 558.96 |
| Unsecured, credit impaired | 674.69 | 647.03 |
| | 719.72 | 1365.61 |
| Less: Impairment loss allowance | 674.69 | 647.03 |
| Total | 45.03 | 718.58 |

Trade Receivables ageing schedule as on 31 March 2022

(₹ in lac)

| Particulars | Outstanding for following periods from due date of payment | | | | | | | Total |
|---|--|---------|--------------------|------------------|-----------|-----------|-------------------|--------|
| | Unbilled | Not Due | Less than 6 months | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed Trade receivables – considered good | - | 0.64 | 33.06 | 0.08 | - | 1.71 | 9.54 | 45.03 |
| (ii) Undisputed Trade Receivables –which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables – credit impaired | - | - | - | - | - | - | - | 674.69 |
| (iv) Disputed Trade Receivables– considered good | - | - | - | - | - | - | - | - |
| (v) Disputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables – credit impaired | - | - | - | - | - | - | - | - |

Trade Receivables ageing schedule as on 31 March 2021

(₹ in lac)

| Particulars | Outstanding for following periods from due date of payment | | | | | | | Total |
|---|--|---------|--------------------|------------------|-----------|-----------|-------------------|--------|
| | Unbilled | Not Due | Less than 6 months | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed Trade receivables – considered good | - | 70.34 | 398.72 | 84.86 | 58.05 | 21.03 | 85.58 | 718.58 |
| (ii) Undisputed Trade Receivables –which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables – credit impaired | - | - | - | - | - | - | - | 647.03 |
| (iv) Disputed Trade Receivables– considered good | - | - | - | - | - | - | - | - |
| (v) Disputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables – credit impaired | - | - | - | - | - | - | - | - |

(₹ in lac)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|--|---------------------|---------------------|
| Movement in allowance for Trade Receivables: | | |
| Opening balance | 647.03 | 647.03 |
| Additions | 27.66 | - |
| Utilisations / Reversals | - | - |
| Closing balance | 674.69 | 647.03 |

Note 13 (A): Cash and cash equivalents

(₹ in lac)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|------------------------|---------------------|---------------------|
| Balances with banks: | | |
| -In current accounts | 491.65 | 5281.60 |
| -In Deposits Account * | 6.21 | 2503.28 |
| Cash on hand | 5.37 | 5.44 |
| Total | 503.23 | 7790.32 |

* This represents deposits with original maturity of less than or equal to 3 months.

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

(₹ in lac)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|----------------------|---------------------|---------------------|
| Balances with banks: | | |
| -In current accounts | 491.65 | 5281.60 |
| -In Deposits Account | 6.21 | 2503.28 |
| Cash on hand | 5.37 | 5.44 |
| Total | 503.23 | 7790.32 |

Note 13 (B) : Bank balances other than Cash and cash equivalents

(₹ in lac)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|---|------------------------|------------------------|
| Balances with banks | | |
| -Balance in Escrow Account | - | 1.14 |
| - Deposits with original maturity of more than 3 months but less than 12 months | 4971.14 | 2767.14 |
| Total | 4971.14 | 2768.28 |

Note 14: Other current assets

(₹ in lac)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|---|------------------------|------------------------|
| Advances to employees - Considered good | 0.78 | 0.62 |
| Other Advances | | |
| Considered good | 13.64 | 274.23 |
| Doubtful | 76.76 | 93.70 |
| | 90.40 | 367.93 |
| Less: Allowance for doubtful advances | 76.76 | 93.70 |
| | 13.64 | 274.23 |
| Prepaid expenses | 460.52 | 355.24 |
| Balances with government authorities | | |
| Considered good | 11285.06 | 12772.86 |
| Doubtful | 37.40 | 37.40 |
| | 11322.46 | 12810.26 |
| Less: Allowance for doubtful balances | 37.40 | 37.40 |
| | 11285.06 | 12772.86 |
| Advances to Suppliers | 1754.38 | 4423.87 |
| Total | 13514.38 | 17826.82 |

(₹ in lac)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|---|------------------------|------------------------|
| 1. Movement in Allowance for other advances: | | |
| Opening balance | 93.70 | 93.70 |
| Additions | - | - |
| Utilisations / Reversals | 16.94 | - |
| Closing balance | 76.76 | 93.70 |
| 2. Movement in Allowance for balance with government authorities: | | |
| Opening balance | 37.40 | 37.40 |
| Additions | - | - |
| Utilisations / Reversals | - | - |
| Closing balance | 37.40 | 37.40 |

Note 15 : Assets held for sale

(₹ in lac)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|---|------------------------|------------------------|
| Equity Investment in Mercantile Venture Ltd 15,20,800 shares | - | 1080.51 |
| Total | - | 1080.51 |

Note 16 : Equity Share Capital

(₹ in lac)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|---|------------------------|------------------------|
| Authorised: | | |
| 31,60,00,000 (31,60,00,000) Equity shares of Rs.10 each | 31600.00 | 31600.00 |
| 55,00,00,000 (55,00,00,000) Redeemable cumulative preference shares of Rs.100 each | 5500.00 | 5500.00 |
| 3,00,00,000 (3,00,00,000) Fully Compulsorily Convertible Preference (FCCP) shares of Rs.18 each | 5400.00 | 5400.00 |
| | 42500.00 | 42500.00 |
| Issued, subscribed and fully paid up: | | |
| 20,36,40,336 (20,36,40,336) Equity shares of Rs.10 each | 20364.03 | 20364.03 |

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

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

| Class of shares / Name of shareholders | As at 31 March 2022 | | As at 31 March 2021 | |
|---|-----------------------|-----------------------------------|-----------------------|-----------------------------------|
| | Number of shares held | % holding in that class of shares | Number of shares held | % holding in that class of shares |
| Equity shares with voting rights | | | | |
| AMI Holdings Private Limited | 37276700 | 18.31 | 37276700 | 18.31 |
| Lotus Fertilizers Private Limited | 27995454 | 13.75 | 27995454 | 13.75 |
| The Bank of Newyork Mellon | 16791800 | 8.25 | 16791800 | 8.25 |
| FICON Holdings Limited | 15682775 | 7.70 | 15682775 | 7.70 |
| Finquest Securities Private Limited | 15470711 | 7.60 | 17830239 | 8.76 |
| Preference Shares (Refer Note 18 (ii)) | | | | |
| 14.50% Redeemable cumulative non-convertible preference shares | | | | |
| Dynamic Global Trading Corporation Private Limited | - | - | 300000 | 100.00 |
| 11.50% Redeemable cumulative non-convertible preference shares | | | | |
| AMI Holdings Private Limited | - | - | 850000 | 100.00 |
| 10% Redeemable cumulative non-convertible preference shares | | | | |
| AMI Holdings Private Limited | - | - | 100000 | 100.00 |

16 (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 Rs. 10 per share. All these shares have the same rights and preferences with respect to payment of dividend, repayment of capital and voting.

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

Note 17: Other Equity

(₹ in lac)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|---|------------------------|------------------------|
| Capital Reserve | 97.24 | 97.24 |
| Capital Redemption Reserve: | | |
| Opening balance | 6500.00 | 6500.00 |
| Add: Transferred from profit | 1250.00 | - |
| Closing balance | 7750.00 | 6500.00 |
| Securities Premium Account | 21047.71 | 21047.71 |
| Statutory Reserve | 41.33 | 41.33 |
| Surplus / (Deficit) in Statement of Profit and Loss: | | |
| Opening balance | 4054.63 | (3352.90) |
| Add: Profit for the year | 16334.41 | 7407.53 |
| Less: Transferred to Capital Redemption Reserve | (1250.00) | - |
| Closing balance | 19139.04 | 4054.63 |
| Reserve for equity instruments through other comprehensive income: | | |
| Opening balance | (470.22) | (1025.31) |
| Add: Effect of measuring investments at fair value | 1506.27 | 555.09 |
| Closing balance | 1036.05 | (470.22) |
| Remeasurement of defined benefit plans: | | |
| Opening balance | (141.16) | (341.44) |
| - Actuarial movement through other comprehensive income | (100.35) | 200.28 |
| Closing balance | (241.51) | (141.16) |
| - Share of Joint Ventures | 158.49 | 82.63 |
| Total | 49028.35 | 31212.16 |

Capital Reserve and Statutory Reserve

Capital Reserve of Rs.97.24 lac and Statutory Reserve of Rs.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 had redeemed the underlying preference shares in the earlier years. During the year, the Company had redeemed the Redeemable Cumulative non-convertible preference shares amounting to Rs.1250 lacs and accordingly had transferred Rs.1250 lacs to Capital Redemption Reserve from the Statement of Profit and Loss. 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 18 (A) : Non Current borrowings

(₹ in lac)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|---|------------------------|------------------------|
| Loans repayable on demand (at amortised cost) | | |
| From banks- Secured (Refer Note 18(C)) | 736.80 | - |
| From Related Parties- Unsecured (Refer Note 38) | 3004.59 | - |
| Total | 3741.39 | - |

Note 18 (B) : Current borrowings

(₹ in lac)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|--|------------------------|------------------------|
| Term loans (at amortised cost) | | |
| From banks - Secured (Refer Note 18(C)) | 11529.87 | 6100.00 |
| Loans repayable on demand (at amortised cost) | | |
| From Related Parties - Unsecured (Refer Note 18 (i) below & Note 38) | 14903.40 | - |
| Unsecured - at amortised cost | | |
| Nil (3,00,000) 14.50% Redeemable cumulative non-convertible preference shares of Rs.100 each (Refer Note 18 (ii) below) | - | 300.00 |
| Nil (8,50,000) 11.50% Redeemable cumulative non-convertible preference shares of Rs.100 each (Refer Note 18 (ii) below) | - | 850.00 |
| Nil (1,00,000) 10.00% Redeemable cumulative non-convertible preference shares of Rs.100 each (Refer Note 18 (ii) below) | - | 100.00 |
| Interest accrued on cummulative preference shares (Refer Note 18 (ii) below) | - | 3025.01 |
| Total | 26433.27 | 10375.01 |

- 18 (i) During the year, for capital expenditure purposes, the Company had obtained Rs 17,907.99 lac as External Commercial Borrowing from AM International Holdings Pte. Ltd., Singapore (related party) at an Interest Rate of 9.10% p.a, repayable after 12 months.
- 18 (ii) The Board of Directors, based on the review and recommendation of the Audit Committee at their respective meetings held on 14th February 2022, approved redemption of 12,50,000 redeemable cumulative non-convertible preference shares of Rs.100 each amounting to Rs.1250 lac, which were already due for redemption (including the unpaid dividend). Accordingly, the redeemable cumulative non-convertible preference shares were redeemed with dividend.

Note 18 (C)

The carrying amounts of assets pledged as security for current and non-current borrowings are: (₹ in lac)

| Particulars | Notes | As at 31 March 2022 | As at 31 March 2021 |
|--|-------|------------------------|------------------------|
| Current assets | | | |
| Inventories | 9 | 44902.41 | 35063.40 |
| Trade receivables | 10 | 45.03 | 718.58 |
| Subsidy receivables | 7 | 4330.99 | 21430.59 |
| Total Current assets pledged as security | | 49278.43 | 57212.57 |
| Non-Current assets | | | |
| Freehold land | 4 | 827.69 | 827.69 |
| Buildings | 4 | 360.87 | 372.21 |
| Total Non-Current assets pledged as security | | 1188.56 | 1199.90 |
| Total Assets pledged as security | | 50466.99 | 58412.47 |

Note:

- Security for HDFC Bank Ltd
Deed of Hypothecation / Mortgage in favour of the bank creating charge on Inventory, Book debts and Tuticorin Factory / Township Land (Non-Agricultural) of an extent of 30.17 acres and 18.54 acres in Tuticorin.
- Security for New India Cooperative Bank Ltd
Land measuring 19 acres and 15 cents situated in Tuticorin.

Note 19: Other Financial Liabilities

(₹ in lac)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|--|------------------------|------------------------|
| A Other financial liabilities - non-current at amortised cost | | |
| Trade / security deposits received | 3118.51 | 3206.01 |
| Liabilities for expenses | - | 5.79 |
| | 3118.51 | 3211.80 |
| B Other financial liabilities - current at amortised cost | | |
| Creditors for Property, Plant & Equipment | 1813.47 | 2540.20 |
| Interest accrued but not due on borrowings | 314.29 | 2.23 |
| Interest accrued and due on Supplier Payments | 1387.68 | 1387.68 |
| Retention Money | 76.36 | 92.28 |
| Total | 3591.80 | 4022.39 |

Note 20: Trade payables

(₹ in lac)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|--|------------------------|------------------------|
| Trade payables: | | |
| - Total outstanding dues to Micro Enterprises, and Small Enterprises (Refer Note 20 (i) below) | 157.26 | - |
| - Total outstanding dues to other than Micro Enterprises and Small Enterprises | 48655.67 | 94900.96 |
| Total | 48812.93 | 94900.96 |

Note 20 (i) : Dues to Micro Enterprises and Small Enterprises :

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

(₹ in lac)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|--|------------------------|------------------------|
| (i) Principal amount remaining unpaid to any supplier as at the end of the accounting year | 157.26 | - |
| (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 | - | - |

Trade Payables ageing schedule as on 31 March 2022

(₹ in lac)

| Particulars | Outstanding for following periods from due date of payment | | | | | | | |
|-----------------------------|--|----------|--------------------|------------------|-----------|-----------|-------------------|----------|
| | Unbilled | Not Due | Less than 6 months | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Undisputed Trade Payables | | | | | | | | |
| (i) MSME | - | 157.26 | - | - | - | - | - | 157.26 |
| (ii) Disputed dues – MSME | - | - | - | - | - | - | - | - |
| (iii) Others | - | 13236.31 | 11250.69 | 15926.78 | 2809.50 | 1231.03 | 4201.36 | 48655.67 |
| (iv) Disputed dues - Others | - | - | - | - | - | - | - | - |

Trade Payables ageing schedule as on 31 March 2021

(₹ in lac)

| Particulars | Outstanding for following periods from due date of payment | | | | | | | |
|-----------------------------|--|----------|--------------------|------------------|-----------|-----------|-------------------|----------|
| | Unbilled | Not Due | Less than 6 months | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Undisputed Trade Payables | | | | | | | | |
| (i) MSME | - | - | - | - | - | - | - | - |
| (ii) Disputed dues – MSME | - | - | - | - | - | - | - | - |
| (iii) Others | - | 22516.39 | 29745.94 | 17361.74 | 20381.33 | 2661.13 | 2234.43 | 94900.96 |
| (iv) Disputed dues - Others | - | - | - | - | - | - | - | - |

Note 21: Provisions

(₹ in lac)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|--|------------------------|------------------------|
| Provision for employee benefits: | | |
| - Compensated absences (Refer Note 35) | 510.27 | 427.68 |
| Total | 510.27 | 427.68 |

Note 22: Other current liabilities

(₹ in lac)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|--|------------------------|------------------------|
| Other payables | | |
| - Statutory remittances | 406.90 | 145.87 |
| - Gratuity payable (Refer Note 35) | 378.68 | 165.28 |
| - National Pension Scheme Payable | 8.47 | 7.50 |
| - Superannuation fund payable | 850.20 | 714.56 |
| - Advances from customers and other parties* | 11513.20 | 5604.30 |
| -Other Deposits | 60.00 | 60.00 |
| Total | 13217.45 | 6697.51 |

* includes amount received from Related Parties to the extent of Rs. 7100 Lacs (Previous year Rs 2463.21 lacs)
(Refer Note 38)

Note 23: Revenue from operations

(₹ in lac)

| Particulars | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|-----------------------------|-----------------------------|
| Sale of products | 40521.63 | 35025.75 |
| Less: Rebates and discounts | (3647.00) | (3277.05) |
| | 36874.63 | 31748.70 |
| Subsidy Income | 149601.33 | 120007.12 |
| Sales (Refer Note 23 (i) below) | 186475.96 | 151755.82 |
| Other operating revenues (Refer Note 23 (ii) below) | 1015.83 | 944.91 |
| Total | 187491.79 | 152700.73 |

23 (i) Sales

(₹ in lac)

| Particulars | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|-----------------------------|-----------------------------|
| Urea | 31900.34 | 31270.61 |
| Fertiliser Subsidy (Urea) (Refer Note 32 (iii)) | 141338.34 | 111835.90 |
| Transport Subsidy (Urea) | 8262.98 | 8171.22 |
| Others | 642.56 | 478.09 |
| <u>Traded goods</u> | | |
| Imported Ammonia | 3930.10 | - |
| Natural Gas | 401.64 | - |
| Total | 186475.96 | 151755.82 |

23 (ii) Other Operating Revenues

(₹ in lac)

| Particulars | Year ended 31 March 2022 | Year ended 31 March 2021 |
|-------------------------|-----------------------------|-----------------------------|
| Facility Sharing Income | 892.15 | 812.44 |
| Sale of scrap | 72.06 | 98.28 |
| Others | 51.62 | 34.19 |
| Total | 1015.83 | 944.91 |

Note 24: Other income

(₹ in lac)

| Particulars | Year ended 31 March 2022 | Year ended 31 March 2021 |
|--|-----------------------------|-----------------------------|
| Interest income (Refer Note 24 (i) below) | 304.40 | 127.04 |
| Dividend income from long-term investments (Refer note 38) | 384.90 | 231.48 |
| Liabilities / Provision no longer required written back | 743.04 | 2467.71 |
| Rental Income | 36.17 | 38.37 |
| Others | 193.96 | 86.98 |
| Total | 1662.47 | 2951.58 |

24 (i) Interest income

(₹ in lac)

| Particulars | Year ended 31 March 2022 | Year ended 31 March 2021 |
|------------------------------|-----------------------------|-----------------------------|
| Interest from banks deposits | 259.59 | 96.65 |
| Other interest | 44.81 | 30.39 |
| Total | 304.40 | 127.04 |

Note 25: Cost of materials consumed

(₹ in lac)

| Particulars | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---------------------|-----------------------------|-----------------------------|
| Opening stock | 27691.17 | 10028.07 |
| Add: Purchases* | 123084.05 | 101433.73 |
| | 150775.22 | 111461.80 |
| Less: Closing stock | 29973.70 | 27691.17 |
| Total | 120801.52 | 83770.63 |

* Includes Rs. 995.17 lacs (previous Year Rs. (840.04) Lacs) of foreign exchange (gain)/loss

Note 26: Purchase of Stock-in-Trade

(₹ in lac)

| Particulars | Year ended 31 March 2022 | Year ended 31 March 2021 |
|------------------|-----------------------------|-----------------------------|
| Imported Ammonia | 3633.18 | - |
| Total | 3633.18 | - |

Note 27: Changes in inventories of finished goods, stock in trade and work-in-progress

(₹ in lac)

| Particulars | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|-----------------------------|-----------------------------|
| Inventories at the beginning of the year: | | |
| Finished goods | 490.93 | 34.87 |
| Work-in-progress | 1897.85 | 118.92 |
| | 2388.78 | 153.79 |
| Inventories at the end of the year: | | |
| Finished goods | 45.51 | 490.93 |
| Work-in-progress | 8106.50 | 1897.85 |
| | 8152.01 | 2388.78 |
| Net Decrease/(Increase) | (5763.23) | (2234.99) |

Note 28: Employee benefit expenses

(₹ in lac)

| Particulars | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|-----------------------------|-----------------------------|
| Salaries and wages | 5292.51 | 4510.70 |
| Contributions to provident fund and other funds | 486.45 | 591.28 |
| Contribution to gratuity fund (Refer Note 35) | 122.66 | 119.04 |
| Staff welfare expenses | 799.63 | 784.11 |
| Total | 6701.25 | 6005.13 |

Note 29: Finance costs

(₹ in lac)

| Particulars | Year ended 31 March 2022 | Year ended 31 March 2021 |
|------------------------------|-----------------------------|-----------------------------|
| Interest expense on: | | |
| -Borrowings | 1037.25 | 1047.35 |
| -Deposits | 217.20 | 214.64 |
| -Interest on Lease Liability | 28.05 | - |
| -Other borrowing costs | 134.59 | 151.25 |
| -Others | 2.06 | 2.22 |
| Total | 1419.15 | 1415.46 |

Note 30: Depreciation and amortisation expense

(₹ in lac)

| Particulars | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|-----------------------------|-----------------------------|
| A) Property, plant and equipment | | |
| i) Buildings | 165.71 | 164.91 |
| ii) Plant and Equipment | 3768.22 | 3309.55 |
| iii) Furniture and Fixtures | 5.58 | 5.66 |
| iv) Vehicles | 22.48 | 22.68 |
| v) Office equipments | 283.49 | 253.14 |
| vi) Roads | 13.99 | 13.70 |
| vii) Railway Sidings | 14.11 | 14.11 |
| viii) Right to use assets | 127.83 | - |
| | 4401.41 | 3783.75 |
| B) Investment Property | 3.47 | 3.47 |
| C) Other Intangible assets | 36.11 | 36.08 |
| Total | 4440.99 | 3823.30 |

Note 31: Other expenses

(₹ in lac)

| Particulars | Year ended 31 March 2022 | Year ended 31 March 2021 |
|--|-----------------------------|-----------------------------|
| Consumption of stores and spare parts | 1230.83 | 1176.28 |
| Packing, transportation and handling | 13525.97 | 12661.74 |
| Power and fuel* | 21183.46 | 36296.52 |
| Water | 2861.56 | 2364.58 |
| Rent | 225.15 | 355.97 |
| Repairs to | | |
| - Buildings | 321.58 | 589.80 |
| - Machinery | 1210.03 | 1594.31 |
| - Others | 926.44 | 783.18 |
| Insurance | 590.94 | 510.29 |
| Rates and taxes | 140.45 | 136.10 |
| Travelling and conveyance | 237.63 | 271.50 |
| Sales promotion expenses | 17.41 | 16.40 |
| Professional fees | 414.98 | 484.70 |
| Payment to auditors (Refer Note 31(i) below) | 30.75 | 23.63 |
| Disposal of fixed assets | 55.37 | 49.23 |
| Bad debts and advances written off | 11.48 | - |
| Provision for doubtful trade and other receivables, loans and advances (net) | 29.31 | 1.74 |
| Provision for Inventories | 6.19 | 13.47 |
| Director's sitting fees | 42.00 | 39.00 |
| Provision for supplier settlement | 600.00 | - |
| Miscellaneous expenses | 893.40 | 748.56 |
| Total | 44554.93 | 58117.00 |

* Includes Rs. 316.68 lacs (previous Year Rs. (1385.83) Lacs) of foreign exchange (gain)/loss

31 (i) Payment to Auditors

(₹ in lac)

| Particulars | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|-----------------------------|-----------------------------|
| Payments to the auditors comprises (net of GST input credit, where applicable): | | |
| As auditor: | | |
| For Statutory audit | 15.00 | 15.00 |
| In other capacity: | | |
| For Limited Review | 6.00 | 6.00 |
| For Certification | 1.75 | 1.15 |
| For Other matters | 8.00 | - |
| Reimbursement of expenses | - | 1.48 |
| Total | 30.75 | 23.63 |

Note 32 : Plant Operation

- (i) During the year the Company achieved a production of 6.20 lac MT (previous year 6.20 lac MT).
- (ii) The Company has become a gas-based Urea manufacturing unit since 13th March 2021 and is therefore eligible for higher fiscal incentives in the form of subsidy income due to higher energy norms from the above said date for the next five-year period. Since the Company is not connected to the National Gas Grid, it will be kept out of "Gas Pooling Mechanism" as per the Office Memorandum received from Ministry of Chemical & Fertilizers dated 13th August 2021.
- (iii) Subsidy for the period 1 April 2021 to 31 March 2022 of Rs.141338.34 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 33 Commitments**Capital Commitments:**

Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. 2379.48 lac (Previous year Rs. 7476 lac). In respect of Jointly controlled entity Rs. 81.42 lac (Previous year - Nil).

Note 34 : Contingent Liabilities**a. Claims not acknowledged as debts:**

- (i) The District Collector, Tuticorin vide his letter dated, 21 August 2009 had demanded Rs. 16873.97 lac (Previous year Rs.16873.97 lac) towards lease rent for the utilization of 415.19 acres of sand quarry poramboke lands by the Company for its effluent treatment and storage of Gypsum for the period from 1975 to 2008. While raising this demand, the District Collector had ignored the proposal submitted by the Company during 1975 to the State Government seeking assignment of the said land which is still pending. The Company had filed a writ petition challenging the demand before the Hon'ble Madras High Court and the court granted interim stay vide its order dated 21 April 2010 on further proceedings. During November 2010 the District Collector, Tuticorin has filed a counter before Hon'ble Madras High Court praying for the vacation of interim stay and the case is still pending.
 - (ii) Tamilnadu Water Supply And Drainage Board (TWAD) has claimed payments for the period during which the Nitrogenous plants were not in operation, on the basis of 50% allotted quantity of water. The Company alongwith other beneficiaries has been enjoying this facility since inception of the 20 MGD Scheme for the last 46 years. Water Charges were paid to TWAD on the basis of actual receipt by individual industries. The claims including interest made by TWAD for Rs. 4345.19 lac (Previous year Rs. 4032.15 lac) is not acknowledged as debt, as this differential value from April 2009 to March 2022 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 31.03.2022 is Rs. 1293.54 lac (from 01.07.2007 to 31.03.2022) (Previous year Rs. 1184.79 lac). The Company obtained an injunction from the Madurai Bench of the Hon'ble Madras High Court against the claim made by the VOCPT and the stay has been granted till 10 June 2015. On 23.07.2015, Madurai Bench of the Hon'ble Madras High Court extended the stay until further orders.
 - (iv) During October 2021, there was a demand from Office of the Joint Commissioner of Central GST and Central Excise for recovery of excess refund of Input tax credit of Rs. 934.50 lac, based on the amended definition of 'Net Input Tax Credit' for the purpose of GST refund on account of inverted duty structure with effect from July 1, 2017 to March 2018, to include input tax credit availed only on inputs which excludes input services vide GST Notification No. 26/2018 dated June 13, 2018. The company has filed writ petitions challenging the retrospective amendment of the definition of ITC and is confident of obtaining a favorable order. Considering such credit is available for utilization also, the Management is confident of utilization of aforesaid input tax credit.
- 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 2022 | As at 31 March 2021 |
|---|------------------------|------------------------|
| The Central Excise Act, 1944 | 97.55 | 55.78 |
| Central Goods and Service Tax Act 2017 | 934.50 | - |
| The Finance Act, 1994 (Service Tax) | 235.64 | 235.64 |
| Sales Tax Act under various State enactments | 835.21 | 835.21 |
| The Tamilnadu Electricity (Taxation on Consumption) Act, 1962 | 1050.54 | 1050.54 |
| Total | 3153.44 | 2177.17 |

Out of the above demand of Rs.3153.44 lac (Previous year Rs. 2177.17 lac), an amount of Rs. 97.98 lac (Previous year Rs. 94.85 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 2022 | As at 31 March 2021 |
|------|--|------------------------|------------------------|
| 1 | Sales tax | 293.10 | 293.10 |
| 2 | Excise Duty | 12.00 | 12.00 |
| 3 | Service tax | 17.35 | 17.35 |
| 4 | Income tax | 349.61 | 504.98 |
| 5 | Cross Subsidy Charge under Group Captive Scheme (Refer Note (ii) below) | 1037.89 | 1037.89 |

- (i) Demands disputed by the Group and appeals filed against these disputed demands are pending before respective appellate authorities. Outflows, if any, arising out of these claims would depend on the outcome of the decision of the appellate authorities and the Group's rights for future appeals.
- (ii) The Group 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 Group has received a demand from Tamilnadu Electricity Board (TNEB) for ₹ 61.30 crores in respect of power purchased by the Group 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 Group in this regard as a writ petition has been filed by the private power producers before the Honourable High Court of Madras, challenging levy of cross subsidy and obtained stay on the demand. This is expected to be disposed off in favour of the power producers.

Note 35 : Employee benefits

A. Defined contribution plan

(₹ in lac)

| S.No | Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|------|---|------------------------------|------------------------------|
| 1 | 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. | 465.17 | 456.01 |

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 2022 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)

| S.No | Particulars | 31 st March 2022 | 31 st March 2021 |
|------|--|-----------------------------------|-----------------------------------|
| | Defined benefit plans | | |
| | a) Gratuity payable to employees | 378.68 | 165.28 |
| | b) Compensated absences for Employees | 510.27 | 427.68 |
| | | Employees' gratuity fund | |
| i) | Actuarial assumptions | 31st March 2022 | 31st March 2021 |
| | Discount rate (per annum) | 7.14% | 6.94% |
| | Rate of increase in Salary | 8.06% | 7.00% |
| | Expected rate of return on Plan Assets | 7.14% | 6.94% |
| | Attrition rate | 6.43% | 3.00% |
| ii) | Changes in the present value of defined benefit obligation | | |
| | Present value of obligation at the beginning of the year | 1622.89 | 1697.68 |
| | Interest cost | 104.36 | 105.75 |
| | Current service cost | 106.69 | 111.06 |
| | Benefits paid and charges deducted | (238.32) | (219.71) |
| | Actuarial (gain)/ loss on obligations | 91.64 | (71.89) |
| | Present value of obligation at the end of the year | 1687.25 | 1622.89 |
| iii) | Changes in fair value of plan assets | | |
| | Fair value of plan assets as at the beginning of the year | 1457.61 | 1575.53 |
| | Expected return on plan assets | 93.06 | 97.77 |
| | Contributions | 4.94 | 4.65 |
| | Benefits paid and Charges deducted | (238.32) | (219.71) |
| | Actuarial gain/(loss) on plan assets [balancing figure] | (8.72) | (0.63) |
| | Fair value of plan assets as at the end of the year | 1308.57 | 1457.61 |
| iv) | Expense recognized in the Statement of Profit and Loss | | |
| | Current service cost | 106.69 | 111.06 |
| | Interest cost | 11.30 | 7.98 |
| | Total expenses recognized in the Statement of Profit and Loss* | 117.98 | 119.04 |
| | *Included in Employee benefits expense (Refer Note 28). Actuarial (gain)/loss of ₹ 100.35 lac previous year: ₹ 71.26 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 | 1687.25 | 1622.89 |
| | Fair value of plan assets | 1308.57 | 1457.61 |
| | Funded net liability recognized in Balance Sheet* | 378.68 | 165.28 |
| | *Included in other current liabilities | | |

| S.No | Particulars | 31 st March 2022 | 31 st March 2021 |
|-------|---|-----------------------------|-----------------------------|
| vi) | Amount recognized for the current period in the statement of other comprehensive income (OCI) | | |
| | Actuarial (gain)/loss on Plan Obligations | 91.64 | (71.89) |
| | Difference between Actual Return and Interest Income on Plan Assets- (gain)/loss | 8.72 | 0.63 |
| | (Gain)/ loss recognized in OCI for the current period | 100.35 | (71.26) |
| vii) | A quantitative sensitivity analysis for significant assumption as at 31 March 2022 and 31 March 2021 are as shown below: | | |
| | Impact on defined benefit obligation | | |
| | Discount rate | | |
| | 0.5% increase | 1632.73 | 1561.91 |
| | 0.5% decrease | 1745.43 | 1688.58 |
| | Rate of increase in salary | | |
| | 0.5% increase | 1746.61 | 1689.39 |
| | 0.5% decrease | 1631.08 | 1560.57 |
| viii) | Expected Benefit Payments in following years | | |
| | Year 1 | 160.43 | 123.86 |
| | Year 2 | 326.36 | 303.08 |
| | Year 3 | 179.26 | 189.93 |
| | Year 4 | 198.37 | 132.30 |
| | Year 5 | 147.28 | 164.76 |
| | Next 5 Years | 752.82 | 647.59 |

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, 2022 | Year ended March 31, 2021 |
|---|------------------------------|------------------------------|
| Discount rate as per para 83 of Ind AS 19 | 7.14% | 6.94% |
| Expected rate of return on Plan Assets | 0.00% | 0.00% |
| Rate of increase in compensation levels | 8.06% | 7.00% |
| Attrition rate fixed by Enterprise | 6.43% | 3.00% |

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

| Particulars | As at March 31, 2022 | | |
|-----------------|----------------------|--------------------------------------|---------------|
| | Gratuity | Long term compensated absences | Total |
| Current portion | 378.68 | 510.27 | 888.95 |
| Total | 378.68 | 510.27 | 888.95 |

| 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 |

Note 36 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 2022 | As at 31 March 2021 |
|----------------------------|---------------------|---------------------|
| Deferred tax assets | 10148.64 | 7565.57 |
| Deferred tax (liabilities) | (6638.67) | (3888.24) |
| Deferred Tax Asset (Net) | 3509.97 | 3677.33 |

2021-22:-

(₹ in lac)

| Particulars | Opening Balance | Recognized in Profit & loss | Recognised in Other Comprehensive Income | Closing Balance |
|--|------------------|-----------------------------|--|------------------|
| Deferred Tax (Liabilities)/Asset in relation to | | | | |
| Property, plant and Equipment | (3888.24) | (2604.33) | - | (6492.57) |
| Provision for Doubtful Debts, Provision for Compensated absence and others | 898.90 | (94.64) | - | 804.26 |
| Unabsorbed Depreciation | 5160.10 | (414.91) | - | 4745.19 |
| Unabsorbed Business Loss | 1485.31 | 3113.88 | - | 4599.19 |
| Financial Assets at FVTOCI | 21.26 | - | (167.36) | (146.10) |
| | 3677.33 | - | (167.36) | 3509.97 |
| Deferred Tax Asset (Net) | 3677.33 | - | (167.36) | 3509.97 |
| MAT Credit Entitlement | 6701.69 | - | - | 6701.69 |
| Net Deferred Tax Assets | 10379.02 | - | (167.36) | 10211.66 |

2020-21:-

(₹ in lac)

| Particulars | Opening Balance | Recognized in Profit & loss | Recognised in Other Comprehensive Income | Closing Balance |
|--|-----------------|-----------------------------|--|-----------------|
| Deferred Tax (Liabilities)/Asset 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 Asset (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 |

(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 2022 | As at 31 March 2021 |
|-----------------|------------------------|------------------------|
| Business losses | 23154.17 | 39131.64 |
| Capital losses | 1867.19 | 11352.64 |
| Total | 25021.36 | 50484.28 |

There is no provision for tax under regular computation in view of the brought forward business losses/unabsorbed depreciation relating to earlier years available for set off. Similarly Tax under Minimum Alternate Tax (MAT) as per provisions of Section 115JB of Income Tax Act is also not provided since the Company is having the Accumulated Book Loss.

(C) Reconciliation of tax expenses and the accounting profit multiplied by India's domestic tax rate for 31st March 2022 and 31st March 2021

(₹ in lac)

| Reconciliation of tax charge | As at 31 March 2022 | As at 31 March 2021 |
|--|------------------------|------------------------|
| Accounting Profit / loss before income tax | 14043.44 | 4662.26 |
| Enacted tax rates in India | 34.94% | 34.94% |
| Computed tax expense | 4907.34 | 1629.18 |
| Tax effects of: | | |
| - Effects of expenses/income that are not deductible/considered in determining the taxable profits | 289.12 | 301.18 |
| - Deductible expenses for tax purpose | (51.09) | (1.49) |
| - Effect of income that is exempt from taxation | - | - |
| - Adjustment in respect of Previous Years | - | (523.52) |
| - Adjustment in respect to MAT credit | - | 0.77 |
| - Deferred tax recognised on losses and deductible temporary differences pertaining to Prior Years | (2905.48) | (1754.26) |
| - Effect of unused tax losses and tax offsets not recognised as deferred tax assets | (2389.94) | (1045.36) |
| - Effect of Revalued assets not recognised as deferred tax liabilities | 150.05 | 870.75 |
| Income tax expenses | - | (522.75) |

Note 37 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 2022 | Year ended 31 March 2021 | Year ended 31 March 2022 | Year ended 31 March 2021 |
| Agro Inputs (Urea Operations) | 185018.63 | 152438.21 | 16807.62 | 5186.73 |
| Others (Agri business) | 557.05 | 372.05 | (230.32) | (92.47) |
| Unallocated income | 3578.58 | 2842.05 | | |
| Total | 189154.26 | 155652.31 | 16577.30 | 5094.26 |
| Finance Cost | | | (1419.15) | (1415.46) |
| Other Net Unallocable (Expenses) | | | (1791.68) | 1076.98 |
| Share of profit in joint venture | | | 4002.21 | 2946.90 |
| Income Tax | | | (1034.27) | (295.15) |
| Profit for the year | | | 16334.41 | 7407.53 |

Segment Assets and Liabilities:

(₹ in lac)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|-------------------------------|------------------------|------------------------|
| Segment Assets | | |
| Agro inputs (Urea Operations) | 123767.13 | 123473.74 |
| Others (Agri business) | 1593.45 | 1710.23 |
| Unallocable Assets | 43790.46 | 46027.57 |
| Total Assets | 169151.04 | 171211.54 |
| Segment Liabilities | | |
| Agro inputs (Urea Operations) | 59102.41 | 107346.55 |
| Others (Agri business) | 70.11 | 184.13 |
| Unallocable Liabilities | 40586.14 | 12104.67 |
| Total Liabilities | 99758.66 | 119635.35 |

Other Segment Information:

(₹ in lac)

| Particulars | Depreciation and Amortisation | | Capital Expenditure | |
|-------------------------------|-------------------------------|-----------------------------|-----------------------------|-----------------------------|
| | Year ended 31 March 2022 | Year ended 31 March 2021 | Year ended 31 March 2022 | Year ended 31 March 2021 |
| Agro Inputs (Urea Operations) | 4267.70 | 3735.16 | 18137.28 | 20215.36 |
| Others (Agri business) | 47.07 | 46.74 | 6.59 | 3.93 |
| Unallocable | 126.22 | 41.40 | 2.64 | 5.15 |
| Total | 4440.99 | 3823.30 | 18146.51 | 20224.44 |

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

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

38 (i) Related party disclosures for the year ended 31 March 2022

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 year are:

| Nature | Parties | |
|--|---------|---|
| Associates | 1 | Tuticorin Alkali Chemicals and Fertilizers Limited |
| | 2 | Gold Nest Trading Company Limited |
| | 3 | Greenam Energy Private Limited |
| Jointly Controlled entities | 1 | Tamilnadu Petroproducts Limited |
| | 2 | National Aromatics and Petrochemicals Corporation Limited |
| Key management personnel of the Company | 1 | Thiru. Ashwin C Muthiah |
| | 2 | Thiru. S.R. Ramakrishnan |
| Enterprises owned by / over which Key Management Personnel is able to exercise significant influence | 1 | Wilson International Trading Pte Ltd, Singapore |
| | 2 | Wilson International Trading India Private Limited |
| | 3 | Manali Petrochemicals Limited |
| | 4 | Greenstar Fertilizers Limited |
| | 5 | AM International Holdings Pte. Ltd, Singapore |
| | 6 | AMI Holdings Private Limited |
| | 7 | Sicagen India Limited |
| | 8 | SPIC Officers And Staff Welfare Foundation |
| | 9 | South India Travels Private Limited |
| | 10 | Lotus Fertilizers Private Limited |
| | 11 | EDAC Engineering Limited |
| | 12 | AM Foundation |

Note 38 (ii) (A) Balance Outstanding

(₹ in lac)

| S.NO | Particulars | As at 31 March 2022 | As at 31 March 2021 |
|------------|---|------------------------|------------------------|
| (a) | Receivables including Advances | | |
| | Tamilnadu Petroproducts Limited | 3.11 | - |
| | Tuticorin Alkali Chemicals and Fertilizers Limited | 171.62 | 193.40 |
| | Greenstar Fertilizers Limited | 11.21 | - |
| | National Aromatics and Petrochemicals Corporation Limited * | 1493.17 | 1491.51 |
| | Wilson International Trading Pte. Ltd, Singapore | - | 741.22 |
| | Manali Petrochemicals Limited | 0.78 | 0.73 |
| | EDAC Engineering Limited | 23.63 | - |
| | Sicagen India Limited | 3.93 | - |
| | AM Foundation | - | 0.13 |
| | Greenam Energy Private Limited | 217.03 | 192.95 |
| | South India Travels Pvt Ltd | 0.01 | - |
| | Wilson International Trading(India) Pvt Ltd | 0.01 | 0.03 |
| (b) | Payables | | |
| | Greenstar Fertilizers Limited | 13304.95 | 4423.47 |
| | Tamilnadu Petroproducts Limited | - | 1.65 |
| | Sicagen India Limited | 262.02 | 354.90 |
| | EDAC Engineering Limited | 17.28 | 60.51 |
| | Tuticorin Alkali Chemicals and Fertilizers Limited | 59.26 | - |
| | Lotus Fertilizers Private Limited | 1827.52 | 1812.12 |
| | South India Travels Pvt Ltd | 4.86 | 3.14 |
| | AMI Holdings Pvt. Ltd.India | 4.41 | - |
| | Wilson International Trading Pte. Ltd, Singapore | 3105.33 | - |
| (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 Limited, Singapore | 17907.99 | - |
| (e) | Interest Payable on Borrowings | | |
| | AM International Holdings Pte Limited, Singapore | 291.05 | - |

*Dues have been fully provided

Note 38 (ii) (B) The following transactions were carried out with the related parties

(₹ in lac)

| S.NO | PARTICULARS | For the year ended 31.03.2022 | For the Year ended 31.03.2021 |
|----------|---|----------------------------------|----------------------------------|
| B | TRANSACTIONS DURING THE YEAR | | |
| 1 | Sale of goods/Scrap | | |
| | Greenstar Fertilizers Limited | 4254.99 | 118.88 |
| | Lotus Fertilizers Private Limited | 126.39 | 124.08 |
| | Sicagen India Limited | 0.86 | - |
| 2 | Purchase of materials | | |
| | Tuticorin Alkali Chemicals and Fertilizers Limited | 13.05 | 22.07 |
| | Greenstar Fertilizers Limited | - | 2,495.61 |
| | Tamilnadu Petroproducts Limited | 61.89 | 24.48 |
| | Wilson International Trading Pte Ltd, Singapore | 3864.77 | - |
| | Sicagen India Limited | 543.31 | 909.40 |
| 3 | Reimbursement of Expenses (Receipts) | | |
| | Greenstar Fertilizers Limited | 712.45 | 491.05 |
| | Sicagen India Limited | - | 1.52 |
| | National Aromatics and Petrochemicals Corporation Limited | 1.65 | 1.74 |
| | EDAC Engineering Limited | - | 0.03 |
| | AM Foundation | 0.11 | 23.20 |
| | Greenam Energy Private Limited | 1.69 | - |
| | SPIC Group Companies Employees Welfare Foundation | 1.50 | - |
| | SPIC Officers & Staff Welfare Foundation | 0.45 | - |
| 4 | Income from services rendered | | |
| | Manali Petrochemicals Limited | 2.93 | 2.47 |
| | Tamilnadu Petroproducts Limited | 0.01 | 3.75 |
| | Tuticorin Alkali Chemicals and Fertilizers Limited | 153.04 | 4.98 |
| | Greenstar Fertilizers Limited | 897.13 | 961.82 |
| | Wilson International Trading (India) Private Limited | 0.05 | - |
| | Sicagen India Limited | 5.16 | 10.84 |
| | EDAC Engineering Limited | 3.52 | 4.49 |
| | Greenam Energy Private Limited | 0.20 | 0.11 |
| 5 | Services / Consultancy Charges/Manpower Charges | | |
| | Greenstar Fertilizers Limited | 494.90 | 381.81 |
| | Sicagen India Limited | 14.84 | 19.03 |
| | EDAC Engineering Limited | 71.46 | 150.04 |
| 6 | Exchange Fluctuation | | |
| | Greenstar Fertilizers Limited | 20.47 | - |
| 7 | Dividend Income | | |
| | Manali Petrochemicals Limited | 0.15 | 0.08 |
| | Tamilnadu Petroproducts Limited | 380.86 | 228.52 |
| | Sicagen India Limited | 3.47 | 2.89 |
| 8 | Managerial Remuneration | | |
| | Thiru. S R Ramakrishnan | 75.03 | 75.02 |

| S.NO | PARTICULARS | For the year ended 31.03.2022 | For the Year ended 31.03.2021 |
|------|--|----------------------------------|----------------------------------|
| 9 | Handling Charges | | |
| | Greenstar Fertilizers Limited | 52.92 | 141.88 |
| 10 | Storage Charges Paid | | |
| | Greenstar Fertilizers Limited | 324.06 | 517.10 |
| 11 | Director Sitting Fees | | |
| | Thiru. Ashwin C Muthiah | 5.00 | 5.00 |
| 12 | Income from Rentals | | |
| | Greenstar Fertilizers Limited | 28.18 | 27.11 |
| | Tuticorin Alkali Chemicals and Fertilizers Limited | 1.09 | - |
| | AM Foundation | 0.14 | - |
| | Greenam Energy Private Limited | 14.16 | - |
| 13 | Advance for Materials | | |
| | Greenstar Fertilizers Limited | 7100.00 | 2463.21 |
| 14 | Interest on Borrowings(Payable) | | |
| | AM International Holdings Pte Ltd, Singapore | 342.42 | 664.86 |
| 15 | Borrowings Repaid | | |
| | AM International Holdings Pte Ltd, Singapore | - | 12865.50 |
| 16 | Borrowings | | |
| | AM International Holdings Pte Ltd, Singapore | 17907.99 | - |
| 17 | Redemption of Preference Shares | | |
| | AMI Holdings Private Ltd. | 950.00 | - |
| 18 | Payment of Preference Dividend | | |
| | AMI Holdings Private Ltd. | 2250.65 | - |
| 19 | Demurrage Charges / (Credit) | | |
| | Wilson International Trading Pte. Ltd, Singapore | (18.22) | - |
| 20 | Car Rental Charges | | |
| | South India Travels Private Limited | 20.88 | 22.72 |
| 21 | Investment in Equity | | |
| | Greenam Energy Private Limited | 150.00 | - |
| 22 | Rebates and Discounts | | |
| | Lotus Fertilizers Private Limited | 4.66 | 3.13 |
| 23 | Work Order Bill | | |
| | Sicagen India Limited | 6.72 | - |
| 24 | Sale of Investment | | |
| | Greenstar Fertilizers Limited | - | 862.80 |
| 25 | Rebate on purchase | | |
| | Wilson International Trading Pte. Ltd, Singapore | - | 758.32 |
| 26 | Purchase of Power | | |
| | Greenam Energy Private Limited | 44.51 | - |
| 27 | Power purchase deposit | | |
| | Greenam Energy Private Limited | 161.32 | - |

Note: 39 Financial Instruments

39.1 Capital Management

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

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

The following table summarises the capital of the Company:

(₹ in lac)

| Particulars | 31 March 2022 | 31 March 2021 |
|--|---------------|---------------|
| a) Equity | 69392.38 | 51576.19 |
| b) Non-Convertible preference share | - | 1250.00 |
| c) Borrowings other than non-convertible preference shares | 30174.66 | 9125.01 |
| d) Less: Cash and Cash equivalents | (5474.37) | (10558.60) |
| e) Total debt(b+c+d) | 24700.29 | (183.59) |
| f) Overall financing(a+e) | 94092.67 | 51392.60 |
| g) Net debt to capital ratio (e/f) | 0.26 | (0.00) |
| h) Interest coverage ratio | 13.24 | 6.44 |

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 year. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2022 and 31 March 2021

39.2 Categories of Financial instruments

(₹ in lac)

| Particulars | 31 March 2022 | 31 March 2021 |
|--|---------------|---------------|
| Financial Assets | | |
| Measured at FVTOCI | | |
| a) Investments | 2891.00 | 136.85 |
| Measured at amortised cost | | |
| b) Trade receivables | 45.03 | 718.58 |
| c) Cash and cash equivalents | 503.23 | 7790.32 |
| d) Bank balances other than (c) above | 4971.14 | 2768.28 |
| e) Other financial assets - Current Asset | 4696.32 | 22885.16 |
| f) Other Financial Assets - Non Current Asset | 1731.29 | 1040.82 |
| Financial Liabilities | | |
| Measured at amortised cost | | |
| a) Borrowings - Current Liabilities | 26433.27 | 10375.01 |
| b) Borrowings - Non Current Liabilities | 3741.39 | - |
| c) Current Lease Liability | 123.87 | - |
| d) Non Current Lease Liability | 209.17 | - |
| e) Trade payables | 48812.93 | 94900.96 |
| f) Other financial liabilities - Current Liabilities | 3591.80 | 4022.39 |
| g) Other Financial Liabilities - Non Current Liabilities | 3118.51 | 3211.80 |

39.3 Financial Risk and Management Objectives

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

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

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

1. Credit Risk

Credit risk is the risk that 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's 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 Risks

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 2022 | | | | | |
| Short term borrowings | - | 26433.27 | - | - | 26433.27 |
| Long-term borrowings | - | 3741.39 | - | - | 3741.39 |
| Trade payables | 13393.57 | 27177.47 | 8241.89 | - | 48812.93 |
| Other financial liability | | 6919.48 | - | - | 6919.48 |
| Total | 13393.57 | 64271.61 | 8241.89 | - | 85907.07 |
| 31 March 2021 | | | | | |
| Short term borrowings | | 6,100.00 | - | - | 6100.00 |
| Long-term borrowings | - | | - | - | 0.00 |
| Trade payables | 22516.39 | 47107.68 | 25276.89 | - | 94900.96 |
| Other financial liability | - | 7234.19 | - | - | 7234.19 |
| Total | 22516.39 | 60441.87 | 25,276.89 | - | 108235.15 |

3. Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and Interest rates will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the returns.

4. Foreign Currency Risks

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

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

(USD In Million)

| Particulars of Liabilities | As at 31 March 2022 | As at 31 March 2021 |
|--|------------------------|------------------------|
| Trade Payables | | |
| Amount due on account of goods purchased | 5.25 | (0.09) |

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.

(₹ in lac)

| Currency impact relating to the foreign currencies of | As at 31 March 2022 | | As at 31 March 2021 | |
|---|---------------------|----------|---------------------|--------|
| | Profit or loss | Equity | Profit or loss | Equity |
| Rs/USD - increase by INR 2 | 104.94 | 104.94 | (1.87) | (1.87) |
| Rs/USD - decrease by INR 2 | (104.94) | (104.94) | 1.87 | 1.87 |

5. Interest Rate Risks

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 imported raw materials.

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

| Particulars | Note | Carrying Amount | | | | Fair Value | | | |
|--|------------------------|------------------------------------|----------------------------|---|----------------------|------------|----------|---------|----------|
| | | 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 | 6(B)(A)(1) & 6 (C) (1) | - | 2891.00 | - | 2891.00 | 2891.00 | - | - | 2891.00 |
| Investments in unquoted equity instruments at amortised cost | 6(B) | 95.78 | - | - | 95.78 | - | 95.78 | - | 95.78 |
| Financial Assets not measured at fair value | | | | | | | | | |
| Trade Receivables | 12 | 45.03 | - | - | 45.03 | - | 45.03 | - | 45.03 |
| Cash and Cash Equivalents | 13 (A) | 503.23 | - | - | 503.23 | - | 503.23 | - | 503.23 |
| Other Bank balances | 13 (B) | 4971.14 | - | - | 4971.14 | - | 4971.14 | - | 4971.14 |
| Other financial assets | 7 (A) & (B) | 6427.61 | - | - | 6427.61 | - | 6427.61 | - | 6427.61 |
| Total | | 12042.79 | 2891.00 | - | 14933.79 | 2891.00 | 12042.79 | - | 14933.79 |
| Liabilities | | | | | | | | | |
| Financial Liabilities not measured at fair value | | | | | | | | | |
| Non Current Borrowings | 18 (A) | - | - | 3741.39 | 3741.39 | - | 3741.39 | - | 3741.39 |
| Current Borrowings | 18 (B) | - | - | 26433.27 | 26433.27 | - | 26433.27 | - | 26433.27 |
| Current Lease Liability | | - | - | 123.87 | 123.87 | - | 123.87 | - | 123.87 |
| Non Current Lease Liability | | - | - | 209.17 | 209.17 | - | 209.17 | - | 209.17 |
| Trade payables | 20 & 20 (i) | - | - | 48812.93 | 48812.93 | - | 48812.93 | - | 48812.93 |
| Other Current financial liabilities | 19 (B) | - | - | 3591.80 | 3591.80 | - | 3591.80 | - | 3591.80 |
| Other Non Current financial liabilities | 19 (A) | - | - | 3118.51 | 3118.51 | - | 3118.51 | - | 3118.51 |
| Total | | - | - | 86030.94 | 86030.94 | - | 86030.94 | - | 86030.94 |

| As at 31 March, 2021 | Particulars | Carrying Amount | | | | | Fair Value | | |
|----------------------|--|------------------------------------|----------------------------|---|----------------------|---------|------------|---------|-----------|
| | | 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 | - | 136.85 | - | 136.85 | 136.85 | - | - | 136.85 |
| | Investments in unquoted equity instruments at amortised cost | 116.76 | - | - | 116.76 | - | 116.76 | - | 116.76 |
| | Financial Assets not measured at fair value | | | | | | | | |
| | Trade Receivables | 718.58 | - | - | 718.58 | - | 718.58 | - | 718.58 |
| | Cash and Cash Equivalents | 7790.31 | - | - | 7790.31 | - | 7790.31 | - | 7790.31 |
| | Other Bank balances | 2768.28 | - | - | 2768.28 | - | 2768.28 | - | 2768.28 |
| | Other financial assets | 23925.98 | - | - | 23925.98 | - | 23925.98 | - | 23925.98 |
| | Total | 35319.91 | 136.85 | - | 35456.76 | 136.85 | 35319.91 | - | 35456.76 |
| | Liabilities | | | | | | | | |
| | Financial Liabilities not measured at fair value | | | | | | | | |
| | Non Current Borrowings | - | - | - | - | - | - | - | - |
| | Current Borrowings | - | - | 10375.01 | 10375.01 | - | 10375.01 | - | 10375.01 |
| | Current Lease Liability | - | - | - | - | - | - | - | - |
| | Non Current Lease Liability | - | - | - | - | - | - | - | - |
| | Trade payables | - | - | 94900.96 | 94900.96 | - | 94900.96 | - | 94900.96 |
| | Other Current financial liabilities | - | - | 4022.39 | 4022.39 | - | 4022.39 | - | 4022.39 |
| | Other Non Current financial liabilities | - | - | 3211.80 | 3211.80 | - | 3211.80 | - | 3211.80 |
| | Total | - | - | 112510.16 | 112510.16 | - | 112510.16 | - | 112510.16 |

Note 40: Earnings Per Share

(₹ in lac)

| Particulars | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|-----------------------------|-----------------------------|
| Face Value per share (In Rupees) | 10 | 10 |
| Profit for the year (Rupees in lac) | 17816.19 | 8103.97 |
| Basic | | |
| Weighted Average Number of shares outstanding | 203640336 | 203640336 |
| Earnings per share (In Rupees) | 8.75 | 3.98 |
| Diluted | | |
| Weighted Average Number of shares outstanding | 203640336 | 203640336 |
| Earnings per share (In Rupees) | 8.75 | 3.98 |

Note 41 :

Relationship with Struck off Companies under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956,
(₹ in lac)

| Name of struck off Company | Nature of transactions with struck-off Company | Relationship with the Struck off company, if any | Balance outstanding as at current year | Balance outstanding as at previous year |
|---|--|--|--|---|
| ACT India Limited | Receivables | NA | 7.21 | 7.40 |
| Vikdas Agro Tech Limited | Payables | NA | - | 0.01 |
| Hunt Box Events & Entertainment Private Limited | Payables | NA | - | 3.39 |

Note 42: Registration of charges or satisfaction with Registrar of Companies

The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

Note 43: Wilful Defaulter

The company has not been declared as a wilful defaulter by Reserve Bank of India, Banks, Financial Institutions or any other Lender.

Note 44: Compliance with number of layers of companies

The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

Note 45:

- (a) The Company has not advanced or loaned or invested funds during the reporting periods to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding whether recorded in writing or otherwise that the Intermediary shall: (i) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (b) The Company has not received any fund during the reporting periods from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Note 46: Undisclosed income

The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year (previous year) in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

Note 47: Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

Note 48: Corporate Social Responsibility

In view of absence of Profit as per the computation of Section 198 of the Companies Act 2013, Company is not required to spend towards CSR Activity as per Section 135 of Companies Act, 2013.

Note 49:

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 50:

The Board of Directors has recommended a dividend of Re. 0.50 (5%) per share on 20,36,40,336 equity shares of Rs.10/- each for the financial year 2021-22, subject to approval of Members at the Annual General Meeting.

Note 51:

Details of Benami Property held

The Company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.

Note 52:

Following disclosures are not applicable for consolidated financial statements as per Schedule III:

- (a) Title deeds of immoveable properties
- (b) Accounting ratios

Note 53: Additional information required under Schedule III of the Companies Act, 2013

Information regarding Associates and Joint Ventures included in the Consolidated Financial Statements for the year ended 31 March 2022

(₹ in lac)

| Particulars | Net Assets ie 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 | 79.29 | 55017.88 | 81.83 | 13366.46 | 94.88 | 1405.92 | 82.92 | 14772.38 |
| Joint Venture | | | | | | | | |
| Tamilnadu Petroproducts Limited | 19.41 | 13466.58 | 18.18 | 2968.84 | 5.12 | 75.86 | 17.09 | 3044.71 |
| Associates | | | | | | | | |
| Gold Nest Trading Company Limited | - | - | (0.02) | (2.93) | - | - | (0.02) | (2.93) |
| Greenam Energy Private Limited | 1.31 | 907.93 | 0.01 | 2.03 | - | - | 0.01 | 2.03 |
| Total | 100.00 | 69392.38 | 100.00 | 16334.40 | 100.00 | 1481.78 | 100.00 | 17816.19 |

Information regarding Associates and Joint Ventures included in the Consolidated Financial Statements for the year ended 31 March 2021

(₹ in lac)

| Particulars | Net Assets ie 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 |

Note 54:

- (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 realisable 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 2022 in its meeting held on 27 May 2022.

In terms of our report attached.

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

GEETHA JEYAKUMAR
Partner
Membership No: 029409

Place : Chennai
Date : 27 May 2022

For and on behalf of the Board of Directors

SASHIKALA SRIKANTH
Director
DIN 01678374

K R ANANDAN
Chief Financial Officer

Place: Chennai
Date : 27 May 2022

S R RAMAKRISHNAN
Whole-Time Director
DIN: 00120126

M B GANESH
Company Secretary

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-22 | 31-Mar-22 | 31-Mar-22 | 31-Mar-22 | 31-Mar-22 |
| 2. Shares of Associate / Joint Ventures held by the company on the year end | | | | | |
| No. Shares | 28586872 | 249000 | 9086502 | 25000 | 15234375 |
| Amount of Investment in Associates / Joint Venture (Rs in Lac) | 3535.66 | 250.25 | 908.65 | 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) | (6798.04) | 0.00 | 916.26 | 433.94 | 12666.52 |
| 6. Profit/(Loss) for the year | | | | | |
| i. Considered in Consolidation (₹ in lac) | - | (2.93) | 2.03 | - | 3044.70 |
| ii. Not Considered in Consolidation (₹ in lac) | (794.78) | - | - | (0.83) | - |

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

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 : 27 May 2022

K R ANANDAN
Chief Financial Officer

M B GANESH
Company Secretary



SOUTHERN PETROCHEMICAL INDUSTRIES CORPORATION LIMITED

SPIC HOUSE, 88 Mount Road, Guindy, Chennai – 600 032.