SPIC

Secy/NSE/46 AGM

8th August 2017

The Manager
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G
Bandra-Kurla Complex, Bandra (East)
MUMBAI 400 051

Dear Sir,

Sub: Annual Report 2016-17.

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a copy of the Annual Report 2016-17 is attached.

We request you kindly to take on record.

Thanking you,

Yours faithfully,
For Southern Petrochemical
Industries Corporation Ltd.

M B Ganesh
Secretary

SPIC

46th ANNUAL REPORT
2016 - 17

SOUTHERN PETROCHEMICAL INDUSTRIES CORPORATION LIMITED

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SOUTHERN PETROCHEMICAL INDUSTRIES CORPORATION LIMITED

Board of Directors

Ashwin C Muthiah	DIN 00255679	Chairman
T K Arun	DIN 02163427	Director
M S Shanmugam I.A.S	DIN 02475286	Director
B Elangovan	DIN 00133452	Director
B Narendran	DIN 01159394	Independent Director
S Shankar	DIN 06591908	Independent Director
Harish Chandra Chawla	DIN 00085415	Independent Director
Sashikala Srikanth	DIN 01678374	Independent Director
Sumanjit Chaudhry	DIN 06752672	Independent Director
S R Ramakrishnan	DIN 00120126	Whole-time Director

Secretary

M B Ganesh

Chief Financial Officer

K R Anandan

Auditors
Deloitte Haskins & Sells
Chartered Accountants
ASV N Ramana Tower
52 Venkatnarayana Road
Chennai 600 017

Registered Office :
SPIC House, 88 Mount Road
Guindy, Chennai 600 032
CIN: L11101TN1969PLC005778
Phone :+91 44 22350245
Fax : +91 44 22352163
Website : www.spic.in
E-mail : spiccorp@spic.co.in

Registrar and Share Transfer Agent
Cameo Corporate Services Limited
"Subramanian Building"
No 1 Club House Road
Chennai 600 002
Ph: 044-28460390

Plant :
SPIC Nagar,
Muthiapuram,
Tuticorin 628 005
Phone : 0461-2355525
Fax : 0461 2355588

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SOUTHERN PETROCHEMICAL INDUSTRIES CORPORATION LIMITED

Registered Office: "SPIC House", 88 Mount Road, Guindy, Chennai - 600 032.
CIN:L11101TN1969PLC005778; E-mail: spiccorp@spic.co.in; website:www.spic.in; Ph: 044-22350245

NOTICE

NOTICE is hereby given that the FORTY SIXTH ANNUAL GENERAL MEETING of the Members of Southern Petrochemical Industries Corporation Limited will be held on Wednesday the 26th July 2017 at 10.00 A.M at Rajah Annamalai Mandram, No 5, Esplanade Road, Chennai - 600 108, to transact the following business:

ORDINARY BUSINESS:

1. **Adoption of Financial Statements**
   "**RESOLVED THAT**

   a.the audited financial statement of the Company for the year ended 31st March 2017 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 2017 and the Report of the Auditors thereon;

   be and are hereby received and adopted."

2. **Appointment of Director**

   "RESOLVED THAT Mr. M S Shanmugam,I.A.S.,Director (DIN No: 02475286), retiring by rotation, eligible for re-appointment and having offered himself for re-appointment be and is hereby re-appointed as Director of the Company".

3. **Appointment of Statutory Auditors**

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

   "RESOLVED THAT pursuant to Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, and the Rules made there under, M/s. MZSK & Associates, Chartered Accountants, Chennai (Firm Registration No. 105047W), be and are hereby appointed as Statutory Auditors of the Company for a period of five years from the Financial Year 2017-18 subject to ratification at every Annual General Meeting and to hold Office from the conclusion of this 46th Annual General Meeting until the conclusion of the 51st Annual General Meeting of the Company on a remuneration as may be fixed by the Board of Directors of the Company."

SPECIAL BUSINESS:

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

   "RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under read with the provisions of Companies (Cost Records and Audit) Rules, 2014 including any statutory amendment(s), modification(s) and re-enactment thereof for the time being in force, the appointment of Mr. P.R.Tantri (M.No.2403) as Cost Auditor to conduct the Cost Audit pertaining to Cost Accounts and Records of the Fertilizer Division of the Company for the financial year ending 31st March, 2018, on a remuneration of Rs. 1,00,000/- (Rupees One lakh only) subject to applicable taxes and levies be and is hereby approved and ratified."

   "RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts and deeds and take all steps as may be necessary, proper or expedient to give effect to the aforesaid Resolution."

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

   "RESOLVED THAT the approval be and is hereby accorded pursuant to Regulation 23 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, for the transactions entered into by the Company with a Related Party during the year 2016-17 in the ordinary course of business and at arms length basis but considered material, as mentioned below:-

Name of the Related Party	Nature of Transactions	Amount (Rs.in lacs)
Wilson International Trading Pte Ltd. Singapore	Purchase of raw-materials	22042.20

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

   "**RESOLVED THAT** pursuant to the provisions of Section 186 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made there under (including any statutory modification thereof for the time being in force and as may be enacted from time to time), subject to such approvals, consents, sanctions and permissions, as may be necessary, and the Articles of Association of the Company, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as

the "Board", which term shall include any Committee constituted by the Board or any person(s) authorized by the Board) to exercise the powers conferred on the Board by this resolution, to make investments by way of subscription, purchase or otherwise, the securities of M/s. Greenam Energy Private Limited upto an aggregate amount not exceeding Rs.12 Crores (Rupees Twelve Crores only) notwithstanding that the aggregate of the loans given or guarantees provided or securities subscribed/ acquired or loans / guarantees to be given and / or securities to be subscribed / acquired by the Company may collectively exceed the limits prescribed under Section 186 of the Act over and above the limits earlier approved by the Shareholders for investment in the equity capital of power generation company."

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

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197 and other applicable provisions of the Companies Act, 2013 (the Act) the Rules made thereunder read with Schedule- V (including any statutory modification or re-enactment thereof), Article 157 of the Articles of Association of the Company and subject to the approval of Central Government and other approvals, as may be necessary, consent of the Company be and is hereby accorded to the re-appointment and continuation beyond the age of seventy years of Mr. S R Ramakrishnan, (DIN: 00120126) as Whole-time Director of the Company for a period of three years from 30th July 2017, on the following terms and conditions:

REMUNERATION:

a. Basic Salary, Allowances and Perquisites	: Rs. 47,77,300 p.a.
b. Performance pay	: Rs. 15,00,000 p.a.
c. In lieu of car and driver	: Rs. 8,62,700 p.a.

d. In addition to the above,

i. Provide telephone and other communication facilities to the Incumbent for official use in relation to the discharge of his duties and responsibilities.

ii. Reimburse actual entertainment and travelling expenses incurred by the Incumbent in connection with Company's business and shall not be treated as perquisites or benefits.

e. Contribution to Provident fund, Leave eligibility and Encashment of leave shall be as per the Service Rules of the Company.

Minimum Remuneration:

In the event of inadequacy or absence of profits during the duration of the agreement, the Whole-time Director shall be entitled to the aforesaid remuneration as the minimum remuneration and the same shall be subject to the provisions of the applicable laws and approval of the Central Government or such other approvals, as may be required under the relevant laws.

"RESOLVED FURTHER THAT in the event of any statutory amendment, modifications or relaxation by the Central Government to Schedule V of the Companies Act, 2013, the Board of Directors be and are hereby authorized to vary or increase the remuneration (including the minimum remuneration, approved by the Nomination and Remuneration Committee) i.e. the remuneration within such prescribed limit or ceiling and the terms and conditions of the said appointment as agreed to between the Company and Mr. S R Ramakrishnan be suitably amended to give effect to such amendment, modification or relaxation, subject to such approvals as may be required by law"

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps as may be expedient or desirable to give effect to the aforesaid Resolutions".

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

"RESOLVED THAT pursuant to the provisions of Section 186 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made there under (including any statutory modification thereof for the time being in force and as may be enacted from time to time), subject to such approvals, consents, sanctions and permissions, as may be necessary, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include any Committee constituted by the Board or any person(s) authorized by the Board), to invest in 60,50,000 equity shares of Rs. 10/- each and 23,76,000 redeemable cumulative preference shares of Rs. 100/- each of M/s. Tuticorin Alkali Chemicals and Fertilizers Limited (TFL) at par or at such price determined as per appropriate method of valuation, arising out of conversion of outstanding unsecured loan and other receivables aggregating Rs. 29.81 Crore (Rupees Twenty Nine Crore and Eighty One Lakh) as envisaged in the Draft Rehabilitation Scheme of TFL approved by BIFR and in pursuance of the Consent Affidavit given to National Company Law Tribunal as Promoter of TFL, notwithstanding that the aggregate of the loans given or guarantees provided or securities

subscribed / acquired or loans / guarantees to be given and / or securities to be subscribed / acquired by the Company may collectively exceed the limits prescribed under Section 186 of the Act over and above the limits approved by the Members for investment in the Securities of other body corporate(s)."

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

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

Place : Chennai — M B GANESH
Date : 18 May 2017 — Secretary

NOTES:

(A) a. The Register of Members and Share Transfer Books of the Company will remain closed from 19th July 2017 to 26th July 2017 (both days inclusive).

b. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013, (the Act) in respect of items 3 to 8 is annexed hereto.

c. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) OF THE COMPANY MAY APPOINT A PROXY / PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF. SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.

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

d. Members holding shares in physical form are advised to inform the Company of any change in address or demise of any Member.

e. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) of Members holding shares in demat form and should submit self attested copy of their PAN details to the Company while sending physical share certificates for transfer / transmission.

f. Details under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015[LODR] in respect of the Directors seeking appointment / re-appointment at the Annual General Meeting forms integral part of the Notice. Such Directors have furnished the requisite declarations for their appointment / re-appointment.

g. Electronic copy of the Notice of the 46th Annual General Meeting (46th AGM) of the Company inter alia indicating the process and manner of electronic-voting (e-voting) along with Attendance Slip and Proxy Form are being sent to all the Members whose email IDs are registered with the Company / Depository Participants(s) for communication purposes unless any Member has requested for a hard copy of the same. For Members who have not registered their email address, physical copies of the Notice of the 46th AGM of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy form are being sent in the permitted mode (Registered Post/ Speed Post / Courier).

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

h. Members may also note that the Notice of the 46th AGM and the Annual Report will be available on the website of the Company.

i. A person who has participated in e-voting is not debarred from participating in the meeting physically though he shall not be eligible to vote in the meeting again and his earlier vote cast electronically shall be treated as final. In terms of the provisions of Section 107 read with Section 109 of the Act there will be no voting by show of hands at the meeting and hence the provisions relating to demand for poll by the Members would not be relevant. The Chairman of the meeting will regulate the meeting and voting on the resolutions in accordance with the provisions of the Act and the applicable Rules and Listing Regulations.

j. The facility for voting through ballot paper shall be made available at the meeting and Members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting.

k. The voting rights of Members shall be in proportion to their shares of the paid-up equity share capital in the Company as on 19th July 2017, the cut-off-date.

l. Members holding shares in single name are advised to avail the facility of nomination in respect of shares held by them pursuant to the provisions of Section 72 of the Act, read with the Rules made thereunder. Members holding shares in physical form desiring to avail this facility may send their nomination in the prescribed Form No. SH-13 duly filled to the Company. The Nomination Form is also available in the website of the Company. Members holding shares in electronic form may contact their respective Depository Participant(s) for availing this facility.

Inspection of Documents:

All material documents relating to the items of business set out in the Notice are available for inspection by the Members at the Registered Office of the Company on all working days except Saturday and Sunday between 11.00 A.M. and 1.00 P.M. prior to the date of the Meeting.

(B) Voting through electronic means:

In compliance with the provisions of Section 108 of the Act, and Rules made thereunder and Regulations 44 of LODR, the Company is providing to its Members facility to exercise their right to vote at the 46th AGM by electronic means and the business may be transacted through electronic-voting services provided by CDSL.

INSTRUCTIONS FOR MEMBERS FOR VOTING ELECTRONICALLY ARE AS UNDER:-

(i) The voting period begins on 23rd July 2017 (9.00 a.m.) and ends on 25th July 2017 (5.00 p.m.). During this period, the shareholders of the Company, holding shares either in physical form or in dematerialized form, as on 19th July 2017 (cut off date) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date will not be entitled to vote at the meeting venue.

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

(iv) Click on Shareholders.

(v) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

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

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

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

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

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

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

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

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

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

(xii) Click on the EVSN for "Southern Petrochemical Industries Corporation Limited"

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

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

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

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

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

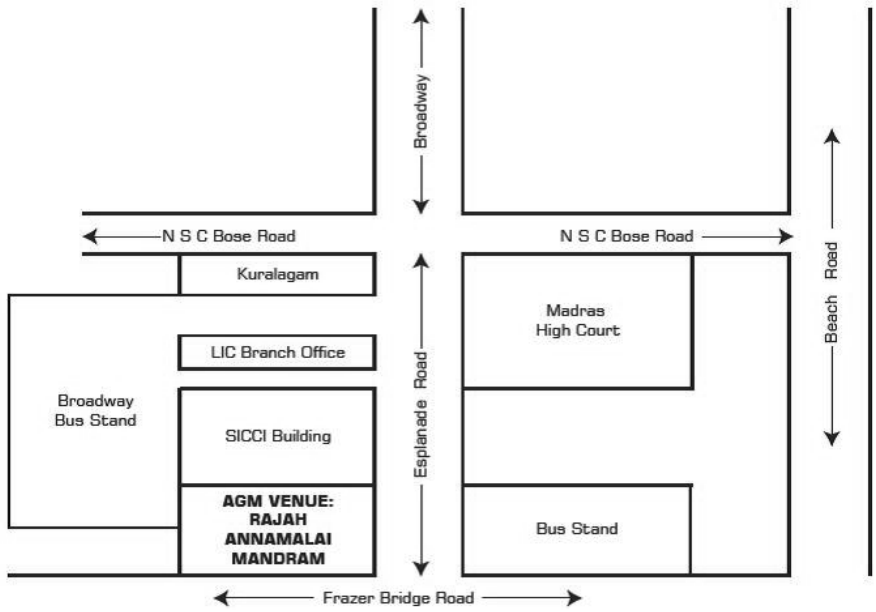
(xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

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

ROUTE MAP TO RAJAH ANNAMALAI MANDRAM (AGM VENUE)



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Annexure to Notice

EXPLANATORY STATEMENT

PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

The following Explanatory Statement sets out the material facts referred to in Item Nos 3 to 8 of the Notice convening the 46th AGM:

ITEM No. 3

Section 139 of the Companies Act 2013 (Act) was implemented with effect from 1st April 2014 which lays down the criteria for appointment and rotation of auditors. Accordingly the incumbent auditor have completed more than 10 years as statutory auditors of the Company and will be completing the transitional period of three years in the ensuing AGM. The Audit Committee in its meeting held on 18th May 2017 recommended the appointment of M/s. MZSK & Associates Chartered Accountants, Chennai (Firm Registration No. 105047W) and the Board is proposing the appointment of the said firm as statutory auditors for a period of five years from the conclusion of this AGM till the conclusion of the AGM to be held in the year 2022 for 5 financial years from 2017-18 to 2021-22. The share holders are requested to consider and pass this resolution as an ordinary resolution.

ITEM No. 4

The Board of Directors, on the recommendation of the Audit Committee, at their meeting held on 18th May 2017 appointed Mr. P.R.Tantri, Cost Accountant, (M. No 2403) as Cost Auditor at a remuneration of Rs.1,00,000/- (Rupees One lakh only) subject to applicable tax and levies to conduct the cost audit of the cost accounts and records of the Fertilizers Division of the Company for the financial year ending 31 March, 2018. 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.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out in Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending 31 March, 2018.

Memorandum of Interest:

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

ITEM No. 5

As per Regulation 23 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (LODR), approval of the Members is required for transactions with Related Parties ("RP") which are material in nature to ensure transparency in the dealings with the RP of the Company.

During the year 2016-17, the Company had purchased raw materials from M/s. Wilson International Trading Pte Limited, Singapore for a value of Rs. 22042.20 lacs (including demurage charges) in the ordinary course of business and at arm's length basis. The transaction is considered material in nature pursuant to the LODR and hence the proposed Ordinary Resolution. The transaction was approved by the Audit Committee / Board of Directors as required under the Company's Policy on Related Party Transactions.

As per Regulation 23 of LODR, all Related Parties shall abstain from voting on resolution(s) seeking approval of Members for material Related Party Transactions. Wilson International Trading Pte Limited, Singapore do not hold any shares in the Company.

The Board recommends the Ordinary Resolution seeking consent of the Members as set out at Item No. 5 of the Notice for approving the transactions entered into by the Company.

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: 6

The Board of Directors at their Meeting held on 30th January 2017, had approved the proposal of setting up a solar power project and to incorporate a company for this purpose. The main object of the company on its incorporation will be the generation and distribution of electric power from solar energy. The subscribers to the Memorandum of Association of the company to be incorporated would be M/s. AM International Holdings Pte Limited, Singapore (AMIH), Southern Petrochemical Industries Corporation Limited (SPIC), Greenstar Fertilizers Limited (Greenstar) and Tuticorin Alkali Chemicals and Fertilizers Limited (TFL).

The following are the details relating to the Project :

1) Capacity : 25 MW to 29 MW DC
2) The estimated project cost would be around Rs. 136 crores.
3) Location : In the 65 acres of land within the factory in Tuticorin where there is water reservoir.

The Board further approved that the Company would invest a sum upto Rs. 12 Crores (Rupees Twelve Crores only) in the share capital of M/s. Greenam Energy Private Limited to be incorporated subject to approval of the shareholders under Section 186 of the Companies Act, 2013.

The Company in the name and style of M/s. Greenam Energy Private Limited was incorporated on 7th April 2017.

The aggregate amount of investments so far made by the Company along with the proposed investments in M/s. Greenam Energy Private Limited is in excess of the limits the Board is authorised to invest. Hence pursuant to Section 186 and other applicable provisions of the Act, if any, and the Rules made thereunder, approval of the Members is sought for the proposed investment.

The Board recommends the Special Resolution seeking consent of the Members for investing in the securities of M/s. Greenam Energy Private Limited upto an aggregate amount not exceeding Rs. 12 Crores.

Memorandum of Interest:

Except Mr. Ashwin C Muthiah, Chairman and Mr. S R Ramakrishnan, Whole-time Director and their relatives, who do not hold any shares in M/s. Greenam Energy Private Limited, none of the Directors, Key Managerial Personnel of the Company and their relatives is interested in this Resolution.

ITEM NO. 7

The Board of Directors of the Company based on the recommendations of Nomination and Remuneration Committee, (NRC) at their Meeting held on 18th May 2017, approved the proposal of re-appointment, continuation of beyond the age of seventy years and payment of remuneration to Mr. S R Ramakrishnan as Whole-time Director of the Company for a period of 3 years from 30th July, 2017 subject to the approval of the Members. In terms of Article 157 of Articles of Association of the Company and the Companies Act, 2013 approval of Members by passing Special Resolution for re-appointment and payment of remuneration to the Whole-time Director is required.

Statement under Para A, Section II, Part II of Schedule V of the Companies Act, 2013 is given below to the extent applicable.

A. General Information

1. Nature of Industry:

   The Company is primarily engaged in manufacture and sale of Urea.

2. Year of commencement of commercial production:

   The commercial production of Urea, the main product of the Company, commenced during 1975.

3. Financial performance:

   The following are the results of the Company during the last three years.

(Rs. in Crore)

Financial parameters	2013-14	2014-15	2015-16
Total Income	1353.95	2102.80	1855.85
Net Profit/(Loss) (as per P&L A/c)	65.86	17.59	24.77
Rate of Dividend declared (%)	Nil	Nil	Nil
Amount of Dividend paid	Nil	Nil	Nil

B. Information about the Appointee

a. Background details :

Mr. S R Ramakrishnan was appointed as Whole-time Director of the Company taking into consideration his professional qualification ie., B.Tech (Chem) from IIT Madras and his association with SPIC since 1972 having worked in various departments including operation, process engineering, Technical services, R&D, Corporate Planning, etc. He was with M/s Bharath Coal Chemicals Ltd (belonging to Shriram Group) as its Managing Director; worked till July 2014 and during that period was involved in developing a coal based Ammonia - Urea project in Paradip.

The NRC and the Board of Directors noted that during the last three years of his term, he has brought about several changes and improvements in the Organisation which has helped in improving the performance of the Company. The next two to three years will be an important phase in the revival efforts of the Company to bring more stability and also to complete the technical activities in connection with Revamp and Gas Conversion Project. Therefore, his continuance would be of help in achieving the time lines.

b. Past Remuneration:

i. Basic Salary, Allowances and Perquisites : Rs. 35.00 lacs p.a.

ii. Performance pay : Rs. 15.00 lacs p.a.

iii. In lieu of car and driver : Rs. 07.80 lacs p.a.

iv. In addition to the above

- Provide telephone and other communication facilities to the incumbent for official use in relation to the discharge of his duties and responsibilities.
- Reimburse actual entertainment and travelling expenses incurred by the incumbent in connection with Company's business and shall not be treated as perquisites or benefits.

v. Contribution to Provident Fund, Superannuation Fund, or other Funds, Gratuity, Leave Eligibility and Encashment of leave shall be as per the Service Rules of the Company.

c. Job profile and his suitability:

The present duties and responsibilities of Mr. S R Ramakrishnan are as follows:

a) Attending day to day functions of the Company

b) Handling Manufacturing function, HR and Admin, Secretarial and Legal functions of the Company

c) Being responsible for driving the business and other goals set by the Board of Directors.

d. The proposed appointee, aged 68 years, has got wide experience in chemical industries and is associated with the Company for many years in the past. His continuation as the Whole-time Director beyond the age of 70 years is important for the turnaround of the Company and hence a special resolution is sought to be passed in compliance with Section 196(3) of the Act.

e. The terms of appointment of Mr. S R Ramakrishnan, as the Whole-time Director of the Company are furnished in the Resolution under Item No. 7 of the Notice.

f. Comparative remuneration profile with respect of industry, size of the Company, profile of the position and person. - The proposed remuneration is reasonable with respect to the industry, size of the Company and job profile of the proposed appointee.

g. Pecuniary relationship, directly or indirectly, with the Company / relationship with managerial personnel, if any - Mr. S R Ramakrishnan has no pecuniary relationship directly or indirectly, with the Company (except to the

extent of the remuneration received / receivable by him from the Company).

h. During the year 2016-17 there was a delay in payment of interest to a creditor with regard to a debt and hence, prior approval from the creditor has been obtained for the re-appointment and payment of remuneration to Mr S R Ramakrishnan as Whole-time Director.

C. Other Information

Reasons for loss / inadequacy of profit :

The Company settled the dues to the Creditors in terms of the Scheme of Compromise and Arrangement under Section 391 and other relevant provisions of the Act, and final payment was made by March 2014 in accordance with the approved Scheme leaving no further liability. As on 31st March 2014, the Company had an accumulated loss of Rs. 327.02 crores. During the last three years ending 31st March 2017, the Company has been on a revival path constantly taking efforts to tie up working capital requirement in the absence of financial support from Banks and Financial Institutions. The Fertiliser subsidy receivable from the Government of India was also being delayed leading to financial crunch. Overcoming the said constraints, the Company was able to manage in operating the Plant steadily. Even though the Company was ending up with reasonable net profit during the last three years, in view of the huge accumulated loss, the profits are considered inadequate as per calculations pursuant to Section 198 of the Companies Act, 2013 .

Memorandum of Interest:

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

ITEM NO.8

The Board of Directors at their Meeting held on 21st May 2015 had approved the proposal of entering into a MoU with M/s. Tuticorin Alkali Chemicals and Fertilizers Ltd (TFL) for settlement of outstanding dues to SPIC. The amount due were towards supply of CO_2 Gas, Ammonia pumping charges and infrastructure facilities besides an outstanding unsecured loan. TFL, with a view to settle the dues, had approached the BIFR with a Draft Rehabilitation Scheme (DRS) converting outstanding dues aggregating Rs. 29.81 Crores into 60,50,000 equity shares of Rs. 10/- each and 23,76,000 redeemable cumulative preference shares of Rs. 100/- each. Consequent upon the dismantling of BIFR, the matter has been referred to National Company Law Board Tribunal (NCLT). The Company with the approval of the Board of Directors of the Company at their Meeting held on 18th May 2017, has executed a Consent Affidavit for conversion of outstanding loan and other dues into securities of TFL as permitted by NCLT. Based on the Order passed by NCLT, it is proposed to convert the outstanding unsecured loan and other receivables into securities of TFL on such term and subject to compliance to Regulatory requirements.

The aggregate amount of investments so far made along with the proposed investment in TFL upon conversion would be in excess of the limits the Board is authorised to invest. Hence pursuant to Section 186 and other applicable provisions of the Act, approval of the Members is sought for the proposed investment.

The Board recommends the Special Resolution seeking consent of the Members for investing in the securities of M/s. Tuticorin Alkali Chemicals and Fertilizers Ltd.

Memorandum of Interest:

Except Mr. B Narendran, none of the Directors, Key Managerial Personnel of the Company and their relatives deemed to be interested in this Resolution.

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

Place : Chennai
Date : 18 May 2017

M B GANESH
Secretary

Details of the Directors seeking appointment/re-appointment at the 46th Annual General Meeting [Pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Mr. M S Shanmugam IAS, aged 51 years, TIDCO Nominee Director is a Member of the Indian Administrative Service holding Masters Degree in Economics. He is presently the Additional Secretary to Government of Tamil Nadu, Industries Department. His earlier assignments include the World Bank Funded health project in the State and Collector, Thanjavur District. He has earlier worked in the Textile sector and various wings in Revenue Department also. He is the Chairman of the TICEL Bio Park Limited and also a Director in the following companies:Tamil Nadu Telecommunications Limited,Tamilnadu Industrial Development Corporation Limited, Tamilnadu Transmission Corporation Limited, TIDEL Park Limited, Tamilnadu Water Investment Company Limited, TIDEL Park Coimbatore Limited, Chennai Environmental Management Company of Tanners, SPIC

Mr. S R Ramakrishnan, aged 68 years, is B.Tech (Chem) from IIT Madras. He joined SPIC in 1972 and worked in various departments including operation, process engineering, Technical services, R&D, Corporate Planning, etc. A brief profile is given in the Explanatory Statement in respect of Item No. 7 of the Notice. He is a Director of The Fertiliser Association of India, SPIC Officers and Staff Welfare Foundation and Greenam Energy Private Limited and not a member of any Committee of other companies. Does not hold any equity shares in the Company and there is no relationship between the Directors inter-se.

DIRECTORS' REPORT AND MANAGEMENT DISCUSSION & ANALYSIS REPORT

Your Directors present their 46th Annual Report together with the Audited Financial Statements of the Company for the year ended 31st March 2017.

FINANCIAL SUMMARY

(Rs in crores)

Particulars	31.03.2017	31.03.2016
Revenue from Operations	1529.19	1837.91
Add: Other Income	13.79	17.94
Total Income	1542.98	1855.85
Profit before interest, depreciation and tax	66.97	57.01
Less: Finance Cost	8.75	12.05
Less: Depreciation & amortisation expenses	30.83	29.36
Add: Exceptional Items	-	9.17
Profit Before Tax	27.39	24.77
Less: Tax Expenses	-	-
Profit After Tax	27.39	24.77

DIVIDEND

In view of the accumulated losses, the Board of Directors are not in a position to recommend dividend on the Preference Share Capital and Equity Share Capital of the Company.

STATE OF COMPANY'S AFFAIR

Production

During the year under review, the plants were in operation between 8th May '16 to 24th January '17 and from 13th March '17 onwards. The stoppage of plants for 37 days during April '16 - May '16 was for Annual Turnaround Maintenance and during January '17 – March '17 for 47 days was due to shortage of water on account of monsoon failure and opportunity driven turnaround maintenance including Urea Reactor repair. During the periods of shutdown, repairs and maintenance activities were undertaken to improve the reliability and energy efficiency levels for sustained production. Your Company produced 100% neem coated urea and achieved 5,62,670 MTs during the year 2016-17 compared to 6,20,426 MTs in the previous year. During the year, sale of Manufactured Urea was 5,42,352 MTs and sale of Imported Urea was 1,28,604 MTs.

Your Company has also achieved the best ever energy efficiency levels of 6.664 GCal/MT of Urea since commissioning compared to previous year's 6.8484 GCal/MT. The plants were operated using mainly imported Naphtha and Furnace Oil.

Handling of Imported Urea:

Government of India allotted SPIC, two coastal ports namely Karaikal and Tuticorin for handling imported urea in the previous year. Your Company has handled 1.15 lakh tons of Imported Urea during the financial year 2016-17.

Working Capital :

Augmenting working capital to enable sustained operations of your Ammonia and Urea Plants has been assigned prime importance. After a gap of several years, your Company approached M/s. India Ratings and Research Private Limited, a Fitch Group Company for assignment of credit rating. They have assigned BBB. (minus) indicating investment grade. This rating by Fitch is expected to give comfort to the Bankers / Financial Institutions to consider extending financial assistance to your Company.

Your Company has been able to tie up funds by way of Rupee denominated (unsecured) Masala Bonds as per RBI Guidelines for about Rs.335 crores from one of the Related Parties to be issued in one or more tranches. During the year under review, one tranche was issued for Rs.34.09 Crores carrying 9% interest p.a.

Progress in conversion of ammonia plant from naphtha to gas:

Indian Oil Corporation, authorized to lay the Natural Gas Pipeline from Ennore to Tuticorin, has completed the engineering for the pipe line route from Ramnad to Tuticorin and has obtained Environmental clearance for this project. Your Company has obtained Environmental Clearance to operate the plant as mixed feed using Natural gas & Naphtha as Feedstock and continues to be in the state of readiness to complete the process as and when gas connectivity is established.

PUBLIC DEPOSITS

There are no deposits covered under Chapter V of the Companies Act, 2013 (the Act) during the year 2016-17, the details of which are required to be furnished.

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company are prepared in accordance with Section 129 (3) of the Act and relevant Accounting Standards Viz., AS-21 (Consolidated Financial Statements), AS-23 (Accounting for Investment in Associates in Consolidated Financial Statements) and AS-27 (Financial Reporting of Interests in Joint Ventures) issued by the Institute of Chartered Accountants of India 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 subsidiaries, associates and joint ventures (in Form AOC-1) is attached to the Financial Statements. During the year under review, no company has become or ceased to be its associates and joint venture companies. The subsidiary company in

Mauritius, M/s SPIC Fertilizers and Chemicals Limited (SFCL) was decided to be wound up as on 16th February 2017. The Board of Directors and shareholders of SFCL Mauritius have also approved the winding up, as on 16th February 2017.

Tamilnadu Petroproducts Limited (TPL)

During the year under review, revenue from operations was Rs. 1010.55 crores comparing to Rs. 793.55 crores in 2015-16. Operating profit for the year was at Rs. 67.07 crores compared to previous year figure of Rs. 12.76 crores. The Net profit for the year was at Rs. 9.55 crores as against Rs. 38.15 crores in the previous year. The decrease in the net profit was mainly due to provision for tax and interest demand amounting to Rs. 50.14 crores. On conservative basis TPL has made full provision in books of accounts for both tax & interest demand raised by the assessing officer. Crude prices continued to remain volatile ranging from USD 58 per barrel to USD 39 per barrel impacting the topline, however through better strategy the company achieved higher margins as compared to the previous year. In the month of December 2016, cyclonic storm Vardha hit Chennai causing damage. The Chlor Alkali division was shut down for nearly 10 days due to non-availability of power. The LAB plant however, was operated at low capacity with captive power generators.

Tuticorin Alkali Chemicals And Fertilizers Limited (TFL)

TFL commissioned a CO_2 Recovery Plant during mid-October 2016 and since then are using self generated CO_2 gas for its plant operation. The production rate is being ramped up. The turnover for the year was lower at Rs.132.55 crores with a net loss of Rs.34.51 crores. The offer of the Asset Reconstruction Company for a settlement was accepted and the details were submitted to BIFR under a revised Draft Rehabilitation Scheme (DRS) with the recommendation of IDBI. The DRS is currently under the consideration of National Company Law Tribunal and final orders are expected.

SAFETY, HEALTH AND ENVIRONMENT

Adequate care and attention have been bestowed on matters relating to safety, health and environment in the plant. Your Company is certified with the latest version of QMS - ISO 9001:2015 and EMS - ISO 14001:2015 Standards and has received two safety awards from the Government of Tamilnadu.

Your Company conducted health camps to create awareness on certain health related matters viz., Eye camps and Cancer / Diabetes awareness. Tree planting activity was taken up in the presence of TNPCB Officials bearing in mind the need to care for environment in and around the plant.

HUMAN RESOURCE AND INDUSTRIAL RELATIONS

Your Company has taken several initiatives to ensure that the knowledge gained over decades is shifted down to the next generation of employees. The Company has conducted Supervisory Development / Mentorship Programmes as well as put in place “Succession Plan and Long term career growth plans”. 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, 2017 is 641.

EXTRACT OF ANNUAL RETURN

Form MGT-9 as on 31st March 2017 as required under Section 92 of the Act is given in Annexure I to this Report.

DIRECTORS

During the year under review, there was no change in the Directors of your Company. Mr. M S Shanmugam, I.A.S. TIDCO Nominee Director shall retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-election. All the Independent Directors of the Company on the date of this Report have duly submitted the disclosures to the Board stating that they have fulfilled the requirements set out in Section 149 (6) of the Act and the Listing Regulations, so as to qualify themselves to act as Independent Directors. The Board of Directors at their meeting held on 18th May 2017 have decided to reappoint Mr. S R Ramakrishnan as Whole-time Director of the Company for a period of 3 years from 30th July 2017 and continuation beyond the age of seventy years on revised remuneration, subject to requisite approvals under the Act.

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 provided to them. Presentations are made at the Board / Committee Meetings, on Company’s Performance, business strategy, risks involved and global business environment. Details of means of familiarization of the business to Independent Directors are disclosed on the Company’s website under the following web link: http://spic.in/wp-content/uploads/policies/Familiarisation-Program-for-Independent-Directors.pdf

KEY MANAGERIAL PERSONNEL

As mentioned in the Report for 2015-16, Mr. K R Anandan was appointed as Chief Financial Officer of the Company with effect from 1st July 2016 in the place Mr. A V Kumar.

PARTICULARS OF REMUNERATION OF DIRECTORS, KMP 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, 2017 and forming part of this Report is given in Annexure III to this Report.

STATUTORY AUDITORS

M/s. Deloitte Haskins & Sells, Chartered Accountants, the Statutory Auditors of the Company shall hold office until the conclusion of the 46th Annual General Meeting. In line with the policy on rotation of Auditors introduced in the Companies Act, 2013, your Company has to change the Statutory Auditors from the financial year 2017-18. Accordingly, the Board of Directors at their Meeting held on 18th May 2017 based on the recommendations of the Audit Committee have decided to appoint M/s. MZSK & Associates, Chartered Accountants, Chennai as Statutory Auditors of the Company for a period of 5 years from 2017-18 subject to approval of Shareholders and ratification at every Annual General Meeting. They shall hold Office from the conclusion of the 46th AGM till the conclusion of 51st AGM. The resolution seeking approval of the Shareholders for the appointment and payment of remuneration to Statutory Auditors has been proposed in the Notice convening the 46th AGM.

COST AUDITOR

Mr. P R Tantri, Cost Accountant (M. No. 2403) was appointed as the Cost Auditor of the Company for 2016-17 to carry out the audit of your Company's Cost Accounts and Records of fertilizer business. The Cost Audit Report for the year ended 31st March 2016 was filed within the time stipulated under the Act. The Board of Directors at their meeting held on 18th May 2017, on the recommendation of the Audit Committee, have re-appointed Mr. P R Tantri, Cost Accountant as Cost Auditor for 2017-18 at a remuneration of Rs.1,00,000/- plus reimbursement of actual out-of-pocket expenses . As required under Section 148 of the Act and Rule 14 of the Companies (Audit & Auditors) Rules, 2014, ratification by Members is sought for the payment of remuneration to the Cost Auditor.

SECRETARIAL AUDIT REPORT

In terms of Section 204 of the Act, and the Rules made thereunder, your Company has appointed Ms. B Chandra, Practicing Company Secretary, Chennai as Secretarial Auditor. The Secretarial Audit Report as furnished is given as Annexure IV to this Report. There are no qualifications, reservations or adverse remarks made by the Secretarial Auditor in the Report.

DIRECTORS' RESPONSIBILITY STATEMENT

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

(a) in the preparation of the annual financial statements for the year ended March 31, 2017, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;

(b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017 and of the profit of the Company for the year ended on that date;

(c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the annual accounts have been prepared on a going concern basis;

(e) they have laid down proper internal financial controls to be followed by the Company and such controls are adequate and operating effectively;

(f) Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

No loans or guarantees were given by the Company under Section 186 of the Act during the year under review. Your Company invested in 1,09,300 equity shares of Rs. 10/- each of OPG Power Generation Pvt Ltd (OPG) @ Rs. 11/- per share in order to qualify as captive user under Group Captive Scheme of the Electricity Rules, 2005 for availing 10 MW of power. Subsequently during the year, the equity holding in OPG was reduced to 68,700 equity shares to meet the regulatory requirements.

Your Company proposes to invest around Rs 12 crores in "M/s. Greenam Energy Private Limited", a company incorporated for setting up a 25 – 29 MW DC solar project at an estimated cost of Rs. 136 Crores. The technology to be adopted by the company using floating panels to generate solar power will be the first of its kind in India.The approval of shareholders is being sought at this AGM for the proposed investment.

RELATED PARTY TRANSACTIONS

The transactions entered into during the financial year with related parties as defined under the Act were in the ordinary course of business and at arm's length basis. Details of Contracts / arrangements with related parties as required under Section 188 (1) and 134 (h) of the Act have been disclosed in Form AOC-2 and is attached as Annexure VI. As required under Regulation 23 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, approval of the Members is being sought at the 46th AGM for the transactions with Related Parties considered material in nature.

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

There were no material changes or commitments affecting the financial position of your Company that has occurred between the end of the financial year i.e., 31st March 2017 and the date of this Report.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Conservation of Energy

Your Company has an Energy Audit group, which identifies potential areas for improvement, scans the environment for innovative and reliable solutions and considers proposal for implementation. Efforts are continuously being taken to reduce energy consumption in the plants

Some of the activities implemented during the year are:

- To avoid the energy loss and improve reliability of the Fired heaters, the convection tube bundle was renewed in Raw Naphtha Vapouriser. Also, Convection tube coils of Process Naphtha Vapouriser were replaced with new tubes.
- To avoid the energy loss and to improve the efficiency, Combustion Air Preheater exchanger cold module was renewed.
- As energy conservation activity, Primary Reformer and High Temperature Shift II bed catalyst were completely renewed with new catalyst in Ammonia plant. Also Secondary reformer catalyst was discharged, sieved and charged back. No top up was made.
- To avoid energy loss through the heat exchangers, several exchangers re-tubed / replaced.
- To reduce the energy loss and improve the performance, Superheater coils in Boiler (South) was renewed. Cold Air heater tubes in Boiler (North) & (South) were renewed. Additional Steam Generation Unit Air Preheater 4th pass tubes were renewed.
- As energy conservation activity, in Urea cooling tower existing high capacity cooling water supply pump was replaced with one low capacity pump.
- Performance of all pumps and compressors were studied with our energy Audit group. Various energy saving technologies like provision of VFD, speed reduction, impeller trimming and smoothening the fluid passage with special coatings were implemented.
- Steam system audit were carried out periodically and the faulty traps and leaks has been 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:

(Rs.in Lakhs)

Particulars	2016-17	2015-16
Foreign Exchange earned	153.84	85.37
Foreign Exchange outgo	1,14,864.79	1,25,377.23

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 are reviewed by Internal Auditors and reported to the Audit Committee of the Board, for identification of deficiencies and necessary time bound actions are taken to improve efficiency at all the levels. The Committee also reviews the internal auditors' report, key issues, significant processes and accounting policies. SAP implementation was successfully put in place during the year under review.

Risk Management is an integral part of the business process. The Company has a Risk Management Committee and a Policy on Risk Management to identify and draw mitigation plans to manage risk. The Audit Committee of the Board reviews the risk management report periodically.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

CORPORATE GOVERNANCE

Corporate Governance Report 2016-17 along with the Certificate of the Statutory Auditors, M/s. Deloitte Haskins & Sells, Chartered Accountants, confirming compliance to conditions of Corporate Governance as stipulated in the Listing Regulations forms part of this Report.

PERFORMANCE EVALUATION OF THE BOARD, COMMITTEES AND DIRECTORS

Your Company has a structured framework for evaluation of the Individual Directors, Chairperson, Board as a whole and its Committees. The Independent Directors at their Meeting held on 30th January 2017 evaluated the performance of Non-Independent Directors, Board as a whole, Chairperson and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties. The Board of Directors at their Meeting held on 18th May 2017 evaluated the performance of all Directors and the Board as a whole and its Committees through circulation of questionnaires, to assess the performance on select parameters related to roles, responsibilities and obligations of the Board and functioning of the Committees. The evaluation criteria was based on the participation, contribution and offering guidance to and understanding of the areas which are relevant to the Directors in their capacity as Members of the Board/Committees.

NUMBER OF MEETINGS OF THE BOARD

During the year under review, six Board Meetings were held, the details of which are provided in the Corporate Governance Report.

AUDIT COMMITTEE

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

POLICIES

POLICY ON MATERIAL SUBSIDIARY

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

NOMINATION AND REMUNERATION POLICY

Your Company has a Nomination and Remuneration Policy as required under Section 178(3) of the Act and the Listing Regulations. The details of the Policy are given in Annexure II to this Report.

POLICY ON RELATED PARTY TRANSACTIONS

The Policy on Related Party Transaction as required under the Listing Regulations is available on the Company's website under the weblink: http://spic.in/wp-content/uploads/policies/Policy-on-Related-Parties.pdf.

POLICY ON INSIDER TRADING

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

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

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

VIGIL MECHANISM:

Pursuant to the provisions of Section 177 of the Act and the Listing Regulations, Whistle Blower Policy for Directors and employees to report genuine concerns or grievances has been put in place and a Vigil Mechanism established, the details of which are available on the website of the Company under weblink: http://spic.in/wp-content/uploads/policies/Whistle-Blower-Policy-and-Vigil-Mechanism.pdf.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company has a CSR Policy in line with the provisions of the Act. As a responsible corporate citizen, your Company in its endeavour to contribute for the sustained development and growth of the Society has taken several initiatives. Your Company is not required to spend towards CSR activities, in view of absence of profits computed under Section 198 of the Act. However, the details of CSR initiatives undertaken voluntarily by your Company are given in Annexure V to this Report.

MANAGEMENT DISCUSSION AND ANALYSIS

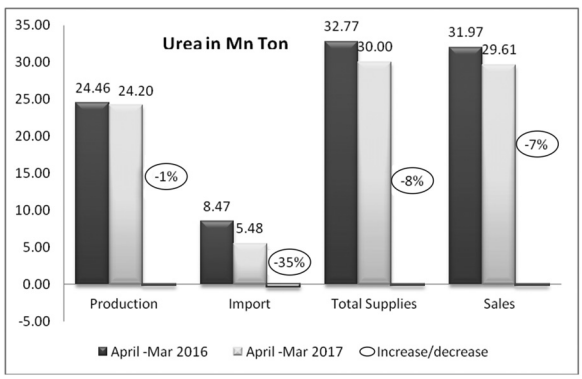
Industry Overview

The year 2016-17 witnessed erratic monsoon which affected fertilizer consumption including Urea. Due to this aberrations in seasonal monsoon, the inflow to the major reservoirs was also low resulting in the reduced cropping in command area in Karnataka, Andhra Pradesh and Tamil Nadu. Crop shifts and reduced area under coarse grains, resulted in reduced consumption of chemical fertilizers including Urea. In spite of unfavourable seasonal conditions India retained the position of second largest consumer of fertilizers in the world.

During the fiscal year 2016-17, the indigenous production, imports, supplies to the market and sale of Urea was less than that of the previous year. India produced a total of 24.201 million ton of Urea, which is 1.1% lesser than the production recorded during the previous year. The import of Urea under Government of India account during the year stood at 5.481 million ton which is 35.3% less over the last year. The total supplies to the market stood at 30.00 million ton which is less by 8 % that of the previous year. The sale of urea during the year recorded 29.607 million ton which is 7.4 % less than that of the previous year. (Source: Ministry of Chemicals and Fertilizers, Government of India).

The capacity utilization of Urea has declined from 95.2% to 90.8% in the current year. Due to the failure of north east monsoon, there was a drastic reduction in the consumption of Urea especially in the southern states. As a result, the stocks available in the market had increased to 1.337 million tonnes, which is 43.5% higher than that of the previous year.

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



Government of India is taking all out efforts to introduce Direct Benefit Transfer (DBT) of subsidy to farmers. The Department of Fertilizers is implementing this scheme in all states through the lead fertilizes supplier (LFS). Your Company being the LFS for Tamil Nadu and Pondicherry, is taking necessary actions to implement the introduction of sale of fertilizers through Electronic Point of Sales (ePOS) Devices to capture the buyer details. Once this scheme is rolled out in all the States, 100% of eligible subsidy will be paid to the manufacture / company after the purchase of the fertilizer by the beneficiary captured through this ePOS machines. Because of this there will be a major impact on the working capital requirement as "on account payment" of subsidy upon receipt of stocks are target market will be withdrawn.

Tissue Culture Business:

The financial year 2016-17 recorded the highest ever turnover of Rs. 855 Lacs. For the first time after introduction of Gerbera, we have recorded the highest sales of 1.236 Million plants. As part of the business development initiatives, we have initiated export of Gerbera Plants to Sri Lanka and entered in a virgin market namely Uttar Pradesh.

CHALLENGES

As mentioned in the last year's report, the completion of gas pipeline infrastructure by IOC and steady supply of gas are important requirements for stable operation of your Company. Your company has also started working on modernization of the Ammonia/Urea Plants to achieve lower energy consumption, to improve reliability and cost effective capacity expansion with mixed feedstock consisting of Naphtha and Natural Gas. Your company has engaged a leading process licensor, M/s KBR to carry out Basic Engineering & Design package for this purpose. This investment will have to be in line with the gas availability so that we are ready in time.

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 Corporate Affairs and other Departments of the Central Government, the Government of Tamilnadu, Governments of other States, Tamilnadu Industrial Development Corporation Limited, Tamilnadu Generation and Distribution Corporation Ltd, Financial Institutions and Banks. The Directors appreciate the dedicated and sincere services rendered by all the employees of your Company.

For and on behalf of the Board of Directors

ASHWIN C MUTHIAH
(DIN:00255679)
Chairman

Place : Chennai
Date : 18 May 2017

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.

ANNEXURE – I

MGT - 9

EXTRACT OF ANNUAL RETURN as on the financial year ended 31st March 2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

(i)	CIN	:	L11101TN1969PLC005778
(ii)	Registration Date	:	18 Dec 1969
(iii)	Name of the Company	:	Southern Petrochemical Industries Corporation Limited
(iv)	Category / Sub-Category of the Company	:	Company limited by Shares / Indian Non-Government Company
(v)	Address of the Registered office and contact details:	:	"SPIC House" No 88 Mount Road, Guindy, Chennai 600 032. website:www.spic.in, E-mail : spiccorp@spic.co.in Phone: 044-22350245
(vi)	Whether listed company	:	Yes
(vii)	Name, Address and Contact details of Registrar & Transfer Agent, if any	:	M/s Cameo Corporate Services Ltd, "Subramanian Building" No 1 Club House Road, Chennai 600002. Ph: 044-28460390

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:-

S.No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	UREA	20121	99%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

S.No	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	SPIC Fertilizers and Chemicals Limited (SFCL)*	NA	Subsidiary	83.54	2(87)
2	Tuticorin Alkali Chemicals & Fertilizers Limited	L24119TN1971PLC006083	Associate	45.15	2(6)
3	Gold Nest Trading Company Limited	U65933TN1983PLC009993	Associate	32.76	2(6)

** Ceased to be Subsidiary w.e.f. 16/02/2017*

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) Promoters									
(1) Indian									
(a) Individual/HUF	45450	-	45450	0.02	45450	-	45450	0.02	-
(b) Central Govt	-	-	-	-	-	-	-	-	-
(c) State Govt (s)	8840000	-	8840000	4.34	8840000	-	8840000	4.34	-
(d) Bodies Corp.	76385319	695704	77081023	37.85	72170709	695704	72866413	35.78	2.07
(e) Banks / FI	-	-	-	-	-	-	-	-	-
(f) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A) (1)	85270769	695704	85966473	42.21	81056159	695704	81751863	40.14	2.07
(2) Foreign									
(a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
(b) Other - Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corp.	18914775	-	18914775	9.29	18914775	-	18914775	9.29	-
(d) Banks / FI	-	-	-	-	-	-	-	-	-
(e) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A) (2)	18914775	-	18914775	9.29	18914775	-	18914775	9.29	-
Total Shareholding of Promoter (A) = (A (1) + (A) (2)	**104185544**	**695704**	**104881248**	**51.50**	**99970934**	**695704**	**100666638**	**49.43**	**2.07**
(B) Public Shareholding									
(1) Institutions									
(a) Mutual Funds	25795	9900	35695	0.02	900	9900	10800	0.01	0.01
(b) Banks/FI	4640659	13400	4654059	2.29	5104143	19400	5123543	2.51	0.22
(c) Central Govt	-	-	-	-	-	-	-	-	-
(d) State Govt (s)	-	-	-	-	-	-	-	-	-
(e) Venture Capital funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	304220	-	304220	0.15	550	-	550	0.00	0.15
(g) FIIs	1851413	8150	1859563	0.91	1851413	8150	1859563	0.91	0.00

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i) Others (Specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1)	6822087	31450	6853537	3.37	6957006	37450	6994456	3.43	0.06
(2) Non- Institutions									
(a) Bodies Corp									
i. Indian	9420108	267475	9782583	4.80	9860967	873305	10734272	5.27	0.47
ii. Overseas	-	-	-	-	-	-	-		
(b) Individuals									
i. Individual share holders holding nominal share capital up to Rs. 1 lakh	23995010	4196708	28191718	13.84	24181398	3681909	27863307	13.68	2.65
ii. Individual share holders holding nominal share capital in excess of Rs 1 lakh	34504204	155000	34754204	17.07	38017035	144000	38161035	18.74	3.97
C) Others									
(a) Clearing Member	69712	-	69712	0.03	368417	-	368417	0.18	0.15
(b) NRIs	1970787	12946	1983733	0.97	1709414	12746	1722160	0.85	0.13
(c) OCBs	39150	650	39800	0.02	39150	650	39800	0.02	0.00
(d) Trusts	17001	-	17001	0.01	23451	-	23451	0.01	0.00
Sub Total (B) (2)	70015972	4822779	74838751	36.75	74199832	4712610	78912442	38.75	1.85
Total Shareholding of Public = (B) (1) + (B) (2)	**76838059**	**4854229**	**81692288**	**40.12**	**81156838**	**4750060**	**85906898**	**42.19**	2.06
C. Shares held by custodian for GDRs & ADRs	17066800	-	17066800	8.38	17066800	-	17066800	8.38	0.00
Grand Total (A+B+C)	**198090403**	**5549933**	**203640336**	**100.00**	**198194722**	**5445614**	**203640336**	**100.00**	**0.00**

(ii) Shareholding of Promoters:

S.No	Shareholders' Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of Change during the Year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Directors & Relatives	45450	0.02	0.00	45450	0.02	0.00	0.00
2	FICON Holdings Limited	15682775	7.70	0.00	15682775	7.70	0.00	0.00
3	Ranford Investments Limited	1910000	0.94	0.00	1910000	0.94	0.00	0.00
4	Darnolly Investments Limited	1322000	0.65	0.00	1322000	0.65	0.00	0.00
5	SICAGEN India Limited	6840949	3.36	84.95	3017349	1.48	0.00	55.95
6	Gold Nest Trading Company Limited	2423400	1.19	100.00	2423400	1.19	0.00	0.00
7	South India House Estates & Properties ltd	1810450	0.89	1.72	1810450	0.89	0.00	0.00
8	SPIC Group Companies Employees Welfare Foundation	240460	0.12	0.00	0	0	0	100.00
9	South India Travels Pvt. Ltd	208985	0.10	0.00	208985	0.10	0.00	0.00
10	SPIC Officers and Staff Welfare Foundation	150550	0.07	0.00	0	0	0.00	100.00
11	ACM Educational Foundation	134075	0.07	0.00	134075	0.07	0.00	0.00
12	AMI Holdings Private Limited	37276700	18.31	0.00	37276700	18.31	0.00	0.00
13	Lotus Fertilizers Pvt Ltd	27995454	13.75	0.00	27995454	13.75	0.00	0.00
14	Tamilnadu Industrial Development Corporation Ltd	8840000	4.34	0.00	8840000	4.34	0.00	0.00
Total		104881248	51.50	-	100666638	49.43	-	2.07

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

S. No	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	104881248	51.50	1006666389	49.43
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	SPIC Group Companies Employees Welfare Foundation				
	At the beginning of the year	240460	0.12	-	-
	Sold on 29 08 2016	-	-	240460	0.12
	At the end of the year	-	-	0	0.00
	SPIC Officers and Staff Welfare Foundation	-	-	-	-
	At the beginning of the year	150550	0.07	-	-
	Sold on 29 08 2016	-	-	150550	0.07
	At the end of the year	-	-	0	0.00

S. No	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	SICAGEN India Limited				
	At the beginning of the year	6840949	3.36	-	-
	Shares invoked under pledge	-	-	3823600	1.88
	At the end of the year	-	-	3017349	1.48
	Promoter holdings at the end of the financial year	104881248	51.50	100666638	49.43

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

S. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year 1st April 2016		Date of Transfer / Purchase	Increase/ Decrease	Reason for increase / decrease	Cumulative shareholding during the year (01 04 2016 to 31 03 2017)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1	MINAL B PATEL	9,050,012	4.44					
				19 08 2016	335,943	Purchase	9,385,955	4.61
				31 03 2017			9,385,955	4.61
2	LIFE INSURANCE CORP. OF INDIA	3,926,725	1.93					
				31 03 2017	0		3,926,725	1.93
3	VISHANJI SHAMJI DEDHIA	2,185,000	1.07	01 04 2016				
				03 03 2017	-50,000	Transfer	2,135,000	1.05
				10 03 2017	-38,600	Transfer	2,096,400	1.03
				17 03 2017	-60,000	Transfer	2,036,400	1.00
				24 03 2017	-165,000	Transfer	1,871,400	0.92
				31 03 2017	-221,400	Transfer	1,650,000	0.81
4	RUCHIT BHARAT PATEL	1,585,879	0.78	01 04 2016				
				22 04 2016	-1,585,000	Transfer	879	0.00
				23 09 2016	1,664	Purchase	2,543	0.00
				30 09 2016	30,427	Purchase	32,970	0.02
				18 11 2016	2,100,960	Purchase	2,133,930	1.05
				25 11 2016	104,885	Purchase	2,238,815	1.10
				02 12 2016	62,426	Purchase	2,301,241	1.13
				30 12 2016	50,000	Purchase	2,351,241	1.15
				03 02 2017	190,234	Purchase	2,541,475	1.25
				24 03 2017	111,740	Purchase	2,653,215	1.30
				31 03 2017	-209,613	Transfer	2,443,602	1.20
5	HITESH RAMJI JAVERI	1,401,000	0.69	01 04 2016				
				25 11 2016	50,000	Purchase		
				31 03 2017			1,451,000	0.71
6	SHAREKHAN FINANCIAL SERVICES PVT LTD	1,010,379	0.50	01 04 2016				

S. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year 1st April 2016		Date of Transfer / Purchase	Increase/ Decrease	Reason for increase / decrease	Cumulative shareholding during the year (01 04 2016 to 31 03 2017)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
				08 04 2016	41,000	Purchase	1,051,379	0.52
				29 04 2016	284,104	Purchase	1,335,483	0.66
				20 05 2016	329,192	Purchase	1,664,675	0.82
				03 06 2016	44,000	Purchase	1,708,675	0.84
				15 07 2016	93,642	Purchase	1,802,317	0.89
				22 07 2016	4,000	Purchase	1,806,317	0.89
				05 08 2016	-400,000	Transfer	1,406,317	0.69
				09 09 2016	2,338	Purchase	1,408,655	0.69
				21 10 2016	47,828	Purchase	1,456,483	0.72
				28 10 2016	-25,665	Transfer	1,430,818	0.70
				04 11 2016	-500,000	Transfer	930,818	0.46
				02 12 2016	-784,318	Transfer	146,500	0.07
				16 12 2016	43,000	Purchase	189,500	0.09
				30 12 2016	-2,000	Transfer	187,500	0.09
				13 01 2017	-20,000	Transfer	167,500	0.08
				20 01 2017	-112,500	Transfer	55,000	0.03
				27 07 2017	-15,000	Transfer	40,000	0.02
				03 02 2017	-9,000	Transfer	31,000	0.02
				03 03 2017	-30,000	Transfer	1,000	0.00
				31 03 2017			1,000	0.00
7	ABHIJIT PERIWAL	1,500,000	0.74					
				15 07 2016	-12,000	Transfer	1,488,000	0.73
				22 07 2016	-7,000	Transfer	1,481,000	0.73
				29 07 2016	-17,000	Transfer	1,464,000	0.72
				05 08 2016	400,000	Purchase	1,864,000	0.92
				21 10 2016	-111,000	Transfer	1,753,000	0.86
				28 10 2016	-138,000	Transfer	1,615,000	0.79
				04 11 2016	-129,331	Transfer	1,485,669	0.73
				02 12 2016	-32,678	Transfer	1,452,991	0.71
				09 12 2016	-700,000	Transfer	752,991	0.37
				06 01 2017	-752,991	Transfer	0	0.00
				31 03 2017			0	0.00
8	SHAREKHAN LIMITED	813,967	0.40	01 04 2016				
				08 04 2016	-24,347	Transfer	789,620	0.39
				15 04 2016	-240	Transfer	789,380	0.39
				22 04 2016	-5,190	Transfer	784,190	0.39
				29 04 2016	-275,643	Transfer	508,547	0.25

S. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year 1st April 2016		Date of Transfer / Purchase	Increase/ Decrease	Reason for increase / decrease	Cumulative shareholding during the year (01 04 2016 to 31 03 2017)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
				06 05 2016	-3,100	Transfer	505,447	0.25
				13 05 2016	-230	Transfer	505,217	0.25
				20 05 2016	-327,133	Transfer	178,084	0.09
				27 05 2016	46,000	Purchase	224,084	0.11
				03 06 2016	-41,000	Transfer	183,084	0.09
				10 06 2016	-250	Transfer	182,834	0.09
				17 06 2016	-200	Transfer	182,634	0.09
				24 06 2016	-100	Transfer	182,534	0.09
				30 06 2016	-50	Transfer	182,484	0.09
				01 07 2016	-500	Transfer	181,984	0.09
				08 07 2016	-22,361	Transfer	159,623	0.08
				15 07 2016	-97,664	Transfer	61,959	0.03
				22 07 2016	-3,500	Transfer	58,459	0.03
				29 07 2016	-2,306	Transfer	56,153	0.03
				05 08 2016	3,095	Purchase	59,248	0.03
				12 08 2016	-445	Transfer	58,803	0.03
				19 08 2016	16,380	Purchase	75,183	0.04
				26 08 2016	8,029	Purchase	83,212	0.04
				02 09 2016	3,585	Purchase	86,797	0.04
				09 09 2016	-10,630	Transfer	76,167	0.04
				16 09 2016	124	Purchase	76,291	0.04
				23 09 2016	-793	Transfer	75,498	0.04
				30 09 2016	32,220	Purchase	107,718	0.05
				07 10 2016	-21,458	Transfer	86,260	0.04
				14 10 2016	-1,812	Transfer	84,448	0.04
				21 10 2016	-13,875	Transfer	70,573	0.03
				28 10 2016	9,940	Purchase	80,513	0.04
				04 11 2016	588,570	Purchase	669,083	0.33
				11 11 2016	101,186	Purchase	770,269	0.38
				18 11 2016	-69,000	Transfer	701,269	0.34
				25 11 2016	-292,408	Transfer	408,861	0.20
				02 12 2016	408,813	Purchase	817,674	0.40
				09 12 2016	148,112	Purchase	965,786	0.47
				16 12 2016	-305,483	Transfer	660,303	0.32
				23 12 2016	-215,952	Transfer	444,351	0.22
				30 12 2016	-234,276	Transfer	210,075	0.10
				06 01 2017	-114,238	Transfer	95,837	0.05

S. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year 1st April 2016		Date of Transfer / Purchase	Increase/ Decrease	Reason for increase / decrease	Cumulative shareholding during the year (01 04 2016 to 31 03 2017)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
				13 01 2017	-14,200	Transfer	81,637	0.04
				20 01 2017	-14,422	Transfer	67,215	0.03
				27 01 2017	-12,112	Transfer	55,103	0.03
				03 02 2017	-2,900	Transfer	52,203	0.03
				10 02 2017	4,850	Purchase	57,053	0.03
				17 02 2017	1,600	Purchase	58,653	0.03
				24 02 2017	-500	Transfer	58,153	0.03
				03 03 2017	100	Purchase	58,253	0.03
				10 03 2017	500	Purchase	58,753	0.03
				17 03 2017	-449	Transfer	58,304	0.03
				24 03 2017	614	Purchase	58,918	0.03
				31 03 2017	-1,500	Transfer	57,418	0.03
9	HARSHA HITESH JAVERI	1,000,000	0.49	01 04 2016				
				31 03 2017	0		1,000,000	0.49
10	HARDHIK BHARAT PATEL	74,467	0.04	01 04 2016				
				22 04 2016	-74,000	Transfer	467	0.00
				04 11 2016	3,160,000	Purchase	3,160,467	1.55
				18 11 2016	-987,613	Transfer	2,172,854	1.07
				25 11 2016	28,404	Purchase	2,201,258	1.08
				02 12 2016	200,987	Purchase	2,402,245	1.18
				09 12 2016	19,169	Purchase	2,421,414	1.19
				31 12 2017	209,613	Purchase	2,631,027	1.29

(v) Shareholding of Directors and Key Managerial Personnel:

S.No	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year					
1	Mr Ashwin C Muthiah	45	0.00	45	0.00
2	Mr M B Ganesh	50	0.00	50	0.00
3	Mr A V Kumar	250	0.00	250	0.00
Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):					
1	Mr A V Kumar (details as on 30.06.2016, being the date of his retirement)	250	00.0	0	0.00
At the end of the year					
1	Mr Ashwin C Muthiah	45	0.00	45	0.00
2	Mr M B Ganesh	50	0.00	50	0.00

No other Director/ KMP was holding shares at the beginning or end of the year

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rupees in lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	11992.28	-	11992.28
ii) Interest due but not paid	-	259.40	-	259.40
iii) Interest accrued but not due	-	106.32	-	106.32
Total (i+ii+iii)	-	**12358.00**	-	**12358.00**
Change in Indebtedness during the financial year				
Addition	-	47895.54	-	47895.54
Reduction	-	(10989.46)	-	(10989.46)
Net Change	-	36906.08	-	36906.08
Indebtedness at the end of the financial year				
i) Principal Amount	41314.39	7824.83	-	49139.22
ii) Interest due but not paid	-	80.42	-	80.42
iii) Interest accrued but not due	-	44.44	-	44.44
Total (i+ii+iii)	**41314.39**	**7949.69**	-	**49264.08**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

(Amount in Rs.)

S.No	Particulars of Remuneration	S R Ramakrishnan Whole time Director
1	Gross Salary: (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	59,08,728
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--
2	Stock Option	--
3	Sweat Equity	--
4	Commission - as % of profit - others, specify	--
5	Others, please specify	--
	Total	59,08,728
Ceiling as per the Act		**1,20,00,000**

B. Remuneration to other Directors: (Amt. in Rs)

Sl. No	Name of the Director	Fee for attending Board / committee meetings	Commission	Others
	Independent Directors			
1	Mr B Narendran	3,00,000	0.00	0.00
2	Mr S Shankar	2,50,000	0.00	0.00
3	Brig (Retd) Harish Chandra Chawla	2,50,000	0.00	0.00
4	Mrs Sashikala Srikanth	2,50,000	0.00	0.00

Sl. No	Name of the Director	Fee for attending Board / committee meetings	Commission	Others
5	Mr Sumanjit Chaudhry	3,00,000	0.00	0.00
	Other Non Executive Directors			
6	Mr M S Shanmugam I A S	50,000	0.00	0.00
7	Mr T K Arun	2,50,000	0.00	0.00
8	Mr B Elangovan	50,000	0.00	0.00
9	Mr Ashwin C Muthiah	2,50,000	0.00	0.00
	Total	19,50,000	0.00	0.00

C. Remuneration to other Directors, Key Managerial Personnel other than MD/MANAGER/WTD: (Amount in Rs.)

S.No	Particulars of Remuneration	Key Managerial Personnel			
		Company Secretary	CFO (Mr. A V Kumar upto 30.06.2016)	CFO (Mr. K R Anandan from 01.07.2017)	Total
1	Gross Salary: (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	15,00,000	8,41,836	40,93,413	64,35,249
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--	--	--
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	--	--	--
2	Stock Option	--	--	--	--
3	Sweat Equity	--	--	--	--
4	Commission - as % of profit - others, specify…	--	--	--	--
5	Others, please specify	--	--	--	--
	Total	15,00,000	8,41,836	40,93,413	64,35,249

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the Financial Year ended 31st March 2017

For and on behalf of the Board of Directors

ASHWIN C MUTHIAH
(DIN:00255679)
Chairman

Place : Chennai
Date : 18-05-2017

ANNEXURE – II

NOMINATION AND REMUNERATION POLICY

Objective

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

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

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

Senior Management means employees of the Company who are members of its core management team excluding the Board of Directors including Functional Heads.

Criteria for appointment of Independent Directors / Non-Executive Directors

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

Criteria for appointment of Executive Directors

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

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

Remuneration for Directors

(a) For Executive Directors:

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

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

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

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

Criteria for appointment of Key Managerial Personnel (KMP)

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

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

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

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

Discretionary Power

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

Evaluation

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

Criteria for appointment of Staff, Officers and Senior Management Personnel

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

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

Manner of appointment

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

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

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

Guidelines for fixing remuneration to Employees who are not Directors

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

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

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

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

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

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

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

Changes to the Policy

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

ANNEXURE - III

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

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

Name of the Director	Designation	Ratio
Mr. S R Ramakrishnan	Whole Time Director	13

Remuneration to Non - Executive Directors is only by way of sitting fees of Rs. 50,000/- for attending each Meeting of the Board. Sitting fee is not payable for attending the Meetings of the Committees.

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

Name	Designation	Remuneration % Increase for the FY 2016-17
Mr. S R Ramakrishnan	Whole Time Director	0
Mr. K R Anandan	Chief Financial Officer	0
Mr. M B Ganesh	Company Secretary	0

During the year, there was no increase in the sitting fees of Rs. 50,000/- payable to the Non - Executive Directors.

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

iv) The number of permanent employees on the rolls of Company is 641.

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 personal was based on the inflation rate during March 2016 and this has been effected to our employees across the Organisation.

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

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

Employee Name	Designation	Qualifications	Experience	Date of Joining	Age	Last Employment & Position held	Remuneration Received (Rs.)
Ramakrishnan S R	Whole Time Director	B.E(CHEMICAL)	2 Yrs 7 M	30-Jul-2014	68	Sri Ram Group	59,08,728
Anandan K R	Chief Financial Officer	CA., CWA., CS	8 M	01-Jul-2016	54	TPL	40,93,413
Gopalakrishnan K	Asst Vice President (Admin & CS)	BA,MA,DIP(PR)	13 Yrs 10 M	01-May-2003	51	SICAL, Joint Manager-PR	33,02,806
Nachiappan N	Asst Vice President - Imports & Distribution	B.Sc., M.B.A	34 Yrs 9 M	09-Jun-1982	57	SPIC staff	30,25,800
Ravichandran NR	DGM Projects & Re-Vamp	B.TECH (ELECTRONICS)	27 Yrs 3 M	20-Dec-1989	52	SPIC EMS Trainee	26,89,596
Senthil Nayagam P	DGM Production	B.E(CHEMICAL)	23 Yrs 1 M	17-Feb-1994	46	SPIC EMS Trainee	22,94,539
Rajagopalan N	Head - IT	DIP(ADV COM), B.Sc.,M.Sc.	2 Yrs 4 M	12-Nov-2014	51	FREELANCER	21,65,379
Venkata Krishnan R	General Manager - Legal	B.COM., BL., ML	2 Yrs 1 M	11-Feb-2015	58	GIMPEX LIMITED - GM -LEGAL	20,51,565
Madhukar V	Head - HR	M.A	2 Yrs 4 M	01-Dec-2014	49	GRUPO AN-TOLIN PUNE PRIVATE LIMITED	20,29,680
Palanisamy V	AGM (Production) - Urea	B.E(CHEMICAL)	20 Yrs	01-Mar-1997	43	SPIC Trainee	18,96,406

- The employment of Whole time Director is contractual and all others are regular employees.
- None of the employees mentioned above
  - hold either by themselves or along with their spouse and dependent children, not less than two percent of the equity shares of the Company
  - is a relative of any director or manager of the Company.

viii) There are no employees covered under Rule 5 (2) (i), (ii) and (iii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of whom the details are required to be provided.

For and on behalf of the Board of Directors

ASHWIN C MUTHIAH
(DIN:00255679)
Chairman

Place : Chennai
Date : 18th May 2017

ANNEXURE - IV

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2017

(Pursuant to Section 204 (1) of the Companies Act, 2013 and the Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel Rules, 2014)

To

The Members
M/s. SOUTHERN PETROCHEMICAL INDUSTRIES CORPORATION LIMITED,
"SPIC HOUSE", 88 MOUNT ROAD,
GUINDY, CHENNAI - 600032, TAMIL NADU

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 31.03.2017, 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 31.03.2017, 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, 1992;

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

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

a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009

b. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999

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

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

e. The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998;

(vii) Based on the study of the systems and processes in place and a review of the reports of

(1) the heads of the Departments (2) Occupier/Manager of the factories located in Tuticorin which manufacture Urea, a Nitrogeneous Chemical Fertilizer (3) the compliance reports made by the functional heads of various departments based on which the Whole-time Director and the Company Secretary submit a Report to the Board of Directors of the Company (4) a test check on the licences and returns made available on other applicable laws, I report that the Company has complied with the provisions of the following statutes and the rules made there under to the extent it is applicable to them:

Factories Act, 1948, Explosives Act, 1884, The Public Liability Insurance Act, 1991, 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, Industrial Disputes Act, 1947, The Payment of Wages Act, 1936, The Minimum Wages Act, 1948, Employees' State Insurance Act, 1948, The Employees' Provident Funds and Miscellaneous Provisions Act, 1952, The Payment of Bonus Act, 1965, The Payment of Gratuity Act, 1972, The Contract Labour (Regulation & Abolition) Act, 1970, The Maternity Benefit Act, 1961, The Child Labour (Prohibition & Regulation) Act, 1986, The Industrial Employment (Standing Order) Act, 1946, The Employees' Compensation Act, 1923, Workmen's Compensation Act 1923, The Apprentices Act, 1961, The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959, Tamil Nadu Labour Welfare Fund Act, 1972, Tamil Nadu Shops and Establishment Act, 1947, National and Festival Holidays Act, 1958, Conferment of Permanent Status Act, 1981, The Tamil Nadu Panchayats Act, 1994, The Legal Metrology Act, 2009, Industries (Development & Regulation) Act, 1951, Tamil Nadu Tax on Consumption or Sale of

Electricity Act, 2003, The Electricity Act, 2003, The Energy Conservation Act, 2001, The Environmental Impact Assessment Notification, 2006, The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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 during the year under review,

a. the company has amended the object clause by complying with the provisions of Section 13 read with Section 110 of the Companies Act 2013, through a Postal Ballot

b. the company had received a query from the National Stock Exchange regarding compliance under SEBI (Prohibition of Insider Trading) Regulation 2015 for the change in Promoter holding, which was replied by the Company.

c. the company has entered into program agreement on 10th Nov 2016 for issue of Rupee denominated Bonds (Masala bonds) of specified denomination of Rs.1/- crore and integral multiples thereof to an extent of Rs 335 Crores to a related party and received a sum of Rs. 34.095 crores during the audit period after complying with the ECB Guidelines stipulated by RBI; however, only one definitive registered note was issued for a value of Rs 34.095 Crores, said to be the aggregate nominal amount, instead of specified denomination of Rs 1 crore each and integral multiples thereof, as there was only one subscriber.

B.Chandra
Company Secretary in Practice
ACS No: 20879, C P No: 7859

Place : Chennai
Date : 16-05-2017

To

The Members,

SOUTHERN PETROCHEMICAL INDUSTRIES CORPORATION LIMITED,

"SPIC HOUSE", 88 MOUNT ROAD,

GUINDY, CHENNAI – 600 032

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we 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. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

B.Chandra
Company Secretary in Practice
ACS No: 20879, C P No: 7859

Place : Chennai
Date : 16-05-2017

ANNEXURE - V

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

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

2 Composition of CSR Committee

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

3 Average net profit of the Company for the last three financial years (Rs. in Crores)

Year	2013-14	2014-15	2015-16	Average Net Profit
Net Profit / (Net Loss)	(1568.22)	(1553.84)	(1542.46)	(1554.84)

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

Does not arise as the Company has incurred loss.

5 Details of amount spent towards CSR during the financial year

Your Company was not required to spend towards CSR activities in view of absence of profit calculated as per Section 198 of the Act. However, to continue with its activities to the society as is being carried out in the past, several initiatives have been taken as detailed below:

- Tree Plantation
- Tamiraparani river desilting for 3 KM at nearby villages
- Seema Karuvelam trees uprooting
- Services to Poor students / Disabled / toilets & furnitures to nearby schools, service to adopted village Pottalkadu
- Spastic society – Annual expenditure
- Cheshire home for disabled and poor students
- Organized blood donation camps and health camps to nearby community
- Science exhibition for nearby schools / organized road safety and other awareness camps

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

	S R Ramakrishnan	Ashwin C Muthiah
Place : Chennai	Whole-time Director	Chairman, CSR Committee
Date : 18th May 2017	DIN : 00120126	DIN: 00255679

ANNEXURE - VI

Form No. 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 2016-17 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:
   a) Name of the related party and nature of relationship : Wilson International Trading Pte Ltd, Singapore, Enterprise over which KMP (as per AS-18) is able to exercise significant influence
   b) Nature of contracts/arrangements/ transactions : Purchase of Raw materials
   c) Duration of the contracts / arrangements/ transactions : 1st April 2016 - 31st March 2017
   d) Salient terms of the contracts or arrangements or transactions including the value, if any : Rs. 220.42 Crores
   e) Date of approval by the Board, if any : 26.05.2016 (Omnibus approval by Audit Committee)
   f) Amount paid as advances, if any : --

Note: Materiality is determined based on applicable threshold limits as per Rule 15(3) of Companies (Meetings of Board and its Powers) Rules, 2014.

SPIC

CORPORATE GOVERNANCE REPORT (2016-17)

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

As a responsible corporate citizen, your Company is conscious that a business runs on principles of fairness, transparency and accountability goes a long way in fostering a healthy relationship amongst all stakeholders. In its abiding commitment to adopt and follow the best practices of governance, your Company has been proactive to the changes introduced by SEBI for promoting a responsive and responsible business culture through the Corporate Governance Code. Your Company endeavours to constantly upgrade the management practices for ideal corporate governance.

2. BOARD OF DIRECTORS

On 31st March 2017, the Board of Directors of the Company had 10 (Ten) Directors. During the financial year 2016-17, 6 (Six) Board Meetings were held on 26th May 2016, 30th May 2016, 1st August 2016 , 20th September 2016, 8th November 2016 and 30th January 2017.

COMPOSITION, DIRECTORS' ATTENDANCE AND OTHER DIRECTORSHIPS HELD

Name of the Director, DIN, Designation and Category	Attendance at Board Meetings	Attendance at previous AGM on 20th Sept 2016	No. of other Director ships (*)	No. of Membership in Board Committees of other companies (**)	
				As Chairman	As Member
Mr. Ashwin C Muthiah, (00255679) Chairman, Non-Executive Promoter Nominee	5	Yes	3(2)	1	1
Mr. T K Arun (02163427) TIDCO Nominee Non-Executive	5	Yes	9	1	8
Mr. B Elangovan (00133452) TIDCO Nominee Non-Executive	1	No	7	-	2
Mr. M S Shanmugam IAS (02475286) TIDCO Nominee Non-Executive	1	Yes	9(1)	1	-
Mr. S Shankar (06591908) Non-Executive Independent	5	Yes	1	-	1
Mr. B Narendran (01159394) Non-Executive Independent	6	Yes	6	4	4
Ms. Sashikala Srikanth (01678374) Non-Executive Independent	5	Yes	6	1	3
Brig.(Retd) Harish Chandra Chawla (00085415) Non-Executive Independent	5	Yes	2	-	2
Mr. Sumanjit Chaudhry (06752672) Non-Executive Independent	6	Yes	1	-	-
Mr. S R Ramakrishnan (00120126) Whole-Time Director Professional	6	Yes	-	-	-

(*) 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.

(**) includes only positions held in Audit Committee and Stakeholders' Relationship Committee.

Figures mentioned in brackets indicate the number of companies in which the Director is Chairman.

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 2017, Mr. Ashwin C Muthiah – Non-Executive Director/ Chairman is holding 45 Equity Shares of the Company. There is no inter-se relationship between the Directors.

The details of familiarization programmes imparted to Independent Directors are disclosed in the website of the Company. http://spic.in/wp-content/uploads/policies/Familiarisation-Program-for-Independent-Directors.pdf

3. COMMITTEES OF THE BOARD

AUDIT COMMITTEE

The Audit Committee constituted by the Board of Directors primarily oversees the Company's financial reporting process and disclosure of its financial information to ensure the correctness and adequacy besides the role as per the Companies Act, 2013 and the Listing Regulations. The Committee provides reassurance to the Board on the existence of effective internal control systems.

TERMS OF REFERENCE

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

COMPOSITION AND MEMBERS' ATTENDANCE:

The Audit Committee has 4 (Four) members with 3 (Three) Independent Directors and 1 (One) Non-Executive Director, having sound financial management expertise. Ms. Sashikala Srikanth, Independent Director is the Chairman of the Audit Committee. During the year under review, the Committee met 6 (Six) times on 26th May 2016, 30th May 2016,1st August 2016, 20th September 2016, 8th November 2016 and 30th January 2017. The Statutory Auditor, Internal Auditor, Cost Auditor, Chief Financial Officer were invited to participate in the meetings of the Audit Committee. The Company Secretary is the Secretary of the Committee.

Name of the Director	Designation	No. of Meetings attended	Category
Ms. Sashikala Srikanth	Chairman	5	Independent
Mr. S Shankar	Member	6	Independent
Mr. T K Arun	Member	5	Non-Executive
Mr. B Narendran	Member	6	Independent

4. NOMINATION AND REMUNERATION COMMITTEE

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

TERMS OF REFERENCE

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

COMPOSITION AND MEMBERS' ATTENDANCE:

The Nomination and Remuneration Committee comprises of 4 (Four) Members with 2 (Two) Independent Directors and 2 (Two) Non-Executive Directors. Mr B Narendran, Independent Director is the Chairman of the Committee. During the financial year 2016-17 the Committee met twice on 26th May 2016 and 30th January 2017.

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

5. DIRECTORS' REMUNERATION DURING 2016-17

Name	Salary & Perquisites (*)	Special Allowance Paid/ Payable	Performance Pay	Sitting Fees
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Mr. Ashwin C Muthiah	-	-	-	2,50,000
Mr. M S Shanmugam I A S **	-	-	-	50,000
Mr. T K Arun **	-	-	-	2,50,000
Mr. B Elangovan **	-	-	-	50,000
Mr. S Shankar	-	-	-	2,50,000
Mr. B Narendran	-	-	-	3,00,000
Brig. (Retd.) Harish Chandra Chawla	-	-	-	2,50,000
Ms. Sashikala Srikanth	-	-	-	2,50,000
Mr. Sumanjit Chaudhry	-	-	-	3,00,000
Mr. S R Ramakrishnan	35,00,000	7,80,000	15,00,000	-

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

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

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

Mr. S R Ramakrishnan, Whole-time Director is under contract employment with the Company which stipulates a notice period of three months from either side for early separation. No severance fee is payable to Executive Directors.

There was no pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company.

The criteria for making payments to the Non-executive Directors is disclosed in the Website of the Company under the weblink: http://spic.in/wp-content/uploads/policies/Criteria-for-making-payments-to-Non-Executive-Directors.pdf

The Company does not have a scheme for grant of stock options either to the Directors or to its employees.

6. 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) Non-Executive Director. Mr. B Narendran, Independent Director is the Chairman of the Committee. The Committee met 5 (five) times during the financial year 2016-17, i.e. 26th May 2016, 1st August 2016, 20th September 2016, 30th November 2016 and 30th January 2017.

Name	Designation	No of Meetings attended	Category
Mr. B Narendran	Chairman	5	Independent
Mr. S Shankar	Member	4	Independent
Mr. B Elangovan	Member	2	Non-Executive

INVESTOR COMPLAINTS

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

There were no share transfers pending registration as on 31st March 2017. Mr. M B Ganesh, Secretary, is the Compliance Officer of the Company.

7. ANNUAL GENERAL MEETINGS

Year	Date	Time	Venue
2014	8 September 2014	10.00 A.M.	Rajah Annamalai Mandram, Chennai 600 108
2015	21 September 2015	4.00 P.M.	Rajah Annamalai Mandram, Chennai 600 108
2016	20 September 2016	10.30 A.M.	Rajah Annamalai Mandram, Chennai 600 108

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

8 September 2014	• Re-appointment and payment of Remuneration to Mr. K K Rajagopalan, as Whole-time Director of the Company for a period of one year from 16 November 2013 – 15 November 2014; • Appointment and payment of remuneration to Mr. S R Ramakrishnan as Whole-time Director for a period of three years from 30 July 2014. • Borrowing Powers of Board of Directors u/s 180 (1) (c) of the Companies Act 2013. • Creation of Security on the immovable and movable properties of the Company u/s 180(1)(a) of the Companies Act, 2013. • Amendments to Article 164 of Articles of Association of the Company.
21 September 2015	• Transactions entered into by the Company with the related parties during the year 2014-15 which are in the ordinary course of business and at arms length basis but considered material as per Clause 49 of the Listing Agreement.
20 September 2016	• To make investments by way of subscription, purchase or otherwise, the securities of any body corporate upto an aggregate amount not exceeding Rs.75 lakhs.

During 2016-17, a special resolution seeking approval of shareholders through postal Ballot to alter Clause III (A)(4) of the Main Objects Clause of Memorandum of Association of the Company was passed with requisite majority on 20th July 2016.

Details of Voting Pattern:

Particulars		Total No. of Votes through Physical Voting	Total No. of Votes through E Voting
(a)	Total votes – Assent to the resolution	7,59,51,805	93,63,314
(b)	Total votes – Dissent to the resolution	0	4,348

Mrs. B Chandra, Practising Company Secretary, Chennai, was appointed as the Scrutinizer for conducting the postal Ballot exercise.

There is no special resolution proposed to be conducted through Postal Ballot.

The Company has followed the procedure for Postal Ballot under the Companies Act, 2013.

8. MEANS OF COMMUNICATION

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

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

9. GENERAL SHAREHOLDERS' INFORMATION

(a) DATE, TIME AND VENUE OF ANNUAL GENERAL MEETING : 26 July 2017, at 10.00 A.M at Raja Annamalai Mandram, Chennai 600 108

(b) FINANCIAL YEAR : 1st April 2016 to 31st March 2017

(c) DATES OF BOOK CLOSURE : 19th July 2017 to 26th July 2017

(d) DIVIDEND DECLARED : NIL

(e) LISTING ON STOCK EXCHANGES : National Stock Exchange of India Limited [Stock Symbol / Code: SPIC]

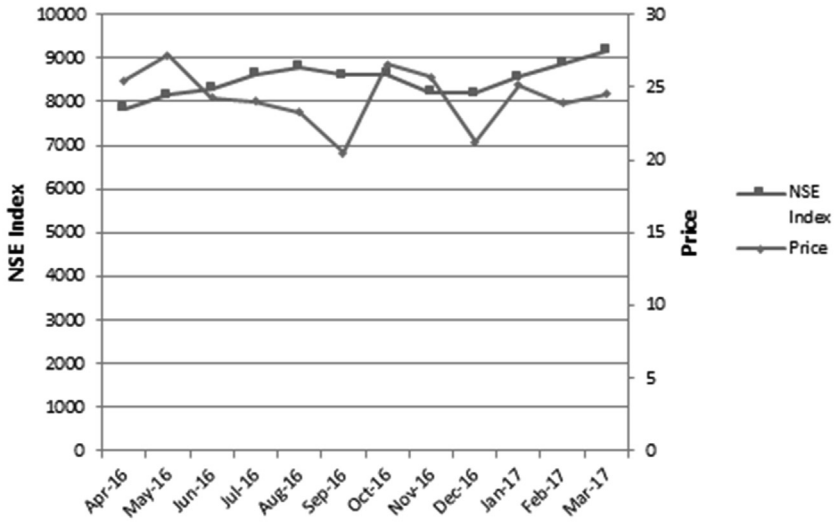
The Global Depository Receipts (GDRs) of the Company which were listed in the Regulated Societe de la Bourse de Luxembourg have been transferred for listing and trading in Euro MTF market w.e.f 12th July 2016 (Code: US8436131002) of Luxembourg Stock Exchange. The Company paid the listing fees for the financial year 2016-17 to both NSE and Luxembourg Stock Exchange.

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

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

Month	Apr 16	May 16	Jun 16	Jly 16	Aug 16	Sept 16	Oct 16	Nov 16	Dec 16	Jan 17	Feb 17	Mar 17
High	25.45	27.20	24.30	24.00	23.30	20.50	26.55	25.70	21.20	25.15	23.90	24.50
Low	19.35	21.80	20.10	21.20	19.80	18.50	19.10	18.20	17.40	18.45	21.10	20.50
NSE Index	7849.80	8160.10	8287.75	8638.50	8786.20	8611.15	8625.70	8224.50	8185.80	8561.30	8879.60	9173.75

(g) PERFORMANCE OF SPIC'S EQUITY SHARES VIS-À-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. During the year, 5 (Five) meetings were held. 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 2017

Sl. No	Range	No. of Shares held	% to paid up Capital	No. of Members	% to total Members
1	Up to 500	81,74,328	4.01	55,160	85.25
2	501-1000	48,62,414	2.39	5,703	8.50
3	1001-2000	44,06,530	2.16	2,776	4.14
4	2001-3000	26,45,990	1.30	1,004	1.50
5	3001-4000	17,46,933	0.86	476	0.71
6	4001-5000	27,03,686	1.33	558	0.83
7	5001-10000	57,13,454	2.81	736	1.10
8	10001 and above	17,33,87,001	85.14	653	0.97
	Total	**20,36,40,336**	**100.00**	**67,066**	**100.00**

(j) SHAREHOLDING PATTERN AS OF 31st MARCH 2017

Particulars	Equity shares held	% to paid-up capital
PROMOTERS:		
(a) TIDCO	88,40,000	4.34
(b) Dr M A Chidambaram Group	9,18,26,638	45.09
Financial Institutions & Nationalised Banks	51,23,543	2.52
The Bank of New York Mellon (as depository for Global Depository Receipts)	1,70,66,800	8.38
Foreign Institutional Investors	8,150	0.00
Non-Resident Individuals	17,22,160	0.85
Foreign Companies	39,800	0.02
Mutual Funds	10,800	0.01
Public & Others	7,90,02,445	38.80
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. 19,81,94,722 equity shares constituting 97.33 per cent of the paid-up equity capital of the Company stood dematerialised as on 31 March 2017. The Company's equity shares are regularly traded on the National Stock Exchange of India Limited in the compulsory demat form.

(l) OUTSTANDING GDRs/ADRs

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

(m) NOMINATION OF PHYSICAL SHARES:

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

(n) UNCLAIMED SUSPENSE ACCOUNT:

a	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year;	1,745 shareholders, 1,84,030 eq. shares
b	Number of shareholders who approached listed entity for transfer of shares from suspense account during the year;	0
c	Number of shareholders to whom shares were transferred from suspense account during the year;	0
d	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year;	1,745 shareholders, 1,84,030 eq. shares

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

(o) Commodity price risk or foreign exchange risk and hedging activities: The Commodity Price Risk is not applicable to the Company as our raw materials are not covered in the commodity production Inputs. the Company has a policy of covering about 50% of the total foreign exposure through various hedging activities.

(p) PLANT LOCATION

Fertilizer Division : SPIC Nagar, Tuticorin 628 005

(q) FINANCIAL CALENDAR (TENTATIVE)

Financial year	: 1 April 2017 to 31 March 2018
First quarter results	: July/August 2017
Half-yearly results	: October/November 2017
Third quarter results	: January/February 2018
Annual results	: May 2018
47th Annual General Meeting	: September 2018

(r) ADDRESS FOR CORRESPONDENCE

SECRETARIAL DEPARTMENT

Southern Petrochemical Industries Corporation Ltd
SPIC HOUSE, 88 Mount Road, Guindy, Chennai - 600 032
Phone No.044-22350245; Fax No.044-22352163
E-mail: (a) General : spiccorp@spic.co.in
(b) Investor complaints/grievance redressal: *shares.dep@spic.co.in*

REGISTRAR AND TRANSFER AGENTS

Cameo Corporate Services Ltd.
"Subramanian Building" 1 Club House Road ,
Chennai - 600 002.
Tel: 044-28460390 / 28460718; Fax : 044–28460129;
E-mail : investor@cameoindia.com

10. DISCLOSURES

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

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

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

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

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

(f) The Policy for Determining Materiality for Disclosure of Material Events / Information is disclosed in the website of the Company under the link : http://spic.in/wp-content/uploads/policies/Policy-for-Determining-Material-Events.pdf

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

11. 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.

12. RISK MANAGEMENT COMMITTEE

The Company has a Risk Management Committee consisting of two Members viz., Mr. T K Arun, Director and Mr. S R Ramakrishnan, Whole-time Director, as Chairman. Enterprise Risk Management Framework has been formulated and Executive Risk Management Committee headed by Chief Risk Officer monitors the Risks identified and implementation of the mitigation plans.

13. WHISTLE BLOWER POLICY

The Company has established a vigil mechanism for Directors and employees to report concerns about unethical behaviour actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The mechanism provides for adequate safeguards against victimization of Director(s) / employee(s) who avail the mechanism and no personnel has been denied direct access to the Chairman of the Audit Committee. The whistleblower policy is disclosed in the website of the Company.

14. CODE OF CONDUCT

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

15. 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.

16. 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.

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 2017.

For Southern Petrochemical
Industries Corporation Limited

Place : Chennai
Date : 18th May 2017

S R RAMAKRISHNAN
Whole-time Director

SPIC

INDEPENDENT AUDITOR'S CERTIFICATE

REF: MKA/SPIC/2017-18/CG/001

TO THE MEMBERS OFSOUTHERN PETROCHEMICAL INDUSTRIES CORPORATION LIMITED
INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

1. This certificate is issued in accordance with the terms of our engagement letter reference no. MKA/SPIC/2016-17/EL01 dated 14th October 2016.

2. We, Deloitte Haskins & Sells, Chartered Accountants, 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 on 31 March 2017, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Managements' Responsibility

3. 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

4. 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.

5. 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.

6. 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 issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. 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

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations 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 and D of Schedule V of the Listing Regulations during the year ended 31 March 2017.

9. We 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.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration Number: 008072S)

M. K. Ananthanarayanan
Partner
(Membership Number: 19521)

Place : Chennai
Date : 18 May 2017

SPIC

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
SOUTHERN PETROCHEMICAL INDUSTRIES CORPORATION LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **SOUTHERN PETROCHEMICAL INDUSTRIES CORPORATION LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("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 and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed 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 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its profit and its cash flows for the year ended on that date.

Emphasis of Matters

We draw attention to Note No. 28(ii) of the financial statements regarding computation of subsidy based on the provisional retention price in line with the Government's policy dated 17th 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.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit 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.

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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, as amended, 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 30 of the 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. The Company has provided requisite disclosures in the standalone financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration Number: 008072S)

M. K. Ananthanarayanan
Partner
(Membership Number: 19521)

Place : Chennai
Date : 18 May 2017

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in Paragraph 2 under 'Report on Other Legal and Regulatory Requirements' Section of our report of even date)

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

(b) Some of the fixed assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at 31 March, 2017 for a period of more than six months from the date they became payable.

(c) Details of dues of Sales Tax, Service Tax and Excise Duty which have not been deposited as on 31 March, 2017 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount Involved (Rs. in lac)	Amount Unpaid (Rs. in lac)
The Central Excise Act, 1944	Excise Duty	Commissioner of Central Excise (Appeals) / Customs, Excise and Service Tax Appellate Tribunal	1998-99 to 2006-07	336.30	300.03
The Finance Act, 1994	Service Tax	Commissioner of Central Excise (Appeals) / Customs, Excise and Service Tax Appellate Tribunal / Hon'ble Madras High Court	2003-04 to 2011-12	226.61	173.99
The Sales Tax Act under various state enactments	Local Sales Tax	Deputy Commissioner (Appeals) / Additional Commissioner (Appeals) / Sales Tax Appellate Tribunal / Hon'ble Madras High Court and High Court of Telangana and Andhra Pradesh	1996-97 to 2012-13	1687.03	1295.56

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

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration Number: 008072S)

M K Ananthanarayanan
Partner
(Membership Number: 19521)

Place : Chennai
Date : 18 May 2017

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' Section of our report of even date)

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

We have audited the internal financial controls over financial reporting of **SOUTHERN PETROCHEMICAL INDUSTRIES CORPORATION LIMITED** ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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. 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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 Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, 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 over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 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 system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting 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.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration Number: 008072S)

M K Ananthanarayanan
Partner
(Membership Number: 19521)

Place : Chennai
Date : 18 May 2017

SPIC

BALANCE SHEET AS AT 31 MARCH 2017

(Rupees in lac)

S. No.	Particulars	Note No.	As at 31 March 2017	As at 31 March 2016
A	**EQUITY AND LIABILITIES**			
1	**Shareholders' funds**			
	(a) Share capital	3	**21614.03**	21614.03
	(b) Reserves and surplus	4	**5759.37**	3020.06
			27373.40	24634.09
2	**Non-current liabilities**			
	(a) Long-term borrowings	5	**3409.50**	-
	(b) Other long-term liabilities	6	**2641.00**	2479.69
			6050.50	2479.69
3	**Current liabilities**			
	(a) Short-term borrowings	7	**45729.72**	11992.28
	(b) Trade payables			
	(i) Total outstanding dues to Micro Enterprises and Small Enterprises	8 (i)	**4.48**	0.10
	(ii) Total outstanding dues other than Micro Enterprises and Small Enterprises	8	**37027.36**	114586.51
	(c) Other current liabilities	9	**1391.84**	2766.15
	(d) Short-term provisions	10	**412.36**	291.99
			84565.76	129637.03
	TOTAL		**117989.66**	156750.81
B	**ASSETS**			
1	**Non-current assets**			
	(a) Property, Plant & Equipment	11		
	(i) Tangible assets		**26264.23**	28031.80
	(ii) Intangible assets		**53.13**	47.56
	(iii) Capital work-in-progress		**2216.94**	1178.19
			28534.30	29257.55
	(b) Non-current investments	12	**3205.97**	3198.42
	(c) Long-term loans and advances	13	**17178.39**	29690.92
			48918.66	62146.89
2	**Current assets**			
	(a) Inventories	14	**22939.94**	9252.21
	(b) Trade receivables	15	**9155.95**	6278.45
	(c) Cash and cash equivalents	16	**749.32**	1570.71
	(d) Short-term loans and advances	17	**36100.57**	77412.98
	(e) Other current assets	18	**125.22**	89.57
			69071.00	94603.92
	TOTAL		**117989.66**	156750.81
	See accompanying notes forming part of the financial statements			

In terms of our report attached.

For DELOITTE HASKINS & SELLS
Chartered Accountants

M K ANANTHANARAYANAN
Partner

Place : Chennai
Date : 18 May 2017

For and on behalf of the Board of Directors

ASHWIN C MUTHIAH
Chairman
DIN: 00255679

T K ARUN
Director
DIN:02163427

SASHIKALA SRIKANTH
Director
DIN: 01678374

S R RAMAKRISHNAN
Whole-Time Director
DIN: 00120126

K R ANANDAN
Chief Financial Officer

M B GANESH
Secretary

SPIC

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2017

(Rupees in lac)

S. No	Particulars	Note No.	Year ended 31 March 2017	Year ended 31 March 2016
1	Revenue from operations (gross)	19	**153259.62**	184193.74
	Less: Excise duty		**340.56**	402.19
	Revenue from operations (net)		**152919.06**	183791.55
2	Other income	20	**1379.09**	1793.66
3	**Total revenue (1+2)**		**154298.15**	185585.21
4	**Expenses**			
	(a) Cost of materials consumed	21	**80532.49**	101765.93
	(b) Purchases of stock-in-trade	22	**3676.24**	6225.88
	(c) Changes in inventories of finished goods and work-in-progress	23	**(5167.88)**	(1718.73)
	(d) Employee benefits expense	24	**5342.99**	4264.52
	(e) Finance costs	25	**874.50**	1205.53
	(f) Depreciation and amortisation expense	11	**3083.16**	2935.62
	(g) Other expenses	26	**63217.34**	69346.31
	Total expenses		**151558.84**	184025.06
5	**Profit before exceptional items and tax (3-4)**		**2739.31**	1560.15
6	Exceptional items	27	**-**	917.09
7	**Profit before tax (5+6)**		**2739.31**	2477.24
8	Tax expense	33	**-**	-
9	**Profit after Tax (7-8)**		**2739.31**	2477.24
10	**Earnings Per Share of Rs. 10 each**	37		
	(a) Basic		**1.26**	1.13
	(b) Diluted		**1.26**	1.13
	See accompanying notes forming part of the financial statements			

In terms of our report attached.

For DELOITTE HASKINS & SELLS
Chartered Accountants

M K ANANTHANARAYANAN
Partner

Place : Chennai
Date : 18 May 2017

For and on behalf of the Board of Directors

ASHWIN C MUTHIAH
Chairman
DIN: 00255679

T K ARUN
Director
DIN:02163427

SASHIKALA SRIKANTH
Director
DIN: 01678374

S R RAMAKRISHNAN
Whole-Time Director
DIN: 00120126

K R ANANDAN
Chief Financial Officer

M B GANESH
Secretary

SPIC

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2017

(Rupees in lac)

S. No.	Particulars	Year ended 31 March 2017		Year ended 31 March 2016	
A.	**CASH FLOW FROM OPERATING ACTIVITIES:**				
	Profit for the year before exceptional items and tax		**2739.31**		1560.15
	Add : Exceptional items				
	Profit on sale of asset		**-**		917.09
	Profit for the year before tax and after exceptional item		**2739.31**		2477.24
	Adjustment for :				
	Depreciation	**3083.16**		2935.62	
	Loss on sale /retirement of assets (Net)	**189.49**		120.62	
	Provision for doubtful debts and advances	**0.39**		25.92	
	Provisions no longer required written back	**(21253.84)**		(1378.27)	
	Bad debts and advances written off	**2093.77**		153.75	
	Investment written off	**18453.62**		-	
	Exchange difference	**567.67**		1406.70	
	Finance Costs	**874.50**		1205.53	
	Income from investments	**(4.11)**		(3.61)	
	Interest income	**(128.39)**		(134.16)	
			3876.26		4332.10
	Operating profit before working capital changes		**6615.57**		6809.34
	Adjustments for :				
	(Increase)/Decrease in trade receivables	**(2873.50)**		(4307.49)	
	(Increase)/Decrease in inventories	**(13687.73)**		4013.60	
	(Increase)/Decrease in long-term loans and advances	**11876.07**		(24673.33)	
	(Increase)/Decrease in short-term loans and advances	**42002.12**		540.69	
	(Increase)/Decrease in other current assets	**-**		223.36	
	Increase/(Decrease) in long-term liabilities	**161.30**		(556.53)	
	Increase/(Decrease) in trade payables	**(78122.44)**		23246.13	
	Increase/(Decrease) in other current liabilities	**(1133.45)**		(2141.51)	
	Increase/(Decrease) in short-term provisions	**120.37**		(70.96)	
			(41657.25		(3726.04)
	Cash (used in) / from operations		**(35041.68)**		3083.30
	Direct taxes paid		**(27.67)**		(63.76)
	NET CASH (USED IN) / FROM OPERATING ACTIVITIES		**(35069.35)**		3019.54

Cash Flow Statement (Continued)

(Rupees in lac)

S. No.	Particulars	Year ended 31 March 2017		Year ended 31 March 2016	
B.	**CASH FLOW FROM INVESTING ACTIVITIES :**				
	Purchase of fixed assets	**(1904.16)**		(1583.62)	
	Proceeds from sale of fixed assets	**1.24**		15.68	
	Income from investments	**4.11**		3.61	
	Proceeds from sale of investments	**(7.55)**		-	
	Interest income	**122.74**		51.67	
	Bank balances not considered as cash and cash equivalents	**46.38**		(68.90)	
			(1737.25)		(1581.56)
	NET CASH (USED IN) INVESTING ACTIVITIES		**(1737.25)**		(1581.56)
C.	**CASH FLOW FROM FINANCING ACTIVITIES :**				
	Long term borrowings	**3409.50**		-	
	Short tem borrowings	**43795.39**		7152.52	
	Repayment of Short term borrowings	**(10057.95)**		(7180.00)	
	Finance Costs	**(1115.35)**		(898.85)	
			36031.59		(926.33)
	NET CASH FROM / (USED IN) FINANCING ACTIVITIES		**36031.59**		(926.33)
	NET CASH FLOWS DURING THE YEAR (A+B+C)		**(775.01)**		511.65
	Cash and cash equivalents (opening balance) *		**1133.46**		621.81
	Cash and cash equivalents (closing balance) *		**358.45**		1133.46

* Excludes Margin Money Deposit with Scheduled Banks Rs. 372.65 lac (Previous Year Rs. 426.79 lac) and Escrow account balance of Rs. 18.22 lac (Previous Year Rs. 10.46 lac).

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

In terms of our report attached.

For DELOITTE HASKINS & SELLS
Chartered Accountants

M K ANANTHANARAYANAN
Partner

Place : Chennai
Date : 18 May 2017

For and on behalf of the Board of Directors

ASHWIN C MUTHIAH
Chairman
DIN: 00255679

T K ARUN
Director
DIN:02163427

SASHIKALA SRIKANTH
Director
DIN: 01678374

S R RAMAKRISHNAN
Whole-Time Director
DIN: 00120126

K R ANANDAN
Chief Financial Officer

M B GANESH
Secretary

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

Note 1: Corporate 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.

During the previous year, the Company was appointed as the Fertilizer Marketing Entity at Karaikal and Tuticorin Ports by Government of India, Department of Fertilizers for handling, neem coating, packaging, transporting, distribution and marketing of imported urea.

Note 2: Significant Accounting Policies

(i) Basis of Accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ("the Act") and the relevant provisions of the Act. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

(ii) Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenditure during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/materialise.

(iii) Inventories

Inventories are valued at the lower of cost on weighted average basis (on FIFO basis till 30 September 2016) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.

(iv) Cash and cash equivalents (for the purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(v) Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

(vi) Revenue recognition and Other income

a) Sales are recognised, net of returns on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales include excise duty but exclude sales tax and value added tax.

b) Under the New Pricing Scheme for Urea, the Government of India reimburses, in the form of subsidy, to the Fertilizer Industry, the difference between the cost of production and the selling price realized from the farmers, as fixed by the Government from time to time. This has been accounted on the basis of movement of fertilizer from the factory and receipt of the same at the warehouse/dealer point, as per the procedure prescribed by the Government and not on the basis of ultimate sales. The said amount has been further adjusted for input price escalation/de-escalation as estimated by the management based on prescribed norms.

c) Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

(vii) Property, Plant & Equipments and Depreciation

Tangible assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of tangible assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure on fixed assets after its purchase/completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Tangible assets include Land and Buildings and Plant and Machinery that were revalued as on 31 March 1996, 31 March 1999, 31 March 2000, 1 April 2002, 1 April 2003 and 31 March 2006 and the resultant surplus has been added to the cost of assets.

Tangible assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately in the Balance Sheet.

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 has been provided on the straight line method as per the useful life 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

(viii) Intangible Assets

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of intangible assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and other incidental expenses. Intangible assets are amortised over their estimated useful life on straight line method. The estimatd useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation peirod is revised to reflect the changed pattern, if any.

(ix) Capital work in progress:

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

(x) Foreign Currency Transactions

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction. Foreign currency monetary items of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost. Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

(xi) Investments

Long-term investments are carried individually at cost less provision for diminution other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments includes acquisition charges such as brokerage, fees and duties.

(xii) Employee Benefits

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund and compensated absences.

a. Defined Contribution Plan

(i) The Company contributes a sum of the eligible employees salary to a Superannuation Fund administered by trustees and managed by Life Insurance Corporation of India (LIC). The Company has no liability for future Superannuation Fund benefits other than its annual contribution and recognizes such contributions as an expense in the year in which the services are rendered.

(ii) 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.

b. Defined Benefit Plan

The Company makes annual contribution to a Gratuity Fund administered by trustees and managed by LIC. The cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

c. Long Term Compensated Absences

The Company treats its liability for long-term compensated absences based on actuarial valuation, as at the Balance Sheet date, determined by an independent actuary using the Projected Unit Credit method.

Actuarial gains and losses are recognised in the Statement of Profit and Loss in the year in which they occur.

While the long-term compensated absences is treated as long-term employee benefit for measurement purpose, it is presented as current provision in the Balance Sheet since, the Company does not have an unconditional right to defer its settlement for 12 months after its reporting date.

d. Short Term Employee Benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:

(i) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(ii) in case of non-accumulating compensated absences, when the absences occur.

(xiii) Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

(xiv) Segment Reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / (loss) amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under “unallocated revenue / expenses / assets / liabilities”.

(xv) Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.

(xvi) Earnings Per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations.

(xvii) Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses, and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

(xviii) Impairment of Assets

The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the assets exceeds the estimated recoverable amount, impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss.

(xix) Provisions and Contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

xx) Derivative Contracts

The company enters into derivative contracts in the nature of foreign currency options and forward contracts with an intension to hedge its existing assets and liabilities and firm commitments in foreign currency. Derivative contracts are marked to market and the losses are recognized in the Statement of Profit and Loss. Gains arising on the same are not recognized until realized, on grounds of prudence.

(xxi) Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits.

(xxii) Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

Note 3: Share Capital (Rupees in lac)

Particulars	As at 31 March 2017	As at 31 March 2016
Authorised:		
31,60,00,000 (31,60,00,000) Equity shares of Rs.10 each	**31600.00**	31600.00
55,00,000 (55,00,000) 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
3,00,000 (3,00,000) 14.50% Redeemable cumulative non-convertible preference shares of Rs.100 each	**300.00**	300.00
8,50,000 (8,50,000) 11.50% Redeemable cumulative non-convertible preference shares of Rs.100 each	**850.00**	850.00
1,00,000 (1,00,000) 10.00% Redeemable cumulative non-convertible preference shares of Rs.100 each	**100.00**	100.00
	21614.03	21614.03
(Refer note 3(i) to 3(iv) below)		

Note 3 (i): There is no movement in the number of equity shares and preference shares during the year and in the previous year.

Note 3 (ii): Details of Shareholders holding more than 5% shares in the Company

Class of shares / Name of shareholder	As at 31 March 2017		As at 31 March 2016	
	Number of shares held	**% holding in that class of shares**	Number of shares held	% holding in that class of shares
Equity shares				
FICON Holdings Limited	**15682775**	**7.70**	15682775	7.70
The Bank of Newyork Mellon	**17066800**	**8.38**	17066800	8.38
AMI Holdings Private Limited, India	**37276700**	**18.31**	37276700	18.31
Lotus Fertilizers Private Limited	**27995454**	**13.75**	27995454	13.75
Preference Shares				
14.50% Redeemable cumulative non-convertible preference shares				
Bajaj Auto Ltd	**300000**	**100.00**	300000	100.00
11.50% Redeemable cumulative non-convertible preference shares				
Punjab and Sind Bank	**150000**	**17.65**	150000	17.65
State Bank of Mysore	**100000**	**11.76**	100000	11.76
United India Insurance Company Ltd	**100000**	**11.76**	100000	11.76
The Jammu and Kashmir Bank Ltd	**-**	**-**	500000	58.83
Dynamic Fertilizers Trading Private Limited	**500000**	**58.83**	-	-
10.00% Redeemable cumulative non-convertible preference shares				
Mrs. Brish Darbari Seth & Mrs Biya Sanjay Thukral	**25000**	**25.00**	25000	25.00
Ms Mina Rohit Chand	**-**	**-**	25000	25.00
Mrs Dolly Robin Lai	**-**	**-**	25000	25.00
Mrs Sindhu Seth	**-**	**-**	25000	25.00
AMI Holdings Private Limited, India	**75000**	**75.00**	-	-

Note 3 (iii): Equity shares include :

(a) 1,66,66,666 shares of Rs.10 each fully paid up, issued in the year 2009-10 to Asset Reconstruction Company (India) Ltd., (ARCIL) at an issue price of Rs.18 per share inclusive of a premium of Rs.8 per share in accordance with Issue of Capital and Disclosure Requirements Regulations, 2009 ("SEBI ICDR Regulations") by conversion of secured debts of a sum of Rs. 3000 lac in to equity at the meeting of the Board of Directors held on 30 March 2010.

(b) 32,14,734 shares of Rs 10 each fully paid up, at an issue price of Rs 19 per share inclusive of premium of Rs 9 per share in accordance with SEBI ICDR Regulations,2009 alloted to secured lenders on conversion of secured debts of Rs. 610.80 lac at the meeting of the Board of Directors held on 8 November 2010. The above allotment is in pursuant to the approval of the Board at its meeting held on 6 August 2010 and the shareholders at the AGM held on 21 September 2010.

(c) 1,06,71,001 shares of Rs 10 each fully paid up, at an issue price of Rs 20 per share inclusive of premium of Rs 10 per share in accordance with SEBI ICDR Regulations, 2009 alloted to ARCIL on conversion of secured debts of Rs. 2134.20 lac at the meeting of the Board of Directors held on 8 December 2010. The above allotment is in pursuant to the approval of the Board at its meeting held on 28 October 2010 and the shareholders at the EGM held on 29 November 2010.

(d) 12,631 equity shares of Rs.10 each fully paid up issued to Industrial Investment Bank of India, on preferential basis, at an issue price of Rs 19 per share, which includes a premium of Rs.9 per share by way of conversion of secured debt of Rs 2.40 lac, at the meeting of the Shareholders' / Investor's Grievance Committe held on 27 April 2012.

(e) 72,631 equity shares of Rs.10 each fully paid up issued to United India Insurance Company Ltd., on preferential basis, at an issue price of Rs 19 per share, which includes a premium of Rs.9 per share by way of conversion of secured debt of Rs 13.80 lac, at the meeting of the Shareholders' / Investor's Grievance Committe held on 9 November 2012.

(f) 3,72,76,700 equity shares of Rs.10 each fully paid up were issued to AMI Holdings Pvt Ltd, a company belonging to promoter group, on preferential basis, at an issue price of Rs 17.50 per share, which included a premium of Rs.7.50 per share by way of conversion of 3,72,76,700 warrants, at the meetings of Shareholders' / Investor's Grievance Committe held on 10 January 2013 and 13 March 2013.

(g) 1,70,66,800 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 3 (iv): Preference shares:

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

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

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

Terms / rights attached to Preference Shares

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

Note 4: Reserves and Surplus

(Rupees in lac)

Particulars	As at 31 March 2017		As at 31 March 2016	
Capital Reserve		**97.24**		97.24
Capital Redemption Reserve		**6500.00**		6500.00
Securities Premium Account		**21047.71**		21047.71
Debenture Redemption Reserve				
Opening balance	**-**		3800.00	
Less: Transfer to Profit and Loss	**-**		(3800.00)	
		-		-
Statutory Reserve		**41.33**		41.33
Deficit in Statement of Profit and Loss				
Opening balance	**(24666.22)**		(30943.46)	
Add: Transfer from Debenture Redemption Reserve	**-**		3800.00	
Add: Profit for the year	**2739.31**		2477.24	
		(21926.91)		(24666.22)
Total		**5759.37**		3020.06

Note 5: Long-term borrowings

(Rupees in lac)

Particulars	As at 31 March 2017	As at 31 March 2016
Bonds - Unsecured		
From Related Party (Refer Note 5 (i) below)	**3409.50**	-
Total	**3409.50**	-

Note 5 (i): The company has during November 2016 issued unsecured Indian Rupee Denominated Bonds (Masala Bonds) Rs.6,670 lacs due on December 2019 to AM International Holdings Pte Ltd, Singapore, a related party,(also refer Note 35),which has been approved by the Board of Directors vide their meeting held on 20 Septmber 2016. These bonds carry an interest of 9% which is payable at quarterly intervals falling due on 22nd February, 22nd May, 22nd August and 22nd November of each year. Out of the total amount, the Company has utilized Rs. 3409.50 lac as at the balance sheet date. There was a delay of 40 days in remittance of interest amounting to Rs. 72.76 lac, which fell due on 22 February 2017.

Note 6: Other long-term liabilities

(Rupees in lac)

Particulars	As at 31 March 2017	As at 31 March 2016
Trade / security deposits received	**2292.79**	2131.48
Liabilities for expenses	**348.21**	348.21
Total	**2641.00**	2479.69

Note 7: Short term borrowings

(Rupees in lac)

Particulars	As at 31 March 2017	As at 31 March 2016
Term loans		
From banks- Secured (Refer Note 7 (i) below)	**41314.39**	-
From banks- Unsecured (Refer Note 7 (ii) below)	**2481.00**	-
Loans repayable on demand		
From other parites- Unsecured	**1934.33**	11992.28
Total	**45729.72**	11992.28

Note 7 (i): Represents sum received from State Bank of India under Special Banking Arrangement as approved by Ministry of Finance, Department of Expenditure O.M.s No7/55/2016-BA dated 11 January 2017 secured against subsidy receivables from the Government of India for the period August 2016 to February 2017. The bank has charged an interest of 8% p.a. on the said arrangement out of which interest @ 6.25% p.a. is to be borne by the Government of India and balance 1.75% is to be borne by the Company. Accordingly, Rs. 99.04 lac being the interest paid by the Company has been included under finance charges.

7(ii) Guranteed by fixed deposit placed with the borrower by a related party (also refer Note 35).

Note 8: Trade payables

(Rupees in lac)

Particulars	As at 31 March 2017	As at 31 March 2016
Trade payables:		
Other than Acceptances		
- Total outstanding dues to Micro Enterprises and Small Enterprises (Refer Note 8(i) below)	**4.48**	0.10
- Total outstanding dues other than Micro Enterprises and Small Enterprises	**37027.36**	114586.51
Total	**37031.84**	114586.61

Note 8 (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. (Rupees in lac)

Particulars	As at 31 March 2017	As at 31 March 2016
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	**4.48**	0.10
(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 payment made to the supplier beyond the appointed day	**-**	-
(iv) The amount of interest due and payable for the year	**-**	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	**-**	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	**-**	-

Note 9: Other current liabilities (Rupees in lac)

Particulars	As at 31 March 2017	As at 31 March 2016
Interest accrued but not due on borrowings	**52.10**	106.32
Interest accrued and due on borrowings	**72.76**	259.40
Retention Money	**56.26**	33.67
Other payables		
- Statutory remittances	**333.05**	429.52
- Trade / security deposits	**0.10**	7.38
- Advances from customers and other parties	**414.49**	1212.39
- Gratuity payable (Refer Note 31(ii))	**162.75**	310.57
- Superannuation fund payable	**300.33**	406.90
Total	**1391.84**	2766.15

Note 10: Short-term provisions (Rupees in lac)

Particulars	As at 31 March 2017	As at 31 March 2016
Provision for employee benefits:		
- Provision for compensated absences (Refer Note 31(iii))	**412.36**	291.99
Total	**412.36**	291.99

Note 11: Property, Plant and Equipment (Previous Year's figures are given in brackets) (Rupees in lac)

Description	Gross block				Accumulated depreciation				Net block	
	Opening Balance as at 1 April, 2016	Additions/ Adjustments	Deletions/ Adjustments	Closing Balance as at 31 March, 2017	Opening Balance as at 1 April, 2016	Additions/ Adjustments	Deletions/ Adjustments	Closing Balance as at 31 March, 2017	As at 31 March, 2017	As at 31 March, 2016
(i) **Tangible Assets (Owned)**										
(a) Land										
- Freehold	**4707.94**	**42.29**	**30.00 ***	**4720.23**	**-**	**-**	**-**	**-**	**4720.23**	**4707.94**
	(4692.51)	(15.43)	(-)	(4707.94)	(-)	(-)	(-)	(-)	(4707.94)	(4692.51)
(b) Buildings	**7666.45**	**-**	**-**	**7666.45**	**4530.95**	**167.96**	**-**	**4698.91**	**2967.54**	**3135.50**
	(7631.84)	(42.66)	(8.05)	(7666.45)	(4365.56)	(167.28)	(1.89)	(4530.95)	(3135.50)	(3266.28)
(c) Plant and Equipment	**121695.11**	**1373.44**	**1027.21**	**122041.34**	**102913.32**	**2712.32**	**838.35**	**104787.29**	**17254.05**	**18781.79**
	(121419.79)	(859.97)	(584.65)	(121695.11)	(100800.86)	(2578.93)	(466.47)	(102913.32)	(18781.79)	(20618.93)
(d) Furniture and Fixtures	**323.01**	**0.51**	**-**	**323.52**	**266.48**	**5.17**	**-**	**271.65**	**51.87**	**56.53**
	(297.28)	(43.66)	(17.93)	(323.01)	(283.72)	(0.69)	(17.93)	(266.48)	(56.53)	(13.56)
(e) Vehicles	**152.95**	**5.05**	**2.98**	**155.02**	**85.55**	**10.34**	**2.72**	**93.17**	**61.85**	**67.40**
	(175.35)	(20.53)	(42.93)	(152.95)	(113.60)	(9.95)	(38.00)	(85.55)	(67.40)	(61.75)
(f) Office equipments	**6399.31**	**91.88**	**13.90**	**6477.29**	**5466.73**	**152.94**	**12.81**	**5606.86**	**870.43**	**932.58**
	(6377.31)	(114.72)	(92.72)	(6399.31)	(5404.22)	(148.20)	(85.69)	(5466.73)	(932.58)	(973.09)
(g) Roads	**218.41**	**22.63**	**-**	**241.04**	**166.49**	**20.61**	**-**	**187.10**	**53.94**	**51.92**
	(218.41)	(-)	(-)	(218.41)	(149.74)	(16.75)	(-)	(166.49)	(51.92)	(68.67)
(h) Railway Sidings	**582.26**	**-**	**-**	**582.26**	**284.12**	**13.82**	**-**	**297.94**	**284.32**	**298.14**
	(582.26)	(-)	(-)	(582.26)	(270.30)	(13.82)	(-)	(284.12)	(298.14)	(311.96)
Total	**141745.44**	**1535.80**	**1074.09**	**142207.15**	**113713.64**	**3083.16**	**853.88**	**115942.92**	**26264.23**	
Previous Year	(141394.75)	(1096.97)	(746.28)	(141745.44)	(111388.00)	(2935.62)	(609.98)	(113713.64)		28031.80
(ii) Intangible Assets										
-Project in-progress									**53.13**	**47.56**
(iii) Capital work-in-progress										
- Tangible									**2216.94**	**1178.19**

*** Refer Note 11(i) below**

Note 11 (i): Asset Held for Sale:

Company has identified Freehold land the cost of which amounts to Rs. 30.00 lac for sale and accordingly same has been disclosed as fixed asset held for sale under " Other Current Assets":

(Rupees in lac)

Details of Fixed Assets Held for Sale	As at 31 March 2017	As at 31 March 2016
Land – Freehold	**30.00**	-
Total	**30.00**	-

Note 12: Non-Current Investments (Rupees in lac)

Particulars	As at 31 March 2017			As at 31 March 2016		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
NON-CURRENT INVESTMENTS (At cost)						
A Trade Investments (unless otherwise stated)						
(I) Investment in equity instruments - fully paid up						
(i) of subsidiaries						
- SPIC Fertilizers and Chemicals Limited, Mauritius (Refer Note 12 (i) below)						
3,26,40,000 (3,26,40,000) Equity Shares of USD 1 each	**-**	**-**	**-**	-	18453.62	18453.62
Total Investment in Equity instruments in Subsidiaries	**-**	**-**	**-**	-	18453.62	18453.62
(ii) of associates						
- Tuticorin Alkali Chemicals and Fertilizers Limited (Refer Note 12(ii) below)						
66,80,113 (66,80,113) Equity Shares of Rs. 10 each	**1935.67**	**-**	**1935.67**	1935.67	-	1935.67
- Gold Nest Trading Company Limited						
2,49,000 (2,49,000) Equity Shares of Rs. 100 each	**-**	**250.25**	**250.25**	-	250.25	250.25
Total Investment in Equity instruments in Associates	**1935.67**	**250.25**	**2185.92**	1935.67	250.25	2185.92
(iii) of joint ventures - jointly controlled entities						
- Tamilnadu Petroproducts Limited						
1,52,34,375 (1,52,34,375) Equity Shares of Rs. 10 each	**1980.47**	**-**	**1980.47**	1980.47	-	1980.47
- National Aromatics and Petrochemicals Corporation Ltd						
25,000 (25,000) Equity Shares of Rs. 10 each	**-**	**2.50**	**2.50**	-	2.50	2.50
Total Investment in Equity instruments in Joint Ventures-Jointly controlled entities	**1980.47**	**2.50**	**1982.97**	1980.47	2.50	1982.97
(iv) of other entities						
- Manali Petrochemicals Limited						
10,000 (10,000) Equity shares of Rs. 5 each (Non- trade)	**0.68**	**-**	**0.68**	0.68	-	0.68
- SICAGEN India Limited (Refer Note 12(iii) below)						
5,77,681 (5,77,681) Equity Shares of Rs. 10 each (Non-trade)	**-**	**-**	**-**	-	-	-
- State Bank of Bikaner and Jaipur (Non - trade)						
3,450 (3,450) Equity Shares of Rs. 10 each	**1.86**	**-**	**1.86**	1.86	-	1.86
- ICICI Bank Limited (Non - trade)						
1915 (1915) Equity Shares of Rs. 2 each	**0.20**	**-**	**0.20**	0.20	-	0.20
- SPIC Petrochemicals Limited (Refer Note 12 (iv) below)						
25,37,50,009 (25,37,50,009) Equity Shares of Rs. 10 each	**-**	**25375.00**	**25375.00**	-	25375.00	25375.00
- Biotech Consortium India Limited						
2,50,000 (2,50,000) Equity Shares of Rs. 10 each (Non-trade)	**-**	**25.00**	**25.00**	-	25.00	25.00
- Chennai Willington Corporate Foundation						
50 (50) Equity Shares of Rs. 10 each costing Rs. 450 (Non- trade)	**-**	**0.00**	**0.00**	-	0.00	0.00

Non-Current Investments (Continued) (Rupees in lac)

Particulars	As at 31 March 2017			As at 31 March 2016		
	Quoted	**Unquoted**	**Total**	Quoted	Unquoted	Total
- Mercantile Ventures Limited						
92,20,000 (92,20,000) Equity Shares of Rs. 10 each (Non- trade)	**922.00**	**-**	**922.00**	922.00	-	922.00
-OPG Power Generation Pvt. Ltd (Refer Note 12 (v) below)						
68,700 Equity Shares of Rs. 10 each (Trade)	**-**	**7.55**	**7.55**	-	-	-
Total Investment in Equity instruments in other entities	**924.74**	**25407.55**	**26332.29**	924.74	25400.00	26324.74
(II) Investment in preference shares - fully paid up						
(i) of associates						
- Tuticorin Alkali Chemicals and Fertilizers Limited						
20,00,000 (20,00,000) 5% Redeemable Cumulative Preference Shares of Rs. 100 each	**-**	**2000.00**	**2000.00**	-	2000.00	2000.00
Total Investment in preference shares in associates	**-**	**2000.00**	**2000.00**	-	2000.00	2000.00
(ii) of other entities						
- SPIC Petrochemicals Limited (Refer Note 12 (iv) below)						
5,000 (5,000) 8% Redeemable Cumulative Non-Convertible Preference Shares of Rs. 100 each	**-**	**5.00**	**5.00**	-	5.00	5.00
Total Investment in preference shares in other entities	**-**	**5.00**	**5.00**	-	5.00	5.00
B Other Investments						
(I) Investment in bonds - fully paid up						
(i) of other entities						
- SPIC Petrochemicals Limited* (Refer Note 12 (iv) below)						
[Zero interest non-transferable bonds]						
* Repayable in ten equal half-yearly instalments after 12 years from the commencement of commercial production or total re-payment of the term loan to the lenders whichever is earlier. The carrying value of this investment has been fully provided for.	**-**	**30609.63**	**30609.63**	-	30609.63	30609.63
Total Investment in Bonds	**-**	**30609.63**	**30609.63**	-	30609.63	30609.63
(ii) Investment in mutual funds						
- Canara Robecco Equity Diversified - Growth Plan (formerly known as Canara Robecco Fortune - 94 units)						
12,760 (12,760) Units of Rs. 10 each	**-**	**1.00**	**1.00**	-	1.00	1.00
Total Investment in Mutual Funds	**-**	**1.00**	**1.00**	-	1.00	1.00
GROSS VALUE OF INVESTMENTS	**4840.88**	**58275.93**	**63116.81**	4840.88	76722.00	81562.88
Less: Provision for diminution in value of investments	**1668.46**	**58242.38**	**59910.84**	1668.46	76696.00	78364.46
NET VALUE OF INVESTMENTS	**3172.42**	**33.55**	**3205.97**	3172.42	26.00	3198.42
Aggregate amount of quoted investments			**3172.42**			3172.42
Aggregate market value of quoted investments			**7664.98**			4317.40
Aggregate amount of unquoted investments			**33.55**			26.00

Note 12(i): The Board of Directors of the Company have in their meeting held on 18 May 2017 approved the write off of investments of Rs. 18453.62 lac and advances due of Rs.2093.77 lac from a subsidiary company, SPIC Fertilizers and Chemicals Limited, Mauritius (SFCL Mauritius) as at 31 March 2017, against the provisions made in the earlier years, consequent to the recommendation of the Board of Directors of SFCL Mauritius for its winding up, through written resolutions passed on 16 February 2017, which was also approved by the shareholders of the said subsidiary company. However, there is no impact on this account in the standalone financial statements.

Note 12(ii): The Company has given an undertaking to the lenders of Tuticorin Alkali Chemicals and Fertilizers Limited for non disposal of its shareholdings in the said Company without their prior approval.

Note 12(iii) Consequent to the Scheme of Arrangement (Demerger) between SICAL Logistics Limited and SICAGEN India Limited, sanctioned by the Hon'ble High Court of Madras, by its order dated 20 December 2007, the Company was allotted 5,77,681 Equity Shares of the face value of Rs. 10 each in SICAGEN India Limited.

Note 12(iv) The Company promoted SPIC Petrochemicals Limited (SPIC Petro) in 1994-95 for the manufacture of Polyester Filament Yarn and Purified Terepthalic Acid. The Company had invested Rs.25375.00 lac in the equity share capital, Rs.5.00 lac in 8% redeemable cumulative non convertible preference share capital, Rs.30609.63 lac in Unsecured Zero Interest Bonds redeemable after 12 years from the date of commencement of commercial production. Consequent to the litigation between Chennai Petroleum Corporation Limited (CPCL) and the Company and winding up petitions filed by certain unsecured creditors, the Hon'ble Madras High Court ordered the winding up of the Company on 17 April 2009.

Against the above winding up order, SPIC Petro filed an appeal before the Division Bench of the Hon'ble Madras High Court. The Division Bench of the Hon'ble Madras High Court, dismissed the appeal on 26 April 2010. Meanwhile, ARCIL issued a notice on 19 March 2009, u/s 13(2) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act), directing SPIC Petro to make payment of the dues to ARCIL within sixty days from the date of the notice. As SPIC Petro could not make the payment, ARCIL took over the possession of the assets of SPIC Petro, under SARFAESI Act on 13 May 2010. Consequent to the above, the nominee directors of SPIC Limited have ceased to be directors of SPIC Petro with effect from 14 May 2010. Hence the Company had lost its control over SPIC Petro and full provision had already been made in the earlier years for the carrying value of investments and also for all other dues from this Company.

Note 12(v) During the year, the Company has invested in 68,700 numbers of Equity shares at Rs.10/- each, at a premium of Rs.1/- per share, aggregating to Rs.7.55 lac in OPG Power Generation Private Limited vide the Share Purchase and Shareholders Agreements entered on 22 December 2016 for purchase and consumption of 10 MW of power at a concessional tariff as applicable under Group Captive Scheme of the Government of India under Electricity Rules, 2005 to achieve savings in cost of power.

Note 13: Long-term loans and advances
(Unsecured, Considered Good unless otherwise stated)

(Rupees in lac)

Particulars	As at 31 March 2017		As at 31 March 2016	
Capital advances		**127.49**		803.97
Deposits				
Considered good	**3499.02**		2971.71	
Doubtful	**118.58**		130.93	
	3617.60		3102.63	
Less: Provision for doubtful deposits	**118.58**		130.93	
		3499.02		2971.71
Loans and advances to employees				
Considered good	**0.78**		1.07	
Doubtful	**20.30**		20.30	
	21.08		21.37	
Less: Provision for doubtful loans and advances	**20.30**		20.30	
		0.78		1.07
Subsidy Receivable		**12492.38**		24963.43
Advance income tax (Net of provisions Rs. 4135.56 lac (Previous year Rs. 4135.56 lac))		**504.39**		476.72
Balances with government authorities				
Considered good	**554.33**		474.03	
Doubtful	**210.22**		210.22	
	764.55		684.25	
Less: Provision for doubtful receivables	**210.22**		210.22	
		554.33		474.03
Total		**17178.39**		29690.92

Note 14: Inventories (At lower of cost and net realisable value) (Rupees in lac)

Particulars	As at 31 March 2017		As at 31 March 2016	
Raw materials (Refer Note 14(i) below)	**4274.63**		4772.56	
Goods-in-transit	**8334.81**		-	
		12609.44		4772.56
Work-in-progress (Refer Note 14(ii) below)		**219.39**		62.09
Finished goods		**7098.88**		2088.30
Stores and spares	**1486.84**		1708.15	
Goods-in-transit	**-**		21.53	
		1486.84		1729.68
Loose tools		**3.07**		11.60
Fuel Oil		**1522.32**		587.98
Total		**22939.94**		9252.21

Note 14 (i): Consequent to the implementation of SAP during the year company has changed the method of valuation of raw materials from First In First Out (FIFO) method to Weighted Average with effect from 1 October 2016. As a result, closing stock of raw materials is lower by Rs.73.64 lac, cost of materials consumed for the year ended 31 March 2017 is higher by Rs.73.64 lac and change in inventories of finished goods and work-in-progress for the year is higher by Rs.6.28 lac.

Note 14 (ii): Details of work-in-progress (Rupees in lac)

Particulars	As at 31 March 2017	As at 31 March 2016
Tissue Culture	**170.14**	60.25
Others	**49.25**	1.84
Total	**219.39**	62.09

Note 15: Trade receivables
(Unsecured, Considered Good unless otherwise state (Rupees in lac)

Particulars	As at 31 March 2017		As at 31 March 2016	
Trade receivables outstanding for a period exceeding six months from the date they were due for payment				
Considered good	**4630.71**		1744.09	
Doubtful	**776.64**		780.64	
	5407.35		2524.73	
Less: Provision for doubtful trade receivables	**776.64**		780.64	
		4630.71		1744.09
Other Trade receivables		**4525.24**		4534.36
Total		**9155.95**		6278.45

Note 16: Cash and cash equivalents (Rupees in lac)

Particulars	As at 31 March 2017	As at 31 March 2016
Cash on hand (Refer Note 38(a) for Specified Bank Notes)	**6.85**	3.95
Balances with banks		
- In current accounts	**350.74**	1128.63
- In EEFC accounts	**0.86**	0.88
- In earmarked accounts		
- Balances held as margin money or security against borrowings, guarantees and other commitments	**372.65**	426.79
- Balance in Escrow Account	**18.22**	10.46
Total	**749.32**	1570.71
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statement is	**358.45**	1133.46

Note 17: Short-term loans and advances

(Unsecured, Considered Good unless otherwise stated) (Rupees in lac)

Particulars	As at 31 March 2017		As at 31 March 2016	
Loans and advances to related parties (Refer Note 35(ii))				
Considered good	**2941.26**		70.27	
Doubtful	**1487.75**		4283.58	
	4429.01		4353.85	
Less: Provision for doubtful loans and advances	**1487.75**		4283.58	
		2941.26		70.27
Loans and advances to employees		**5.32**		2.33
Prepaid expenses		**199.66**		179.13
Subsidy Receivable		**31762.37**		76411.26
Balances with government authorities				
Considered good	**704.40**		279.97	
Doubtful	**37.40**		37.40	
	741.80		317.37	
Less: Provision for doubtful receivables	**37.40**		37.40	
		704.40		279.97
Advances to Suppliers		**249.03**		339.03
Loans and Advances to other parties				
Considered good	**238.53**		130.99	
Doubtful	**377.87**		365.61	
	616.40		496.60	
Less: Provision for doubtful loans and advances	**377.87**		365.61	
		238.53		130.99
Total		**36100.57**		77412.98

Note 18: Other current assets (Rupees in lac)

Particulars	As at 31 March 2017		As at 31 March 2016	
Interest accrued on deposits		**95.15**		89.50
Others				
- Insurance claims		**0.07**		0.07
- Fixed assets held for sale (Refer Note 11(i))		**30.00**		-
Total		**125.22**		89.57

Note 19: Revenue from operations (Rupees in lac)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Sale of products	**39381.29**	44860.88
Subsidy Income	**112622.18**	138355.95
Sales (Refer Note 19 (i) below)	**152003.47**	183216.83
Other operating revenues (Refer Note 19 (ii) below)	**1256.15**	976.91
	153259.62	184193.74
Less: Excise duty	**340.56**	402.19
Total	**152919.06**	183791.55

Note 19 (i): Sales (Rupees in lac)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Manufactured goods		
Urea	**30819.05**	35266.73
Fertiliser and Transport Subsidy (Urea)	**112622.18**	138355.95
Others	**1253.66**	1257.17
Traded goods		
Imported Urea	**7308.58**	8336.98
Total	**152003.47**	183216.83

Note 19 (ii): Other Operating Revenues (Rupees in lac)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Facility Sharing Income	**972.44**	913.02
Sale of scrap	**35.37**	30.79
Others	**248.34**	33.10
Total	**1256.15**	976.91

Note 20: Other income (Rupees in lac)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Interest income (Refer Note 20 (i) below)	**128.39**	134.16
Dividend income - from long-term investments:	**4.11**	3.61
Liabilities / Provision no longer required written back	**706.45**	1,378.27
Rental Income	**34.37**	30.54
Profit on sale of assets	**0.16**	4.56
Insurance Claim	**353.88**	-
Others	**151.73**	242.52
Total	**1379.09**	1793.66

Note 20 (i): Interest income (Rupees in lac)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Interest from banks deposits	**18.49**	25.84
Other interest	**109.90**	108.32
Total	**128.39**	134.16

Note 21: Cost of materials consumed (Rupees in lac)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Naphtha (also Refer Note 14 (i))		
Opening stock	**4772.56**	6789.73
Add: Purchases	**88369.37**	99748.76
	93141.93	106538.49
Less: Closing stock	**12609.44**	4772.56
Total	**80532.49**	101765.93

Note 22: Purchase of Stock-in-trade (Rupees in lac)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Imported urea	**3676.24**	6225.88
Total	**3676.24**	6225.88

Note 23: Changes in inventories of finished goods and work-in-progress (Rupees in lac)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Inventories at the beginning of the year:		
Finished goods	**2088.30**	298.79
Work-in-progress	**62.09**	132.87
	2150.39	431.66
Inventories at the end of the year:		
Finished goods	**7098.88**	2088.30
Work-in-progress	**219.39**	62.09
	7318.27	2150.39
Net (Increase) (also Refer Note 14 (i))	**(5167.88)**	(1718.73)

Note 24: Employee benefits expense (Rupees in lac)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Salaries and wages	**4300.09**	3447.58
Contributions to provident and other funds	**569.16**	367.86
Staff welfare expenses	**473.74**	449.08
Total	**5342.99**	4264.52

Note 25: Finance costs (Rupees in lac)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Interest expense on:		
-Borrowings	**713.87**	1067.81
-Trade payables / Trade advances	**-**	0.53
-Deposits	**158.58**	137.09
-Others	**2.05**	-
Other borrowing costs	**-**	0.10
Total	**874.50**	1205.53

Note 26: Other expenses (Rupees in lac)

Particulars	Year ended 31 March 2017		Year ended 31 March 2016	
Consumption of stores and spare parts		**1852.72**		1600.40
Packing, transportation and handling charges		**12343.99**		12994.42
Power and fuel		**35260.79**		40375.76
Water		**3250.37**		963.47
Rent		**700.16**		454.77
Repairs to				
- Buildings	**791.22**		511.30	
- Machinery	**1719.08**		1133.26	
- Others	**593.23**		396.61	
		3103.53		2041.17
Insurance		**217.00**		208.35
Rates and taxes		**100.85**		128.15
Port handling charges		**976.75**		953.00
Travelling and conveyance		**531.38**		329.48
Marketing service charges		**13.03**		235.22
Rebates and discount		**3026.50**		2601.43
Sales promotion expenses		**6.35**		9.76
Professional fees		**454.61**		283.35
Payment to auditors (Refer Note 26 (i) below)		**30.99**		30.85
Bad trade and other receivables, loans and advances written off	**2093.77**		261.10	
Less: Transfer from Provision	**2093.77**		107.35	
		-		153.75
Hedging Loss		**453.74**		-
Loss on sale of assets		**0.06**		1.73
Assets written off		**189.65**		125.18
Investments Written off	**18453.62**		-	
Less: Transfer from Provision for dimunition in the value of investment	**18453.62**		-	
		-		-
Net (Gain) / loss on foreign currency transactions and translation		**(129.83)**		4019.62
Provision for doubtful trade and other receivables, loans and advances (net)		**0.39**		25.92
(Dispatch) / Demurrage		**(9.69)**		149.00
Director's sitting fees		**20.10**		14.50
Miscellaneous expenses (Refer Note 26(ii))		**823.90**		1647.03
Total		**63217.34**		69346.31

Note 26 (i): Payment to Auditors (Rupees in lac)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Payments to the auditors comprises (net of service tax input credit, where applicable):		
- As auditors - statutory audit	**20.00**	20.00
- For other services	**10.00**	10.00
- Reimbursement of expenses	**0.99**	0.85
Total	**30.99**	30.85

Note 26 (ii): An amount of Rs. 6347.00 lac representing certain claims of ILFS against the Company were disputed / challenged before the Courts. In view of the settlement of the said claims by payment of Rs 750.00 lac during the previous year by the Company as agreed through a Memorandum of Compromise, there is no further liability to the Company on this account. The amount of Rs. 750 lac paid is included in Miscelleneous expenses during the previous year.

Note 27: Exceptional items (Rupees in lac)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Profit on sale of assets	**-**	917.09
Total	**-**	917.09

Note 28: Plant Operation

(i) During the year the Company achieved a production of 5.63 lac MT against the maximum permissible production of 6.20 lac MT. The Company, as Fertilizer Marketing Entity (appointed by Government of India) for marketing imported urea within the country, has handled 1.15 lac MT of urea and sold 1.29 lac MT.

(ii) Government of India vide its notification dated 17 June 2015 had permitted the Company to produce Urea using Naphtha as feedstock on existing provisions till assured supply of gas is made available. Subsidy would be paid based on the Retention Price computed on the lower of naphtha or RLNG price.

Subsidy for the period 1 April 2016 to 31 March 2017 of Rs. 96773.18 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 29: Commitments

Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. 1858.88 lac (Previous year Rs. 911.59 lac).

Note 30: 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 41 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. 2795.28 lac (Previous year Rs. 2543.10 lac) is not acknowledged as debt, as this differential value from April 2009 to March 2017 is not supported by any Government Order and also the other beneficiaries are objecting to such claims of TWAD.

(iii) The Company has received a demand from VOC Port Trust (VOCPT) towards increase in rental charges from 1 July 2007 onwards. The amount payable as on 31.03.2017 is Rs. 766.77 lac (from 01.07.2007 to 31.03.2017) (Previous year Rs. 714.43 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) Other claims against the Company – Rs. Nil (Previous year Rs. 1300.00 lac).

(b) Other Bank Guarantees outstanding Rs.31.78 lac (Previous year Rs. 31.78 lac).

(c) Cumulative amount of Preference Dividend and Dividend Tax thereon not provided for the period from 1 April 2001 to 31 March 2017 is Rs. 3188.61 lac (Previous year Rs. 3006.57 lac)

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

(Rupees in lac)

Name of the Statute	**As at 31 March 2017**	As at 31 March 2016
The Central Excise Act, 1944	**336.30**	537.01
The Finance Act, 1994 (Service Tax)	**226.61**	234.78
Sales Tax Act under various State enactments	**1553.90**	3904.82
The Tamilnadu Electricity (Taxation on Consumption) Act, 1962	**1050.54**	1050.54
Employees State Insurance Act, 1948*	**13083.67**	12604.60
Total	**16251.02**	18331.75

* Includes disputes relating to the period 1977 to 1992 decided by the ESI Court in favour of the Company against which the Employees State Insurance Corporation has gone on an appeal before the Hon'ble Madras High Court.

Out of the above demand of Rs.16251.02 lac (Previous year Rs. 18331.75 lac), an amount of Rs. 1166.45 lac (Previous year Rs. 918.63 lac) has been deposited under protest / adjusted by relevant authorities.

Note 31: Employee benefit plans

(i) Defined contribution plans

The Company makes Provident Fund, Superannuation Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. During the year the Company recognized Rs.250.31 lac (Previous year Rs. 233.24 lac) for Provident Fund contributions, Rs. 125.30 lac (Previous year Rs. 106.62 lac) for Superannuation Fund contributions and Rs. 3.87 lac (Previous year Rs. 2.11 lac) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

(ii) Defined benefit plans – Gratuity

a) Movement of Gratuity

Change in benefit obligations: (Rupees in lac)

Particulars	2016-17	2015-16
Projected Benefit Obligation at the beginning of the year	**1538.47**	1081.21
Obligation on account of transfered employees	**-**	385.42
Service cost	**82.22**	59.78
Interest cost	**110.70**	80.69
Actuarial Loss / (Gain)	**85.83**	24.95
Benefits paid	**(274.43)**	(93.58)
Projected Benefit Obligation at the end of the year	**1542.79**	1538.47
Amount recognised in the Balance Sheet:		
Projected benefit obligation at the end of the year	**1542.79**	1538.47
Fair value of plan assets at the end of the year	**1380.04**	1227.90
Liability recognised in the Balance Sheet	**162.75**	310.57

(Rupees in lac)

Particulars	2016-17	2015-16
Cost of defined benefit plan for the year		
Current service cost	**82.22**	59.78
Interest on obligation	**110.70**	80.69
Expected return on plan assets	**(100.06)**	(81.53)
Net actuarial gain (loss) recognized in the year	**79.32**	(19.61)
Net cost recognized in the Statement of Profit and Loss (included under Contributions to provident and other funds) Refer Note 24	**172.18**	39.33

Change in Plan assets: (Rupees in lac)

Particulars	2016-17	2015-16
Fair value of plan assets at the beginning of the year	**1227.90**	936.39
Expected return on plan assets	**100.06**	81.53
Contribution	**320.00**	259.00
Benefits claim settled	**(274.43)**	(93.58)
Actuarial gain / (loss) on plan assets	**6.51**	44.56
Fair value of plan assets at the end of the year	**1380.04**	1227.90

b) Actuarial assumptions (Rupees in lac)

Particulars	2016-17	2015-16	2014-15
Discount Rate	**7.40%**	7.90%	7.80%
Salary escalation rate	**7.00%**	7.00%	7.50%
Demographic assumptions – Mortality	**IALM (2006-08) Ult**	IALM (2006-08) Ult	IALM (2006-08) Ult
Demographic assumptions – Withdrawal	**4.00%**	3.00%	4.00%
Experience adjustments (Details disclosed to the extent available):			
Experience adjustments on plan liabilities – (loss) / gain	**(34.25)**	(471.62)	(113.39)
Experience adjustments on plan assets – (loss) / gain	**6.51**	44.56	16.42

Estimates of future salary increase take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The discount rate is based on the prevailing market yield of Government of India securities as at the balance sheet date for the estimated term of the obligation.

In the absence of detailed information regarding plan assets which is funded with Life Insurance Corporation of India, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

Estimate of amount of contribution in the immediate next year is Rs. Nil (Previous year is Rs. 203.07 lac)

iii) Compensated absences

The assumptions used for computing accumulated compensated absences on actuarial basis are as follows:

Particulars	2016-17	2015-16
Discount Rate	**7.40%**	7.90%
Salary escalation rate	**7.00%**	7.00%
Attrition rate	**4.00%**	3.00%

Note 32 (i): Expenditure in Foreign Currency (Rupees in lac)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Royalty	**63.59**	44.48
Professional & Consultancy Fees	**233.59**	25.39
Finance and Other Charges	**653.31**	945.22
Others	**-**	1.86

Note 32 (ii): Earnings in Foreign Currency (Rupees in lac)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Other income	**153.84**	85.37

Note 32 (iii): Value of Imports calculated on CIF Basis (Rupees in lac)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Raw Materials (C&F)	**83944.10**	92106.71
Fuel Oil (C&F)	**29970.20**	32101.13
Components & Spare Parts	**-**	127.44
Capital Goods	**-**	25.00

Note 32 (iv): Details of consumption of imported & indigenous items (Rupees in lac)

Particulars	Year ended 31 March 2017		Year ended 31 March 2016	
	Value (Rs. In lac)	Percentage to total consumption	Value (Rs. In lac)	Percentage to total consumption
Imported				
Raw Materials	**80532.48**	**100.00**	101411.76	99.65
Components & Spare parts	**72.95**	**11.38**	143.07	20.62
Indigenous				
Raw Materials	**-**	**0.00**	356.54	0.35
Components & Spare parts	**568.15**	**88.62**	550.92	79.38

Note 32 (v): Details of Unhedged Foreign Currency

The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Particulars	Currency	Amount in Foreign Currency	Amount in lac
Amount Receivable in Foreign currency	**Euro**	-	-
	Euro	(1.15)	(86.49)
Amount Payable in Foreign currency	**USD**	**329.61**	**21371.69**
	USD	(1230.80)	(81642.51)
	Euro	**0.01**	**0.51**
	Euro	-	-

Figures in brackets are in respect of previous year

Note 33:

(a) Deferred Tax (Rupees in lac)

Particulars	As at 31 March 2017	As at 31 March 2016
Depreciation	**2045.59**	2010.72
Deferred tax liability	**2045.59**	2010.72
Carry forward business losses and unabsorbed depreciation restricted to	**2045.59**	2010.72
Deferred tax asset	**2045.59**	2010.72

The deferred tax asset arising out of disallowances under section 43B of Income Tax Act 1961 and those relating to other provisions amounting to Rs. 21981.17 lac (Previous year Rs. 22822.06 lac) and de-escalation of subsidy amounting to Rs. 7303.25 lac (Previous year Rs. 8598.00 lac) have not been recognized as a matter of prudence.

The carry forward loss / unabsorbed depreciation for the year has given rise to net deferred tax asset of Rs. 17766.96 lac (Previous year Rs. 19495.27 lac). However, in the absence of virtual certainty that sufficient future taxable income will be available, the said deferred tax asset that can be recognised is restricted to the deferred tax liability of Rs. 2045.59 lac (Previous year Rs. 2010.72 lac) as given above. Accordingly, there is no net deferred tax asset or liability as at 31 March 2017 to be accounted for.

(b) Current Tax

There is no provision for tax in view of the brought forward losses / unabsorbed depreciation relating to earlier years available for set off while computing income both under the provisions of Sec 115-JB and those other than Sec 115-JB of the Income Tax Act, 1961.

Note 34: SEGMENT REPORTING

Primary segment information (Business segments) (Rupees in lac)

Particulars	Agro Inputs (Urea operations)	Others (Agri Business)	Total
Segment revenue			
Sales to external Customers	**150819.13**	**843.78**	**151662.91**
	(182130.33)	(684.31)	(182814.64)
Operating Income	**1223.09**	**12.80**	**1235.89**
	(944.11)	(19.55)	(963.66)
Other Income	**636.46**	**3.41**	**639.87**
	(1306.37)	(26.92)	(1333.29)
Unallocated income			**759.48**
			(473.63)
Total Revenue	**152678.68**	**859.99**	**154298.15**
	(184380.81)	(730.78)	(185111.59)

Segment Reporting (Continued) (Rupees in lac)

Particulars	Agro Inputs (Urea operations)	Others (Agri Business)	Total
Segment results	**5423.35**	**(49.93)**	**5373.42**
	(6441.78)	(-135.48)	(6306.30)
Unallocated expenditure			**1759.61**
			(2623.53)
Profit before interest and taxation			**3613.81**
			(3682.77)
Finance Cost			**874.50**
			(1205.53)
Profit before taxation			**2739.31**
			(2477.24)
Tax expense			-
			(-)
Profit after Taxation			**2739.31**
			(2477.24)
Other Information			
Segment assets	**105959.84**	**2070.16**	**108030.00**
	(147077.33)	(2053.26)	(149130.59)
Unallocated corporate Assets			**9959.66**
			(7620.23)
Total Assets			**117989.66**
			(156750.82)
Segment liabilities	**80598.99**	**206.25**	**80805.24**
	(117446.87)	(168.61)	(117615.48)
Unallocated corporate Liabilities			**9811.02**
			(14501.25)
Total Liabilities			**90616.26**
			(132116.73)
Capital expenditure (allocable)	**2570.12**	**5.00**	**2575.12**
	(982.12)	(14.69)	(996.81)
Capital expenditure (Unallocable)			**5.02**
			(90.87)
Depreciation (allocable)	**2997.40**	**46.17**	**3043.57**
	(2853.35)	(45.92)	(2899.27)

Segment Reporting (Continued) (Rupees in lac)

Particulars	Agro Inputs (Urea operations)	Others (Agri Business)	Total
Depreciation (Unallocable)			**39.59**
			(36.35)
Non-cash expenditure other than depreciation (allocable)	**189.65**	**-**	**189.65**
	(125.18)	(-)	(125.18)
Non-cash expenditure other than depreciation (unallocable)			**0.39**
			(179.66)

(Rupees in lac)

Secondary segment Information (Geographical Segments)	Revenue	Carrying amount of segment assets	Capital Expenditure
Within India	**153538.67**	**108030.00**	**2575.12**
	(185111.59)	(149130.59)	(996.81)
Outside India	**-**	**-**	**-**
	(-)	(-)	(-)
Total	**153538.67**	**108030.00**	**2575.12**
	(185111.59)	(149130.59)	(996.81)

NOTES

(a) Business segments

The business segment has been considered as the primary segment for disclosure. The products included in each of the business segments are as follows:

(i) Agro inputs - Urea Operations

(ii) Others - Tissue Culture and Seeds

Revenue and expenses, which relates to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been included under unallocate income or unallocated expenditure respectively.

Unallocated Corporate asset and unallocated Corporate liabilities include the assets and liabilities which are not directly attributable to segments.

(b) Geographical segments

The geographical segments considered for disclosure are as follows:

- Sales within India include Sales to customers located within India

- Sales outside India include sales to customers located outside India.

Note 35 (i): Related party disclosures under Accounting Standard - 18

The list of related parties as identified by the management are as under:

Nature	Parties
Subsidiaries	1 SPIC Fertilizers and Chemicals Limited, Mauritius (upto16 February 2017)
Associates	1 Tuticorin Alkali Chemicals and Fertilizers Limited 2 Gold Nest Trading Company 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 owend 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 AMI Holdings Private Limited, India 6 Bengal Auto Parts Private Limited 7 Sicagen India Limited 8 SPIC Officers and Staff Welfare Foundation 9 South India Travels Private Limited 10 Lotus Fertilizers Private Limited 11 EDAC Engineering Limited 12 EDAC Staffing Solution Private Limited 13 EDAC Automation Limited 14 Totalcomm Infra Services Private Limited 15 Twinshield Consultants Private Limited 16 AM Corporate Social Responsibility Foundation 17 SPIC Group Companies Employees Welfare Foundation 18 AM International Holdings Pte Ltd, Singapore 19 Firstgen Distribution Private Limited

Note 35 (ii): The following transactions were carried out with the related parties (Rupees in lac)

S.No	Particulars	As at 31 March 2017	As at 31 March 2016
A	**BALANCE OUTSTANDING AS AT 31.03.2017**		
(a)	**Receivables including Advances**		
	SPIC Fertilizers and Chemicals FZE, Dubai #	**-**	1053.47
	SPIC Fertilizers and Chemicals Limited, Mauritius #	**-**	1.93
	Tamilnadu Petroproducts Limited	**1.46**	0.94
	Tuticorin Alkali Chemicals and Fertilizers Limited	**2402.73**	2746.85
	Greenstar Fertilizers Limited	**3487.55**	8.71
	National Aromatics and Petrochemicals Corporation Limited *	**1487.75**	1487.36
	Wilson International Trading (India) Private Limited	**0.04**	0.03
	Manali Petrochemicals Limited	**0.55**	0.30
	EDAC Engineering Limited	**19.40**	24.99
	EDAC Automation Limited	**0.94**	0.20
	Totalcomm Infra Services Private Limited	**0.65**	0.24
	Twinshield Consultants Private Limited	**36.45**	36.45
	Lotus Fertilizers Private Limited	**78.56**	135.02
(b)	**Payables**		
	Greenstar Fertilizers Limited	**2873.53**	1274.37
	Tamilnadu Petroproducts Limited	**2.86**	-
	Sicagen India Limited	**126.40**	8.43
	Wilson International Trading Pte. Ltd, Singapore	**13255.30**	2113.80
	EDAC Engineering Limited	**0.04**	4.01
	EDAC Automation Limited	**2.49**	16.46
	EDAC Staffing Solution Private Limited	**0.43**	0.46
	Tuticorin Alkali Chemicals and Fertilizers Limited	**1.01**	-
	Lotus Fertilizers Private Limited	**3761.87**	-
	AM International Holdings Pte Ltd,Singapore	**3513.79**	-
	South India Travels Private Limited	**3.44**	-
(c)	**Advance against equity**		
	SPIC Fertilizers and Chemicals FZE, Dubai #	**-**	1038.37
(d)	**Share Capital including Securities premium**		
	AMI Holdings Private Limited, India	**6523.42**	6523.42
(e)	**Cash collateral provided against bank borrowings**		
	AM International Holdings Pte. Ltd, Singapore (in USD)	**37.50**	-

Written off in current year, utilising the provision
* Dues have been fully provided for

Related Party Disclosures (Continued) (Rupees in lac)

S.No	Particulars	For the year 2016-17	For the year 2015-16
B	**TRANSACTIONS DURING THE YEAR**		
1	**Sale of goods**		
	Tuticorin Alkali Chemicals and Fertilizers Limited	**296.11**	488.21
	Greenstar Fertilizers Limited	**169.71**	204.58
	Wilson International Trading (India) Private Limited	**-**	72.12
	Lotus Fertilizers Private Limited	**144.98**	304.10
2	**Purchase of materials**		
	Tuticorin Alkali Chemicals and Fertilizers Limited	**2.36**	0.98
	Manali Petrochemicals Limited	**-**	0.19
	Greenstar Fertilizers Limited	**2048.58**	1833.70
	Tamilnadu Petroproducts Limited	**38.82**	18.07
	Wilson International Trading Pte Ltd, Singapore	**21454.96**	10196.63
	Sicagen India Limited	**219.99**	74.87
	Lotus Fertilizers Private Limited	**3761.87**	-
	Firstgen Distribution Private Limited	**10.36**	-
3	**Reimbursement of Expenses (Receipts)**		
	Tuticorin Alkali Chemicals and Fertilizers Limited	**7.46**	0.01
	Greenstar Fertilizers Limited	**6.43**	4.59
	Sicagen India Limited	**180.00**	0.06
	National Aromatics and Petrochemicals Corporation Limited	**0.39**	0.87
	EDAC Engineering Limited	**-**	0.09
	EDAC Staffing Solution Private Limited	**0.06**	0.05
	Totalcomm Infra Services Private Limited	**0.27**	0.21
	AM Corporate Social Responsibility Foundation	**0.35**	0.06
	SPIC Officers and Staff Welfare Foundation	**1.68**	1.98
	SPIC Group Companies Employees Welfare Foundation	**4.68**	-
4	**Reimbursement of Expenses (Payments)**		
	Sicagen India Limited	**3.78**	3.64
	South India Travels Private Limited	**-**	0.19
5	**Income from services rendered**		
	Manali Petrochemicals Limited	**3.78**	4.18
	Tamilnadu Petroproducts Limited	**0.61**	1.92
	Tuticorin Alkali Chemicals and Fertilizers Limited	**8.01**	9.09
	Greenstar Fertilizers Limited	**1106.36**	1038.45
	Wilson International Trading (India) Private Limited	**0.48**	0.41
	Sicagen India Limited	**2.07**	2.74
	EDAC Engineering Limited	**11.84**	11.34
	EDAC Automation Limited	**1.02**	1.10
	EDAC Staffing Solution Private Limited	**0.41**	0.37
	Totalcomm Infra Services Private Limited	**0.63**	0.87

Related parties disclosure (Continued) (Rupees in lac)

S.No	Particulars	For the year 2016-17	For the year 2015-16
6	**Service / Consultancy charges**		
	Greenstar Fertilizers Limited	**178.66**	392.99
	Tamilnadu Petroproducts Limited	**0.11**	0.11
	EDAC Automation Limited	**224.42**	211.06
	Sicagen India Limited	**116.68**	3.13
	EDAC Engineering Limited	**-**	4.03
7	**Income from Rentals**		
	Greenstar Fertilizers Limited	**23.99**	23.79
8	**Dividend Income**		
	Manali Petrochemicals Limited	**0.05**	0.05
	Sicagen India Limited	**3.47**	3.47
9	**Managerial Remuneration**		
	Thiru S R Ramakrishnan	**58.80**	65.74
10	**Rent Paid**		
	Greenstar Fertilizers Limited	**2422.93**	2249.72
11	**Director Sitting Fees**		
	Thiru Ashwin C Muthiah	**2.50**	2.00
12	**Trade Advance Received / Returned**		
	Greenstar Fertilizers Limited	**1370.00**	5588.76
	Tuticorin Alkali Chemicals and Fertilizers Limited	**648.00**	-
13	**Trade Advance Paid / Returned**		
	Greenstar Fertilizers Limited	**500.00**	5100.00
	Wilson International Trading (India) Private Limited	**34.00**	-
14	**Special Rebate Paid**		
	Wilson International Trading (India) Private Limited	**-**	11.72
15	**Interest on Borrowings / Paid**		
	AM International Holdings Pte Ltd, Singapore	**109.96**	-
	Greenstar Fertilizers Limited	**-**	41.37
16	**Borrowings**		
	Greenstar Fertilizers Limited	**-**	158.00
	AM International Holdings Pte Ltd, Singapore	**3409.50**	-
17	**Borrowings repaid**		
	Greenstar Fertilizers Limited	**-**	7180.00
18	**Demurrage Charges**		
	Wilson International Trading Pte Ltd, Singapore	**587.25**	896.33

Related parties disclosure (Continued) (Rupees in lac)

S.No	Particulars	For the year 2016-17	For the year 2015-16
19	**Car Rental Charges**		
	South India Travels Private Limited	**38.44**	34.36
20	**Deposit given / received for directors appointment**		
	Tuticorin Alkali Chemicals and Fertilizers Limited	**-**	1.00
	SPIC Officers and Staff Welfare Foundation	**-**	4.00
21	**Purchase of car**		
	South India Travels Private Limited	**-**	13.00
22	**Advance Given**		
	Twinshield Consultants Private Limited	**-**	36.45
23	**Cash collateral provided against bank borrowings**		
	AM International Holdings Pte Ltd, Singapore (in USD)	**37.50**	-

Note 36: Interest in jointly controlled entities

The Company has interests in the following jointly controlled entities: (Rupees in lac)

Name of companies and country of incorporation	% of share holding	Amount of interest based on accounts for the year ended 31 March 2017					
		Assets	Liabilities	Income	Expenditure	Contingent liabilities	Capital commitments
Tamilnadu Petroproducts Limited, India	**16.93**	**8933.56**	**3623.58**	**15172.05**	**14855.37**	**932.06**	**88.45**
	(16.93)	(8286.54)	(3167.66)	(11986.09)	(12337.96)	(1599.69)	(17.15)
National Aromatics and Petrochemicals Corporation Limited, India	**50.00**	**2006.96**	**571.01**	**-**	**-**	**-**	**-**
	(50.00)	(1971.32)	(535.37)	(-)	(-)	(-)	(-)

Note 37: Earnings Per Share

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Face Value per share (In Rupees)	**10**	10
Profit for the year (Rupees in lac)	**2739.31**	2477.24
Less:Arrears of Preference Dividend (Refer Note 30(c))	**182.04**	182.54
Profit for the year after preference dividend (Rupees in lac)	**2557.27**	2294.70
Basic		
Weighted Average Number of shares outstanding	**203640336**	203640336
Earnings per share (In Rupees)	**1.26**	1.13
Diluted		
Weighted Average Number of shares outstanding	**203640336**	203640336
Earnings per share (In Rupees)	**1.26**	1.13

Note 38 (a): Specified Bank Notes

Details of Specified Bank Notes held & transacted during the period 08 November 2016 to 30 December 2016, pursuant to requirement of notification G.S.R 308(E) dated 30 March 2017

Details of Specified Bank Notes (Rupees in lac)

Sl.No	Particulars	Specified Bank Notes	Other Denomination Notes	Total
1	**Closing Cash in hand as on 8th November 2016**	**6.19**	**1.43**	**7.62**
2	(+) Permitted Receipts	-	18.94	18.94
3	(-) Permitted Payments	0.78	12.91	13.69
4	(-) Amount Deposited in Banks	5.41	4.00	9.41
5	**Closing cash in hand as on 30th December 2016**	**-**	**3.46**	**3.46**

Note 38 (b): Others

Full particulars of loans given, investment made, guarantees given, security provided together with purpose in terms of Section 186(4) of the Companies Act, 2013. - The details in respect of investment have been provided in Note No.12 of Notes on Accounts. The Company has not given any loan or guarantee.

Details of inter-corporate loans and deposits taken by Companies registered under Section 12 of 'Securities Exchange Board of India Act, 1992' and covered under such class or classes of Companies as may be prescribed under Section 186(6) of the Companies Act, 2013. - Not applicable

Note 39:

(a) Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

(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 2017 in its meeting held on 18 May 2017

SPIC

Consolidated Financial Statements

SPIC

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOUTHERN PETROCHEMICAL INDUSTRIES CORPORATION LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **SOUTHERN PETROCHEMICAL INDUSTRIES CORPORATION LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates and jointly controlled entities, comprising of the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act. The respective Board of Directors of the companies included in the Group 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 its associates and its jointly controlled entities and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries, associates and jointly controlled entities referred to in the Other Matters paragraph below, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at 31st March, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note No. 29 (ii) of the consolidated financial statements regarding computation of subsidy based on the provisional retention price in line with the Government's policy dated June 17th, 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.

Our opinion is not modified in respect of this matter.

Other Matter

We did not audit the financial statements of a subsidiary, whose financial statements reflect total assets of Rs. Nil as at 31 March 2017, total revenues of Rs. 35.13 lac and net cash inflows / (outflows) amounting to Rs. Nil for the period upto the date of winding up of that subsidiary as considered in the consolidated financial statements. We also did not audit the financial statements of a jointly controlled entity and three subsidiaries of another jointly controlled entity, whose financial statements reflect total assets of Rs.3935.80 lac as at 31 March, 2017, total revenues of Rs.78.56 lac and net cash inflows amounting to Rs. 39.28 lac for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of Rs. Nil for the year ended 31 March, 2017, as considered in the consolidated financial statements, in respect of two associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities 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 subsidiaries, jointly controlled entities and associates is based solely on the reports of the other auditors.

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

Report on Other Legal and Regulatory Requirements

1. **As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements of subsidiaries, associates and jointly controlled entities, referred in the Other Matters paragraph above 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, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its associate company and jointly controlled entity incorporated in India, none of the directors of the Company, its associate company and jointly controlled entity incorporated in India is disqualified as on 31 March, 2017 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 over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Holding company, associate company and jointly controlled companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding company's, associate company's and jointly controlled company's incorporated in India internal financial controls over financial reporting.

   (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, as amended, in our opinion and to the best of our information and according to the explanations given to us:

      i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associate and jointly controlled entities – refer note 31 of the consolidated financial statements.

      ii. The Group, its associate and jointly controlled entities did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, an associate and a jointly controlled company incorporated in India. There have been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by another associate company and jointly controlled company incorporated in India.

iv. The Holding Company has provided requisite disclosures in the consolidated financial statements as regards the holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016 of the Group entities as applicable. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the relevant books of accounts maintained by those entities for the purpose of preparation of the consolidated financial statements and as produced to us and the other auditors by the Management of the respective Group entities.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration Number: 008072S)

M K Ananthanarayanan
Partner
(Membership Number: 19521)

Place : Chennai
Date : 18 May 2017

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March, 2017, we have audited the internal financial controls over financial reporting of **SOUTHERN PETROCHEMICAL INDUSTRIES CORPORATION LIMITED** (hereinafter referred to as "the Holding Company") and its associate companies and a jointly controlled company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its associate companies and a jointly controlled company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company, its associate companies and jointly controlled company, 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 Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, 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 over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 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 of the associate companies and a jointly controlled company, which are companies incorporated in India, 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 system over financial reporting of the Holding Company, its associate companies and jointly controlled company, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Holding Company, its associate companies and a jointly controlled company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting 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.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to two associate companies and a jointly controlled company, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matter.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration Number: 008072S)

M K Ananthanarayanan
Partner
(Membership Number: 19521)

Place : Chennai
Date : 18 May 2017

SPIC

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2017

(Rupees in Lac)

S.No.	Particulars	Note No.	As at 31 March 2017	As at 31 March 2016
A	**EQUITY AND LIABILITIES**			
1	**Shareholders' funds**			
	(a) Share capital	3	**21614.03**	21614.03
	(b) Reserves and surplus	4	**8812.66**	5843.72
			30426.69	27457.75
2	**Share application money pending allotment**	3 (v)	**1445.00**	1445.00
3	**Non-current liabilities**			
	(a) Long-term borrowings	5	**3446.10**	89.14
	(b) Deferred tax liabilities (net)	32	**131.43**	-
	(c) Other long-term liabilities	6	**3212.20**	3015.25
	(d) Long-term provisions	7	**62.55**	46.05
			6852.28	3150.44
4	**Current liabilities**			
	(a) Short-term borrowings	8	**46395.27**	12956.06
	(b) Trade payables	9		
	(i) Total outstanding dues to Micro Enteprises and Small Enteprises	9(i)	**4.48**	0.10
	(ii) Total outstanding dues other than Micro Enterprises and Small Enterprises		**38743.10**	115963.92
	(c) Other current liabilities	10	**1544.76**	3488.56
	(d) Short-term provisions	11	**1270.96**	299.16
			87958.57	132707.80
	TOTAL		**126682.54**	164760.99
B	**ASSETS**			
1	**Non-current assets**			
	(a) Property, Plant & Equipment			
	(i) Tangible assets	12	**30169.21**	31971.40
	(ii) Intangible assets		**482.59**	477.03
	(iii) Capital work-in-progress		**3790.41**	2719.13
	(b) Non-current investments	13	**964.04**	956.92
	(c) Long-term loans and advances	14	**17778.90**	29870.73
			53185.15	65995.21
2	**Current assets**			
	(a) Inventories	15	**24136.40**	10296.08
	(b) Trade receivables	16	**10223.75**	6809.61
	(c) Cash and cash equivalents	17	**2687.73**	3518.88
	(d) Short-term loans and advances	18	**36313.09**	77784.10
	(e) Other current assets	19	**136.42**	357.11
			73497.39	98765.78
	TOTAL		**126682.54**	164760.99
	See accompanying notes forming part of the consolidated financial statements			

In terms of our report attached.

For DELOITTE HASKINS & SELLS
Chartered Accountants

M K ANANTHANARAYANAN
Partner

Place : Chennai
Date : 18 May 2017

For and on behalf of the Board of Directors

ASHWIN C MUTHIAH
Chairman
DIN: 00255679

T K ARUN
Director
DIN:02163427

SASHIKALA SRIKANTH
Director
DIN: 01678374

S R RAMAKRISHNAN
Whole-Time Director
DIN: 00120126

K R ANANDAN
Chief Financial Officer

M B GANESH
Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2017

(Rupees in lac)

S.No.	Particulars	Note No.	Year ended 31 March 2017	Year ended 31 March 2016
1	Revenue from operations (gross)	20	**170368.05**	197628.45
	Less: Excise duty		**2400.73**	1975.29
	Revenue from operations (net)		**167967.32**	195653.16
2	Other income	21	**1961.26**	1918.13
3	**Total revenue (1+2)**		**169928.58**	197571.29
4	**Expenses**			
	(a) Cost of materials consumed	22	**89067.41**	108924.32
	(b) Purchases of stock-in-trade	23	**3889.22**	6326.08
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	**(5196.79)**	(1680.66)
	(d) Employee benefits expense	25	**5818.41**	4818.31
	(e) Finance costs	26	**1456.25**	1455.36
	(f) Depreciation and amortisation expense	12	**3350.00**	3233.24
	(g) Other expenses	27	**68036.80**	73286.36
	Total expenses		**166421.30**	196363.01
5	**Profit before exceptional items and tax (3-4)**		**3507.28**	1208.28
6	Exceptional items	28	**2855.71**	1894.19
7	**Profit before tax (5+6)**		**6362.99**	3102.47
8	Tax expense			
	(a) Current tax expense for current year		**0.72**	0.42
	(b) Current tax expense relating to prior years		**417.24**	-
	(c) Deferred Tax		**131.42**	-
	Net Tax expense for the year		**549.38**	0.42
9	**Profit for the year attributable to the shareholders of the company (7-8)**		**5813.61**	3102.05
10	**Earnings Per Share of Rs. 10/- each**	40		
	(a) Basic		**2.77**	1.43
	(b) Diluted		**2.77**	1.43
	See accompanying notes forming part of the consolidated financial statements			

In terms of our report attached.

For DELOITTE HASKINS & SELLS
Chartered Accountants

M K ANANTHANARAYANAN
Partner

Place : Chennai
Date : 18 May 2017

For and on behalf of the Board of Directors

ASHWIN C MUTHIAH
Chairman
DIN: 00255679

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Whole-Time Director
DIN: 00120126

K R ANANDAN
Chief Financial Officer

M B GANESH
Secretary

SPIC

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2017

(Rupees in lac)

S. No.	Particulars	Year ended 31 March 2017	Year ended 31 March 2016
A.	**CASH FLOW FROM OPERATING ACTIVITIES:**		
	Profit for the year before exceptional items and tax	**3507.28**	1208.28
	Add : Exceptional items		
	Profit on Sale of Fixed Assets (Net)	**-**	917.09
	Share in Joint Venture - jointly controlled entity - Profit on sale of property and provision for impairment of ECH (Net)	**-**	977.10
	Effect of winding up of subsidiary	**2855.71**	-
	Profit for the year before tax and after exceptional items	**6362.99**	3102.47
	Adjustments for :		
	Depreciation	**3350.00**	3233.24
	Investments written off	**18453.62**	-
	Exchange difference	**567.01**	1406.70
	Effect of winding up of subsidiary	**(2855.71)**	-
	Loss on sale / retirement of assets (Net)	**255.00**	(1000.21)
	Excess Liability written back	**(79.78)**	-
	Adjustment arising on de-recognition of a Subsidiary	**(28.09)**	-
	Provision for Impairment Loss	**-**	143.74
	Profit on sale of Investments	**-**	8.86
	Provision for doubtful debts and advances	**2.37**	25.92
	Provisions no longer required written back	**(21264.03)**	(1377.52)
	Bad debts and advances written off	**2093.77**	156.41
	Rental Income	**-**	(7.25)
	Finance Costs	**1456.32**	1455.37
	Income from investments	**(4.11)**	(3.61)
	Interest income	**(161.37)**	(175.23)
	Operating profit before working capital changes	**8147.99**	6968.88
	Adjustments for :		
	(Increase) / Decrease in trade receivables	**(3499.38)**	(3759.94)
	(Increase) / Decrease in inventories	**(13840.33)**	4384.52
	(Increase) / Decrease in long-term loans and advances	**11857.07**	(24305.43)
	(Increase) / Decrease in short-term loans and advances	**42140.42**	1152.48
	(Increase) / Decrease in other current assets	**8.18**	221.26
	Increase / (Decrease) in long-term liabilities	**161.30**	(605.25)
	Increase / (Decrease) in long-term provisions	**16.50**	6.83
	Increase / (Decrease) in trade payables	**(77655.66)**	22060.25
	Increase / (Decrease) in current liabilities & provisions	**(1676.55)**	(1670.29)
	Increase / (Decrease) in short-term provisions	**122.67**	(70.86)
	Cash (used in) / from operations	**(34217.79)**	4382.46
	Direct taxes paid	**(43.97)**	(92.18)
	Net cash (Used in) / from operating activities	**(34261.76)**	4290.28

Cash Flow Statement (Continued) (Rupees in lac)

S. No.	Particulars	Year ended 31 March 2017	Year ended 31 March 2016
B.	**CASH FLOW FROM INVESTING ACTIVITIES:**		
	Purchase of Fixed Assets and investments	**(2237.32)**	(1730.65)
	Proceeds from sale of fixed assets	**1.45**	345.65
	Proceeds from Redemption of Zero Coupon Bonds	**-**	27.70
	Income from investments	**4.11**	3.61
	Sale of investments	**(7.55)**	-
	Rental Income	**-**	7.25
	Bank balance not considered as cash and cash equivalents	**15.38**	(74.28)
	Interest income	**160.61**	109.51
	Net Cash (Used in) Investing Activities	**(2063.34)**	(1311.20)
C.	**CASH FLOW FROM FINANCING ACTIVITIES:**		
	Long term borrowings	**3409.50**	-
	Short term borrowings	**43795.39**	7140.16
	Net (decrease) in working capital borrowings	**(298.23)**	(505.01)
	Repayment of Short Term Borrowings	**(10083.31)**	-
	Repayment of Long Term Borrowings	**(52.54)**	(7257.90)
	Dividends paid	**(0.01)**	(0.05)
	Finance Costs	**(1261.51)**	(1183.61)
	Net Cash From / (Used In) Financing Activities	**35509.31**	(1806.41)
	Net Cash Flows During The Year (A+B+C)	**(815.79)**	1172.66
	Cash and cash equivalents (opening balance) *	**2915.36**	1742.70
	Cash and cash equivalents (closing balance) *	**2099.57**	2915.36

* Excludes Margin Money Deposit with Scheduled Banks Rs. 372.65 lac (Previous Year Rs. 426.79 lac) and Escrow account balance of Rs. 18.22 lac (Previous Year Rs. 10.46 lac).

* Excludes Rs. 156.38 lac being money in deposit accounts with original maturity of more than three months in the Previous Year.

* Excludes Rs. 9.88 lac (Previous year Rs. 9.90 lac) being money in unpaid dividend account.

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

In terms of our report attached.

For DELOITTE HASKINS & SELLS
Chartered Accountants

M K ANANTHANARAYANAN
Partner

Place : Chennai
Date : 18 May 2017

For and on behalf of the Board of Directors

ASHWIN C MUTHIAH
Chairman
DIN: 00255679

T K ARUN
Director
DIN:02163427

SASHIKALA SRIKANTH
Director
DIN: 01678374

S R RAMAKRISHNAN
Whole-Time Director
DIN: 00120126

K R ANANDAN
Chief Financial Officer

M B GANESH
Secretary

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

Note 1: Corporate Information

Southern Petrochemical Industries Corporation Limited (the Holding 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. During the previous year, the Holding company was appointed as Fertilizer Marketing Entity at Karaikal and Tuticorin Ports by Government of India, Department of Fertilizers for handling, neem coating, packaging, transporting, distribution and marketing of Imported Urea.

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.a: Basis of Accounting and preparation of Consolidated Financial Statements

The consolidated financial statements of the Company and its subsidiaries and jointly controlled entities (together the 'Group') have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 133 of the Companies Act, 2013 ("the 2013 Act") and the relevant provisions of the Act. The financial statements have been prepared on accrual basis under the historical cost convention except for categories of fixed assets that are carried at revalued amounts. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year.

Consolidated financial statements are prepared using uniform accounting policies except as stated in Note 2.c (vi) of this Schedule; the adjustments arising out of the same are not considered material.

Note 2.b: Principles of Consolidation:

The consolidated financial statements relate to Southern Petrochemical Industries Corporation Limited (the 'Holding Company'), its subsidiary companies, jointly controlled entities and the Group's share of profit / loss in its associates. The consolidated financial statements have been prepared on the following basis:

The financial statements of the subsidiary companies, jointly controlled entities and associates used in the consolidation are drawn upto the same reporting date as that of the Company i.e., 31 March 2017.

The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.

The consolidated financial statements include the share of profit / loss of the associate companies which have been accounted for using equity method as per AS 23 Accounting for Investments in Associates in Consolidated Financial Statements. Accordingly, the share of profit / (loss) of each of the associate companies (the loss being restricted to the cost of investment) has been added to / deducted from the cost of investments.

Share of profit / (loss), assets and liabilities in the jointly controlled entities, which are not subsidiaries, have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, incomes and expenses on a proportionate basis to the extent of the Group's equity interest in such entity as per AS 27 Financial Reporting of Interests in Joint Ventures. The intra-group balances, intra-group transactions and unrealised profits or losses have been eliminated to the extent of the Group's share in the entity. Jointly controlled entities that are considered subsidiaries under AS 21 Consolidated Financial Statements are consolidated similar to the manner of consolidating subsidiaries (Refer (ii) below) and the share of interest of the other venturers in such entities is included as part of minority interest.

The excess of cost to the Group of its investments in the subsidiary companies / jointly controlled entities over its share of equity of the subsidiary companies / jointly controlled entities, at the dates on which the investments in the subsidiary companies / jointly controlled entities were made, is recognised as 'Goodwill' being an asset in the consolidated financial statements and is tested for impairment on annual basis. On the other hand, where the share of equity in the subsidiary companies / jointly controlled entities as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Reserves & Surplus', in the consolidated financial statements. The goodwill / capital reserve is determined separately for each subsidiary company / jointly controlled entity and such amounts are not set off between different entities.

Minority Interest in the net assets of the consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary companies were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit / loss for the year of the subsidiaries attributable to minority interest is identified and adjusted against the profit after tax of the Group in order to arrive at the income attributable to shareholders of the Company.

The difference between the cost of investment in the associate and the share of net assets at the time of acquisition of shares in the associate is identified in the consolidated financial statements as Goodwill or Capital reserve as the case may be.

Following subsidiary companies, associates and jointly controlled entities have been considered in the preparation of the consolidated financial statements:

(i) Subsidiary Companies:

The subsidiary companies considered in these financial statements are:

Name	Country of Incorporation	Percentage of ownership interest as at 31 March 2017	Percentage of ownership interest as at 31 March 2016
SPIC Fertilizers and Chemicals Limited (SFCL, Mauritius)	Mauritius	**- ***	83.54

* The Board of Directors of the subsidiary company, SPIC Fertilizers and Chemicals Limited, Mauritius (SFCL Mauritius) recommended its winding up through written resolutions passed on 16 February 2017, which was also approved by the shareholders of the said subsidiary company. Pursuant to the winding up, SFCL Mauritius ceased to be a subsidiary of the Holding Company with effect from 16 February 2017.

(ii) Interests in Jointly Controlled entities:

The Group's interests in jointly controlled entities are:

Name	Country of Incorporation	Percentage of ownership interest as at 31 March 2017	Percentage of ownership interest as at 31 March 2016
Tamilnadu Petroproducts Limited	India	**16.93**	16.93
National Aromatics and Petrochemicals Corporation Limited	India	**50.00**	50.00

(iii) Investments in Associates:

The Group's associates are:

Name	Country of Incorporation	Percentage of Ownership interest as at 31March 2017	Percentage of Ownership interest as at 31 March 2016
Tuticorin Alkali Chemicals and Fertilizers Limited	India	**45.15**	45.15
Gold Nest Trading Company Limited	India	**32.76**	32.76

(iv) Investment in Tuticorin Alkali Chemicals and Fertilizers Limited, an associate company in which the Company holds 45.15 % of its share capital, has not been accounted under "equity method" as required under Accounting Standard (AS) 23, since the carrying amount of investment as on 31 March 2017 is Nil. Accordingly, the goodwill arising on investment and the Company's share in the post-acquisition movements in the net assets of the associate company have not been recognised in the consolidated financial statements.

(v) Investment in Gold Nest Trading Company Limited, an associate company in which the Company holds 32.76 % of its share capital, has not been accounted under "equity method" as required under Accounting Standard (AS) 23, since the carrying amount of investment as on 31 March 2017 is Nil. Accordingly, the goodwill arising on investment and the Company's share in the post-acquisition movements in the net assets of the associate company have not been recognised in the consolidated financial statements.

Note 2.c. Significant Accounting Policies:

(i) Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenditure during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

(ii) Inventories

Inventories are valued at the lower of cost on weighted average basis (on FIFO till 30 September 2016) with respect to the Holding company and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and where applicable, excise duty.

(iii) Cash and cash equivalents (for the purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(iv) Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

(v) Revenue Recognition and Other Income

(a) Sales are recognised, net of returns on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales include excise duty but exclude sales tax and value added tax.

(b) Under the New Pricing Scheme for Urea, the Government of India reimburses, in the form of subsidy, to the Fertilizer Industry, the difference between the cost of production and the selling price realized from the farmers, as fixed by the Government from time to time. This has been accounted on the basis of movement of fertilizer from the factory and receipt of the same at the warehouse/dealer point, as per the procedure prescribed by the Government and not on the basis of ultimate sales. The said amount has been further adjusted for input price escalation / de-escalation as estimated by the management based on prescribed norms.

(c) Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it, is established.

With respect to a jointly controlled entity,

(d) Income from Services:

Revenues from contracts priced on a time and material basis are recognised when services are rendered and related costs are incurred.

(e) Export Incentives:

Export benefits in the nature of focus market schemes are accrued in the year of exports based on the eligibility taking into consideration the prevailing regulations / policies and when there is no uncertainty in receiving the same. Adjustment, if any, to the amounts recognized in accordance with the accounting policy, based on final determination by the authorities, would be dealt with appropriately in the year of final determination and acceptance.

(f) Other Income:

Property lease rentals are accrued as per terms of the agreement with the lessees and are recognized equally on a straight- line basis over the non-cancellable lease period.

(vi) Property, Plant and Equipment and Depreciation

Tangible assets are carried at cost less accumulated depreciation / amortization and impairment losses, if any. The cost of tangible assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalized and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure on fixed assets after its purchase / completion is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Tangible assets include Land and Buildings and Plant and Machinery that were revalued as on 31 March 1996, 31 March 1999, 31 March 2000, 1 April 2002, 1 April 2003 and 31 March 2006 and the resultant surplus has been added to the cost of the assets.

Tangible assets retired from active use and held for sale are stated at the lower of their net book value and net realizable value and are disclosed separately in the Balance Sheet.

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

Depreciation on tangible fixed assets has been provided on the straight line method as per the useful life 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

With respect to a Jointly controlled entity

Certain assets have been revalued as on 31 March 1996 and the resultant surplus has been added to the cost of the assets. Depreciation amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on tangible fixed assets of the Company has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, 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, etc:

General Plant and Machinery used in Epichlorodydrin plant – 10 years

Certain Plant and Machinery used in Linear Alkyl Benzene plant – 4.5 years

Furniture and Fixture provided to employees depreciated – 5 years

Depreciation on the tangible fixed assets of the Jointly controlled entity's foreign subsidiary has been provided on straight-line method as per the estimated useful life of such assets, as follows: Computer equipment – 3 years

(vii) Intangible Assets

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of intangible assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and other incidental expenses. Intangible assets are amortised over their estimated useful life on straight line method. The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

(viii) Capital Work in Progress

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

(ix) Foreign Currency Transactions

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction. Foreign currency monetary items of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost. Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

With respect to a jointly controlled entity

Integral Foreign Operations:

Fixed assets are recorded at the rates of exchange prevailing on the date of acquisition of such assets. Monetary assets and liabilities are translated at the exchange rate prevailing on the last day of the accounting period and difference in exchange is recognized as a change in the Statement of Profit and Loss. All the revenue transactions are translated at the average rates.

(x) Investments

Long-term investments are carried individually at cost less provision for diminution other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

(xi) Employee Benefits

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund, and compensated absences.

a. Defined Contribution Plan

i. The Holding Company contributes a sum of the eligible employees salary to a Superannuation Fund administered by trustees and managed by Life Insurance Corporation of India (LIC). The Company has no liability for future Superannuation Fund benefits other than its annual contribution and recognizes such contributions as an expense in the year in which the services are rendered.

ii. The Holding 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.

iii. With respect of a jointly controlled entity, contribution to superannuation plan covers whole time directors and staff of the Company and is administered by the Life Insurance Corporation of India. Contributions are made monthly at a predetermined rate to the Trust and debited to the Statement of Profit and Loss on an accrual basis. The superannuation contribution for staff is withdrawn with effect from October 1, 2013.

b. Defined Benefit Plan

The Holding Company makes annual contribution to a Gratuity Fund administered by trustees and managed by LIC. The cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognized in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested and otherwise is amortized on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognized in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

With respect to a jointly controlled entity

The contributions are made monthly at a pre-determined rate to the Provident Fund Trust managed by the company and debited to the Statement of Profit and Loss on an accrual basis. The interest rate payable by the Trust to the beneficiaries is as notified by the Government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rates and recognizes such shortfall as an expense.

c. Long Term Compensated Absences

The Holding Company treats its liability for long-term compensated absences based on actuarial valuation, as at the Balance Sheet date, determined by an independent actuary using the Projected Unit Credit method.

Actuarial gains and losses are recognized in the Statement of Profit and Loss in the year in which they occur.

While the long-term compensated absences is treated as long-term employee benefit for measurement purpose, it is presented as current provision in the Balance Sheet since, the Company does not have an unconditional right to defer its settlement for 12 months after its reporting date.

With respect to a jointly controlled entity

Liability towards long term compensated absences is accrued based on an actuarial valuation at the balance sheet date based on the projected unit credit method and is not funded.

d. Short Term Employee Benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under :

(i) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(ii) in case of non-accumulating compensated absences, when the absences occur.

(xii) Borrowing costs

Borrowing costs include interest, amortization of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilized for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalization of such asset are added to the cost of the assets. Capitalization of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

(xiii) Segment Reporting

The Group identifies primary segments based on the dominant source, nature of risks and returns and the internal organization and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / (loss) amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Group. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Group as a whole and are not allocable to segments on reasonable basis have been included under ‘unallocated revenue / expenses / assets / liabilities’.

(xiv) Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognized as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.

(xv) Earnings Per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations.

(xvi) Taxation

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred tax is recognized on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognized for all timing differences. Deferred tax assets are recognized for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realized. However, if there are unabsorbed depreciation and carry forward of losses, and items relating to capital losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realize the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realizability.

Current and deferred tax relating to items directly recognized in reserves are recognized in reserves and not in the Statement of Profit and Loss.

(xvii) Research and Development Expenditure

With respect to a jointly controlled entity, revenue expenditure pertaining to research is charged to the Statement of Profit and Loss.

(xviii) Expenditure pending allocation

With respect to a jointly controlled entity, project and other expenses are included under expenditure pending allocation and the same will be apportioned to fixed assets and capitalized as and when commercial production begins.

(xix) Jointly controlled operations

The accounts of the Group reflect its share of the Assets, Liabilities, Income and Expenditure of the Jointly controlled operations which are accounted on the basis of the audited accounts of the Joint ventures on line-by-line basis with similar items in the Group's accounts to the extent of the participating interest of the Group as per the Joint Venture Agreements.

(xx) Impairment of Assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the assets exceeds the estimated recoverable amount, impairment is recognised for such excess amount. The impairment loss is recognized as an expense in the Statement of Profit and Loss.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss.

(xxi) Provisions and Contingencies

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognized in the financial statements.

(xxii) Insurance claims

With respect to a jointly controlled entity insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

(xxiii) Derivative Contracts

The group enters into derivative contracts in the nature of foreign currency options and forward contracts with an intension to hedge its existing assets and liabilities and firm commitments in foreign currency. Derivative contracts are marked to market and the losses are recognized in the Statement of Profit and Loss. Gains arising on the same are not recognized until realized, on grounds of prudence.

(xxiv) Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits.

(xxv) Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

Note 3: Share Capital

(Rupees in lac)

Particulars	As at 31 March 2017	As at 31 March 2016
Authorised:		
31,60,00,000 (31,60,00,000) Equity shares of Rs.10 each	**31600.00**	31600.00
55,00,000 (55,00,000) 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
3,00,000 (3,00,000) 14.50% Redeemable Cumulative non-convertible preference shares of Rs.100 each	**300.00**	300.00
8,50,000 (8,50,000) 11.50% Redeemable cumulative non-convertible preference shares of Rs.100 each	**850.00**	850.00
1,00,000 (1,00,000) 10.00% Redeemable cumulative non-convertible preference shares of Rs.100 each	**100.00**	100.00
Total	**21614.03**	21614.03

Note 3(i): There is no movement in the number of equity shares and preference shares during the year and in the previous year.

Note 3 (ii): Details of Shareholders holding more than 5% shares in the Company.

Class of shares / Name of shareholder	As at 31 March 2017		As at 31 March 2016	
	Number of shares held	**% holding in that class of shares**	Number of shares held	% holding in that class of shares
Equity shares				
FICON Holdings Limited	**15682775**	**7.70**	15682775	7.70
The Bank of Newyork Mellon	**17066800**	**8.38**	17066800	8.38
AMI Holdings Private Ltd, India	**37276700**	**18.31**	37276700	18.31
Lotus Fertilizers Private Ltd	**27995454**	**13.75**	27995454	13.75
Preference Shares				
14.50% Redeemable cumulative non-convertible preference shares				
Bajaj Auto Ltd	**300000**	**100.00**	300000	100.00
11.50% Redeemable cumulative non-convertible preference shares				
Punjab and Sind Bank	**150000**	**17.65**	150000	17.65
State Bank of Mysore	**100000**	**11.76**	100000	11.76
United India Insurance Company Ltd	**100000**	**11.76**	100000	11.76
The Jammu and Kashmir Bank Ltd	**-**	**-**	500000	58.83
Dynamic Fertilizers Trading Private Limited	**500000**	**58.83**	-	-
10.00% Redeemable cumulative non-convertible preference shares				
Mrs. Brish Darbari Seth & Mrs Biya Sanjay Thukral	**25000**	**25.00**	25000	25.00
Ms Mina Rohit Chand	**-**	**-**	25000	25.00
Mrs Dolly Robin Lai	**-**	**-**	25000	25.00
Mrs Sindhu Seth	**-**	**-**	25000	25.00
AMI Holdings Private Limited, India	**75000**	**75.00**	-	-

Note 3: (iii) Equity shares include :

(a) 1,66,66,666 shares of Rs.10 each fully paid up, issued in the year 2009-10 to Asset Reconstruction Company (India) Ltd., (ARCIL) at an issue price of Rs.18 per share inclusive of a premium of Rs.8 per share in accordance with Issue of Capital and Disclosure Requirements Regulations, 2009 ("SEBI ICDR Regulations") by conversion of secured debts of a sum of Rs. 3000 lac in to equity at the meeting of the Board of Directors held on 30 March 2010.

(b) 32,14,734 shares of Rs 10 each fully paid up, at an issue price of Rs 19 per share inclusive of premium of Rs 9 per share in accordance with SEBI ICDR Regulations, 2009 alloted to secured lenders on conversion of secured debts of Rs. 610.80 lac at the meeting of the Board of Directors held on 8 November 2010. The above allotment is in pursuant to the approval of the Board at its meeting held on 6 August 2010 and the shareholders at the AGM held on 21 September 2010.

(c) 1,06,71,001 shares of Rs 10 each fully paid up, at an issue price of Rs 20 per share inclusive of premium of Rs 10 per share in accordance with SEBI ICDR Regulations, 2009 alloted to ARCIL on conversion of secured debts of Rs. 2134.20 lac at the meeting of the Board of Directors held on 8 December 2010. The above allotment is in pursuant to the approval of the Board at its meeting held on 28 October 2010 and the shareholders at the EGM held on 29 November 2010.

(d) 12,631 equity shares of Rs.10 each fully paid up issued to Industrial Investment Bank of India, on preferential basis, at an issue price of Rs 19 per share, which includes a premium of Rs.9 per share by way of conversion of secured debt of Rs 2.40 lac, at the meeting of the Shareholders' / Investor's Grievance Committe held on 27 April 2012.

(e) 72,631 equity shares of Rs.10 each fully paid up issued to United India Insurance Company Ltd., on preferential basis, at an issue price of Rs 19 per share, which includes a premium of Rs.9 per share by way of conversion of secured debt of Rs 13.80 lac, at the meeting of the Shareholders' / Investor's Grievance Committe held on 9 November 2012.

(f) 3,72,76,700 equity shares of Rs.10 each fully paid up were issued to AMI Holdings Pvt Ltd, a company belonging to promoter group, on preferential basis, at an issue price of Rs 17.50 per share, which included a premium of Rs.7.50 per share by way of conversion of 3,72,76,700 warrants, at the meetings of Shareholders' / Investor's Grievance Committe held on 10 January 2013 and 13 March 2013.

(g) 1,70,66,800 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 3 (iv): Preference shares:

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

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

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

Terms / rights attached to Preference shares

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

Note 3 (v) Share Application Money Pending allotment

As at 31 March 2017, the Share Application Money Pending Allotment represents:

With respect to a jointly controlled entity, National Aromatics and Petrochemicals Corporation Limited, share application money pending allotment is Rs. 2889.99 lac (Proportionate share Rs. 1445.00 lac) [Previous year Rs. 2889.99 lac (Proportionate share Rs. 1445.00 lac)]

Note 4: Reserves and Surplus

(Rupees in lac)

Particulars	**As at 31 March 2017**	As at 31 March 2016
(a) Capital reserve	**97.24**	97.24
(b) Capital redemption reserve	**6500.00**	6500.00
(c) Securities premium account	**21047.71**	21047.71
(d) Debenture redemption reserve		
Opening balance	**-**	3800.00
Less: Transfer to Profit and Loss	**-**	(3800.00)
Closing balance	**-**	-
(e) Statutory reserve	**41.34**	41.34
(f) Foreign currency translation reserve		
Opening balance	**2844.67**	2844.67
Less: Transferred to Profit and Loss on winding up of a subsidiary	**(2844.67)**	-
Closing balance	**-**	2844.67

Reserves and Surplus (Continued)

(Rupees in lac)

Particulars	As at 31 March 2017	As at 31 March 2016
(g) (Deficit) in Statement of Profit and Loss		
Opening balance	**(28500.12)**	(34777.36)
Add: Transfer from Debenture redemption reserve	**-**	3800.00
Profit for the year	**5622.64**	2477.24
Closing balance	**(22877.48)**	(28500.12)
Add: Proportionate Share in Joint Ventures (Reserves)		
- Securities Premium Account	**780.74**	780.74
- Capital Reserve	**7.15**	7.15
- Revaluation Reserve	**336.28**	336.28
- General Reserve	**2346.50**	2346.50
- Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	**342.21**	(282.60)
Profit for the year	**190.96**	624.81
	533.18	342.21
Total	**8812.66**	5843.72

Note 5: Long Term Borrowings

(Rupees in lac)

Particulars	As at 31 March 2017	As at 31 March 2016
Bonds - Unsecured		
From Related party (Refer Note 5(i) below)	**3409.50**	-
Total	**3409.50**	-
Share in Joint ventures - Jointly controlled entities. (Refer Note 5 (ii) below)	**36.60**	89.14
Total	**3446.10**	89.14

Note 5 (i): The Holding Company has during November 2016 issued unsecured Indian Rupee Denominated Bonds (Masala Bonds) of Rs. 6670 lac due on December 2019 to AM International Holdings Pte Ltd, Singapore, a related party, (also refer Note 39), which has been approved by the Board of Directors of the Holding Compnay vide their meeting held on September 20, 2016. These bonds carry an interest of 9% which is payable at quarterly intervals falling due on 22nd February, 22nd May, 22nd August and 22nd November of each year. Out of the total amount, the Holding Company has utilized Rs. 3409.50 lac as at the balance sheet date. There was a delay of 40 days in remittance of interest amounting to Rs. 72.76 lac, which fell due on February 22, 2017.

Note 5 (ii): With respect to Jointly Controlled Entities,

Interest free deferred unsecured sales tax loan is repayable in 24 monthly installments.

Note 6: Other Long Term Liabilities

(Rupees in lac)

Particulars	As at 31 March 2017	As at 31 March 2016
Trade / security deposits received	**2292.79**	2131.48
Liability for expenses	**348.21**	348.21
Total	**2641.00**	2479.69
Share in Joint ventures - Jointly controlled entities (Refer Note 6(i))	**571.20**	535.56
Total	**3212.20**	3015.25

Note 6 (i): With respect to Jointly Controlled Entities,

Other payables include share in one of the joint ventures, Tamilnadu Petroproducts Limited of Rs. 2.87 lac (previous year Rs. 2.87 lac) which represent advances received against sale of 100000 equity shares in SEPC Power (Private) Limited during the financial year 2012-13. The same will get adjusted against Investment held, on successful implementation of the power project by SEPC Power (Private) Limited.

Note 7: Long Term Provisions (Rupees in lac)

Particulars	As at 31 March 2017	As at 31 March 2016
Share in Joint ventures - Jointly controlled entities (Refer Note 35 (i))	**62.55**	46.05
Total	**62.55**	46.05

Note 8: Short Term Borrowings (Rupees in lac)

Particulars	As at 31 March 2017	As at 31 March 2016
Term loans		
- From banks		
(i) Secured (Refer Note 8 (i) below)	**41314.39**	-
(ii) Unsecured (Refer Note 8 (ii) below)	**2481.00**	-
Loans repayable on demand		
From Other parties - Unsecured	**1934.33**	11992.28
Total	**45729.72**	11992.28
Share in Joint ventures - Jointly controlled entities (Refer Note 8 (iii) below)	**665.55**	963.78
Total	**46395.27**	12956.06

Note 8(i): Represents sum received by the Holding Company from State Bank of India under Special Banking Arrangement as approved by Ministry of Finance, Department of Expenditure O.M.s No7/55/2016-BA dated 11 January 2017 secured against subsidy receivables from the Government of India for the period August 2016 to February 2017. The bank has charged an interest of 8% p.a. on the said arrangement out of which interest @6.25% p.a is to be borne by the Government of India and balance 1.75% is to be borne by the Holding Company. Accordingly, Rs. 99.04 lac being the interest paid by the Holding Company has been included under finance charges.

Note 8(ii): Guaranteed by fixed deposit placed with the borrower by a related party (also refer Note 36).

Note 8 (iii): With respect to Jointly Controlled Entity

Loans are secured by hypothecation of inventories both on hand and in transit, book debts and other receivables, both present and future and further secured by way of mortgage by deposit of title deeds of immovable properties, both present and future, on second charge basis ranking pari passu amongst them.

Note 9: Trade Payables (Rupees in lac)

Particulars	As at 31 March 2017	As at 31 March 2016
Trade payables:		
Other than Acceptances		
- Total outstanding dues to Micro Enterprises and Small Enterprises (Refer Note 9 (i) below)	**4.48**	0.10
- Total outstanding dues other than Micro Enterprises and Small Enterprises	**37027.36**	114586.51
Total	**37031.84**	114586.61
Share in Joint ventures - Jointly controlled entities	**1715.74**	1377.41
Total	**38747.58**	115964.02

Note 9 (i): Dues to Micro Enterprises and Small Enterprises:

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management of the Holding Company. This has been relied upon by the auditors. (Rupees in lac)

Particulars	As at 31 March 2017	As at 31 March 2016
Principal amount and the interest due		
Principal amount	**4.48**	0.10
Interest due	**-**	-
Interest paid by buyer in terms of MSMED Act	**-**	-
Amount paid beyond the appointed day	**-**	-
Interest due and payable to Supplier for payment already made under MSMED Act	**-**	-
Amount of interest accrued and remaining unpaid at the end of accounting year	**-**	-
Amount of interest remaining due and payable even in succeeding years	**-**	-

With respect to Jointly Controlled Entity:

Note 9 (ii): Based on and to the extent of the information received from the suppliers regarding their status under the Micro, Small and Meduim Enterprises Development Act, 2006, there are no overdue amounts payable anytime during the year to them. Hence, no interest during the year has been paid or payable under the terms of the Act. Such parties are as identified by the management and relied upon by the auditors.

Note 10: Other Current Liabilities (Rupees in lac)

Particulars	As at 31 March 2017	As at 31 March 2016
Interest accrued but not due on borrowings	**52.10**	106.32
Interest accrued and due on borrowings	**72.76**	259.40
Retention Money	**56.26**	33.67
Other payables		
(i) Statutory remittances	**333.05**	429.52
(ii) Trade / security deposits received	**0.10**	7.38
(iii) Advances from customers and other parties	**414.49**	1212.39
(iv) Gratuity payable (Refer Note 35)	**162.75**	310.57
(v) Superannuation fund payable	**300.33**	406.90
Total	**1391.84**	2766.15
Share in Joint ventures - Jointly controlled entities	**152.92**	722.41
Total	**1544.76**	3488.56

Note 11: Short Term Provisions (Rupees in lac)

Particulars	As at 31 March 2017	As at 31 March 2016
Provision for employee benefits:		
Provision for compensated absences (Refer Note 35)	**412.36**	291.99
Total	**412.36**	291.99
Share in Joint ventures - Jointly controlled entities	**858.60**	7.17
Total	**1270.96**	299.16

Note 12: Property, Plant and Equipments (Previous year figures are given in brackets) (Rupees in lac)

Description	Gross block				Accumulated depreciation & Impairment					Net block	
	As at 1 April 2016	Additions / Adjustments	Deletions / Adjustments	Closing Balance as at 31 March 2017	Opening Balance as at 1 April 2016	Additions/ Adjustments	Impairment Loss	Deletions/ Adjustments	Closing Balance as at 31 March 2017	As at 31 March 2017	As at 31 March 2016
(i) Tangible Assets - Owned											
(a) Land - Freehold	**4707.94**	**42.29**	**30.00***	**4720.23**	**-**	**-**	**-**	**-**	**-**	**4720.23**	**4707.94**
	(4692.51)	(15.43)	(-)	(4707.94)	(-)	(-)	(-)	(-)	(-)	(4707.94)	(4692.51)
(b) Buildings	**7666.45**	**-**	**-**	**7666.45**	**4530.95**	**167.96**	**-**	**-**	**4698.91**	**2967.54**	**3135.50**
	(7631.84)	(42.66)	(8.05)	(7666.45)	(4365.56)	(167.28)	(-)	(1.89)	(4530.95)	(3135.50)	(3266.28)
(c) Plant and Equipment	**121695.11**	**1373.44**	**1027.21**	**122041.34**	**102913.32**	**2712.32**	**-**	**838.35**	**104787.29**	**17254.05**	**18781.79**
	(121419.79)	(859.97)	(584.65)	(121695.11)	(100800.86)	(2578.93)	(-)	(466.47)	(102913.32)	(18781.79)	(20618.93)
(d) Furniture and Fixtures	**323.01**	**0.51**	**-**	**323.52**	**266.48**	**5.17**	**-**	**-**	**271.65**	**51.87**	**56.53**
	(297.28)	(43.66)	(17.93)	(323.01)	(283.72)	(0.69)	(-)	(17.93)	(266.48)	(56.53)	(13.56)
(e) Vehicles	**152.95**	**5.05**	**2.98**	**155.02**	**85.55**	**10.34**	**-**	**2.72**	**93.17**	**61.85**	**67.40**
	(175.35)	(20.53)	(42.93)	(152.95)	(113.60)	(9.95)	(-)	(38.00)	(85.55)	(67.40)	(61.75)
(f) Office equipments	**6399.31**	**91.88**	**13.90**	**6477.29**	**5466.73**	**152.94**	**-**	**12.81**	**5606.86**	**870.43**	**932.58**
	(6377.31)	(114.72)	(92.72)	(6399.31)	(5404.22)	(148.20)	(-)	(85.69)	(5466.73)	(932.58)	(973.09)
(g) Roads	**218.41**	**22.63**	**-**	**241.04**	**166.49**	**20.61**	**-**	**-**	**187.10**	**53.94**	**51.92**
	(218.41)	(-)	(-)	(218.41)	(149.74)	(16.75)	(-)	(-)	(166.49)	(51.92)	(68.67)
(h) Railway Sidings	**582.26**	**-**	**-**	**582.26**	**284.12**	**13.82**	**-**	**-**	**297.94**	**284.32**	**298.14**
	(582.26)	(-)	(-)	(582.26)	(270.30)	(13.82)	(-)	(-)	(284.12)	(298.14)	(311.96)
(ii) Intangible Assets											
- Project in Progress										**53.12**	**47.56**
										(47.56)	(-)
(iii) Capital Work-in-progress- Tangible										**2216.94**	**1178.19**
										(1178.19)	(1253.63)
Total - A	**141745.44**	**1535.80**	**1074.09**	**142207.15**	**113713.64**	**3083.16**	**-**	**853.88**	**115942.92**	**28534.29**	**29257.54**
	(141394.75)	(1096.97)	(746.28)	(141745.44)	(111388.00)	(2935.62)	-	(609.98)	(113713.64)	(29257.54)	(31260.38)
Share in Joint ventures - Jointly controlled entities											
(i) Tangible Assets #	**21658.67**	**297.92**	**954.17**	**21002.42**	**17719.05**	**266.84**	**-**	**888.45**	**17097.44**	**3904.98**	**3939.60**
	(21806.19)	(186.01)	(333.53)	(21658.67)	(17377.42)	(297.62)	(143.74)	(99.73)	(17719.05)	(3939.62)	(4428.77)
(ii) Intangible assets under development										**429.47**	**429.47**
										(429.47)	(429.47)
(iii) Capital Work-in-progress - Tangible										**1573.47**	**1540.94**
										(1540.93)	(1579.51)
Total - B	**21658.67**	**297.92**	**954.17**	**21002.42**	**17719.05**	**266.84**	**-**	**888.45**	**17097.44**	**5907.92**	**5910.02**
	(21806.19)	(186.01)	(333.53)	(21658.67)	(17377.42)	(297.62)	(143.74)	(99.73)	(17719.05)	(5910.02)	(6437.75)
GRAND TOTAL (A + B)	**163404.11**	**1833.72**	**2028.26**	**163209.57**	**131432.69**	**3350.00**	**-**	**1742.33**	**133040.36**	**34442.21**	**35167.57**
Previous year	(163200.94)	(1282.98)	(1079.81)	(163404.12)	(128765.42)	(3233.24)	(143.74)	(709.71)	(131432.68)	(35167.56)	(37698.13)

Depreciation on Plant and Equipment with respect to Jointly contolled entities includes depreciation on R & D assets for Rs. 0.44 lac. (Previous year Rs. 0.95 lac)

* Refer Note 12(i) below

Note 12 (i): Assets held for sale

Holding company has identified Free hold land the cost of which amounts to Rs 30.00 lac for sale and accordingly the same has been disclosed as fixed asset held for sale under " Other current assets" : (Rupees in lac)

Details of Asset Held for Sale	As at 31 March 2017	As at 31 March 2016
Land – Freehold	**30.00**	-
Total	**30.00**	-

Note 13: NON-CURRENT INVESTMENTS (Rupees in lac)

Particulars	As at 31 March 2017			As at 31 March 2016		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
NON-CURRENT INVESTMENTS (At cost)						
A) Trade Investments (unless otherwise stated)						
(i) Investment in equity instruments - fully paid up of associates						
- Tuticorin Alkali Chemicals and Fertilizers Limited (Refer Note 13(i) below)						
66,80,113 (66,80,113) Equity Shares of Rs. 10 each	**-**	**-**	**-**	-	-	-
- Gold Nest Trading Company Limited						
2,49,000 (2,49,000) Equity Shares of Rs. 100 each	**-**	**-**	**-**	-	-	-
Total Investment in Equity instruments in Associates	**-**	**-**	**-**	-	-	-
of other entities						
- Manali Petrochemicals Limited						
10,000 (10,000) Equity shares of Rs. 5 each	**0.68**	**-**	**0.68**	0.68	-	0.68
- SICAGEN India Limited (Refer Note 13(ii) below)						
5,77,681 (5,77,681) Equity Shares of Rs. 10 each	**-**	**-**	**-**	-	-	-
- State Bank of Bikaner and Jaipur (Non - trade)						
3,450 (3,450) Equity Shares of Rs. 10 each	**1.86**	**-**	**1.86**	1.86	-	1.86
- ICICI Bank Limited (Non - trade)						
1195 (1195) Equity Shares of Rs. 2 each	**0.20**	**-**	**0.20**	0.20	-	0.20
- SPIC Petrochemicals Limited (Refer Note 13(iii) below)						
25,37,50,009 (25,37,50,009) Equity Shares of Rs. 10 each	**-**	**25375.00**	**25375.00**	-	25375.00	25375.00
- Biotech Consortium India Limited						
2,50,000 (2,50,000) Equity Shares of Rs. 10 each	**-**	**25.00**	**25.00**	-	25.00	25.00
- Chennai Willington Corporate Foundation						
50 (50) Equity Shares of Rs. 10 each costing Rs. 450	**-**	**-**	**-**	-	-	-
- Mercantile Ventures Limited						
92,20,000 (92,20,000) Equity Shares of Rs. 10 each	**922.00**	**-**	**922.00**	922.00	-	922.00
-OPG Power Generation Private Limited						
68,700 Equity Shares of Rs. 10 each (trade) (Refer Note 13(iv) below)	**-**	**7.55**	**7.55**	-	-	-
Total Investment in Equity instruments in other entities	**924.74**	**25407.55**	**26332.29**	924.74	25400.00	26324.74
(ii) Investment in preference shares - fully paid up of associates						
- Tuticorin Alkali Chemicals and Fertilizers Limited						
20,00,000 (20,00,000) 5% Redeemable Cumulative Preference Shares of Rs. 100 each	**-**	**2000.00**	**2000.00**	-	2000.00	2000.00

Non-Current Investments (Continued) (Rupees in lac)

Particulars	As at 31 March 2017			As at 31 March 2016		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
of other entities						
- SPIC Petrochemicals Limited (Refer Note 13(iii) below)						
5,000 (5,000) 8% Redeemable Cumulative Non-Convertible Preference Shares of Rs. 100 each	**-**	**5.00**	**5.00**	-	5.00	5.00
Total investment in preference shares	**-**	**2005.00**	**2005.00**	-	2005.00	2005.00
B) Other Investments						
(I) Investment in bonds - fully paid up						
of other entities						
* Repayable in ten equal half-yearly instalments after 12 years from the commencement of commercial production or total re-payment of the term loan to the lenders whichever is earlier. The carrying value of the investment has been fully provided for.	**-**	**30609.63**	**30609.63**	-	30609.63	30609.63
Total Investment in Bonds	**-**	**30609.63**	**30609.63**	-	30609.63	30609.63
(II) Investment in Mutual Funds						
- Canara Robecco Equity Diversified - Growth Plan fomerly known as Canara Robecco Fortune - 94 units						
12,760 (12,760) Units of Rs. 10 each	**-**	**1.00**	**1.00**	-	1.00	1.00
Total Investment in Mutual Funds	**-**	**1.00**	**1.00**	-	1.00	1.00
GROSS VALUE OF INVESTMENTS	**924.74**	**58023.18**	**58947.92**	924.74	58015.63	58940.37
Less: Provision for diminution in value of investments	**-**	**57989.62**	**57989.62**	-	57989.62	57989.62
NET VALUE OF INVESTMENTS	**924.74**	**33.56**	**958.30**	924.74	26.01	950.75
Add: Share in joint ventures - Jointly controlled entities	**-**	**5.74**	**5.74**	-	6.17	6.17
Total	**924.74**	**39.30**	**964.04**	924.74	32.18	956.92

Note 13 (i): The Holding Company has given an undertaking to the lenders of Tuticorin Alkali Chemicals and Fertilisers Limited for non disposal of its shareholdings in the said Company without their prior approval.

Note 13 (ii): Consequent to the Scheme of Arrangement (Demerger) between SICAL Logistics Limited and SICAGEN India Limited, sanctioned by the Hon'ble High Court of Madras, by its order dated 20 December 2007, the Holding Company was allotted 5,77,681 Equity Shares of the face value of Rs. 10 each in SICAGEN India Limited.

Note 13 (iii): The Holding Company promoted SPIC Petrochemicals Limited (SPIC Petro) in 1994-95 for the manufacture of Polyester Filament Yarn and Purified Terepthalic Acid. The Company had invested Rs.25375.00 lac in the equity share capital, Rs.5.00 lac in 8% redeemable cumulative non convertible preference share capital, Rs.30609.63 lac in Unsecured Zero Interest Bonds redeemable after 12 years from the date of commencement of commercial production. Consequent to the litigation between Chennai Petroleum Corporation Limited (CPCL) and the Company and winding up petitions filed by certain unsecured creditors, the Hon'ble Madras High Court ordered the winding up of the Company on 17 April 2009.

Against the above winding up order, SPIC Petro filed an appeal before the Division Bench of the Hon'ble Madras High Court. The Division Bench of the Hon'ble Madras High Court, dismissed the appeal on 26 April 2010. Meanwhile, ARCIL issued a notice on 19 March 2009, u/s 13(2) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act), directing SPIC Petro to make payment of the dues to ARCIL within sixty days from the date of the notice. As SPIC Petro could not make the payment, ARCIL took over the possession of the assets of SPIC Petro, under SARFAESI Act on 13 May 2010. Consequent to the above, the nominee directors of SPIC Limited have ceased to be directors of SPIC Petro with effect from 14 May 2010. Hence the Company had lost its control over SPIC Petro and full provision had already been made in the earlier years for the carrying value of investments and also for all other dues from this Company.

Note 13 (iv): During the year, the Holding Company had invested in 68,700 numbers of Equity shares of Rs.10/- each, at a premium of Rs. 1/- per share, aggregating to Rs 7.55 lac in OPG Power Generation Private Limited vide the Share Purchase and Shareholders Agreements entered on 22nd December, 2016 for purchase and consumption of 10 MW of power at a concessional tariff as applicable under Group Captive Scheme of the Government of India under Electricity Rules, 2005 to achieve savings in cost of power.

Note 14: Long Term Loans and Advances (Unsecured, considered good unless otherwise stated) (Rupees in lac)

Particulars	As at 31 March 2017		As at 31 March 2016	
Capital advances		**127.49**		803.97
Deposits				
Considered good	**3499.02**		2728.00	
Doubtful	**118.58**		130.93	
	3617.60		2858.93	
Less: Provision for doubtful deposits	**118.58**	**3499.02**	130.93	2728.00
Loans and advances to employees				
Considered good	**0.78**		1.07	
Doubtful	**20.30**		20.30	
	21.08		21.37	
Less: Provision for doubtful loans and advances	**20.30**	**0.78**	20.30	1.07
Subsidy Receivable		**12492.38**		24963.43
Advance income tax (Net of provisions Rs. 4135.56 lac (previous year Rs. 4135.56 lac))		**504.39**		476.72
Balances with government authorities				
Considered good	**554.33**		474.03	
Doubtful	**210.22**		210.22	
	764.55		684.25	
Less: Provision for doubtful receivables	**210.22**	**554.32**	210.22	474.03
Total		**17178.39**		29447.22
Share in Joint ventures - Jointly controlled entities		**600.51**		423.51
Total		**17778.90**		29870.73

Note 15: Inventories (Rupees in lac)

Particulars	As at 31 March 2017	As at 31 March 2016
Raw materials (Refer Note 15(i) below)	**4274.63**	4772.56
- Goods-in-transit	**8334.81**	-
	12609.44	4772.56
Work-in-progress (Refer Note 15(ii) below)	**219.39**	62.09
Finished goods	**7098.88**	2088.30
Stores and spares	**1486.84**	1708.15
- Goods-in-transit	**-**	21.53
	1486.84	1729.68
Loose tools	**3.07**	11.60
Fuel Oil	**1522.32**	587.98
Total	**22939.94**	9252.21
Share in Joint ventures - Jointly controlled entities **	**1196.46**	1043.87
Total	**24136.40**	10296.08

Note 15 (i): Consequent to the implementation of SAP during the year the Holding Company has changed the method of valuation of raw materials from First In First Out (FIFO) method to Weighted Average with effect from 1 October 2016. As a result, closing stock of raw materials is lower by Rs 73.64 lac, cost of materials consumed for the year ended 31st March 2017 is higher by Rs 73.64 lac and change in inventories of finished goods and work-in-progress for the year is higher by Rs 6.28 lac.

Note 15 (ii): Work in Progress : (Rupees in lac)

Particulars	As at 31 March 2017	As at 31 March 2016
Tissue Culture	**170.14**	60.25
Others	**49.25**	1.84
Total	**219.39**	62.09
Proportionate Share of Jointly Controlled entities **	**50.77**	18.42
Total	**270.16**	80.51

** Includes Rs 50.77 lac (Previous year Rs. 18.42 lac) being the share of Work in progress in a Jointly controlled entity represented by Linear Alkyl Benzene and Normal Paraffin.

Note 16: Trade Receivable (Unsecured, considered good unless otherwise stated) (Rupees in lac)

Particulars	As at 31 March 2017		As at 31 March 2016	
Trade receivables outstanding for a period exceeding six months from the date they were due for payment				
Considered good	**4630.71**		1744.09	
Doubtful	**776.64**		780.64	
	5407.35		2524.73	
Less: Provision for doubtful trade receivables	**776.64**	**4630.71**	780.64	1744.09
Other Trade receivables (Considered good)		**4525.24**		4534.36
Total		**9155.95**		6278.45
Share in Joint ventures - Jointly controlled entities		**1067.80**		531.16
Total		**10223.75**		6809.61

Note 17: Cash and Cash equivalents (Rupees in lac)

Particulars	As at 31 March 2017	As at 31 March 2016
Cash on hand (Refer Note 43(a) -Transactions on Specified Bank Notes)	**6.85**	3.95
Balances with banks		
(i) In current accounts	**350.74**	1128.63
(ii) In EEFC accounts	**0.86**	0.88
- Balances held as margin money or security against borrowings, guarantees and other commitments	**372.65**	426.79
- Balance in Escrow Account	**18.22**	10.46
Total	**749.32**	1570.71
Share in Joint ventures - Jointly controlled entities	**1938.41**	1948.17
Total	**2687.73**	3518.88
Of the above balances that meet the definition of Cash and Cash equivalents as per AS 3 Cash Flow statement is	**2099.57**	2915.36

Note 18: Short Term Loans and Advances (Unsecured, considered good unless otherwise stated) (Rupees in lac)

Particulars	As at 31 March 2017		As at 31 March 2016	
Loans and advances to related parties				
Considered Good	**2941.26**		70.27	
Doubtful	**1487.75**		4283.58	
	4429.01		4353.85	
Less: Provision for doubtful loans and advances	**1487.75**	**2941.26**	4283.58	70.27
Loans and advances to employees				
Considered Good		**5.32**		2.33
Prepaid expenses		**199.66**		179.13
Subsidy Receivable (Refer Note 29(ii))		**31762.37**		76411.26
Balances with government authorities				
Considered good	**704.40**		279.97	
Doubtful	**37.40**		37.40	
	741.80		317.37	
Less: Provision for doubtful receivables	**37.40**	**704.40**	37.40	279.97
Advance to suppliers		**249.03**		339.03
Loans and Advances to other parties				
Considered good	**238.53**		130.99	
Doubtful	**377.87**		365.61	
	616.40		496.60	
Less: Provision for doubtful loans and advances	**377.87**	**238.53**	365.61	130.99
Total		**36100.57**		77412.98
Share in Joint ventures - Jointly controlled entities		**212.52**		371.12
Total		**36313.09**		77784.10

Note 19: Other Current assets: (Rupees in lac)

Particulars	As at 31 March 2017	As at 31 March 2016
Interest accrued on Deposits	**95.15**	333.20
Others		
-Insurance Claims	**0.07**	0.07
Fixed assets held for sale (Refer Note 12 (i))	**30.00**	-
Total	**125.22**	333.27
Share in Joint ventures - Jointly controlled entities	**11.20**	23.84
Total	**136.42**	357.11

Note 20: Revenue from Operation (Rupees in lac)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Sale of products	**39381.29**	44860.88
Subsidy Income (Refer Note 29 (ii))	**112622.18**	138355.95
Total (Refer Note 20 (i) below)	**152003.47**	183216.83
Other operating revenues (Refer Note 20(ii) below)	**1256.15**	976.91
Total	**153259.62**	184193.74
Less: Excise duty	**340.56**	402.19
Total	**152919.06**	183791.55
Share in Joint Ventures - Jointly controlled entities		
Total Revenue	**17108.43**	13434.71
Less: Excise Duty	**2060.17**	1573.10
Net Sales	**15048.26**	11861.61
Total	**167967.32**	195653.16

Note 20 (i): Sales and Services (Rupees in lac)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Sales and Services comprises:		
Manufactured goods	**30819.05**	35266.73
- Fertilizer and transport subsidy (Urea)	**112622.18**	138355.95
- Others	**1253.66**	1257.17
Total	**144694.89**	174879.85
Traded Goods		
- Imported Urea	**7308.58**	8,336.98
Total	**152003.47**	183216.83
Share in Joint Ventures - Jointly controlled entities	**17058.27**	13416.14
Total	**169061.74**	196632.97

Note 20 (ii): Other operating Revenues (Rupees in lac)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Facility sharing income	**972.44**	913.02
Sale of scrap	**35.37**	30.79
Others	**248.34**	33.10
Total	**1256.15**	976.91
Share in Joint Ventures - Jointly controlled entities	**50.15**	24.26
Total	**1306.30**	1001.17

Note 21: Other Income (Rupees in lac)

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
(a) Interest income (Refer Note 21 (i) below)	**128.39**	134.16
(b) Dividend income - from long-term investments	**4.11**	3.61
(c) Liabilities / Provisions no longer required written back	**706.45**	1378.27
(d) Rental Income	**34.37**	30.54
(e) Profit on sale of asset - net	**0.16**	4.56
(f) Insurance Claim	**353.88**	-
(g) Others	**151.73**	242.52
Total	**1379.09**	1793.66
Share in Joint ventures- Jointly controlled entities	**582.18**	124.47
Total	**1961.27**	1918.13

Note 21 (i): Interest Income (Rupees in lac)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Interest from banks deposits	**18.49**	25.84
Other interest	**109.90**	108.32
Total	**128.39**	134.16
Share in Joint Ventures - Jointly controlled entities	**32.98**	41.07
Total	**161.37**	175.23

Note 22: Cost of materials consumed (Rupees in lac)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Opening stock	**4772.56**	6789.73
Add: Purchases	**88369.37**	99748.76
Less: Closing stock	**12609.44**	4772.56
Total (also Refer Note 15 (i))	**80532.49**	101765.93
Share in Joint ventures- Jointly controlled entities	**8534.92**	7158.39
Total	**89067.41**	108924.32

Note 23: Purchase of Stock in trade (Rupees in lac)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Purchase of stock in Trade	**3676.24**	6225.88
Share in Joint ventures- Jointly controlled entities	**212.98**	100.20
Total	**3889.22**	6326.08

Note 24: Changes in inventories of finished goods and work-in-progress (Rupees in lac)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
(a) Inventories at the end of the year:		
Finished goods	**7098.88**	2088.30
Work-in-progress	**219.39**	62.09
Total	**7318.27**	2150.39
(b) Inventories at the beginning of the year:		
Finished goods	**2088.30**	298.79
Work-in-progress	**62.09**	132.87
Total	**2150.39**	431.66
(Increase) (also Refer Note 15 (i))	**(5167.88)**	(1718.73)
Share in Joint ventures- Jointly controlled entities	**(28.91)**	38.07
Net (Increase)	**(5196.79)**	(1680.66)

Note 25: Employee benefits expense (Rupees in lac)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Salaries and wages	**4300.09**	3447.58
Contributions to provident and other funds	**569.16**	367.86
Staff welfare expenses	**473.74**	449.08
Total	**5342.99**	4264.52
Share in Joint ventures- Jointly controlled entities (Refer note 25 (i) below)	**475.42**	553.79
Total	**5818.41**	4818.31

Note 25(i): Employee benefits expense for the year includes an amount of Rs. Nil (previous year Rs. 42.13 lac towards compensation to the employees who had opted for early retirement from service (ERS) during the year).

Note 26: Finance cost (Rupees in lac)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Interest expense on:		
(i) Borrowings	**713.87**	1067.81
(ii) Trade payables / Trade Advances	**-**	0.53
(iii) Deposits	**158.58**	137.09
(iv) Others	**2.05**	-
Other borrowing costs	**-**	0.10
Total	**874.50**	1205.53
Share in Joint ventures- Jointly controlled entities (Refer note 31 (d) - Income tax)	**581.75**	249.83
Total	**1456.25**	1455.36

Note 27: Other expenses (Rupees in lac)

Particulars	Year ended 31 March 2017		Year ended 31 March 2016	
Consumption of stores and spare parts		**1852.72**		1600.40
Packing, transportation and handling		**12343.99**		12994.42
Power and fuel		**35260.79**		40375.76
Water		**3250.37**		963.47
Rent		**700.16**		454.77
Repairs to				
- Buildings	**791.22**		511.30	
- Machinery	**1719.08**		1133.26	
- Others	**593.23**		396.61	
		3103.53		2041.17
Insurance		**217.00**		208.35
Rates and taxes		**100.85**		128.15
Port handling charges		**976.75**		953.00
Travelling and conveyance		**531.38**		329.48
Marketing Service Charges		**13.03**		235.22
Rebates and Discount		**3026.50**		2601.43
Sales promotion expenses		**6.35**		9.76
Professional Fees		**454.60**		283.35
Payment to auditors (Refer Note 27(i) below)		**30.99**		30.85
Bad trade and other receivables, loans and advances written off	**2093.77**		261.10	
Less: Transfer from provision	**2093.77**		107.35	
		-		153.75
Hedging Loss		**453.74**		-
Net (gain) / loss on foreign currency transactions and translation		**(129.83)**		4019.62
Assets written off		**189.65**		125.18
Provision for doubtful trade and other receivables, loans and advances (net)		**0.39**		25.92
Loss on sale of assets		**0.06**		1.73
Investments Written off	**18453.62**		-	
Less: Transfer from Provision for dimunition in the value of Investments	**18453.62**		-	
		-		-
(Dispatch) / Demurrage		**(9.69)**		149.00
Director's sitting fees		**20.10**		14.50
Miscellaneous expenses (Refer Note 27(ii) below)		**823.90**		1647.03
Total		**63217.34**		69346.31
Share in Joint ventures- Jointly controlled entities		**4819.46**		3940.05
Total		**68036.80**		73286.36

Note 27(i): Payment to Auditors (Rupees in lac)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Payments to the auditors comprises (net of service tax input credit, where applicable):		
- As auditors - statutory audit	**20.00**	20.00
- For other services	**10.00**	10.00
- Reimbursement of expenses	**0.99**	0.85
Total	**30.99**	30.85
Share in Joint Ventures - Jointly controlled entities**	**4.96**	5.64
Total	**35.95**	36.49

** Includes fees paid to auditors of the Jointly controlled entities.

Note 27(ii): An amount of Rs. 6347.00 lac representing certain claims of ILFS against the Company were disputed / challenged before the Courts. In view of the settlement of the said claims by payment of Rs 750.00 lac during the previous year by the Company as agreed through a Memorandum of Compromise, there is no further liability to the Company on this account. The amount of Rs. 750 lac paid is included in Miscelleneous expenses during the previous year.

Note 28: Exceptional items (Rupees in lac)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Profit on sale of asset	-	917.09
Effect of winding up of subsidiary (Refer Note 28 (i) below)	**2855.71**	-
Total	**2855.71**	917.09
Share in Joint Ventures - Jointly controlled entities	-	977.10
Total	**2855.71**	1894.19

Note 28(i): The Board of Directors of a subsidiary company, SPIC Fertilizers and Chemicals Limited, Mauritius (SFCL Mauritius) recommended its winding up through written resolutions passed on 16 February 2017, which was also approved by the shareholders of the said subsidiary company. Pursunat to the winding up, SFCL Mauritius ceased to be a susbdiairy of the Holding Company with effect from 16 February 2017 and the consequential impact has been disclosed as an exceptional item in the Consilidated Statement of Profit and Loss for the year ended 31 March 2017.

Note 29: Plant Operation

(i) During the year the Holding Company achieved a production of 5.63 lac MT against the maximum permissible production of 6.20 lac MT. The Holding Company, as Fertilizer Marketing Entity appointed by Government of India for marketing imported urea within the country, had handled 1.15 lac MT of urea and sold 1.29 lac MT.

(ii) Government of India vide its notification dated 17 June 2015 had permitted the Holding Company to produce Urea using Naphtha as feedstock on existing provisions till assured supply of gas is made available. Subsidy would be paid based on the Retention Price computed on the lower of Naphtha or RLNG price.

Subsidy for the period 1 April 2016 to 31 March 2017 of Rs. 96773.18 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 30: Commitments

(a) Capital commitments:

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs.1947.33 lac (Previous year Rs.928.73 lac). (including share of Joint venture - Jointly controlled entities - Rs. 88.45 lac (Previous year Rs. 17.14 lac).

Note 31: Contingent Liabilities

(a) Claims not acknowledged as debts

(i) The District Collector, Tuticorin vide his letter dated, 21 August 2009 had demanded 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 Holding 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 Holding Company during 1975 to the State Government seeking assignment of the said land which is still pending. The Holding 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 Holding Company alongwith other beneficiaries has been enjoying this facility since inception of the 20 MGD Scheme for the last 41 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. 2795.28 lac (Previous year Rs. 2543.10 lac) is not acknowledged as debt, as this differential value from April 2009 to March 2017 is not supported by any Government Order and also the other beneficiaries are objecting to such claims of TWAD.

(iii) The Holding Company has received a demand from VOC Port Trust (VOCPT) towards increase in rental charges from 1 July 2007 onwards. The amount payable as on 31.03.2017 is Rs. 766.77 lac (from 01.07.2007 to 31.03.2017) (Previous year 714.43 lac). The Holding 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) Other claims against the Company – Rs.Nil (Previous year Rs. 1300.00 lac).

(b) Other Bank Guarantees outstanding Rs.31.78 lac (Previous year Rs.31.78 lac).

(c) Cumulative amount of Preference Dividend and Dividend Tax thereon not provided for the period from 1 April 2001 to 31 March 2017 is Rs. 3188.61 lac (Previous year Rs. 3006.57 lac)

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

Name of the Statute	**As at 31 March 2017**	As at 31 March 2016
The Central Excise Act, 1944	**336.30**	537.01
The Finance Act, 1994 (Service Tax)	**226.61**	234.78
Sales Tax Act under various State enactments	**1553.90**	3904.82
The Tamilnadu Electricity (Taxation on Consumption) Act, 1962	**1050.54**	1050.54
Employees State Insurance Act, 1948*	**13083.67**	12604.60
With respect to joint ventures - jointly controlled entities Electricity tax The Tamilnadu Government vide Government Order dated 23rd September 1996 exempted specified industries permanently from payment of electricity tax on consumption of self -generated electrical energy under the "Tamilnadu Electricity (Taxation on Consumption) Act, 1962". The above Act was repealed by the "Tamilnadu Tax on Consumption or Sale of Electricity Act, 2003", withdrawing the exemption granted to specified industries. The Company's appeal against the withdrawal of exemption was dismissed by the Madras High Court and the Company filed a "Special Leave Petition" (SLP) before the Supreme Court. On 15th May 2007 the Supreme Court held that the 2003 Act was not valid in respect of industries which were permanently exempted from payment of tax. Consequent to this decision upholding the exemption, the Company, in June 2007 reversed the provision for electricity tax amounting to Rs. 878.77 lac made in books since 2003-04. In November 2007, the Government of Tamilnadu passed "the Tamilnadu Tax on Consumption or Sale of Electricity Amendment Act" amending the 2003 Act to invalidate the exemption granted with retrospective effect. The writ petitions filed before the division bench of the High Court against this amendment were dismissed by its Order dated 15.06.2012. The Company has filed a SLP before the Supreme Court in October 2012 challenging the High Court Order and is hopeful of a favorable decision by Supreme Court especially on invalidation of the exemption granted with retrospective effect. Accordingly, no provision is considered necessary for the electricity tax relating to the period from 2003 to 2008 aggregating to Rs.1054.93 lac. However, provision has been made for this liability for subsequent periods excluding the periods for which specific exemption were granted through notifications.	**178.60**	178.60
Renewable Energy Purchase Obligation (RPO) - With respect to joint ventures - jointly controlled entity. The Company has disputed the obligation under the "Tamil Nadu Electricity Regulatory Commission (Renewable Energy Purchase Obligation) (Amendment) Regulations, 2011" under Gazette notification TNERC/RPO/19/2 dated 29th July 2011 and filed a Writ Petition in March 2012 before the Honorable Madras High Court. On 26th March 2012, an interim stay was granted by the Honorable Madras High Court on the operation of the Regulations. The Company is hopeful of successful outcome of the writ petition filed before the Honorable Madras High Court and hence no provision is considered necessary in this regard.	**141.53**	114.08

Contingent Liabilities (Continued) (Rupees in lac)

Name of the Statute	As at 31 March 2017	As at 31 March 2016
Sales tax, Excise duty, Service tax and other demands pending before various authorities	**427.45**	393.86
Income Tax In respect of Assessment Year 2001-02, Income Tax Appellate Tribunal (ITAT) has allowed the appeal filed by the tax department upholding the validity of reopening of the assessment and has directed the Commissioner of Income Tax (Appeals) to decide the matter on merits. The Company has filed further appeal in the Hon'ble High Court of Madras challenging the order of the ITAT. Company has been advised that it has a reasobable good case to get the order of ITAT set asisde by the Hon'ble High court. However on a prudent basis, the Company has made a provision towards tax demand of Rs 2464.48 lacs (share of spic - 417.24 lacs) and interest of Rs 2550 lacs (share of spic - 431.72 lacs) as per the assessment order passed by the Assessing Officer u/s/ 143(3) read with section 147. No further interest under section 234 of Income Tax Act, 1961 has been considered in this disclosures, based on the above legal advice. "	**186.18**	913.14
Total	**17184.78**	19931.43

With respect to the Holding Company

* Includes disputes relating to the period 1977 to 1992 decided by the ESI Court in favour of the Company against which the Employees State Insurance Corporation has gone on an appeal before the Hon'ble Madras High Court.

Out of the above demand of Rs.17184.78 lac (Previous year Rs. 19931.43 lac), an amount of Rs. 1166.45 lac (Previous year Rs. 918.63 lac) has been deposited under protest / adjusted by relevant authorities.

Note 32 (a): Deferred tax

(i) With respect to the Holding Company: (Rupees in lac)

Particulars	As at 31 March 2017	As at 31 March 2016
Depreciation	**2045.59**	2010.72
Deferred tax liability	**2045.59**	2010.72
Carry forward business losses and unabsorbed depreciation restricted to	**2045.59**	2010.72
Deferred tax asset	**2045.59**	2010.72

The deferred tax asset arising out of disallowances under section 43B of Income Tax Act 1961 and those relating to other provisions aggregating to Rs. 21981.17 (Previous year Rs. 22822.06 lac) and de-escalation of subsidy amounting to Rs. 7303.25 lac (Previous year Rs. 8598.00 lac) have not been recognized as a matter of prudence. The carry forward business loss / unabsorbed depreciation for the year has given rise to net deferred tax asset of Rs. 17766.96 lac (Previous year Rs. 19495.27 lac). However, in the absence of virtual certainty that sufficient future taxable income will be available, the said deferred tax asset that can be recognised is restricted to the deferred tax liability of Rs. 2045.59 lac (Previous year Rs. 2010.72 lac) as given above. Accordingly, there is no net deferred tax asset or liability as at 31 March 2017 to be accounted for.

(ii) With respect to Jointly controlled entity: (Rupees in lac)

Particulars	As at 31 March 2017	As at 31 March 2016
Tax effect of item constituting deferred tax liability		
On difference between book balance and tax balance of fixed assets	**704.21**	664.58
Deferred tax liability	**704.21**	664.58
Tax effect of items constituting deferred tax assets		
Unabsorbed depreciation and business losses	**565.59**	646.97
Provision for compensated absences	**6.50**	16.45
Provision for doubtful debts/advances	**0.68**	1.16
Deferred tax asset	**572.77**	664.58
Net deferred tax liability	**131.44**	-

(b) Current tax - With respect to the Holding Company

There is no provision for tax in view of the brought forward losses / unabsorbed depreciation relating to earlier years available for set off while computing income both under the provisions of Sec 115-JB and those other than Sec 115-JB of the Income Tax Act, 1961.

Note 33: Derivative Instruments - With respect to Holding Company

The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Particulars	Currency	Amount in Foreign Currency	Amount In Rupees (lac)
Amount Receivable in Foreign currency	**Euro**	**-**	**-**
	Euro	(1.15)	(86.49)
Amount payable in foreign currency - Imports	**USD**	**329.61**	**21,371.69**
	USD	(1230.80)	(81642.51)
	Euro	**0.01**	**0.51**
	Euro	-	-

Figures in brackets are in respect of previous year

Derivative Instruments - In respect of Joint Venture - Jointly controlled entities

The following derivative positions are open as at 31 March 2017. These transactions have been undertaken to act as economic hedges for the Company's exposures to various risks in foreign exchange markets and may / may not qualify or be designated as hedging instruments.

(i) Outstanding forward exchange contracts entered into by the Company as on 31 March, 2017

Currency	Amount	Buy / Sell	Cross currency
USD	**338600***	**Buy**	**Rupees**

* Represents the share of the venturer out of the total contract value of USD 2000000

(ii) The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below (represents the share of joint venure - jointly controlled entity):

Particulars	Currency	Amount in Foreign Currency	Amount In Rupees (lac)
Amount receivable in foreign currency - Exports	**USD**	**-**	**-**
	USD	(77489.63)	(51.34)
Amount payable in foreign currency - Imports	**USD**	**23217.29**	**1505.42**
	USD	(42983.07)	28.48
	GBP	**2117.60**	**1.71**
	GBP	(2109.48)	(2.01)

Figures in brackets are in respect of previous year

Note 34: Operating Leases

With respect to Joint venture- Jointly controlled entity (represents the share of joint venture - jointly controlled entity)

The property given under operating leases : (Rupees in lac)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Gross carrying amount of building	**-**	-
Accumulated depreciation	**-**	-
Depreciation for the year	**-**	1.66
Future minimum lease payments under non- cancellable operating leases	**-**	-
Not later than 1 year	**-**	-
Later than 1 year and not later than 5 years	**-**	-
Later than 5 years	**-**	-

Note 35: Employee benefit Plans

With respect to Holding Company

i) Defined contribution plans

The Company makes Provident Fund, Superannuation Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. During the year the Company recognized Rs.250.31 lac (Previous year Rs. 233.24 lac) for Provident Fund contributions, Rs. 125.30 lac (Previous year Rs. 106.62 lac) for Superannuation Fund contributions and Rs. 3.87 lac (Previous year Rs. 2.11 lac) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

ii) Defined benefit plans – Gratuity

(a) Movement of gratuity:
Change in benefit obligations

(Rupees in lac)

Particulars	2016-17	2015-16
Projected Benefit Obligation at the beginning of the year	**1538.47**	1081.21
Obligation on account of transfered employees	**-**	385.42
Service cost	**82.22**	59.78
Interest cost	**110.70**	80.69
Actuarial Loss / (Gain)	**85.83**	24.95
Benefits paid	**(274.43)**	(93.58)
Projected Benefit Obligation at the end of the year	**1542.79**	1538.47
Amount recognised in the Balance Sheet:		
Projected benefit obligation at the end of the year	**1542.79**	1538.47
Fair value of plan assets at the end of the year	**1380.04**	1227.90
Liability recognised in the Balance Sheet	**162.75**	310.57

Particulars	2016-17	2015-16
Cost of defined benefits plan for the year		
Current service cost	**82.22**	59.78
Interest on obligation	**110.70**	80.69
Expected return on plan assets	**(100.06)**	(81.53)
Net actuarial gain / (loss) recognized in the year	**79.32**	(19.61)
Net cost recognized in the Statement of Profit and Loss (included under Contributions to provident and other funds) Refer Note 25	**172.18**	39.33

Change in Plan Assets: (Rupees in lac)

Particulars	2016-17	2015-16
Fair value of plan assets at the beginning of the year	**1227.90**	936.39
Expected return on plan assets	**100.06**	81.53
Contribution	**320.00**	259.00
Benefits paid	**(274.43)**	(93.58)
Actuarial gain on plan assets	**6.51**	44.56
Fair value of plan assets at the end of the financial year	**1380.04**	1227.90

b) Acturial assumptions: (Rupees in lac)

Particulars	2016-17	2015-16	2014-15
Discount Rate	**7.40%**	7.90%	7.80%
Salary escalation rate	**7.00%**	7.00%	7.50%
Demographic assumptions – Mortality	**IALM (2006-08) Ult**	IALM (2006-08) Ult	IALM (2006-08) Ult
Demographic assumptions – Withdrawal	**4.00%**	3.00%	4.00%
Experience adjustments (Details disclosed to the extent available):			
Experience adjustments on plan liabilities - (loss) / gain	**(34.25)**	(471.62)	(113.39)
Experience adjustments on plan assets - (loss) / gain	**6.51**	44.56	16.42

Estimates of future salary increase take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The discount rate is based on the prevailing market yield of Government of India securities as at the balance sheet date for the estimated term of the obligation. In the absence of detailed information regarding Plan assets which is funded with Life Insurance Corporation of India, the composition of each major catagory of plan assets, the percentage or amount for each catagory to the fair value of plan assets has not been disclosed.

Estimate of amount of contribution in the immediate next year is Rs. Nil (Previous year is Rs. 203.07 lac)

Compensated absences

The assumptions used for computing accumulated compensated absences on actuarial basis are as follows:

Particulars	2016-17	2015-16
Discount Rate	**7.40%**	7.90%
Salary escalation rate	**7.00%**	7.00%
Attrition rate	**4.00%**	3.00%

With respect of proportionate share in Joint venture - Jointly controlled entities

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) at each completed year of service.

The following tables summarize the components of net benefit expense recognised in the Statement Profit and Loss and the funded status and amounts recognised in the balance sheet for the Gratuity plan.

(Rupees in lac)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Statement of Profit and Loss		
Net employee benefit expense (recognised in Personnel expenses)		
Current service cost on Benefit Obligations	**4.99**	4.38
Interest cost on Benefit Obligations	**8.96**	7.46
Expected return on plan assets	**(5.64)**	(5.53)
Net actuarial (gains) / losses recognised in the year	**(4.17)**	32.62
Net Expense	**4.14**	38.93
Actual return on plan assets	**5.64**	5.53
Balance Sheet		
Details of Provision for gratuity		
Defined benefit obligation	**114.20**	111.95
Plan Liability	**96.09**	70.60
	18.11	41.35
Changes in the present value of the defined benefit obligation are as follows:		
Opening defined benefit obligation	**111.95**	93.26
Adjustment to opening balance of past service cost	**-**	-
Current service cost	**4.99**	4.38
Interest cost	**8.96**	7.46
Actuarial (gains) / losses on obligation	**(4.17)**	32.62
Benefits paid	**(7.53)**	(25.77)
Closing defined benefit obligation	**114.20**	111.95
Changes in the fair value of the plan assets are as follows:		
Opening fair value of plan assets	**70.60**	86.10
Expected return	**5.64**	5.53
Actuarial gains / (losses)	**-**	-
Contributions by employer	**27.37**	4.74
Benefits paid	**(7.52)**	(25.77)
Closing fair value of plan assets	**96.09**	70.60

The principal actuarial assumptions used in determining gratuity obligation for the Company's plans are shown below:

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Discount rate	**8.00%**	8.00%
Salary Escalation	**5.00%**	5.00%
Expected Return on Assets	**8.25%**	8.35%
Attrition	**10.00%**	10.00%
Mortality	**LIC (2006-08) Ultimate Mortality Table**	LIC (2006-08) Ultimate Mortality Table

Estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors.

In the absence of relevant information from the actuary, the above details do not include the experience adjustment in respect of actuarial losses / gains.

Note 36: With respect to Jointly Controlled Entity

A Civil suit has been filed by one of the promoters – CPCL against the Company for Breach of Trust on MoU entered into between Company and CPCL while forming the joint venture company – AROCHEM. In this case AROCHEM have been included as a proforma defendant.

CPCL has also filed another Civil suit against the Company praying for interim mandatory injunction directing SPIC Petrochemicals Limited to return the possession of 168.38 acres of land to AROCHEM. In this case, AROCHEM have been included as a defendant.

Against the judgement by the Single Judge, a Division Bench of the Hon'ble Madras High Court has ordered an injunction not to implement the project by SPIC Petrochemicals Limited.

The holding company filed Special Leave Petitions in the Hon'ble Supreme Court against the above order. On 24th October 1997, the Hon'ble Supreme Court dismissed the Special Leave Petitions holding that it would not interfere with the interim order passed by the Division Bench, granting injunction, as it would prejudice the final hearing of the case. Consequently the project activities of SPIC Petro have been suspended.

On 15th July 1998, the Petroleum Ministry called both CPCL and the Company for discussions to arrive at a compromise on the issue. CPCL and the Company held further deliberations and have since arrived at a compromise. A Memorandum of Settlement (MoS) entered into between CPCL and the Company was sent to the Government of India for their approval. The MoS was cleared by the Ministry of Petroleum and Natural Gas vide their letter, dated 12th March 2001.

Since the promoters are unable to effectuate the earlier MoS approved by the Government of India, discussions are now being held to revise the MoS, subject to necessary approvals.

Note 37: SEGMENT REPORTING

(Rupees in lac)

Particulars	Agro Inputs (Urea operations)	Petrochemical	Others (Agri Business)	Total
Segment revenue				
Sales to external Customers	**150819.13**	**14998.11**	**843.78**	**166661.02**
	(182130.33)	(11840.79)	(684.31)	(194655.43)
Operating Income	**1223.09**	**50.15**	**12.80**	**1286.04**
	(944.11)	(20.82)	(19.55)	(984.48)
Other Income	**-**	**547.04**	**-**	**547.04**
	-	(124.48)	-	(124.48)
Unallocated income				**1434.48**
				(1806.90)
Total Revenue	**152042.22**	**15595.30**	**856.58**	**169928.58**
	(183074.44)	(11986.09)	(703.86)	(197571.29)
Segment results	**5423.35**	**(265.14)**	**(49.94)**	**5108.27**
	(6441.78)	(-102.01)	(-135.48)	(6204.29)
Unallocated Expenditure Net of Unallocated Income				**2739.02**
				(-1646.45)
Profit before interest and taxation				**7847.29**
				(4557.83)
Finance Cost				**1484.30**
				(1455.37)
Profit before taxation				**6362.99**
				(3102.47)
Provision for taxation				**549.38**
				(0.42)
Net Profit for the year				**5813.61**
				(3102.05)
Other Information				
Segment assets	**105959.84**	**10,940.52**	**2070.16**	**118970.52**
	(147077.33)	(10257.87)	(2053.26)	(159388.46)
Unallocated corporate Assets				**7712.03**
				(5372.59)
Total Assets				**126682.55**
				(164761.05)
Segment liabilities	**80598.99**	**4063.16**	**206.25**	**84868.40**
	(117446.87)	(3703.04)	(168.61)	(121318.52)
Unallocated corporate Liabilities				**9942.45**
				(14539.77)
Total Liabilities				**94810.85**
				(135858.29)

Segment Reporting (Continued) (Rupees in lac)

Particulars	Agro Inputs (Urea operations)	Petrochemical	Others (Agri Business)	Total
Capital expenditure (allocable)	**2570.12**	**225.65**	**5.00**	**2800.77**
	(982.12)	(-)	(14.69)	(996.81)
Capital expenditure (Unallocable)				**5.02**
				(90.87)
Depreciation (allocable)	**2997.40**	**266.84**	**46.17**	**3310.41**
	(2853.35)	(297.62)	(45.92)	(3196.89)
Depreciation (Unallocable)				**39.59**
				(36.35)
Non-cash expenditure other than depreciation (allocable)	**189.65**	**-**	**-**	**189.65**
	(125.18)	(-)	(-)	(125.18)
Non-cash expenditure other than depreciation (unallocable)				**0.39**
				(179.66)

Secondary segment Information (Geographical Segments) (Rupees in lac)

Particulars	Revenue	Carrying amount of segment assets	Capital Expenditure
Within India	**168494.10**	**118970.52**	**2800.77**
	(195764.39)	(159388.46)	(996.81)
Outside India	**-**	**-**	**-**
	(-)	(-)	(-)
Total	**168494.10**	**118970.52**	**2800.77**
	(195764.39)	(159388.46)	(996.81)

NOTES

(a) Business segments

The business segment has been considered as the primary segment for disclosure. The products included in each of the business segments are as follows:

(i) Agro inputs - includes fertilizers

(ii) Petrochemicals - includes Epichlorohydrin and Linear Alkali Benzene

(iii) Others - Tissue culture and Seeds

Revenue and expenses, which relates to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been included under Unallocated income or Unallocated Expenditure respectively.

Unallocated corporate assets and unallocated corporate liabilities include the assets and liabilities which are not directly attributable to segments.

(b) Geographical segments

The geographical segments considered for disclosure are as follows:

- Sales within India include Sales to customers located within India

- Sales outside India include sales to customers located outside India.

Note 38: With respect to Jointly Controlled Emtity:

The Promoters of AROCHEM, found that the project has become unviable and hence decided not to proceed further. AROCHEM has got 335 acres of land at Kosapur and other villages, allotted by the GoTN. CPCL has evinced interest in the said land, which they propose to utilize for their other project activities. The Board of Directors of the said company at their Meeting held on 25 August 2014 passed a resolution to request the GoTN to transfer the said land to CPCL. AROCHEM has also addressed a letter dated 4 September 2014 to GoTN requesting for transfer of land to CPCL. CPCL also vide letter No. Admn:Land:008 dated 10 October 2014 requested GoTN (Industries Department) to allot the land to CPCL. The Additional Chief Secretary / Commissioner of Land Administration vide Letter dated 28 October 2015 recommended the proposal to GoTN, Industries Department. Order is awaited.

Note 39(i): Related party disclosures under Accounting standard - 18

The list of related parties as identified by the Management are as under:

Nature	Parties
Associates	1 Tuticorin Alkali Chemicals and Fertilizers Limited 2 Gold Nest Trading Company Limited 3 Manali Petroproducts Limited (Associate of Jointly Controlled Entity)
Jointly controlled entities	1 Tamilnadu Petroproducts Limited 2 National Aromatics and Petrochemicals Corporation Limited
Key Management Personnel	1 Thiru. Ashwin C Muthiah 2 Thiru S.R. Ramakrishnan 3 D.Senthil Kumar Whole Time Director of Jointly controlled entity 4 KT Vijayagopal, Whole Time Director & CFO of Jointly controlled entity
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 AMI Holdings Private Limited, India 6 Bengal Auto Parts Private Limited 7 Sicagen India Limited 8 SPIC Officers and Staff Welfare Foundation 9 South India Travels Private Limited 10 Lotus Fertilizers Private Limited 11 EDAC Engineering Limited 12 EDAC Staffing Solutions Private Limited 13 EDAC Automation Limited 14 Totalcomm Infra Service Private Limited 15 Twinshield Consultants Private Limited 16 AM International Holdings Pte Ltd, Singapore 17 SPIC Group Companies Employees Welfare Foundation 18 AM Corporate Social Responsibility Foundation 19 Firstgen Distribution Private Limited
Others	1 Tamilnadu Industrial Development Corporation Limited (Promoter of a Jointly controlled entity)

Note 39(ii): The following transactions were carried out with the related parties (Rupees in lac)

S.No	Particulars	As at 31 March 2017	As at 31 March 2016
A	**BALANCE OUTSTANDING AS AT 31.03.2017**		
(a)	**Receivables including Advances:**		
	Tamilnadu Petroproducts Limited	**1.46**	0.94
	Tuticorin Alkali Chemicals and Fertilisers Limited	**2402.73**	2746.85
	Greenstar Fertilizers Limited	**3487.55**	8.71
	National Aromatics and Petrochemicals Corporation Limited*	**1487.75**	1487.36
	Wilson International Trading India Private Limited	**0.04**	0.03
	Manali Petrochemicals Limited	**0.55**	0.30
	EDAC Engineering Limited	**19.40**	24.99
	EDAC Automation Limited	**0.94**	0.20
	Totalcomm Infra Service Private Limited	**0.65**	0.24
	Twinshield Consultants Private Limited	**36.45**	36.45
	Lotus Fertilizers Private Limited	**78.56**	135.02
(b)	**Payables:**		
	Greenstar Fertilizers Limited	**2873.53**	1274.37
	Sicagen India Limited	**126.40**	8.43
	EDAC Engineering Limited	**0.04**	4.01
	Wilson International Trading Pte. Ltd	**13255.30**	2113.80
	EDAC Automation Limited	**2.49**	16.46
	Tamilnadu Petroproducts Limited	**2.86**	-
	EDAC Staffing Solutions Private Limited	**0.43**	0.46
	Tuticorin Alkali Chemicals and Fertilisers Limited	**1.01**	-
	Lotus Fertilizers Private Limited	**3761.87**	-
	AM International Holdings Pte Ltd,Singapore	**3513.79**	-
	South India Travels Pvt Ltd	**3.44**	-
(c)	**Share Capital including Securities premium:**		
	AMI Holdings Private Limited	**6523.42**	6,523.42
(d)	**Cash Collateral Provided against Bank Borrowings:**		
	AM International Holdings Pte Ltd,Singapore (in USD)	**37.50**	-

* Dues have been fully provided for

(Rupees in lac)

S.No	Particulars	For the year 2016-17	For the year 2015-16
B	**TRANSACTIONS DURING THE YEAR.**		
1	**Sale of goods:**		
	Tuticorin Alkali Chemicals and Fertilisers Limited	**296.11**	488.21
	Greenstar Fertilizers Limited	**169.71**	204.58
	Wilson International Trading India Private Limited	**-**	72.12
	Lotus Fertilizers Private Limited	**144.98**	304.10
	Manali Petrochemicals Limited	**-**	113.34
2	**Purchase of materials:**		
	Tuticorin Alkali Chemicals and Fertilisers Limited	**2.36**	0.98
	Greenstar Fertilizers Limited	**2048.58**	1833.70
	Tamilnadu Petroproducts Limited	**38.82**	18.07
	Wilson International Trading Pte Ltd, Singapore	**21454.96**	10196.63
	Sicagen India Limited	**219.99**	74.87
	Lotus Fertilizers Private Limited	**3761.87**	-
	Firstgen Distribution Private Limited	**10.36**	-

Related parties disclosure (Continued) (Rupees in lac)

S.No	Particulars	For the year 2016-17	For the year 2015-16
3	**Reimbursement of Expenses (Receipts):**		
	Wilson International Trading India Private Limited	**7.46**	-
	Tuticorin Alkali Chemicals and Fertilisers Limited	**-**	0.01
	Greenstar Fertilizers Limited	**6.43**	4.59
	Sicagen India Limited	**180.00**	0.06
	National Aromatics and Petrochemicals Corporation Limited	**0.39**	0.87
	EDAC Engineering Limited	**-**	0.09
	EDAC Staffing Solutions Private Limited	**0.06**	0.05
	Totalcomm Infra Service Private Limited	**0.27**	0.21
	AM Corporate Social Responsibility Foundation	**0.35**	0.06
	SPIC Officers & Staff Welfare Foundation	**1.68**	1.98
	SPIC Group Companies Employees Welfare Foundation	**4.68**	-
4	**Sale of assets:**		
	Manali Petrochemicals Limited	**-**	4.47
5	**Reimbursement of Expenses (Payments):**		
	Sicagen India Limited	**3.78**	3.64
	South India Travels Private Limited	**-**	0.19
6	**Income from services rendered:**		
	Manali Petrochemicals Limited	**3.78**	4.18
	Tuticorin Alkali Chemicals and Fertilisers Limited	**8.01**	9.09
	Greenstar Fertilizers Limited	**1106.36**	1,038.45
	Wilson International Trading India Private Limited	**0.48**	0.41
	Sicagen India Limited	**2.07**	2.74
	Tamilnadu Petroproducts Limited	**0.61**	1.92
	EDAC Engineering Limited	**11.84**	11.34
	EDAC Automation Limited	**1.02**	1.10
	EDAC Staffing Solutions Private Limited	**0.41**	0.37
	Totalcomm Infra Service Private Limited	**0.63**	0.87
7	**Services / Consultancy charges:**		
	Manali Petrochemicals Limited	**-**	2.58
	Greenstar Fertilizers Limited	**178.66**	392.99
	Tamilnadu Petroproducts Limited	**0.11**	0.11
	EDAC Automation Limited	**224.42**	211.06
	Sicagen India Limited	**116.68**	3.13
	EDAC Engineering Limited	**-**	4.03
8	**Income from Rentals:**		
	Greenstar Fertilizers Limited	**23.99**	23.79
9	**Dividend Income:**		
	Manali Petrochemicals Limited	**0.05**	0.05
	Sicagen India Limited	**3.47**	3.47
10	**Managerial Remuneration:**		
	Thiru. S R Ramkrishnan	**58.80**	65.74
	Relating to Jointly Controlled Entity	**15.83**	5.76
11	**Rent Paid:**		
	Greenstar Fertilizers Limited	**2422.93**	2249.72
12	**Sitting Fees:**		
	Thiru. Ashwin C Muthiah	**2.50**	2.00
	Tamilnadu Industrial Development Corporation Limited	**1.10**	-
13	**Trade advance received:**		
	Greenstar Fertilizers Limited	**1370.00**	5588.76
	Tuticorin Alkali Chemicals and Fertilizers Limited	**648.00**	-

Related parties disclosure (Continued) (Rupees in lac)

S.No	Particulars	For the year 2016-17	For the year 2015-16
14	**Trade advance repaid / returned:**		
	Wilson International Trading India Private Limited	**34.00**	-
	Greenstar Fertilizers Limited	**500.00**	5100.00
15	**Special Rebate Paid:**		
	Wilson International Trading India Private Limited	**-**	11.72
16	**Interest on Borrowings / paid:**		
	Greenstar Fertilizers Limited	**-**	41.37
	AM International Holdings Pte Ltd,Singapore	**109.96**	-
17	**Borrowings:**		
	Greenstar Fertilizers Limited	**-**	158.00
	AM International Holdings Pte Ltd, Singapore	**3409.50**	-
18	**Borrowings repaid:**		
	Greenstar Fertilizers Limited	**-**	7180.00
19	**Demurrage Charges:**		
	Wilson International Trading Pte, Ltd, Singapore	**587.25**	896.33
20	**Car Rental Charges Paid:**		
	South India Travels Private Limited.	**38.44**	34.36
21	**Deposit given / received for directors appointment:**		
	Tuticorin Alkali Chemicals and Fertilisers Limited	**-**	1.00
	SPIC Officers and Staff Welfare Foundation	**-**	4.00
22	**Purchase of car:**		
	South India Travels Private Limited	**-**	13.00
23	**Advance Given:**		
	Twinshield Consultants Private Limited	**-**	36.45
24	**Cash Collateral Provided against Bank Borrowings:**		
	AM International Holdings Pte Ltd,Singapore (in USD)	**37.50**	**-**

Note 40: Earnings Per Share

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Face Value per share (In Rupees)	**10**	10
Profit for the year (Rupees in lac)	**5813.61**	3102.05
Less:Arrears of Preference Dividend (Refer Note 31 (c))	**182.04**	182.54
Profit for the year after preference dividend (Rupees in lac)	**5631.57**	2919.51
Basic		
Weighted Average Number of shares outstanding	**203640336**	203640336
Earnings per share (In Rupees)	**2.77**	1.43
Diluted		
Weighted Average Number of shares outstanding	**203640336**	203640336
Earnings per share (In Rupees)	**2.77**	1.43

Note 41: Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

(Rupees in lac)

Particulars				
Name of the Entity	Net assets, i.e., total assets minus total liabilities		Share of profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
Parent				
Southern Petrochemical Industries Corporation Limited	77.83%	23680.76	96.23%	5594.46
Subsidiary				
SPIC Fertilizers and Chemicals Limited, Mauritius (SFCL Mauritius) (Upto the date of winding up)			0.48%	28.05
Joint Ventures (as per proportionate consolidation)				
Indian				
1 Tamilnadu Petroproducts Limited	17.45%	5309.98	3.29%	191.10
2 National Aromatics and Petrochemicals Corporation Limited	4.72%	1435.95	0%	-
Total	100.00%	30426.69	100.00%	5813.61

Note 42:

With respect to the jointly controlled entity:

(a) During December 2015 and January 2016, the operations of the Company were significantly impacted due to unprecedented rainfall, consequent flooding and power interruptions and LAB and HCD Plants were shut down for 55 days and 44 days respectively. The company filed claims with insurers in respect of which the surveyor has submitted his report and the insurance company is in the process of finalizing the claim. Pending finalisation and approval of the claim by the insurer, the company has recognized the claim to the extent of Rs. 2,500 lakhs being the actual amount received till 31st March 2017 and the same has been disclosed as exceptional item in the statement of profit and loss.

(b) The performance of Chlor Alkali Division (CAD) tapered considerably due to various extraneous factors since 2012. Though the demand for Caustic soda, the main product of the division has been constant, the profitability was greatly affected consequent to high cost of power and salt, the main raw materials. The management has been taking necessary steps to reduce the high cost of power. Based on the estimated future revenues that would be generated by the CAD and also based on valuation of the Plant by an Independent chartered Engineers dated April 1, 2015, the management has assessed and concluded that the recoverable value, as defined in the Accounting Standard 28, of the plant is higher than the carrying value of Rs 4,348.15 lac (Proportionate share - Rs 736.14 lac (excluding land cost) (previous year Rs. 4752.23 lac (Proportionate share - Rs 804.55 lac (excluding land cost) as on the balance sheet date. Further the operations of the company has considerably improved in the current year with a growth in revenue by 38% and reduction in Net loss percentage on revenue by 35%, based on the cumulative assessment of all the factors as above, no provision for impairment is considered necessary by the company.

Note 43 (a): Specified Bank Notes

Details of Specified Bank Notes held & transacted during the period 08th November 2016 to 30th December 2016, pursuant to requirement of notification G.S.R 308(E) dated 31 March 2017.

With respect to the Holding company (Rupees in lac)

Sl.No	Particulars	Specified Bank Notes	Other Denomination Notes	Total
1	**Closing Cash in hand as on 8th November 2016**	**6.19**	**1.43**	**7.62**
2	(+) Permitted Receipts	-	18.94	18.94
3	(-) Permitted Payments	0.78	12.91	13.69
4	(-) Amount Deposited in Banks	5.41	4.00	9.41
5	**Closing cash in hand as on 30th December 2016**	**-**	**3.46**	**3.46**

With respect to a jointly controlled entity, Tamilnadu Petroproducts Limited (as reported by that Jointly controlled Entity at gross amounts)

Details of Specified Bank Notes held & transacted during the period 08th November 2016 to 30th December 2016, pursuant to requirement of Notification G.S.R 308(E) dated 31 March 2017. (Rupees in lac)

Sl.No	Particulars	Specified Bank Notes	Other Denomination Notes	Total
1	**Closing cash on hand as on 8th November 2016**	**1.11**	**0.59**	**1.70**
2	Add: Other receipts	0.08	-	0.08
3	Add: Permitted Receipts	-	3.21	3.21
4	Less: Permitted payments	-	2.96	2.96
5	Less: Deposits with bank	1.19	-	1.19
6	**Closing cash on hand as on 30th December 2016**	**-**	**0.84**	**0.84**

With respect to another jointly controlled entity, National Aromatics and Petrochemicals Corporation Limited, as reported by the said Jointly controlled entity, since the Company has no cash payments or receipts, as expenses are met by the promoters through cheque payments, the details to be specified pursuant to the above notification will not arise.

Note 43 (b): Others

Full particulars of loans given, investment made, guarantees given, security provided together with purpose in terms of Section 186(4) of the Companies Act, 2013. - The details in respect of investment have been provided in Note No.13 of Notes on Accounts. The Company has not given any loan or guarantee.

Details of inter-corporate loans and deposits taken by Companies registered under Section 12 of 'Securities Exchange Board of India Act, 1992' and covered under such class or classes of Companies as may be prescribed under Section 186(6) of the Companies Act, 2013. - Not applicable

Note 44:

(a) Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

(b) 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 2017 in its meeting held on 18 May 2017.

ATTACHMENT TO THE FINANCIAL STATEMENT.

FORM AOC -1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts), Rules,2014)

"Statement containing salient features of the financial statement of Subsidiaries / Associate companies / Joint Ventures as on 31 March 2017"

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amount in Rupees)

Name of the Subsidiary	SPIC Fertilizers and Chemicals Limited
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same accounting period
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	USD
Share Capital	Rs.18453.62 lacs
Reserves & surplus	As per Note No 1 below
Total Assets	
Total Liabilities	
Investments	
Turnover	
Profit before taxation	
Provision for taxation	
Profit after taxation	
Proposed Dividend	
% of shareholding	83.54%

Notes:

1) The Board of Directors of the Company at their meeting held on 18 May 2017 approved the write off of investments of Rs.18,453.62 lac and advances due of Rs.2093.77 lac from a subsidiary company, SPIC Fertilizers and Chemicals Limited, Mauritius (SFCL Mauritius), against the provisions made in the earlier years, consequent to the recommendation of the Board of Directors of SFCL Mauritius for its winding up, through written resolutions passed on 16 February 2017, which was also approved by the shareholders of the said subsidiary company. Accordingly, there is no impact in the standalone financial results.

2) SPIC Petrochemicals Limited (SPIC Petro), is under liquidation as per Order dated 17 April 2009 passed by the Hon'ble Madras High Court. Subsequently, the Official Liquidator took possession of the assets and effects of SPIC Petro on 14 May 2010. Pursuant to the Order dated 20 December 2010 by the Hon'ble Madras High Court, ARCIL took possession of the assets from the Official Liquidator on 4 January 2011. In view of the above developments, the Company had lost its control over SPIC Petro. Hence details of SPIC Petro are not given in the above statement.

Part "B": Associates and Joint Ventures

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

Name of Associates / Joint Ventures	Tuticorin Alkali Chemicals and Fertilizers Limited	Gold Nest Trading Company Limited	National Aromatics and Petrochemicals Corporation Limited	Tamilnadu Petroproducts Limited
1. Latest audited Balance Sheet Date	31-Mar-17	31-Mar-17	31-Mar-17	31-Mar-17
2. Shares of Associate / Joint Ventures held by the company on the year end				
No. of Shares	6680113	249000	25000	15234375
Amount of Investment in Associates / Joint Venture (Rs.)	193566946	25024500	250000	198046875
Extent of Holding (%)	45.15%	32.76%	50.00%	16.93%
3. Description of how there is significant influence	Control of over 20%	Control of over 20%	Control of 50%	Control of Business decisions under Joint Venture Agreement
4. Reason why the Associate/ Joint venture is not consolidated	Not considered for consolidation, since carrying amount is Nil, as per AS-23	Not considered for consolidation, since carrying amount is Nil, as per AS-23	Yet to Commence Operations	Not Applicable
5. Networth attributable to Shareholding as per latest audited Balance Sheet (Rs. in lacs)	(7000.19)	442.03	(9.05)	5309.95
6. Profit / (Loss) for the year				
i. Considered in Consolidation (Rs. in lac)	-	-	-	191.14
ii. Not Considered in Consolidation (Rs. in lac)	(1558.13)	(0.03)	-	-

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

For and on behalf of the Board of Directors

ASHWIN C MUTHIAH
Chairman
DIN: 00255679

T K ARUN
Director
DIN:02163427

SASHIKALA SRIKANTH
Director
DIN: 01678374

S R RAMAKRISHNAN
Whole-Time Director
DIN: 00120126

K R ANANDAN
Chief Financial Officer

M B GANESH
Secretary

Place : Chennai
Date : 18 May 2017

Notes

Notes

SPIC

SOUTHERN PETROCHEMICAL INDUSTRIES CORPORATION LIMITED
"SPIC House" No 88, Mount Road, Guindy, Chennai 600 032.
CIN: L11101TN1969PLC005778

PROXY FORM

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

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

1. Name : ..... Address : .....
   E-mail Id : ..... Signature : ....., or failing him
2. Name : ..... Address : .....
   E-mail Id : ..... Signature : ....., or failing him
3. Name : ..... Address : .....
   E-mail Id : ..... Signature : .....

as my/our proxy to attend and vote for me/us and on my/our behalf at the 46th Annual General Meeting of the Company, to be held on Wednesday, the 26th day of July 2017 at 10.00 A.M. at Rajah Annamalai Mandram, Chennai and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No	Resolution / Subject	For	Against
1	To consider and adopt a. The audited financial statement of the Company for the financial year ended 31st March 2017 and the Reports of the Board of Directors and Auditors thereon. b. The audited consolidated financial statement of the Company for the financial year ended 31st March 2017		
2	Appointment of Thiru M S Shanmugam, IAS as Director of the Company.		
3	Appointment of Statutory Auditors.		
4	Ratification of appointment of Thiru T R Tantri pursuant to Section 148 of the Companies Act, 2013 as Cost Auditor of the Company on a remuneration of Rs 1,00,000/-		
5	To approve the transactions entered into by the Company with related party during the year 2016-17 considered material as per Reg.23 of the Listing Regulations.		
6	Investment in Greenam Energy Private Limited.		
7	Re-appointment and payment of remuneration of Thiru S R Ramakrishnan as Whole-time Director of the Company		
8	To invest in the securities of TFL		

Signed this ..... day of..... 2017

Signature of the shareholder	Signature of the Proxy holder(s)

Affix Re 1/- Revenue Stamp

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

SPIC

SOUTHERN PETROCHEMICAL INDUSTRIES CORPORATION LIMITED

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

CIN: L11101TN1969PLC005778

ATTENDANCE SLIP

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

Name and Address of the Shareholder:

Folio No:

DP. ID *
Client ID *

*Applicable to investors holding shares in electronic form

I hereby record my presence at the 46th Annual General Meeting of the Company at "RAJAH ANNAMALAI MANDRAM" Chennai- 600 108 on Wednesday, the 26th July 2017 at 10.00 a.m.

Signature of the Member or Proxy

Shares held

SPIC

If undelivered, please return to :

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

Printed at Chennai Micro Print (P) Ltd., Ph: 9600193338