SPIC

42nd ANNUAL REPORT
2012 - 13

SOUTHERN PETROCHEMICAL INDUSTRIES
CORPORATION LIMITED

SPIC

SOUTHERN PETROCHEMICAL INDUSTRIES CORPORATION LIMITED

Dr A C Muthiah	Chairman Emeritus

Board of Directors *(as on 29 May 2013)*

Ashwin C Muthiah	Chairman
M S Shanmugam, I.A.S.	Director
T K Arun	Director
B Elangovan	Director
B Narendran	Director
S Shankar	Director
K K Rajagopalan	Whole-Time Director

Secretary
M B Ganesh

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

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SOUTHERN PETROCHEMICAL INDUSTRIES CORPORATION LIMITED

Registered Office: "SPIC House", 88 Mount Road, Guindy, Chennai - 600 032.

NOTICE

NOTICE is hereby given that the FORTY SECOND ANNUAL GENERAL MEETING of the Members of Southern Petrochemical Industries Corporation Limited will be held on Monday, the 2 September 2013 at 3.00 PM at Rajah Annamalai Hall, Chennai – 600 108, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31 March 2013 and the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To elect a Director in place of Thiru B Narendran, who retires by rotation and, being eligible, offers himself for re-election.
3. To elect a Director in place of Thiru M S Shanmugam, IAS, who retires by rotation and, being eligible, offers himself for re-election.
4. To consider and if thought fit, to pass, with or without modification, the following Resolution as an ORDINARY RESOLUTION:

   "RESOLVED THAT pursuant to Section 224 of the Companies Act, 1956, M/s Deloitte Haskins & Sells (DHS), Chennai (Firm Registration no.008072S), the retiring Auditors, be and are hereby re-appointed as Statutory Auditors of the Company to hold Office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on a remuneration as fixed by the Board of Directors of the Company."

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

Place : Chennai
Date : 29 May 2013

M B GANESH
Secretary

Notes:

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and on a poll to vote instead of himself and the proxy need not be a member of the Company. The proxy form attached must be deposited at the Registered Office of the Company not later than 48 hours before the time for holding the meeting; in default, the instrument of proxy shall not be treated as valid.
2. The Register of Members and the Share Transfer Register of the Company will remain closed from Monday, 19 August 2013 to Monday, 2 September 2013 (both days inclusive).
3. Members/Proxies should bring the Attendance Slip duly filled in and signed and hand over the same at the entrance of the hall for attending the Meeting. For shares held in dematerialized form, the Depository Participant (DP) ID and Client ID numbers should be indicated in the Attendance Slip.
4. For shares held in physical form, any change in address/ other details may be intimated immediately to the Registrar and Transfer Agents (RTA) viz., Cameo Corporate Services Limited, "Subramanian Building", No. 1 Club House Road, Chennai - 600 002 by quoting the Folio Number(s). For shares held in demat form, change in address/other details shall be intimated directly to the Member's DP.
5. Members holding shares in single name in physical form are advised to nominate a person to whom their shareholding in the Company shall vest in the event of demise and the form shall be sent to the Company / RTA. Nomination forms will be sent to the Members on request.
6. As per SEBI's directive, it shall be mandatory for the transferees to furnish self-attested copy of the PAN (Permanent Account Number) card to the Company/ RTA for registration of transfer/transmission of shares in physical form.
7. All material documents relating to the aforesaid items of business of the Notice are available for inspection by the Members at the Registered Office of the Company on any working day between 11.00 A.M. and 1.00 P.M. prior to the date of the Meeting.

Annexure to Notice

Details of the Directors seeking re-election at the 42nd Annual General Meeting
(pursuant to Clause 49(IV)(G) of the Listing Agreement)

Thiru B Narendran

Thiru B Narendran, aged 67 years, a Chemical Engineer and a Master's Graduate from USA in Transportation, had been a consultant to Shell Inc. Houston, Rite-Aid Pharmacy, Detroit and State Highways Administration, Baltimore, USA. Thiru Narendran is also the Principal Secretary, Consulate General, Republic of Phillipines in Chennai. He was appointed as Director on 19 January 2009. Thiru Narendran is a Member of the Audit Committee and Remuneration Committee and Chairman of the Shareholders' / Investors' Grievance Committee of the Company. He is Chairman of the Audit Committee, Shareholders'/Investors' Grievance Committee and Capital Issues & Allotment Committee of Sicagen India Limited and the Audit Committee of Tuticorin Alkali Chemicals and Fertilisers Limited. He is also the Member of the Remuneration Committees of Sicagen India Limited and Tuticorin Alkali Chemicals and Fertilisers Limited. Thiru Narendran does not hold any shares of the Company.

Thiru M S Shanmugam. I.A.S.

Thiru M S Shanmugam, IAS aged 46 years is a Member of the Indian Administrative Service. He is one of the nominees of TIDCO on the Board of Directors of the Company. He is presently the Joint Secretary to Government of Tamil Nadu, Industries Department. He was appointed as Director on 26 July 2011. Thiru M S Shanmugam is the Director of Southern Structurals Limited, Tamilnadu Salt Corporation Limited, Tamilnadu Cements Corporation Limited, Tamilnadu Industrial Investment Corporation Limited, TICEL Bio Park Limited, Tamilnadu Telecommunication Limited and Tamilnadu Industrial Explosives Limited. Thiru M S Shanmugam does not hold any shares of the Company.

GREEN INITIATIVE

The Ministry of Corporate Affairs, (MCA) has taken "Green Initiative in the Corporate Governance" allowing paperless compliances by companies and has issued circular stating that the Annual Reports (including notices) can be sent to its Members through e-mail. This also provides better service to the shareholders, as it eliminates the chances of the Annual Reports being lost in postal transit; besides, the Reports reach the Members immediately.

Shareholders desirous of receiving Annual Reports in electronic mode are requested to send the particulars to the Company / Company's RTA, namely (a) Physical Folio No (b) Name of the First Holder (c) Name of the Second Holder (d) Address registered with the Company & (e) E-mail ID to be registered with the Company.

Please note: Annual Reports in electronic mode will be sent only to those shareholders who make a specific request in this regard

DIRECTORS' REPORT

Your Directors present their 42nd Annual Report together with the audited statement of accounts of the Company for the financial year ended 31 March 2013.

OPERATING RESULTS (Rs. in crore)

	2012-13	2011-12
Income from Operations	2076.08	3308.91
Other Income	15.44	13.79
Total Income	2091.52	3322.70
Profit before interest, depreciation and tax	34.83	161.06
Finance Cost	44.00	80.24
Depreciation	43.45	61.21
Excess Liability Written back	1157.75	–
Profit before tax	1105.13	19.61
Provision for tax	–	25.92
Profit/ (Loss) after tax	1105.13	(6.31)

To revive your Company which was affected over the years by under-performance of various investments and considering the need to protect the interest of the stakeholders and employees, a Scheme of Compromise and Arrangement was filed under Section 391 of the Companies Act, 1956 (SCHEME). The SCHEME was approved by the Hon'ble Madras High Court vide its Order dated 16 August 2012. Based on the options exercised by the creditors under the SCHEME, your Company has commenced payment of dues as per the settlement terms of the SCHEME. As of 31 March 2013 an amount Rs.132.76 crore has been paid to the creditors.

During the year under review, the plant could not be run continuously on account of working capital constraints, water and raw-material shortage. The plant was shutdown for a period of 53 days from August to October 2012, due to water shortage arising out of failure of monsoon and stoppage of water supply by Tamil Nadu Water Supply and Drainage Board. Working Capital constraints caused by subsidy disbursement issues affected raw materials supply and led to stoppage of plants from 2 March 2013 onwards to date. These factors affected the production performance of your Company. Urea production achieved during the year 2012-13 was 4,81,820 MTs only compared to 6,20,407 MTs in the previous year. Efforts are being made to augment working capital to enable commencement of operations of your Company's Ammonia and Urea plants.

Your Company recorded a revenue of Rs.2076.08 crore and profit before tax of Rs.1105.13 crore for the current year as against previous year's revenue of Rs.3308.91 crore and profit before tax of Rs.19.61 crore. Previous year's revenue also included revenue from operations of SPIC Maintenance Organisation and Phosphatics Division which were hived off during that year. Hence, the comparable numbers for the previous year would be a revenue of Rs.2455.15 crore and a loss before tax of Rs.13.24 crore. During the year, there was a write back of excess liability of exceptional nature of Rs.1157.75 crore to the Profit and Loss Account, on account of the settlement with creditors under the SCHEME. Your Company therefore posted a profit after tax of Rs.1105.13 crore in comparison to a loss after tax of Rs.6.31 crore in the previous year.

Promoters' contribution :

During the year, the Promoters brought in Rs.65.23 crore by subscribing to Warrants convertible into equity shares, issued on preferential basis and Rs.71.48 crore by way of loans for meeting the Working Capital requirement and payment obligations to the Creditors as per the SCHEME.

Fertilizer Policy – Conversion of Ammonia plant from Naptha to Gas:

As per the proposed "Modified NPS III Policy" for Urea, all Naptha / Fuel Oil based plants producing Urea will be given time till March 2014 to convert to Gas based plants. Your Company has therefore approached the Department of Fertilizers (DoF) for firm allocation of gas to the Unit and to get gas connectivity to the factory in Tuticorin by creating necessary infrastructure. The process involves modification of desulphurising and reforming sections of your Company's Ammonia Plant, besides changing fuel burners to dual burners. To equip itself to receive the gas as and when the pipe line connectivity is established, land has been acquired and the basic engineering completed. Detailed Engineering is nearing completion and the procurement activity for long lead items has been initiated.

Pharmaceuticals Division

After acquisition of the Pen-G Unit by M/s Asset Reconstruction Company (India) Ltd and closure of the API Unit due to restrictions imposed by Pollution Control Board, the Pharmaceuticals Division had in its fold only the Formulations and Enzymes Units. However, due to low demand for Formulation products and uncertain power situation, the Formulations operations were discontinued from 2 April 2012. The Enzymes Unit was sold in December 2012 in view of the business becoming unviable.

Agri-business Division

The performance of the Division which was affected by acute power shortage achieved a turnover of Rs.13.85 crore as against Rs.15.21 crore in the previous year.

SUBSIDIARIES / JOINT VENTURES / INVESTMENTS

SPEL Semiconductor Limited (SPEL)

SPEL accounted sales of Rs.80.77 crore with a loss of Rs.4.55 crore for the year 2012-13. This was owing to global semiconductor sales for 2012 decreasing by 2.6% to US$ 299.9 Billion (according to Gartner Inc), due to poor market condition.

Tamilnadu Petroproducts Limited (TPL)

During the year 2012-13 TPL's revenue from operations was Rs.1281.42 crore against Rs.1248.19 crore in the previous year. TPL incurred a net loss of Rs.50.56 crore vis-a-vis the net profit of Rs.5.94 crore during 2011-12. The company's operations were affected mainly due to crude price increase, escalations in other input costs, dumping, higher cost of alternate power to meet energy shortage, exchange losses, etc. which could not be passed on to the customers on account of competition from overseas suppliers.

Tuticorin Alkali Chemicals and Fertilisers Limited (TAC)

During the year 2012-13, their Plant could be operated only for 235 days, primarily due to non-availability of Carbon-di-oxide from SPIC. The company produced 56,750 MTs of Soda Ash and 50,226 MTs of Ammonium Chloride, representing 49% capacity utilization. The turnover was Rs.155.91 crore with a net loss Rs.21.77 crore. BIFR (Board for Industrial and Financial Reconstruction) proceedings are in progress.

SPIC Fertilizers And Chemicals FZE, Dubai (SFC FZE) and SPIC Fertilizers And Chemicals Ltd., Mauritius (SFCL, Mauritius)

During the first quarter of the financial year 2010-11, as part of recovery process, the Jebel Ali Free Zone Authority (JAFZA) in Dubai, had taken over the land, plant & machinery of SFC FZE and the company did not have any other option in the matter. The Promoters viz., SPIC and the Emirates Trading Agency, Dubai have jointly decided to close the operations of SFC FZE, Dubai.

SPIC Petrochemicals Limited (SPIC Petro)

The assets and effects of SPIC Petro were taken over by the Official Liquidator (OL) during May 2010, Pursuant to Order dated 20 December 2010 passed by the Hon'ble High Court of Madras. ARCIL [Asset Reconstruction Company (India) Limited] took possession of the assets and effects of SPIC Petro during January 2011. On the application filed by Chennai Petroleum Corporation Limited to set aside the above said Order, an interim stay was granted by the Hon'ble High Court of Madras restraining ARCIL from selling the land belonging to SPIC Petro. ARCIL has filed its counter and the case is still pending in the Court.

General exemption under Section 212 of the Companies Act, 1956:

Pursuant to the general exemption granted to companies in the General Circular No. 51/12/2007 dated 8 February 2011 issued by the Ministry of Corporate Affairs, Government of India and the resolution passed by the Board of Directors at its meeting held on 29 May 2013, the Balance Sheet, Statement of Profit and Loss and other documents of the subsidiary companies are not being attached with the Company's Annual Report. However, the financial information of the subsidiary companies is disclosed in the Annual Report in compliance with the above said Circular. The Company will make available the said documents to any Member of the Company, who may be interested in obtaining the same. The said documents will also be kept open for inspection by any Member of the Company / its subsidiary(ies), at the Registered Office of the Company and that of the respective subsidiary companies.

PREFERENTIAL ALLOTMENT OF SECURITIES

1. During the year under review, in line with the rework package approved by Corporate Debt Restructuring Empowered Group,
   - On 27 April 2012, 12,631 Equity Shares of Rs.10/- each at a premium of Rs.9/- per share, fully paid up were allotted to Industrial Investment Bank of India (IIBI) pursuant to the approval of the shareholders at the Annual General Meeting held on 16 November 2011, by way of conversion of debt of Rs.2.40 lac into equity. IIBI later assigned its financial exposure in the Company to M/s Edelweiss Asset Reconstruction Company Limited during July 2012.
   - On 9 November 2012, 72,631 Equity Shares of Rs.10/- each at a premium of Rs.9/- per share, fully paid up were allotted to United India Insurance Company Limited pursuant to the approval of the shareholders at the Annual General Meeting held on 26 September 2012 by way of conversion of debt of Rs.13.80 lac into equity.
2. Your Company allotted equity shares to a company belonging to Promoters' group, on preferential basis, pursuant to the approval of the shareholders at the Annual General Meeting held on 26 September 2012 as detailed below:
   - On 10 January 2013, 74,55,350 Equity Shares of Rs.10/- each were allotted by way of part conversion of 1,49,10,700 Warrants that were issued on 11 October 2012;
   - On 13 March 2013, 74,55,350 Equity Shares of Rs.10/- each were allotted by way of conversion of the balance 74,55,350 Warrants issued under (a) above; and
   - On 13 March 2013, 2,23,66,000 Equity Shares of Rs.10/- each were allotted by way of full conversion of 2,23,66,000 Warrants that were issued on 7 March 2013 on receipt of requisite Exemption Order from SEBI.

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.

SAFETY, HEALTH AND ENVIRONMENT

Won Award for "Longest accident free man-hours worked for the year 2008", from National Safety Council, Tamilnadu Chapter. The online Ambient air quality monitoring system was erected and uploaded to Care Air Centre – Tamil Nadu Pollution Control Board.

DISCONTINUED OPERATIONS

Discontinuance of Formulations and Enzymes operations of Pharma Division are covered under 'Pharmaceuticals Division'.

PUBLIC DEPOSITS

As on 31 March 2013, there were no outstanding public deposits and the overdue unclaimed deposits covering 6 depositors, amounted to Rs. 0.52 lac.

HUMAN RESOURCE DEVELOPMENT

The Company considers its human resources as important assets and endeavours to nurture, groom and retain talent to meet the current and future needs of its business. The Company provides a conducive and challenging work environment and opportunities for professional development of its employees through training and development.

INDUSTRIAL RELATIONS

Industrial Relations in the Company has been cordial during the year under review.

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the requirements of Section 217(2AA) of the Companies Act, 1956, the Directors of the Company declare that:

(i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(ii) the Directors 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 31 March 2013.

(iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

(iv) the Directors have prepared the annual accounts on a 'going concern' basis.

AUDITORS

Your Company's Auditors, Deloitte Haskins & Sells , Chartered Accountants, retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

DIRECTORS

Since the date of the last Directors' Report, Thiru M Jayasankar resigned as Director of the Company. The Board of Directors at their meeting held on 29 May 2013 accepted the resignation of Thiru M Jayasankar and in his place Thiru S Shankar was appointed as an Independent Director in the casual vacancy caused by the resignation. The Board of Directors placed on record the invaluable services rendered by Thiru M Jayasankar during his tenure as Director of the Company.

Thiruvalargal B Narendran and M S Shanmugam, IAS, Directors shall retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-election. In accordance with Clause 49 of the Listing Agreement, Particulars relating to the appointment of Thiruvalargal Narendran and Shanmugam, IAS seeking re-election at the ensuing Annual General Meeting are furnished in the annexure to the Notice.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report for the year under review as stipulated under Clause 49 of the Listing Agreement with the National Stock Exchange of India Limited is presented in a separate section forming part of the Annual Report.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Accounting Standard AS21 on Consolidated Financial Statements read with Accounting Standard AS23 on Accounting for investments in associates in Consolidated Financial Statements and AS27 on Financial reporting of interests in Joint Ventures, the audited Consolidated Financial Statements are provided in the Annual Report. Jebel Ali Free Zone Authorities (JAFZA) had taken over the assets of SFC FZE, Dubai. SPIC Petro is under liquidation as per Order dated 17 April 2009 passed by the Hon'ble Madras High Court. Subsequently, ARCIL took possession of the assets from the Official Liquidator on 4 January 2011. Therefore the financial statements of subsidiary companies, SFCL, Mauritius and SPIC Petro have not been considered for consolidation. However, full provision had already been made in the earlier years. The Consolidated Financial Statements include financial results of other subsidiary companies.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

In terms of Section 217(1)(e) of the Companies Act, 1956, read with Rule-2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988, information relating to conservation of energy is set out in the annexure forming part of this Report. There is no information to provide in respect of technology absorption, foreign exchange earnings and outgo and research and development.

PARTICULARS OF EMPLOYEES

No employee of the Company was in receipt of remuneration in excess of the amount prescribed by Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules,1975, as amended.

COST AUDITOR

Thiru P R Tantri, Cost Accountant, Bengaluru was appointed as the Cost Auditor of the Company for the financial year 2012-13 pursuant to Section 233B of the Companies Act, 1956 to carry out the audit of your Company's cost records. The Cost Audit report for the year ended 31 March 2012 certified by Thiru P R Tantri was filed on 31 January 2013 with the Ministry of Corporate Affairs.

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, other State Governments, Tamilnadu Industrial Development Corporation Limited, Tamilnadu Electricity Board, ARCIL, Financial Institutions and Banks. The Directors appreciate the dedicated and sincere services rendered by all employees of your Company.

For and on behalf of the Board of Directors

Place : Chennai — **ASHWIN C MUTHIAH**

Date : 29 May 2013 — **Chairman**

ANNEXURE TO DIRECTORS' REPORT

Particulars required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988, for the year ended 31 March 2013.

Conservation of energy

An Energy Audit group, consisting of senior executives and certified energy auditors, is focusing on various energy saving measures. This group identifies potential areas for improvement, scans the environment for innovative and reliable solutions and consider proposals for implementation. Efforts are continuously being taken to reduce the energy consumption of the plants.

Energy conservation measures implemented during the year:

- Condensing type steam drives in the reformer has been modified with back pressure type turbine. Along with, steam driven fan and boiler feed water pump at the boiler section was replaced with motor, resulted in an overall Steam savings of 14 MTPH.
- Performance of all pumps and compressors were studied. Various energy saving technologies like provision of VFD, speed reduction, Impeller trimming and smoothening the fluid passage with special coatings were implemented.

FORM A (See Rule 2)

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

			Current Year 2012-2013	Previous Year 2011-2012
A.	**Power and Fuel Consumption**			
1	**Electricity**			
	a) Purchased			
	Unit	MWH	52958.563	81774.182
	Total Amount	Rs. in lacs	3540.05	4138.30
	Rate per Unit	Rs/KWH	6.69	5.06
	b) Own Generation			
	i) through Diesel Generator			
	Unit	MWH	94.07	1041.1
	Unit per litre of Diesel oil	KWH/litre	3.698	3.96
	Diesel oil consumed Ltr.		25438	263033
	Cost per Unit	Rs/KWH	13.01	11.09
	ii) through Steam turbine/ generator			
	Unit	MWH	27412.6	44504.477
	Cost per Unit	Rs/KWH	12.73	12.17
2	**Coal (Specify Quantity & where used)**			
	Quantity	--	--	--
	Total cost	--	--	--
	Average Rate	--	--	--
3	**Furnace oil/LSHS**			
	Quantity	MT in lacs	1.136	1.41
	Total cost	Rs in lacs	55014.65	63142.39
	Average Rate	Rs per MT	48413.60	44790

			Current Year 2012-2013	Previous Year 2011-2012
B.	**Consumption per MT of Production (Energy intensive products only)**			
Ammonia	Production	MT	277320	357291
	Electricity	KWH	51.22	41
	Fuel oil	MT	0.274	0.257
Urea	Production	MT	481820	620407
	Electricity	KWH	115.60	111
	Fuel oil	MT	0.063	0.06
DAP	Production	MT	--	106521
	Electricity	KWH	--	33.4
	Fuel oil	MT	--	0.001
Complex fertiliser	Production	MT	--	124377
	Electricity	KWH	--	44
	Fuel oil	MT	--	0.008
Penicillin-G	Production	MMU	--	--
	Electricity	KWH	--	--
	Fuel oil	MT	--	--

FORM B (See Rule 2)

Nil

CORPORATE GOVERNANCE REPORT (2012-13)

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

As a responsible corporate citizen, your Company is conscious that a business run 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 31 March 2013, the Board of Directors of the Company had 7 (seven) Members. During the financial year 2012-13 viz., from 1 April 2012 to 31 March 2013, 8 (eight) Board meetings were held on 30 May 2012, 31 July 2012, 27 August 2012, 29 October 2012, 12 December 2012, 16 January 2013, 13 February 2013 and 21 March 2013.

Name of the Director, designation and category	Attendance at Board Meetings	Attendance at previous AGM on 26 Sept 2012	No. of other Director-ship(s) (*)	No. of membership in Board/Committees in other companies (**)	
				As Chairman	As Member
Ashwin C Muthiah Chairman Non-Executive Promoter Nominee	6	Yes	4(3)	-	1
M S Shanmugam, IAS TIDCO Nominee Non-Executive Independent	-	No	7 (1)	-	-
T K Arun TIDCO Nominee Non-Executive Independent	7	No	11(1)	-	7
B Elangovan TIDCO Nominee Non-Executive Independent	2	Yes	6	-	2
M Jayasankar Non-Executive Independent	7	Yes	2	1	1
B Narendran Non-Executive Independent	8	Yes	2	3	-
K K Rajagopalan Whole-Time Director Professional	8	Yes	2	1	1
Thirumathi Neeta Mukerji Asset Reconstruction Company (India) Ltd Nominee Non-Executive Independent (up to 30 April 2012)	-	No	2	-	1

(*) includes directorships held in public limited companies only. Directorships held in private companies, foreign companies and companies registered under Section 25 of the Companies Act, 1956 are excluded.

(**) includes only positions held in Audit Committee and Shareholders' / Investors' Grievance 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 Board-Committees or Member of more than ten Board-Committees.

TIDCO is a Public Financial Institution under Section 4A of the Companies Act 1956 and the nominees are also considered Independent.

3. COMMITTEES OF THE BOARD

(a) 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. The Committee provides reassurance to the Board on the existence of effective internal control systems.

TERMS OF REFERENCE

- To oversee the Company's financial reporting process;
- To recommend the appointment and removal of external auditors/fixation of their fees;
- To review the adequacy of the internal control systems;
- To review with the Management, the quarterly, half-yearly and annual financial statements before submission to the Board of Directors;
- To review the adequacy of the internal audit function, reporting structure coverage and frequency of internal audit;
- To review the findings of any internal investigations by the internal auditors and report the matter to the Board of Directors;
- To review the Company's financial and risk management policies; and
- To discuss with the Statutory Auditors periodically about the nature and scope of audit.

COMPOSITION

The Audit Committee comprises of 3 (Three) Members, all being Non-Executive Independent Directors, having sound financial management expertise. During the year, 4 (four) meetings were held on 30 May 2012, 31 July 2012, 29 October 2012 and 13 February 2013. The Statutory Auditors, Internal Auditor, Chief Financial Officer and the Chairman of the Board are 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
M Jayasankar	Chairman	4	Non-Executive Independent
B Narendran	Member	4	Non-Executive Independent
T K Arun	Member	3	Non-Executive Independent

(b) SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

TERMS OF REFERENCE

- To monitor the work relating to transfer, transmission, dematerialization, 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

Thiru M Jayasankar, a Non-Executive Independent Director is the Chairman of the Committee. During the year 9 (nine) meetings were held on 27 April 2012, 17 July 2012, 21 September 2012, 11 October 2012, 9 November 2012, 10 January 2013, 21 February 2013, 7 March 2013 and 13 March 2013.

Name of the Director	Designation	No. of meetings attended	Category
M Jayasankar	Chairman	9	Non-Executive Independent
B Narendran	Member	9	Non-Executive Independent
T K Arun	Member	8	Non-Executive Independent

Investors' complaints received were redressed to the satisfaction of the Investors and SEBI. There were no share transfers pending registration as on 31 March 2013.

Thiru M B Ganesh, Secretary, is the Compliance Officer of the Company.

(c) REMUNERATION COMMITTEE

Remuneration to Whole-time Director is fixed by the Board of Directors, based on the recommendations of the Remuneration Committee. The remuneration of Whole-time Director is recommended, taking into consideration his qualifications, experience and the prevailing remuneration trends in the industry. The Committee is headed by Thiru M Jayasankar, a Non-Executive Independent Director. There was no requirement for a meeting during the year 2012-13.

Name of the Director	Designation	No. of meetings Attended	Category
M Jayasankar	Chairman	NIL	Non-Executive Independent
Ashwin C Muthiah	Member	NIL	Non-Executive Promoter Nominee
B Narendran	Member	NIL	Non-Executive Independent
T K Arun	Member	NIL	Non-Executive Independent

DIRECTORS' REMUNERATION DURING 2012-13

Name of the Director	Salary & Perquisites (*) (Rs.)	Special Allowance Paid/ Payable (Rs.)	Sitting Fees (Rs.)
Ashwin C Muthiah	-	-	60,000
M S Shanmugam (**)	-	-	NIL
T K Arun (**)	-	-	1,80,000
B Elangovan (**)	-	-	20,000
M Jayasankar	-	-	2,00,000
B Narendran	-	-	2,10,000
Thirumathi Neeta Mukerji (**)	-	-	NIL
K K Rajagopalan	35,00,663	-	-

(*) includes Company's contribution to provident/superannuation fund, gratuity and leave encashment.

(**) Paid to the respective financial institution which the Directors represent as Nominees.

The components of remuneration of Thiru K K Rajagopalan as indicated above are fixed. There is no performance-linked incentive. The Company does not have a scheme for grant of stock options either to the Directors or to its employees. The Non-Executive Directors are paid sitting fees and out-of-pocket expenses for attending meetings of the Board/Board Committees.

4. CODE OF CONDUCT

The Code of Conduct applicable to all Board Members and Senior Management Personnel of the Company is a comprehensive code laying down its standards of business conduct, ethics and governance and the compliance of the same has been affirmed by them annually.

5. RECONCILIATION OF SHARE CAPITAL AUDIT

The Company has obtained a certificate from a qualified Practising Company Secretary reconciling the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd., (CDSL) and the total issued and listed capital.

6. ANNUAL GENERAL MEETINGS

DETAILS OF THE LAST THREE ANNUAL GENERAL MEETINGS:

Year	Date	Time	Venue
2010	21 September 2010	2.45 P.M.	Rajah Annamalai Hall, Chennai 600 108
2011	16 November 2011	2.30 P.M	- do -
2012	26 September 2012	10.00 A.M	- do -

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

21 September 2010	Issue and allotment of equity shares, on preferential basis to the secured lenders of the Company, by way of conversion of the Company's secured debt into equity.
16 November 2011	Issue and allotment of equity shares, on preferential basis to a secured lender of the Company by way of conversion of the Company's secured debt into equity.
26 September 2012	Appointment and payment of remuneration to Thiru K K Rajagopalan, as the Whole-time Director of the Company for a period of 2 years from 16 November 2011 to 15 November 2013; Issue and allotment of 1,49,10,700 Convertible Warrants on preferential basis to AMI Holdings Private Limited, a company belonging to Promoter group. Issue and allotment of 2,23,66,000 Convertible Warrants on preferential basis to AMI Holdings Private Limited, a company belong to Promoter group; Issue and allotment of 72,631 equity shares on preferential basis to United India Insurance Company Limited, one of the secured lenders of the Company, by way of conversion of the Company's secured debt into equity.

No resolution was passed through postal ballot during 2012-13.

7. DISCLOSURES

(a) During the financial year 2012-13 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 Exchanges or SEBI or any Statutory Authority on any matter related to capital markets during the last three years.

(c) There was no pecuniary relationship or transaction of the Non-Executive Directors vis-à-vis the Company during the financial year 2012-13.

(d) The Company has over the years followed an 'open door' management style, which provides personnel at all levels access to the top management to share their views and concerns.

(e) The Company has complied with all the mandatory requirements of Clause 49.

(f) Equity Shares of the Company held by Non-Executive Directors as on 31 March 2013:

Thiru Ashwin C Muthiah: 45; Thiru M Jayasankar: 650.

8. MEANS OF COMMUNICATION

The Financial Results of the Company are forwarded to the National Stock Exchange of India Limited immediately upon approval by the Board of Directors and are published in a leading newspaper in English language and Tamil (regional language). The Financial Results and official press releases are posted on the Company's website www.spic.in. In accordance with Listing Agreement requirements, data pertaining to shareholding pattern, quarterly financial results and other details are forwarded to the Stock Exchange.

9. GENERAL SHAREHOLDERS' INFORMATION

(a) DATE, TIME AND VENUE OF ANNUAL GENERAL MEETING : Monday, 2 September 2013 at 3.00 PM at Rajah Annamalai Hall, Chennai 600 108

(b) DATES OF BOOK CLOSURE : Monday, 19 August 2013 to Monday 2 September 2013 (both days inclusive).

(c) DIVIDEND DECLARED : NIL

(d) LISTING ON STOCK EXCHANGES

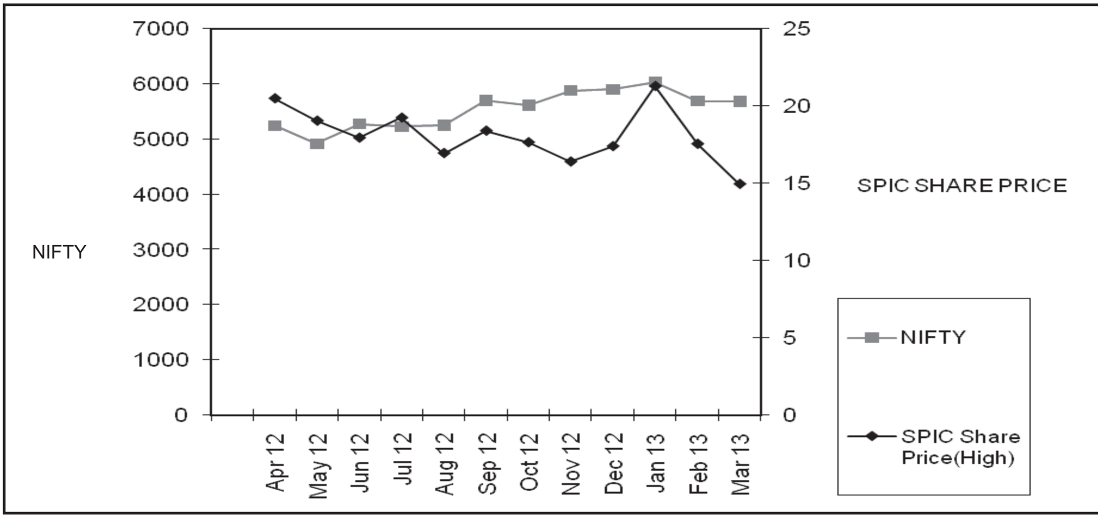
The equity shares of the Company are listed on the National Stock Exchange of India Ltd, Mumbai 400 051 [NSE] [Stock Symbol/ Code: SPIC]. The Global Depository Receipts (GDRs) of the Company are listed at Societe de la Bourse de Luxembourg, Luxembourg. The Company paid the listing fees for the financial year 2012-13 to NSE and Luxembourg Exchange.

Demat International Securities Identification Number (ISIN) for equity shares is INE147A01011 [with National Securities Depository Ltd, and Central Depository Services (India) Ltd].

(e) MARKET/SHARE PRICE DATA (In Rs.)

Month	Apr' 12	May'12	Jun'12	July' 12	Aug' 12	Sep' 12	Oct' 12	Nov' 12	Dec' 12	Jan' 13	Feb' 13	Mar' 13
High	20.50	19.05	17.95	19.25	16.95	18.40	17.65	16.40	17.40	21.30	17.55	14.95
Low	17.50	15.80	15.20	15.45	12.40	13.00	14.70	14.15	15.05	15.25	13.85	12.40

(f) PERFORMANCE OF SPIC'S EQUITY SHARES VIS-À-VIS THE NSE NIFTY INDEX



(g) SHARE TRANSFER SYSTEM

The Shareholders' / Investors' Grievance 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 shareholders and investors received by the Company. During the year, 9 (nine) meetings were held. The entire process including dispatch of share certificates to the shareholders, were completed within the time stipulated under the Listing Agreement.

(i) DISTRIBUTION OF SHAREHOLDING AS OF 31 MARCH 2013

Sl. No	Range	No. of Shares held	% to paid up Capital	No. of Members	% to total Members
1	Up to 500	9124565	4.48	59425	81.61
2	501 - 1000	5467249	2.68	6496	8.92
3	1001 - 2000	5170684	2.54	3288	4.52
4	2001 - 3000	2776759	1.36	1056	1.45
5	3001 - 4000	1886131	0.93	511	0.70
6	4001 - 5000	2706610	1.33	561	0.77
7	5001 - 10000	5271861	2.59	727	1.00
8	10001 and above	171236477	84.09	752	1.03
	Total	**203640336**	**100.00**	**72816**	**100.00**

(ii) SHAREHOLDING PATTERN AS OF 31 MARCH 2013

Particulars	No. of Equity shares held	% to paid-up Capital
PROMOTERS:		
(a) TIDCO	8840000	4.34
(b) Dr M A Chidambaram Group	96331548	47.31
Financial Institutions & Nationalised Banks	5486723	2.69
The Bank of New York Mellon (as depository for Global Depository Receipts)	17066800	8.38
Foreign Institutional Investors	799563	0.39
Non-Resident Individuals	1616628	0.80
Foreign Companies	39800	0.02
Mutual Funds	181674	0.09
Public & Others	73277600	35.98
Total	**203640336**	**100.00**

(h) 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.

(i) DEMATERIALIZATION 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. 16,18,17,394 equity shares, constituting 79.46 per cent of the paid-up equity capital of the Company, stood dematerialized as on 31 March 2013. The Company's equity shares are regularly traded on the National Stock Exchange of India Limited in the compulsory demat form.

(j) 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 'For investors' or on request, will be sent to the Members.

(k) UNCLAIMED SUSPENSE ACCOUNT

As on 27 December 2010, 2,06,122 equity shares of 2,315 shareholders were lying unclaimed with the Company. In compliance with legal provisions, the Company has sent 3 reminders, i.e., on 21 January 2011, 21 March 2011 and 1 June 2011. Till date 430 shareholders have claimed their shares and 211 shareholders have reported loss of original allotment letter. The Company is in the process of despatching Indemnity Bonds to those shareholders who have reported loss of allotment letters. The Company will dematerialize the unclaimed shares and keep it in 'Unclaimed Shares Account'. The voting rights on these shares shall remain frozen till the rightful owners claim the shares.

(l) PLANT LOCATION

Fertilizer Division : SPIC Nagar, Tuticorin 628 005

(m) FINANCIAL CALENDAR (TENTATIVE)

Financial year	:	1 April to 31 March
First quarter results	:	July/August
Half-yearly results	:	October/November
Third quarter results	:	January/February
Annual results	:	April / May 2014
43rd Annual General Meeting	:	September 2014

(n) ADDRESS FOR CORRESPONDENCE

i) 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

ii) SECRETARIAL DEPARTMENT
Southern Petrochemical Industries Corporation Ltd.
SPIC House, 88 Mount Road, Guindy, Chennai 600 032
Phone No.044-22350245; Fax No.044-22350703/22352163
E-mail: (a) General: sectrl.dep@spic.co.in
(b) Investor complaints/grievance redressal: shares.dep@spic.co.in

10. Non-Mandatory Requirements

The Company has adopted non-mandatory requirement relating to setting up of a Remuneration Committee. The Board may consider adoption of the other non-mandatory requirements, when considered appropriate.

DECLARATION ON CODE OF CONDUCT

To the Members of Southern Petrochemical Industries Corporation Limited

Pursuant to Clause 49 D of 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 31 March 2013.

For Southern Petrochemical
Industries Corporation Limited

Place : Chennai
Date : 29 May 2013

K K RAJAGOPALAN
Whole-time Director

AUDITORS’ CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Southern Petrochemical Industries Corporation Limited

We have examined the compliance of conditions of Corporate Governance by Southern Petrochemical Industries Corporation Limited (the “Company”), for the year ended on 31 March 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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

For Deloitte Haskins & Sells
Chartered Accountants
(Registration 008072S)

BHAVANI BALASUBRAMANAIAN
Partner
Membership No.22156

Place : Chennai
Date : 29 May 2013

MANAGEMENT DISCUSSION AND ANALYSIS REPORT 2012-13

India's overall foodgrain production in the 2012-13 crop marketing year ending in June 2013 is expected to be around 250 million tonnes, nine million tonnes less than previous year's record output of almost 259 million tonnes because of an uneven southwest monsoon in most parts of the country. Greater participation by the private sector in Indian agriculture is evidenced through infusion of new technologies such as hybrid seed, crop and soil specific customised fertilizers, bio fertilizers and drip irrigation, combined with water soluble fertilizers.

Fertilizer Industry Scenario

India is the second largest consumer of Urea in the world next to China; however, the average intensity of usage is much lower than most countries. Plants that provide food, fibre, fuel, housing and a host of other benefits to humanity need fertilizers. Forecasts estimate the world's population at nine billion by about 2050. Without fertilizer to boost crop production in the areas already cultivated, we would need to put additional land into production to keep people fed and healthy.

Due to lower unit price of Urea for the farmer, the demand for Urea was higher. This has led to shortage of indigenous Urea forcing the Government to resort to imports. To address the gap between demand and supply situation on a longer perspective, new policy guidelines have been issued by the Government for capacity expansions for brown and Greenfield projects. Cost of production of Fertilizers is high at the plant, owing to higher cost of inputs like naphtha and furnace oil vis-à-vis NG. Though India witnessed a rise in fertilizer consumption over a period of time, domestic production of Urea at 22 million tonnes is about 7 million tonnes short of the actual demand and therefore had to be bridged through imports. The proposed Urea investment policy aims to provide incentives for domestic capacity additions.

Values in MT

	Year	
	2011-12	2012-13
Consumption	29.57	30.04
Production	21.99	22.58
Import	7.83	8.04

Note : Import numbers are based on actual purchase.

Challenges:

Naphtha based units (like SPIC) have been given time till March 2014 for switching over to Natural Gas and the policy is still under review. In respect of the Company's plan to convert from Naphtha as feed stock to gas, in line with the mandate from Department of Fertilizers basic engineering work has been completed and detailed engineering is nearing completion. Orders for all long delivery items have been placed and civil foundation work has also commenced. The Company will be completing the entire conversion project by March 2014.

The Company is in a vantage location closer to a large potential gas field and after the laying of the pipeline, the Company will have considerable share of domestic gas to bring down the cost of production substantially. ONGC has informed that 0.6 MMSCMD of natural gas could be allocated from Ramnad gas field and the firm letter on allocation of gas from Ministry of Petroleum and Natural Gas is awaited.

Company's performance:

During the year, the Company's Urea Plant achieved a production of 4.82 lac MT as against 6.2 lac MT in the previous year. The Company's Urea Plant being part of the 1992 Naphtha group is an energy efficient unit amongst the Naphtha based plants of same vintage. The Company's strong brand image and its loyal dealer network have helped to regain the market leadership after a gap of three and a half years (2007 to 2010), during which period there was no production. The Company achieved a turnover of Rs.2042 crore as against Rs.3308 crore in the previous year.

Fertilizer Policy:

The existing New Pricing Scheme (NPS III) policy for Urea, which was implemented to be effective between October 2006 and March 2010, continues to be in vogue. The Government is contemplating to implement Modified NPS (III) policy providing for an increase in Fixed Cost reimbursement to neutralize the escalation in various costs and also other levies like service tax which was imposed after 2003 on all Urea producers. The policy also envisages incorporation of a provision for increasing the fixed cost on an annual basis linked to appropriate index. There is also a proposal to increase the selling price of Urea by 10% in the first year of the policy and for gradual increase in the selling price thereafter, to reduce the subsidy burden of the Government of India. The GoI has announced New Investment Policy for Urea sector, which will assure Return on Equity (RoE) of 12% on the new investment at the floor price and the ceiling price at a RoE of 20%. On the above basis for Greenfield /Revival of closed units at a delivered gas price of up to USD 6.5 per mmbtu the Floor price is fixed at USD 310 per MT of Urea and the Ceiling price at USD 340 per MT of Urea. For each 0.1 USD per mmbtu revision in delivered gas price, correspondingly the Floor and Ceiling price will vary by USD 2 per MT up to a delivered gas price of USD 14 per mmbtu. In the event of delivered gas price exceeding USD 14 per mmbtu, the floor price to go up by USD 20 per MT of Urea for each dollar increase in the gas price. As per the above policy more than 10 units have submitted their proposals to increase the capacity. However the cost of production of Urea from these new Urea plants are expected to be substantially higher than the imported Urea at the current price of natural gas in the country. GoI has also announced direct disbursement of subsidy to the farmers instead of through industry, which should also improve the competitiveness amongst the industries to supply value added product to the farmers.

Fertilizer Industry in India is going through a transition phase of migrating from price control regime to market driven pricing mechanism (Nutrient Based Subsidy – NBS Scheme).

Internal Control Systems and their adequacy :

The Company has appropriate internal control systems to effectively monitor safety and security of its assets, reliability of financial transactions, adherence to applicable statues, accounting policies, approval procedures and to maximise the utilization of resources. The systems are periodically reviewed and upgraded under the overall supervision and superintendence of Audit Committee. Key audit observations along with recommendations and its implementation are reviewed by the Audit Committee and perused by the Board.

Risk Management

The risk management frame work comprises risk assessment, evaluation and mitigation measures. The potential risks in operational, strategic and financial areas and its impact are assessed continuously. Guidelines are framed for carrying out risk analysis regularly and reporting to Audit Committee, which provides strategic direction on important issues to the Executive Management.

Segment-wise Financial Performance 2012-13 **(Rs. In lac)**

Particulars	Urea Operations	Others	Total
Segment Revenue	205655.28	2055.80	207711.08
Unallocated income			1440.70
Segment results	2956.50	(679.23)	2277.27
Unallocable expenditure net of unallocable income			(112635.94)
Profit before interest and tax			114913.21
Finance cost			4400.27
Profit before taxation			110512.94
Tax relating to earlier years			-
Profit/(Loss) after taxation			110512.94
Capital employed	20967.04	459.02	21426.06
Capital employed (unallocated)			(7614.07)

Financial Performance **(Rs. in Lac)**

	2012-13	2011-12	Increase/(Decrease)
Turnover	209152	332270	(123118)
EBIDTA	3484	13280	(9796)
Less : Interest, Depreciation, Exceptional items & Tax	(107029)	13911	(120940)
Net Profit/(Loss)	110513	(631)	111144

Corporate Social Responsibility

The Company implements several initiatives to benefit various sections of the population, but with the essential focus on the welfare of farmers. These initiatives include extension services for farmers, support to primary and vocational education, improvement of school infrastructure, rural health and support to various organisations dedicated to general social improvement.

(1) **Extension Services** – SPIC's extension services for farmers include soil testing at no cost to the farmers along with a free recommendation for the optimum use of various agri inputs, suggestions on crop patterns and crop combinations and water analysis carried out through the Company's mobile testing laboratory.

During the year, soil health cards with complete history of the soil profile of each identified plot were issued to 6262 numbers of farmers.

(2) **Training to farmers** is continued to be provided on modern farm practices, techniques of allied agricultural activities and income generation and improvement methods. The Company continues to publish its popular bi-monthly farm journal, Pannai Cheidhi Malar for the benefit of farmers. The journal contains engaging articles and information on the relevant and latest technologies and practices in agriculture. The readership of the journal is in excess of 1,00,000.

(3) **Education –** The Company for long has sponsored many programmes in schools aimed at reducing the dropout rate at the primary level. The Company also supports vocational training institutes and has created a sizeable pool of vocational talent and improves the employability of school passing students through the programmes.

The Company associates with its service clubs (Lions & Rotary International) to organise several health camps throughout the year addressing general health, ocular health, diabetes and pulse polio immunisation. A mobile health unit manned by qualified doctors and paramedical staff is deployed in and around Tuticorin to support the health initiatives at orphanages and old age homes in areas like the Cheshire Home and organisations that support the differently abled like the Spastics Society.

Students of both the SPIC Nagar High School and other schools in the area are encouraged to participate in various sports events by having these conducted at SPIC Nagar at the regional, state and national levels.

Cautionary Statement

This Report is based on the 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 dependant on these factors. It may be materially influenced by macro environment changes, which may be beyond the Company's control, affecting the views expressed or perceived in this Report.

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

Report on the Financial Statements

We have audited the accompanying financial statements of **SOUTHERN PETROCHEMICAL INDUSTRIES CORPORATION LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March 2013, 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 Financial Statements

The Company's Management is responsible for the preparation of these 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 Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us the aforesaid 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:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2013;

(b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and

(c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:

(a) We have 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 Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act.

(e) On the basis of the written representations received from the directors as on 31 March 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2013 from being appointed as a director in terms of Section 274(1)(g) of the Act.

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

Bhavani Balasubramanian
Partner
(Membership Number 22156)

Place: Chennai
Date: 29 May 2013

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

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

(i) Having regard to the nature of the Company's business/activities/results during the year, clauses (xii), (xiii), (xiv), (xv), (xix) and (xx) of Paragraph 4 of the Order are not applicable to the Company.

(ii) In respect of its fixed assets:

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

b. The fixed assets were physically verified during the year by the Management in accordance with a regular 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. The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.

(iii) In respect of its inventory:

a. As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.

b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.

c. In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

(iv) In respect of loans, secured or unsecured, taken by the Company from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:

a. The Company has taken loans aggregating Rs.7,147.58 lakhs from two parties during the year. At the year-end, the outstanding balances of such loans taken aggregated Rs. 7,476.74 lakhs (number of parties -two) and the maximum amount involved during the year was Rs. 7,476.74 lakhs (number of parties- two).

b. The rate of interest and other terms and conditions of such loans are, in our opinion, prima facie not prejudicial to the interest of the Company.

c. The payments of principal amounts and interest in respect of such loans are regular/ as per stipulations.

d. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under section 301 of the Companies Act, 1956. Accordingly, clauses 4(iii) (a) to 4(iii) (d) are not applicable

(v) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.

(vi) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:

(a) The particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.

(b) Where each of such transaction is in excess of Rs. 5 lakhs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.

(vii) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956.

(viii) In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.

(ix) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956 and are of the opinion that, prima facie, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determining whether they are accurate or complete.

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

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

(b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax/ Value Added Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31 March 2013 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax/ Value Added Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited as on 31 March 2013 on account of disputes are given below:

Statute	Nature of the Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (Rs. in lakhs)
Central Excise Act, 1944	Excise duty	Commissioner of Central Excise (Appeals) / Customs, Excise and Service Tax Appellate Tribunal	1998-99 to 2006-07	492.18
Finance Act, 1994	Service Tax	Commissioner of Central Excise (Appeals) /Hon'ble Madras High Court	2003-04 to 2008-09, 2010-11	347.40
Sales Tax Act under various State enactments	Local Sales Tax	Deputy Commissioner (Appeals) / Additional Commissioner (Appeals) / Sales Tax Appellate Tribunal	1997-98 to 2007-08, 2009-10	803.80

(xi) The accumulated losses of the Company at the end of the financial year are not less than fifty percent of its net worth and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

(xii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions, banks and debenture holders. Also refer Note 5(iii) to the financial statements.

(xiii) In our opinion and according to the information and explanations given to us, the Company has not availed any term loans during the current year.

(xiv) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have, prima facie, not been used during the year for long- term investment.

(xv) According to the information and explanations given to us, the Company has made preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956 at a price which, in our opinion, is prima facie not prejudicial to the interest of the Company.

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

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

Bhavani Balasubramanian
Partner
(Membership Number 22156)

Place: Chennai
Date: 29 May 2013

BALANCE SHEET AS AT 31 MARCH 2013

(Rupees in lac)

S. No.	Particulars	Note No.	As at 31 March 2013	As at 31 March 2012
A	**EQUITY AND LIABILITIES**			
1	**Shareholders' funds**			
	(a) Share capital	3	**21614.03**	17877.84
	(b) Reserves and surplus	4	**(7802.04)**	(121118.41)
			13811.99	(103240.57)
2	**Non-current liabilities**			
	(a) Long-term borrowings	5	**15401.49**	90298.20
	(b) Other long-term liabilities	6	**10633.33**	2153.96
	(c) Long-term provisions	7	**261.66**	313.69
			26296.48	92765.85
3	**Current liabilities**			
	(a) Trade payables	8	**18135.42**	27069.18
	(b) Other current liabilities	9	**10964.80**	62336.16
	(c) Short-term provisions	10	**671.34**	1179.80
			29771.56	90585.14
	TOTAL		**69880.03**	80110.42
B	**ASSETS**			
1	**Non-current assets**			
	(a) Fixed assets	11		
	(i) Tangible assets		**41213.48**	44761.36
	(ii) Capital work-in-progress		**355.89**	122.77
			41569.37	44884.13
	(b) Non-current investments	12	**4821.93**	4282.37
	(c) Long-term loans and advances	13	**3517.86**	3774.53
			49909.16	52941.03
2	**Current assets**			
	(a) Inventories	14	**5542.33**	8734.24
	(b) Trade receivables	15	**1313.90**	1099.08
	(c) Cash and cash equivalents	16	**3910.00**	1409.79
	(d) Short-term loans and advances	17	**9195.64**	15895.82
	(e) Other current assets	18	**9.00**	30.46
			19970.87	27169.39
	TOTAL		**69880.03**	80110.42
	See accompanying notes forming part of the financial statements			

For and on behalf of the Board of Directors

In terms of our report attached.

For DELOITTE HASKINS & SELLS
Chartered Accountants

BHAVANI BALASUBRAMANIAN
Partner

Place : Chennai
Date : 29 May 2013

ASHWIN C MUTHIAH
Chairman

T K ARUN
Director

S SHANKAR
Director

K K RAJAGOPALAN
Whole-time Director

M B GANESH
Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2013

(Rupees in lac)

S. No	Particulars	Note No.	Year ended 31 March 2013	Year ended 31 March 2012
A	**CONTINUING OPERATIONS**			
1	Revenue from operations (Gross)	19	**207265.75**	244239.13
	Less: Excise duty		**328.11**	379.89
	Revenue from operations (Net)		**206937.64**	243859.24
2	Other income	20	**1543.31**	1151.30
3	**Total revenue (1+2)**		**208480.95**	245010.54
4	**Expenses**			
	(a) Cost of materials consumed	21	**120587.75**	138798.97
	(b) Purchases of stock-in-trade	22	**476.67**	2088.91
	(c) Changes in inventories of finished goods and work-in-progress	23	**907.90**	1279.38
	(d) Employee benefits expense	24	**3801.76**	3967.65
	(e) Finance costs	25	**4400.27**	7988.44
	(f) Depreciation and amortisation expense	11(i)	**4319.37**	4446.49
	(g) Other expenses	26	**78885.00**	88930.59
	Total expenses		**213378.72**	247500.43
5	**Loss before exceptional items and tax (3-4)**		**(4897.77)**	(2489.89)
6	Exceptional items	27	**115775.00**	2401.47
7	**Profit / (Loss) before tax (5 + 6)**		**110877.23**	(88.42)
8	**Tax expense**			
	Current tax relating to prior years		**-**	2592.46
9	**Profit / (Loss) from Continuing Operations after Tax (7-8)**		**110877.23**	(2680.88)
B	**DISCONTINUING OPERATIONS**	28		
10.i	(Loss) / Profit from Discontinuing Operations Before Tax and Exceptional items		**(265.61)**	1624.68
10.ii	Exceptional items		**-**	(663.82)
10.iii	(Loss) / Profit from Discontinuing Operations Before Tax (10.i+10.ii)		**(265.61)**	960.86
10.iv	**(Loss) / Gain on disposal of assets / settlement of liabilities attributable to the discontinuing operations (Net)**		**(98.68)**	1089.23
10.v	**Tax expense of Discontinuing Operations**		**-**	-
11	(Loss) / Profit from Discontinuing Operations After Tax (10.iii+10.iv-10.v)		**(364.29)**	2050.09
12	**Profit / (Loss) after Tax (9+11)**		**110512.94**	(630.79)
13	**Earnings per share of Rs. 10 each before and after extraordinary items**	39		
	(a) Basic			
	(i) Continuing Operations		**65.30**	(1.72)
	(ii) Total Operations		**65.09**	(0.49)
	(b) Diluted			
	(i) Continuing Operations		**65.30**	(1.72)
	(ii) Total Operations		**65.09**	(0.49)
	See accompanying notes forming part of the financial statements			

For and on behalf of the Board of Directors

In terms of our report attached.

For DELOITTE HASKINS & SELLS
Chartered Accountants

BHAVANI BALASUBRAMANIAN
Partner

Place : Chennai
Date : 29 May 2013

ASHWIN C MUTHIAH
Chairman

T K ARUN
Director

S SHANKAR
Director

K K RAJAGOPALAN
Whole-time Director

M B GANESH
Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2013

(Rupees in lac)

S. No.	Particulars	Year ended 31 March 2013		Year ended 31 March 2012	
A.	**CASH FLOW FROM OPERATING ACTIVITIES:**				
	(Loss) / Profit for the year before exceptional items and tax				
	Continuing Operations	**(4897.77)**		(2489.89)	
	Discontinuing Operations	**(364.29)**		1624.68	
			(5262.06)		(865.21)
	Add : Exceptional items				
	Excess Liability written back		**115775.00**		2255.08
	Profit on Sale of Investment		**-**		562.89
	Loss on sale of Business Unit (SMO)		**-**		(1745.56)
	Profit on sale of Business Unit (Phosphatics)		**-**		2166.28
	Profit/(Loss) on Sale of Fixed Assets (Net)		**-**		252.01
	VRS Compensation		**-**		(1179.31)
	Reversal / (Provision) relating to Asset Impairment (Net)		**-**		515.49
	Profit for the year before tax and after exceptional item		**110512.94**		1961.67
	Adjustment for :				
	Depreciation	**4345.30**		6121.13	
	(Profit) / Loss on sale /retirement of assets (Net)	**125.52**		(10.38)	
	Profit on sale of Business Undertakings (Net)	**-**		(420.72)	
	Profit on sale of Investment	**(34.65)**		(562.89)	
	Dimunition in the value of Investments	**366.52**		539.47	
	Excess liability written back	**(115775.00)**		(2255.08)	
	Provision for non-moving inventories	**2.92**		462.80	
	(Reversal) / Provision relating to Asset Impairment (Net)	**-**		(515.49)	
	Provision for doubtful debts and advances	**406.90**		2809.22	
	Liabilities no longer required written back	**-**		(516.90)	
	Provisions no longer required written back	**(1065.52)**		(70.55)	
	Bad debts and advances written off	**0.54**		-	
	Inventory written off	**101.19**		-	
	Exchange difference	**2545.55**		6175.33	
	Interest and Finance Costs	**4400.27**		7884.73	
	Income from investments	**(82.57)**		(216.30)	
	Interest income	**(197.68)**		(259.27)	
			(104860.71)		19165.10
	Operating profit before working capital changes		**5652.23**		21126.77
	Adjustments for :				
	(Increase)/Decrease in trade receivables	**(278.87)**		(8404.08)	
	(Increase)/Decrease in inventories	**3087.81**		(4542.39)	
	(Increase)/Decrease in long-term loans and advances	**(285.80)**		2520.78	
	(Increase)/Decrease in short-term loans and advances	**5616.71**		4412.03	
	(Increase)/Decrease in other current assets	**14.88**		17.65	
	Increase/(Decrease) in long-term liabilities	**107.69**		(51.78)	
	Increase/(Decrease) in long-term provisions	**(52.03)**		33.79	
	Increase/(Decrease) in trade payables	**2965.54**		(12499.95)	
	Increase/(Decrease) in other current liabilities	**(6771.80)**		1491.93	
	Increase/(Decrease) in short-term provisions	**(508.45)**		(321.32)	
	(includes Rs. 63.65 lac of repayment towards 391 scheme)		**3895.68**		(17343.34)
	Cash from operations		**9547.91**		3783.43
	Direct taxes (paid) / Refund received		**240.16**		553.74
	NET CASH FROM OPERATING ACTIVITIES		**9788.07**		4337.17

CASH FLOW STATEMENT (Continued)

(Rupees in lac)

S. No.	Particulars	Year ended 31 March 2013		Year ended 31 March 2012	
B.	**CASH FLOW FROM INVESTING ACTIVITIES :**				
	Purchase of fixed assets	**(1144.86)**		(1722.83)	
	Proceeds from sale of fixed assets	**104.26**		3746.55	
	Proceeds from sale of Business undertakings	**-**		36195.79	
	Income from investments	**82.57**		216.30	
	Proceeds from sale of investments	**100.57**		1342.50	
	Interest income	**197.68**		259.27	
			(659.78)		40037.58
	NET CASH (USED IN) / FROM INVESTING ACTIVITIES		**(659.78)**		40037.58
C.	**CASH FLOW FROM FINANCING ACTIVITIES :**				
	Proceeds from issue of Equity Shares Capital	**6523.42**		-	
	Long term borrowings	**7147.58**		-	
	Repayment of Long term borrowings	**(3746.10)**		(43851.05)	
	Repayment under 391 Scheme	**(13212.36)**		-	
	Deposits paid	**(2.81)**		(2.70)	
	Interest and Finance Costs paid	**(3373.69)**		(3678.26)	
			(6663.96)		(47532.01)
	NET CASH USED IN FINANCING ACTIVITIES		**(6663.96)**		(47532.01)
	NET CASH FLOWS DURING THE YEAR (A+B+C)		**2464.33**		(3157.26)
	Cash and cash equivalents (opening balance) *		**1185.52**		4704.95
	Cash balance relating to Discontinuing Operations		**-**		362.17
	Cash and cash equivalents (closing balance) *		**3649.85**		1185.52
	Disclosure of non cash transactions				
	Unpaid Interest	**1068.43**		4206.48	
	Exchange loss on restatement of FRN liability	**989.31**		2376.25	
	Conversion of Capital advance to investment	**922.00**		-	
	Conversion of Debt into equity	**16.20**		-	
	Excess liability written back	**115775.00**		-	
	Take over of asset resulting in reduction of liability	**-**		3327.15	

* Excludes Margin Money Deposit with Scheduled Banks Rs. 233.64 lac (Previous Year Rs. 223.82 lac) and Escrow account balance of Rs. 26.51 lac (Previous Year Rs. 0.45 lac).

The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discontinuing operations.

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

BHAVANI BALASUBRAMANIAN
Partner

Place : Chennai
Date : 29 May 2013

For and on behalf of the Board of Directors

ASHWIN C MUTHIAH
Chairman

T K ARUN
Director

S SHANKAR
Director

K K RAJAGOPALAN
Whole-time Director

M B GANESH
Secretary

NOTES FORMING PART OF THE THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

Note 1. CORPORATE INFORMATION

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

Note 2 SIGNIFICANT ACCOUNTING POLICIES

i) Basis of 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 notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention except for categories of fixed assets acquired before 1 April, 2006, that are carried at revalued amounts. 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 expenses 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) Cash and cash equivalents (for 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) Fixed Assets and Depreciation

Fixed assets other than Land and Building, Plant and Machinery are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of fixed 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.

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.

Land and Buildings and Plant and Machinery have been 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 with a corresponding credit to Revaluation Reserve Account (Refer Note 11(ii)). Fixed 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.

Depreciation on fixed assets has been provided on Straight Line Method (SLM) as per the rates prescribed in Schedule XIV to the Companies Act, 1956

Assets costing less than Rs.5,000 each are fully depreciated in the year of capitalisation

vi) **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, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. 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, except in case of revalued assets.

vii) **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.

viii) **Inventories**

Inventories are valued at the lower of cost on FIFO/weighted average basis 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.

ix) **Revenue Recognition**

a) Sales are recognised, net of returns and trade discounts, 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) **Other Income**

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

x) **Foreign Currency Transactions**

Foreign currency transactions are recorded at the rate of exchange prevailing on the date of the transaction. Monetary assets and liabilities outstanding at the year-end are translated at the rate of exchange prevailing at the year-end and the gain or loss, is recognized in the Statement of Profit and Loss.

Exchange differences arising on actual payments/realizations and year-end restatements are dealt with in the Statement of Profit and Loss. Investments in Foreign currencies are reported using the exchange rate at the date of the transaction.

xi) **Employee Benefits**

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

a. Defined Contribution Plan

(i) Fixed contributions paid/payable to (a) the Superannuation Fund pertaining to Officers and Executives which is administered by the Company nominated trustees and being managed by Life Insurance Corporation of India, (b) the Superannuation Fund pertaining to staff members which is administered by Company nominated trustees and (c) the Employee State Insurance Corporation (ESIC) are charged to the Statement of Profit and Loss.

Company also contributes to a Government administered Pension Fund on behalf of its employees, which are charged to the Statement of Profit and Loss.

(ii) Fixed Contributions made to the Provident Fund managed by the Regional Provident Fund Commissioner are charged to the Statement of Profit and Loss.

b. Defined Benefit Plan

The liability for Gratuity to employees, as at the Balance Sheet date determined on the basis of actuarial valuation using Projected Unit Credit method, is funded with a Gratuity Trust managed by Company nominated Trustees. The liability thereof paid/payable is absorbed in the Statement of Profit and Loss. The actuarial gains/ losses are recognised in the Statement of Profit and Loss. 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.

c. Long Term Compensated Absences

In respect of long term portion of compensated absences (Leave benefits), the liability is determined on the basis of actuarial valuation using Projected Unit Credit method as on the Balance Sheet date and is provided for.

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 :

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

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

xii) 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 is 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.

xiii) 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”.

xiv. Taxation

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

‘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, deferred tax assets are recognised only if there is virtual certainty 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.

xv) 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.

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) 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.

xviii) 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.

Note 3 Share Capital

(Rupees in lac)

Particulars	**As at 31 March 2013**	As at 31 March 2012
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 (16,62,78,374) Equity shares of Rs.10 each	**20364.03**	16627.84
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	17877.84

3 (i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Issued to secured lenders on conversion of secured debts	Issued on conversion of Convertible Warrants	Closing Balance
Equity shares				
Year ended 31 March 2013				
- Number of shares	166278374	85262	37276700	203640336
- Amount (Rupees in lac)	16627.84	8.53	3727.67	20364.03
Year ended 31 March 2012				
- Number of shares	166278374	-	-	166278374
- Amount (Rupees in lac)	16627.84	-	-	16627.84

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

Class of shares / Name of shareholder	As at 31 March 2013		As at 31 March 2012	
	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	**43678229**	**21.45**	43678229	26.27
The Bank of Newyork Mellon	**17066800**	**8.38**	17183850	10.33
AMI Holdings Private Limited	**37276700**	**18.31**	-	-
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**	500000	58.83
10.00% Redeemable cumulative non-convertible preference shares				
Mrs. Brish Darbari Seth & Dr Manu Seth	**-**	**-**	25000	25.00
Mrs. Brish Darbari Seth & Mrs Dolly Robin Lai	**-**	**-**	25000	25.00
Mrs. Brish Darbari Seth & Mrs Mina Rohit Chand	**-**	**-**	25000	25.00
Mrs. Brish Darbari Seth & Mrs Biya Sanjay Thukral	**25000**	**25.00**	25000	25.00
Ms. Mina Rohit Chand	**25000**	**25.00**	-	-
Mrs. Dolly Lai	**25000**	**25.00**	-	-
Mrs. Sindhu Seth	**25000**	**25.00**	-	-

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' / Investors' 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' / Investors' Grievance Committe held on 9 November 2012.

(f) 3,72,76,700 equity shares of Rs.10 each fully paid up 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 includes a premium of Rs.7.50 per share by way of conversion of 3,72,76,700 warrants (which were issued during the current financial year), at the meetings of Shareholders' / Investors' 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.

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.

(d) 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, 1956 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 2013		As at 31 March 2012	
Capital Reserve		**97.24**		97.24
Capital Redemption Reserve		**6500.00**		6500.00
Securities Premium Account				
Opening balance	**18244.28**		**18244.28**	
Add: Additions during the year				
Premium on shares issued to secured lenders on conversion of secured debts (Refer Note 3(iii)(d & e))	**7.68**		**-**	
Premium on shares issued on conversion of convertible warrants (Refer Note 3(iii)(f)).	**2795.75**		**-**	
		21047.71		18244.28
Debenture Redemption Reserve (Refer Note 4(i) below)		**3800.00**		3800.00
Statutory Reserve		**41.33**		41.33
Surplus / (Deficit) in Statement of Profit and Loss				
Opening balance	**(149801.26)**		(149170.47)	
Add: Profit / (Loss) for the year	**110512.94**		(630.79)	
		(39288.32)		(149801.26)
Total		**(7802.04)**		(121118.41)

4. (i) As against outstanding Debenture liability of Rs. 58.05 lac, Debenture Redemption Reserve of Rs. 3800 lac is available. Hence it is not required to create Debenture Redemption Reserve as required under section 117C of the Companies Act, 1956.

Note 5 Long-term borrowings

Particulars	As at 31 March 2013	As at 31 March 2012
Privately placed non-convertible debentures - secured *	**-**	6833.88
Term loans (Refer Note 5(i))		
From banks - Secured (Refer Note 5(iii))	**2892.44**	7513.49
From Related Parties - Secured	**5718.06**	-
From other parties - Secured ** (Refer Note 5(iii))	**6790.99**	50343.33
Total Long term Borrowings - Secured	**15401.49**	64690.70
From other parties - Unsecured	**-**	25607.50
Total	**15401.49**	90298.20

* Includes Debentures assigned to Asset Reconstruction Company (India) Limited (ARCIL) Rs. Nil (Previous year Rs. 5265.96 lac)

** Includes term loans assigned to ARCIL Rs. Nil (Previous year Rs. 50317.38 lac)

5 (i) (a) Term Loans from other parties are unsecured loans converted as secured loans as per the Court sanctioned Scheme as referred in note 5 (iii) below. Term Loans from Banks and other parties does not bear any interest and are repayable in 45 quarterly instalments as per the Scheme. In line with the Scheme, a Trust has been formed to charge all the Specified Assets in favour of the above creditors and the Company is in the process of releasing the existing charge and creating a fresh charge.

(b) Term Loan from Related Parties bear an interest rate of 20% p.a. and are repayable in 10 equal quarterly instalments. These loans are to be secured by a pari-passu second charge on the Specified Assets and a pari-passu charge on certain other assets of the Company, after creation of charge on all the Specified Assets to banks and other parties as mentioned in Note 5(i) (a) above.

5 (ii) Settlement of dues to creditors:

As the Corporate Debt Restructuring (CDR) Package dated 19 March 2003 did not yield the desired results, secured lenders who held approximately 85.56% in value, assigned the financial assistance granted by them along with the attendant security interests in favour of Asset Reconstruction Company (India) Limited (ARCIL) under the provisions of Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act).

ARCIL and other Financial Institutions have approved the rework package dated 13 March 2010 through Corporate Debt Restructuring (CDR) mechanism (read with Term Sheet of ARCIL dated 28 March 2010 and Addendum dated 29 June 2011 to the Term Sheet). As the Company could not meet certain repayment obligations as per the rework package, the Corporate Debt Restructuring Empowered Group (CDREG) vide its letters dated 26 July 2011 and 5 September 2011 approved modifications and revised the rework package, stipulating certain changes in the repayment schedule. The total payment to ARCIL and other secured lenders as per total revised working upto 31 March 2013 amounted to Rs.130007.17 lac (Previous year Rs.126377.17 lac) including a sum of Rs.3630 lac (Previous Year Rs.43822.02 lac) paid during the year. ARCIL and certain other secured lenders have converted upto 31 March 2013 part of the debts amounting to Rs.5761.20 lac (Previous year Rs.5745 lac) into equity as stipulated in the CDR rework package, including Rs.16.20 lac (Previous year Rs. Nil) converted during the year. They have also converted part of the debt amounting to Rs. Nil (Previous year Rs.203.18 lac) into non-convertible debentures, out of which debentures amounting to Rs.145.13 lac (Previous year Rs.29.03 lac) have been redeemed including a sum of Rs.116.10 lac (Previous year Rs.29.03 lac) redeemed during the year.

5 (iii) The Company filed a Scheme of Compromise and Arrangement with certain creditors under Section 391 and other relevant provisions of the Companies Act, 1956, before the Hon'ble Madras High Court on 14 December 2011 for settlement of their dues. Pursuant to the directions of the Hon'ble Court, the meeting of the creditors of the Company was held on 24 February 2012 at Chennai. The Scheme was approved by the requisite majority and thereafter sanctioned by the Hon'ble Court vide its Order dated 16 August 2012. The effective date of the Scheme was 28 September 2012, being the date on which the Court Order was filed with the Registrar of Companies, Tamilnadu at Chennai.

As per the Court sanctioned Scheme, the Company offered the following settlement Options to its creditors and the settlements were to be made after the Option expiry date :

Option 1 : 60% of settlement liability payable in 46 quarterly instalments.

Option 2 : 22% of the settlement liability payable within 3 years .

Option 3 : An one time settlement equivalent to 18.15% of the settlement liability payable within 45 days. The creditor shall be entitled to pro-rata payment of an additional 1.50% per annum of the settlement liability calculated in days if the settlement liability is credited to the creditor account after 30 June 2012.

While 23% of the creditors had opted for Option 1, 77% of the creditors opted for Option 3. Based on the Options exercised, the first instalment and the final payment to those creditors who had exercised Option 1 and 3 respectively amounting to Rs.13276.01 lac were paid before the due date for payment (i.e.) 6 January 2013. On account of the above settlements / payments, the excess liability of Rs.115775 lac including interest has been written back as an Exceptional Item during the year .

The creditor balances other than term loan are reflected under long term liabilities and trade payables based on repayment schedule specified in the scheme.

Note 6 Other long-term liabilities

(Rupees in lac)

Particulars	**As at 31 March 2013**	As at 31 March 2012
Trade Payables - Secured (Refer Note 5 (iii))	**8371.68**	-
Trade / security deposits received	**1353.73**	1243.58
Liabilities for expenses	**907.92**	910.38
Total	**10633.33**	2153.96

Note 7 Long-term provisions

Particulars	**As at 31 March 2013**	As at 31 March 2012
Provision for employee benefits:		
- Provision for compensated absences	**261.66**	313.69
Total	**261.66**	313.69

(Rupees in lac)

Note 8 Trade payables

Particulars	As at 31 March 2013	As at 31 March 2012
Trade payables:		
- Micro enterprises and small enterprises	**-**	69.98
- Other than Micro enterprises and small enterprises	**17883.96**	26999.20
- Others - Secured (Refer Note 5 (iii))	**251.46**	-
Total	**18135.42**	27069.18

Note 9 Other current liabilities

Particulars	As at 31 March 2013	As at 31 March 2012
Current maturities of long-term debt (Refer Note 9(i) below)	**1778.43**	28462.74
Interest accrued but not due on borrowings	**329.17**	-
Interest accrued and due on borrowings	**-**	18199.76
Unclaimed deposits	**0.52**	3.33
Retention Money	**23.63**	19.29
Other payables		
- Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	**538.04**	145.74
- Liabilities for expenses	**2430.26**	9877.07
- Trade / security deposits received	**871.84**	996.64
- Interest accrued on security deposit	**204.42**	246.27
- Advances from customers and other parties	**4788.49**	4385.32
Total	**10964.80**	62336.16

9 (i) Current maturities of long-term debt (Refer Note 5 (i)-Long term borrowings for details of security)

Particulars	As at 31 March 2013	As at 31 March 2012
Debentures- Secured * (Refer Note 9(ii) below)	**58.05**	890.02
Term loans		
- From banks - Secured (Refer Note 5 (iii))	**86.88**	859.58
- From other parties - Secured		
Related Parties	**1429.52**	-
Others ** (Refer Note 5 (iii))	**203.98**	5626.50
- Unsecured	**-**	21086.64
Total	**1778.43**	28462.74

* Includes Debentures assigned to ARCIL Rs. Nil (Previous year Rs. 588.06 lac)
** Includes term loans assigned to ARCIL Rs. Nil (Previous year Rs. 5623.60 lac)

9 (ii) Details of Privately placed non-convertible debentures (Secured)

Particulars	No. of debentures	Face Value (Rs.)	Current Balance as at		Long Term Balance as at		Due date of redemption	Rate of interest
			31 March 2013	31 March 2012	**31 March 2013**	31 March 2012		
(i) Series VII			-	317.26	-	2689.58		
(ii) Series XIII			-	456.66	-	4086.25		
(iii) Series XIV	41700	100	**41.70**	83.40	-	41.70	30-Jun-13	14%
(iv) Series XV	2250	100	**2.25**	4.50	-	2.25	30-Jun-13	14%
(v) Series XVI	14100	100	**14.10**	28.20	-	14.10	30-Jun-13	14%
Total			**58.05**	890.02	**-**	6833.88		

(Rupees in lac)

Note 10 Short-term provisions

Particulars	As at 31 March 2013	As at 31 March 2012
Provision for employee benefits:		
- Provision for compensated absences	**57.95**	63.80
- Provision for gratuity	**398.41**	626.45
- Provision for superannuation fund	**214.98**	489.55
Total	**671.34**	1179.80

Note 11 Fixed Assets (Previous Year's figures are given in brackets)

Description	Gross block				Accumulated depreciation				Impairment Loss	Net block	
	Opening Balance as at 1 April, 2012	Additions/ Adjustments	Deletions/ Adjustments	Closing Balance as at 31 March, 2013	Opening Balance as at 1 April, 2012	Additions/ Adjustments	Deletions/ Adjustments	Closing Balance as at 31 March, 2013		As at 31 March, 2013	As at 31 March, 2012
Tangible Assets											
(a) Land											
- Freehold	**5899.28**	**-**	**-**	**5899.28**	**-**	**-**	**-**	**-**	**-**	**5899.28**	**5899.28**
	(10199.96)	(-)	(4300.68)	(5899.28)	(-)	(-)	(-)	(-)	(-)	(5899.28)	(10199.96)
- Leasehold	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	(130.19)	(13.54)	(143.73)	(-)	(29.64)	(0.72)	(30.36)	(-)	(-)	(-)	(100.55)
(b) Buildings	**13100.19**	**-**	**252.53**	**12847.66**	**5965.12**	**207.11**	**97.80**	**6074.43**	**-**	**6773.23**	**6977.37**
	(30198.02)	(-)	(17097.83)	(13100.19)	(14441.64)	(364.97)	(8841.49)	(5965.12)	(157.70)	(6977.37)	(15609.17)
(c) Plant and Equipment	**121717.01**	**822.60**	**1061.57**	**121478.04**	**91750.13**	**3915.83**	**792.05**	**94873.91**	**-**	**26604.13**	**29827.17**
	(192947.84)	(1142.74)	(72373.57)	(121717.01)	(138912.18)	(5502.23)	(52664.28)	(91750.13)	(139.71)	(29827.17)	(53410.48)
(d) Furniture and Fixtures	**558.39**	**10.68**	**108.77**	**460.30**	**506.22**	**8.09**	**86.77**	**427.54**	**-**	**32.76**	**46.86**
	(844.75)	(6.96)	(293.32)	(558.39)	(750.05)	(27.13)	(270.96)	(506.22)	(5.31)	(46.86)	(497.98)
(e) Vehicles	**204.03**	**0.16**	**46.51**	**157.68**	**133.34**	**18.39**	**35.35**	**116.38**	**-**	**41.30**	**64.48**
	(326.14)	(78.85)	(200.96)	(204.03)	(215.16)	(24.01)	(105.83)	(133.34)	(6.21)	(64.48)	(110.98)
(f) Office equipments	**7043.69**	**118.35**	**31.01**	**7131.03**	**5551.59**	**174.43**	**25.12**	**5700.90**	**-**	**1430.13**	**1492.10**
	(9636.97)	(145.84)	(2739.12)	(7043.69)	(7587.12)	(162.19)	(2197.72)	(5551.59)	(-)	(1492.10)	(1637.53)
(g) Roads	**218.41**	**-**	**-**	**218.41**	**118.47**	**7.26**	**-**	**125.73**	**-**	**92.68**	**99.94**
	(1171.85)	(-)	(953.44)	(218.41)	(581.80)	(25.65)	(488.98)	(118.47)	(-)	(99.94)	(572.07)
(h) Railway Sidings	**582.26**	**-**	**-**	**582.26**	**228.10**	**14.19**	**-**	**242.29**	**-**	**339.97**	**354.16**
	(582.26)	(-)	(-)	(582.26)	(213.87)	(14.23)	(-)	(228.10)	(-)	(354.16)	(368.39)
Intangible Assets											
- Technical know-how	**161.81**	**-**	**161.81**	**-**	**161.81**	**-**	**161.81**	**-**	**-**	**-**	**-**
	(523.66)	(-)	(361.85)	(161.81)	(403.05)	(-)	(241.24)	(161.81)	(-)	(-)	(-)
Total	**149485.07**	**951.79**	**1662.20**	**148774.66**	**104414.78**	**4345.30**	**1198.90**	**107561.18**	**-**	**41213.48**	
Previous Year	(246561.64)	(1387.93)	(98464.50)	(149485.07)	(163134.51)	(6121.13)	(64840.86)	(104414.78)	(308.93)		**(44761.36)**
Capital Work-in-progress										**355.89**	122.77

Notes:

The Company has reviewed its carrying cost of certain assets relating to the formulations and enzyme units of the erstwhile Pharmaceutical Division and written off their value of Rs. 248.25 lac as these assets were not having any intrinsic value.

Capital Work-in-progress of Rs. 355.89 lac is net of provision of Rs. 140.20 lac.

(Rupees in lac)

11 (i) Depreciation disclosure relating to Continuing and Discontinuing operations

Sl. No.	Particulars	Year ended 31 March 2013	Year ended 31 March 2012
1	Depreciation for the year on tangible assets	**4345.30**	6121.13
2	Depreciation for the year on intangible assets	**-**	-
	Total Depreciation as per Note 11	**4345.30**	6121.13
	Depreciation relating to Continuing operations	**4319.37**	4446.49
	Depreciation relating to Discontinuing operations	**25.93**	1674.64

11 (ii) Certain assets pertaining to Urea operations, Pharmaceutical and Biotechnology divisions were revalued as on 31 March 1996, 31 March 1999, 31 March 2000, 1 April 2002, 1 April 2003 and 31 March 2006 by independent professional valuers and the resultant surplus included in the gross block of fixed assets as on 31 March 2013 is as below:

Assets revalued	Revaluation uplift
Land	5849.23
Buildings	11848.67
Plant and Equipment	80156.42
Furniture and Fixtures	3156.35
Roads	207.47
Railway Sidings	182.91

Note 12 Non-Current Investments

Particulars	As at 31 March 2013			As at 31 March 2012		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
NON-CURRENT INVESTMENTS (At cost)						
OTHER INVESTMENTS (NON - TRADE)						
(a) Investment in equity instruments- fully paid up						
(i) of subsidiaries						
- SPEL Semiconductor Limited						
2,58,11,207 (2,58,11,207) Equity Shares of Rs. 10 each	**7738.98**	**-**	**7738.98**	7738.98	-	7738.98
- 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**	-	18453.62	18453.62
Total Investment in Equity instruments in Subsidiaries	**7738.98**	**18453.62**	**26192.60**	7738.98	18453.62	26192.60
(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 venture companies - 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

Note 12 Non-Current Investments (continued.)

(Rupees in lac)

Particulars	As at 31 March 2013			As at 31 March 2012		
	Quoted	**Unquoted**	**Total**	Quoted	Unquoted	Total
(iv) 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 12 (iii) below)						
5,77,681 (5,77,681) Equity Shares of Rs. 10 each	**-**	**-**	**-**	-	-	-
- State Bank of Bikaner and Jaipur						
3,450 (3,450) Equity Shares of Rs. 10 each	**1.85**	**-**	**1.85**	1.85	-	1.85
- ICICI Bank Limited						
383 (383) Equity Shares of Rs. 10 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
- SPIC Electric Power Corporation Private Limited						
Nil (5,00,000) Equity Shares of Rs. 10 each	**-**	**-**	**-**	-	50.00	50.00
- Biotech Consortium India Limited						
2,50,000 (2,50,000) Equity Shares of Rs. 10 each	**-**	**25.00**	**25.00**	-	25.00	25.00
- Cuddalore SIPCOT Industries Common Utilities Limited						
Nil (15,915) Equity Shares of Rs. 100 each	**-**	**-**	**-**	-	15.92	15.92
- Chennai Willington Corporate Foundation						
50 (50) Equity Shares of Rs. 10 each costing Rs. 450	**-**			-		
- Mercantile Ventures Limited (Refer Note 12 (v) below)						
92,20,000 (Nil) Equity Shares of Rs. 10 each	**-**	**922.00**	**922.00**	-	-	-
Total Investment in Equity instruments in other entities	**2.73**	**26322.00**	**26324.73**	2.73	25465.92	25468.65
(b) Investment in preference shares - fully paid up						
(i) of associates						
- Tuticorin Alkali Chemicals and Fertilisers 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
(c) 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

Note 12 Non-Current Investments (continued.)

(Rupees in lac)

Particulars	As at 31 March 2013			As at 31 March 2012		
	Quoted	**Unquoted**	**Total**	Quoted	Unquoted	Total
(d) 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	**11657.85**	**77644.00**	**89301.85**	11657.85	76787.92	88445.77
Less: Provision for diminution in value of investments	**7783.92**	**76696.00**	**84479.92**	7417.40	76746.00	84163.40
NET VALUE OF INVESTMENTS	**3873.93**	**948.00**	**4821.93**	4240.45	41.92	4282.37
Aggregate amount of quoted investments			**3873.93**			4240.45
Aggregate market value of quoted investments			**3651.08**			5054.00
Aggregate amount of unquoted investments			**948.00**			41.92

12 (i) The Company's investments included Rs. 18453.62 lac (Previous year Rs.18453.62 lac) in equity share capital of SPIC Fertilizer and Chemicals Limited, Mauritius, which had invested in a wholly owned subsidiary company, viz. SPIC Fertilizers and Chemicals FZE, Dubai (SFC FZE, Dubai) in the earlier years, whose objective was production of ammonia and urea in Jebel Ali Free Zone, Dubai. Since the project did not materialize due to non allocation of gas, the said subsidiary company had commenced activities for dismantling the existing plant and machinery at the project site with a view to relocate the same where assured gas supply could be obtained.

As Jebel Ali Free Zone Authorities (JAFZA) had taken over the assets of SPIC Fertilizers and Chemicals (SFC) FZE, Dubai, the holding company SFCL Mauritius lost control over the subsidiary. Full provision has been made for these investments in earlier years. The company is considering writing off the investments in SFCL Mauritius and is in the process of getting the approval of the concerned Regulatory Authorities to write off the aforesaid investment in the books of account.

12 (ii) The 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.

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 alloted 5,77,681 Equity Shares of the face value of Rs. 10 each in SICAGEN India Limited.

12 (iv) The Company promoted SPIC Petrochemicals Limited (SPIC Petro) in 1994-95 for the manufacture of Polyester Filament Yarn (Capacity: 80000 TPA) and Purified Terepthalic Acid (Capacity: 315000 TPA). 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 or repayment of all the term loans to the lenders, whichever is earlier. In view of the pending litigation between Chennai Petroleum Corporation Limited (CPCL) and the Company and the consequent interim injunction granted by the Hon'ble Madras High Court in 1997 to stop implementation of activities, there has been a suspension of activities.

While SPIC Petro was pursuing its revival efforts, the Hon'ble Single Judge of the Hon'ble Madras High Court ordered the winding up of the company on 17 April 2009 and appointed the Official Liquidator to take charge of all the properties and effects of the company, at the time of disposing the winding up petitions filed by certain unsecured creditors.

Against the above winding up order, SPIC Petro filed an appeal and obtained an interim stay from the Division Bench of the Hon'ble Madras High Court on 5 May 2009. After several hearings, the Division Bench vide its order dated 16 December 2009 directed SPIC Petro to pay an amount of Rs.110 lac as part-payment to certain unsecured creditors who have initiated the winding up proceedings before the court, on or before 31 March 2010. Since SPIC Petro was unable to make the above payment on or before 31 March 2010, 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.

However, the Official Liquidator appointed by the Hon'ble Madras High Court had taken over possession of the assets and effects of SPIC Petro on 14 May 2010, in accordance with the order issued by the Division Bench of the Hon'ble Madras High Court on 26 April 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. On an appeal preferred by ARCIL, the Hon'ble Madras High Court vide its order dated 20 December 2010 directed the official Liquidator to hand back the possession of the above mentioned assets to ARCIL, pursuant to which ARCIL took repossession of the same on 4 January 2011.

In view of the above developments, 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.

12 (v) The Company had paid a capital advance of Rs.2091.04 lac (Previous year Rs. 2091.04 lac) to MCC Finance Limited (now known as Mercantile Ventures Limited) in the earlier years, for purchase of certain immovable properties. Consequent to the withdrawal of the pending litigation before the Hon'ble Madras High Court, full provision was made in the accounts during the 1st quarter of the previous year. MCC Finance Ltd., filed a Scheme of Arrangement with its creditors under section 391 and other relevant provisions of the Companies Act, 1956 before the Hon'ble Madras High Court which was sanctioned by the Hon'ble Court vide its Order dt. 18 October 2012.

As per the sanctioned Scheme and the option exercised by the Company, Mercantile Ventures Ltd., has allotted equity shares for a value of Rs.922 lac (92,20,000 equity shares with a face value of Rs.10 each with a premium of Rs.15/-) to the Company against the outstanding capital advance of Rs.2091.04 lac and the balance of Rs.1169.04 lac was charged off to the Statement of Profit and Loss. Consequently provision of Rs. 922 lac already made has been written back to other income during the year.

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

(Rupees in lac)

Particulars	**As at 31 March 2013**		As at 31 March 2012	
Capital advances				
Considered good	**86.55**		275.44	
Doubtful	**-**		2091.04	
	86.55		2366.48	
Less: Provision for doubtful capital advances	**-**		2091.04	
Deposits		**86.55**		275.44
Considered good	**3072.98**		2869.37	
Doubtful	**33.97**		4.12	
	3106.95		2873.49	
Less: Provision for doubtful deposits	**33.97**		4.12	
		3072.98		2869.37
Loans and advances to employees				
Unsecured, considered good	**4.70**		5.79	
Doubtful	**5.35**		5.35	
	10.05		11.14	
Less: Provision for doubtful loans and advances	**5.35**		5.35	
		4.70		5.79
Advance income tax [(Net of provisions Rs. 4135.56 lac (previous year Rs. 4135.56 lac)]		**353.63**		593.79
Balances with government authorities				
Unsecured, considered good	**-**		30.14	
Doubtful	**453.83**		370.27	
	453.83		400.41	
Less: Provision for doubtful receivables	**453.83**		370.27	
		-		30.14
Total		**3517.86**		3774.53

Note 14 Inventories (At lower of cost and net realisable value)

(Rupees in lac)

Particulars	As at 31 March 2013		As at 31 March 2012	
Raw materials		**2510.89**		3604.89
Work-in-progress (Refer Note 14 (i))		**63.69**		735.44
Finished goods (Refer Note 14 (ii))		**100.88**		413.43
Stores and spares	**3524.47**		4626.35	
Goods-in-transit	**36.00**		47.45	
Provision for Non Moving Spares	**(713.61)**	**2846.86**	(710.69)	3963.11
Loose tools		**20.01**		17.37
Total		**5542.33**		8734.24

14 (i) Details of work-in-progress

Particulars	As at 31 March 2013	As at 31 March 2012
Captive ammonia	**-**	681.31
Formulation	**-**	7.96
Tissue Culture	**61.24**	46.15
Others	**2.45**	0.02
Total	**63.69**	735.44

14 (ii) Details of Finished Goods
(Previous Year's figures are given in brackets)

Particulars	OPENING STOCK		CLOSING STOCK	
	Continuing	Discontinuing	Continuing	Discontinuing
Urea	**52.94**		**0.36**	
	(379.93)		(52.94)	
Seeds	**190.25**		**-**	
	(134.06)		(190.25)	
Tissue Culture	**101.80**		**100.52**	
	(107.94)		(101.80)	
Di-Ammonium Phosphate		**-**		**-**
		(35.09)		(-)
Complex Fertiliser (NPK 20:20:20)		**-**		**-**
		(667.25)		(-)
Single Super Phosphate		**-**		**-**
		(498.11)		(-)
Aluminium Fluoride		**-**		**-**
		(31.53)		(-)
Gypsum		**-**		**-**
		(1167.38)		(-)
Others	**-**	**68.44**	**-**	**-**
	(-)	(56.25)	(-)	(68.44)
TOTAL	**344.99**	**68.44**	**100.88**	**-**
	(621.93)	(2455.61)	(344.99)	(68.44)

Note 15 Trade receivables
(Unsecured, Considered Good unless otherwise stated)

(Rupees in lac)

Particulars	As at 31 March 2013		As at 31 March 2012	
Trade receivables outstanding for a period exceeding six months from the date they were due for payment				
Secured, considered good	**-**		3.26	
Unsecured, considered good	**707.73**		254.29	
Doubtful	**890.92**		1034.68	
	1598.65		1292.23	
Less: Provision for doubtful trade receivables	**890.92**		1034.68	
		707.73		257.55
Other Trade receivables				
Secured, considered good	**-**		5.82	
Unsecured, considered good	**606.17**		835.71	
Doubtful	**65.50**		-	
	671.67		841.53	
Less: Provision for doubtful trade receivables	**65.50**		-	
		606.17		841.53
Total		**1313.90**		1099.08

Note 16 Cash and cash equivalents

Particulars	As at 31 March 2013	As at 31 March 2012
Cash on hand	**4.22**	5.34
Cheques, drafts on hand	**0.07**	500.00
Balances with banks		
- In current accounts	**3644.56**	559.24
- In EEFC accounts	**1.00**	0.94
- In deposit accounts	**-**	120.00
- In earmarked accounts		
- Balances held as margin money or security against borrowings, guarantees and other commitments	**233.64**	223.82
- Balance in Escrow Account	**26.51**	0.45
Total	**3910.00**	1409.79
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statement is	**3649.85**	1185.52

Note 17 Short-term loans and advances

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

Particulars	As at 31 March 2013		As at 31 March 2012	
Loans and advances to related parties				
Considered good	**84.57**		35.35	
Doubtful	**4273.97**		4271.02	
	4358.54		4306.37	
Less: Provision for doubtful loans and advances	**4273.97**		4271.02	
		84.57		35.35
Deposits				
Considered good	**10.86**		91.25	
Doubtful	**88.73**		62.92	
	99.59		154.17	
Less: Provision for doubtful deposits	**88.73**		62.92	
		10.86		91.25
Loans and advances to employees				
Considered good	**6.44**		7.49	
Doubtful	**18.37**		20.72	
	24.81		28.21	
Less: Provision for doubtful loans and advances	**18.37**		20.72	
		6.44		7.49
Prepaid expenses		**131.25**		74.00
Subsidy Receivable		**7669.26**		7568.94
Balances with government authorities				
Unsecured, considered good	**694.14**		445.50	
Doubtful	**37.40**		37.40	
	731.54		482.90	
Less: Provision for doubtful receivables	**37.40**		37.40	
		694.14		445.50
Advances to Suppliers		**94.91**		6423.92
Loans and Advances to other parties				
Unsecured, considered good	**504.21**		1249.37	
Doubtful	**548.41**		548.41	
	1052.62		1797.78	
Less: Provision for doubtful loans and advances	**548.41**		548.41	
		504.21		1249.37
Total		**9195.64**		15895.82

17 (i) The loans & advances include certain overdue and unconfirmed balances. However, in the opinion of the Management, these current assets would in the ordinary course of business realize the value as stated in the accounts.

Note 18 Other current assets

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

Particulars	As at 31 March 2013		As at 31 March 2012	
Interest accrued on deposits		**8.93**		9.94
Others				
- Insurance claims				
Considered good	**0.07**		0.07	
Doubtful	**0.71**		0.71	
	0.78		0.78	
Less: Provision for doubtful claims	**0.71**		0.71	
		0.07		0.07
- Others receivables				
Considered good	**-**		20.45	
Doubtful	**79.17**		72.59	
	79.17		93.04	
Less: Provision for doubtful receivables	**79.17**		72.59	
		-		20.45
Total		**9.00**		30.46

Note 19 Revenue from operations

Particulars	**Year ended 31 March 2013**	Year ended 31 March 2012
Sale of products	**27824.64**	37759.61
Subsidy Income	**178066.21**	205462.22
Sales and Services (Refer Note 19(i) below)	**205890.85**	243221.83
Other operating revenues (Refer Note 19(ii) below)	**1374.90**	1017.30
	207265.75	244239.13
Less: Excise duty	**328.11**	379.89
Total	**206937.64**	243859.24

19 (i) Sales and Services

Particulars	**Year ended 31 March 2013**	Year ended 31 March 2012
Manufactured goods		
Urea	**25978.56**	33645.24
Fertiliser and Transport Subsidy (Urea)	**178066.21**	205462.20
Others	**475.73**	3205.51
Traded goods		
Seeds	**816.20**	908.88
Others	**554.15**	-
Total	**205890.85**	243221.83

19 (ii) Other Operating Revenues

Particulars	**Year ended 31 March 2013**	Year ended 31 March 2012
Unclaimed credit balances / Provisions no longer required Written Back	**20.92**	313.29
Facility Sharing Income (Refer Note 38(ii))	**1024.73**	461.62
Sale of scrap	**160.17**	69.78
Other Operating Income	**169.08**	172.61
Total	**1374.90**	1017.30

Note 20 Other income (Rupees in lac)

Particulars	Year ended 31 March 2013	Year ended 31 March 2012
Interest income (Refer Note 20 (i) below)	**197.68**	193.79
Dividend income - from long-term investments:		
Joint venture - Jointly controlled entity	**76.17**	152.34
Others	**6.40**	63.95
Net gain on sale of long-term investments	**34.65**	-
Liabilities / Provision no longer required written back	**972.00**	516.90
Other non-operating income (Refer Note 20 (ii) below)	**256.41**	224.32
Total	**1543.31**	1151.30

20 (i) Interest income

Particulars	Year ended 31 March 2013	Year ended 31 March 2012
Interest from banks deposits	**56.15**	160.01
Other interest	**141.53**	33.78
Total	**197.68**	193.79

20 (ii) Other non-operating income

Particulars	Year ended 31 March 2013	Year ended 31 March 2012
Rental income	**256.41**	174.32
Miscellaneous income	**-**	50.00
Total	**256.41**	224.32

Note 21 Cost of materials consumed

Particulars	Year ended 31 March 2013	Year ended 31 March 2012
Opening stock	**3492.07**	2126.22
Add: Purchases	**119606.57**	140164.82
	123098.64	142291.04
Less: Closing stock	**2510.89**	3492.07
Total	**120587.75**	138798.97

21 (i) Raw materials consumed

Particulars	Year ended 31 March 2013	Year ended 31 March 2012
Naphtha	**120587.75**	138798.97
Total	**120587.75**	138798.97

22 Purchase of Stock-in-trade

Particulars	Year ended 31 March 2013	Year ended 31 March 2012
Ammonium Chloride	**-**	488.27
Zinc Sulphate	**-**	618.35
Micro Nutrients	**-**	184.34
Seeds	**285.12**	692.71
Others	**191.55**	105.24
Total	**476.67**	2088.91

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

(Rupees in lac)

Particulars	Year ended 31 March 2013	Year ended 31 March 2012
Inventories at the beginning of the year:		
Finished goods	**344.99**	627.55
Work-in-progress	**727.48**	1724.30
	1072.47	2351.85
Inventories at the end of the year:		
Finished goods	**100.88**	344.99
Work-in-progress	**63.69**	727.48
	164.57	1072.47
Net decrease	**907.90**	1279.38

Note 24 Employee benefits expense

Particulars	Year ended 31 March 2013	Year ended 31 March 2012
Salaries and wages	**3111.51**	3013.27
Contributions to provident and other funds	**172.71**	185.12
Contribution to gratuity	**5.61**	232.82
Contribution to superannuation funds	**91.33**	134.51
Staff welfare expenses	**420.60**	401.93
Total	**3801.76**	3967.65

Note 25 Finance costs

Particulars	Year ended 31 March 2013	Year ended 31 March 2012
Interest expense on:		
- Borrowings	**385.51**	7670.77
- Trade payables / Trade advances	**3689.10**	14.40
- Deposits	**139.74**	177.49
- Others	**72.03**	22.05
Other borrowing costs	**113.89**	103.73
Total	**4400.27**	7988.44

Note 26 Other expenses

(Rupees in lac)

Particulars	Year ended 31 March 2013		Year ended 31 March 2012	
Consumption of stores and spare parts		**546.31**		780.54
Packing, transportation and handling		**6957.10**		6950.44
Increase / (decrease) of excise duty on inventory		**0.57**		(36.30)
Power and fuel		**58873.87**		65765.43
Water		**1942.90**		709.06
Rent		**446.42**		368.16
Repairs to				
- Buildings	**352.36**		242.50	
- Machinery	**990.19**		1032.19	
- Others	**280.71**		320.75	
		1623.26		1595.44
Insurance		**218.40**		311.13
Rates and taxes		**95.71**		99.83
Travelling and conveyance		**361.69**		456.51
Marketing service charges		**903.37**		400.50
Rebates and discount		**2318.82**		2693.00
Sales promotion expenses		**21.70**		5.21
Professional fees		**610.72**		849.28
Payment to auditors (Refer Note 26 (i) below)		**33.12**		62.04
Bad trade and other receivables, loans and advances written off	**1250.10**		215.38	
Less: Transfer from Provision	**1250.00**		215.38	
		0.10		-
Profit / (Loss) on fixed assets sold / scrapped / written off		**28.35**		(4.23)
Investment written off	**-**		270.60	
Less: Transfer from Provision	**-**	-	270.60	-
Net loss on foreign currency transactions and translation		**2555.27**		4170.58
Provision for doubtful trade and other receivables, loans and advances (net)		**246.94**		2492.93
Provision for diminution in value of Investment		**366.52**		539.47
Miscellaneous expenses		**733.86**		721.57
Total		**78885.00**		88930.59

26 (i) Payment to Auditors

Particulars	Year ended 31 March 2013	Year ended 31 March 2012
Payments to the auditors comprises (net of service tax input credit, where applicable):		
- As auditors - statutory audit	**25.00**	30.00
- For other services	**7.50**	31.07
- Reimbursement of expenses	**0.62**	0.97
Total	**33.12**	62.04

Note 27 Exceptional items

(Rupees in lac)

Particulars	Year ended 31 March 2013	Year ended 31 March 2012
Excess Liability written back (Refer Note 5(iii))	**115775.00**	2255.08
Profit on Sale of Investment	**-**	562.89
Profit / (Loss) on Sale of Fixed Assets	**-**	(416.50)
Total	**115775.00**	2401.47

Note 28 <u>Discontinuing Operations</u>

28 (i) The operations of the Formulations Industrial Unit at Maraimalai Nagar were discontinued with effect from 2 April 2012 due to low demand for its products in the domestic and export markets and uncertain power situation. Certain assets relating to the above unit were disposed off during the year and the loss of Rs.11.28 lac has been included in "(Loss)/Gain on disposal of assets".

28 (ii) The operations of Enzyme Unit of the Pharmaceutical Division were discontinued during the year in view of its uneconomical business size, constraints in fund infusion/restart-up of the operations after being relocated from various places and paucity of working capital. Certain assets of the above unit were sold on 18 December 2012 based on an Asset Sale Agreement and the loss arising out of such sale amounting to Rs.87.40 lac is included in "(Loss) / Gain on disposal of assets".

28 (iii) Notes to Discontinuing Operations - for the year ended 31 March 2013

S. No	Particulars	Discontinuing		
		Bulk Drugs and Formulations	**Enzymes**	**Total**
1	Revenue from operations (Gross)	313.30	381.99	695.29
	Less: Excise duty	0.97	23.49	24.46
	Revenue from operations (Net)	**312.33**	**358.50**	**670.83**
2	**Expenses**			
	(a) Cost of materials consumed	-	85.69	85.69
	(b) Purchases of stock-in-trade	-	107.62	107.62
	(c) Changes in inventories of finished goods and work-in-progress	36.68	20.20	56.88
	(d) Employee benefits expense	123.93	137.09	261.02
	(e) Depreciation and amortisation expense	10.67	15.26	25.93
	(f) Other expenses	179.35	219.95	399.30
	Total expenses	**350.63**	**585.81**	**936.44**
3	**Loss from Discontinuing Operations (1 - 2)**	**(38.30)**	**(227.31)**	**(265.61)**
4	Loss on disposal of assets / settlement of liabilities attributable to the discontinuing operations	(11.28)	(87.40)	(98.68)
5	**Loss before and after tax (3 + 4)**	**(49.58)**	**(314.71)**	**(364.29)**

28 (iv) Notes to Discontinuing Operations - for the year ended 31 March 2012

(Rupees in lac)

S. No	Particulars	Discontinuing				
		Phosphatic Operations	Bulk Drugs and Formulations	Enzymes	SMO	Total
1	Revenue from operations (Gross)	67647.38	1187.15	475.33	18167.80	87477.66
	Less: Excise duty	438.83	-	6.59	-	445.42
	Revenue from operations (Net)	67208.55	1187.15	468.74	18167.80	87032.24
2	Other income	159.17	-	-	68.08	227.25
3	**Total revenue (1+2)**	**67367.72**	**1187.15**	**468.74**	**18235.88**	**87259.49**
4	**Expenses**					
	(a) Cost of materials consumed	49961.22	405.40	79.08	-	50445.70
	(b) Purchases of stock-in-trade	-	2.42	190.89	-	193.31
	(c) Changes in inventories of finished goods and work-in-progress	1040.23	(29.45)	9.28	(769.06)	251.00
	(d) Employee benefits expense	1364.96	328.81	148.86	497.26	2339.89
	(e) Finance costs	11.53	-	-	24.32	35.85
	(f) Depreciation and amortisation expense	955.11	640.76	17.66	61.11	1674.64
	(g) Other expenses	11254.24	958.96	143.28	18337.94	30694.42
	Total expenses	**64587.29**	**2306.90**	**589.05**	**18151.57**	**85634.81**
5	**Profit / (Loss) before exceptional items and tax (3 - 4)**	**2780.43**	**(1119.75)**	**(120.31)**	**84.31**	**1624.68**
6	Exceptional items					
	(a) VRS Compensation	-	(1179.31)	-	-	(1179.31)
	(b) Reversal / (Provision) relating to Asset Impairment (Net)	-	633.10	(117.61)	-	515.49
7	**Profit / (Loss) from Discontinuing Operations (5 + 6)**	**2780.43**	**(1665.96)**	**(237.92)**	**84.31**	**960.86**
8	Gain / (Loss) on disposal of assets / settlement of liabilities attributable to the discontinuing operations	2166.28	668.51	-	(1745.56)	1089.23
9	**Profit / (Loss) before and after tax (7 + 8)**	**4946.71**	**(997.45)**	**(237.92)**	**(1661.25)**	**2050.09**

28 (v) Carrying Value of Assets and Liabilities of Discontinuing Operations as at 31 March 2013 with Comparative Previous Year figures

Particulars	Bulk Drugs and Formulations	Enzymes	Total
Total Assets			
31 March 2013	**-**	**123.23**	**123.23**
31 March 2012	566.18	366.88	933.06
Total Liabilities			
31 March 2013	**221.20**	**5.73**	**226.93**
31 March 2012	802.38	45.60	847.98

28 (vi) Cash Flow of Discontinuing Operations for the Year ended 31 March 2013 with Comparative Previous Year figures.

(Rupees in lac)

Particulars	Agro Inputs (Phosphatic operations)	Bulk Drugs and Formulations	Enzymes	SMO	Total
Cash flow from / (used in) Operating Activities					
31 March 2013	**-**	**(160.03)**	**(180.02)**	**-**	**(340.05)**
31 March 2012	8507.52	(1450.88)	(119.93)	(357.36)	6579.35
Cash flow from Investing Activities					
31 March 2013	**-**	**52.65**	**17.26**	**-**	**69.91**
31 March 2012	30360.01	3080.01	137.98	4818.74	38396.74
Cash flow used in Financing Activities					
31 March 2013	**-**	**-**	**-**	**-**	**-**
31 March 2012	(0.02)	-	-	-	(0.02)

Note 29

(i) Due to failure of Southwest monsoon, there was an acute water scarcity in the Southern parts of Tamilnadu. Tamilnadu Water Supply and Drainage Board (TWAD) had discontinued supply of water to the Tuticorin Plant due to which production of Urea was stopped effective 12 August 2012. The production was resumed on 4 October 2012 after commencement of partial supplies by TWAD.

(ii) There has been delay in the disbursement of fertilizer subsidy by the Department of Fertilizers, Government of India, during February and March 2013, due to which the payments to Indian Oil Corporation (IOC) for raw material supplies could not be made before the stipulated due dates, resulting in shutdown of the Nitrogenous plants with effect from 2 March 2013 to till date. The Company is in discussion with the Dept. of Fertilizers, Govt. of India, for the renewal of fertilizer subsidy on a priority basis and also renegotiating with IOC for better credit terms for raw material supplies. The Company is hopeful of recommencing the operations of the Nitrogenous plants at Tuticorin after the resumption of raw material supplies by IOC.

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. 1544.20 lac (Previous year Rs. 362.90 lac).

(b) Confirmed sales commitments to be fulfilled within one year as on 31 March 2013 is Rs. Nil (Previous year Rs.1800 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 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 37 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.1633.70 lac (Previous year Rs.1242.70 lac) is not acknowledged as debt, as this differential value from April 2009 to March 2013 is not supported by any Government Order and also the other beneficiaries are objecting to such claims of TWAD.

(iii) The Superintending Engineer, Tamilnadu Generation and Distribution Corporation Limited (TANGEDCO), Cuddalore, vide letter dated 19 April 2012 has claimed Rs. 155.48 lac (Previous year Rs. 155.48 lac) towards outstanding dues relating to the erstwhile Pen-G unit of the Pharmaceutical Division at Cuddalore. The Company has requested TANGEDCO authorities to inform the basis of the above claim for taking further action.

(iv) Other claims against the Company, which are being disputed / challenged before the Courts – Rs. 4379.04 lac (Previous year Rs. 4304.95 lac).

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

(b) Guarantees / Security given to Banks / Financial Institutions on behalf of other companies Rs.4500 lac (Previous year Rs.4500 lac)

(c) Other Bank Guarantees outstanding Rs.781.78 lac (Previous year Rs. 781.78 lac).

(d) Cumulative amount of Preference Dividend and Dividend Tax thereon not provided for the period from 1 April 2001 to 31 March 2013 is Rs.2465.04 lac (Previous year Rs. 2288.09 lac)

(e) 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.

Name of the Statute	Nature of the Dues	Period to which the amount relates	Amount (Rs. in lac)	Forum where pending
Central Excise Act, 1944	Excise duty	1998-99 to 2006-07	**537.01** (391.46)	Commissioner of Central Excise (Appeals) / Customs, Excise and Service Tax Appellate Tribunal (CESTAT)
Finance Act, 1994	Service Tax	2003-04 to 2004-05 2008-09 2010-11	**347.40** (140.55)	Commissioner of Central Excise (Appeals) CESTAT/Hon'ble Madras High Court
Sales Tax Act under various State enactments	Local Sales Tax	1996-97 to 2009-10	**925.32** (804.24)	Additional/Deputy Commissioner (Appeals) / Sales Tax Appellate Tribunal. Hon'ble AP and Mardas High Court.
Tamilnadu Electricity (Taxation on Consumption) Act, 1962	Electricity Tax	1985-86 to 1993-94	**1050.54** (1050.54)	Division Bench of the Hon'ble Madras High Court
Employees State Insurance Act *	ESI dues	1977 to 2003	**11314.49** (11061.40)	ESI Court / Hon'ble Madras High Court
Total			**14174.76** (13448.19)	

* 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.14174.76 lac (Previous year Rs. 13448.19 lac), an amount of Rs.875.31 lac (Previous year Rs.864.92 lac) has been deposited under protest / adjusted by relevant authorities.

Note 32 Disclosure as per Accounting Standard 15 (Revised)

Disclosures required under this standard are given below:

a) Movement of Gratuity (Rupees in lac)

Particulars	2012-13	2011-12
Projected Benefit Obligation as of 1 April 2012	**1481.95**	1722.27
Service cost	**62.17**	156.00
Interest cost	**108.26**	122.86
Actuarial Loss	**(306.06)**	47.37
Settlement Cost	**-**	(186.07)
Benefits paid	**(262.39)**	(380.48)
Projected Benefit Obligation as of 31 March 2013	**1083.94**	1481.95
Amount recognised in the Balance Sheet:		
Projected benefit obligation at the end of the year	**1083.94**	1481.95
Fair value of plan assets at the end of the year	**1085.74**	992.06
Liability recognised in the Balance Sheet	**(1.80)**	489.89

(Rupees in lac)

Particulars	2012-13	2011-12
Cost of defined plan for the year		
Current service cost	**62.17**	155.99
Interest on obligation	**108.26**	122.86
Expected return on plan assets	**(79.52)**	(110.69)
Net actuarial gain (loss) recognized in the year	**(316.35)**	660.22
Settlement – Transfer out	**-**	(186.08)
Net cost recognized in the Statement of Profit and Loss	**(225.44)**	642.30

Particulars	2012-13	2011-12
Fair value of plan assets at the beginning	**992.06**	1277.27
Expected return on plan assets	**79.52**	110.69
Contribution	**266.27**	597.42
Benefits paid (claim settled)	**(262.39)**	(380.48)
Actuarial gain / (loss) on plan assets	**10.29**	(612.84)
Fair value of plan assets at the end of the financial year	**1085.75**	992.06

b) Mean Financial Assumptions

Particulars	2012-13	2011-12
Discount Rate	**8%**	8%
Salary escalation rate	**7.5%**	7.5%
Demographic assumptions – Mortality	**IALM (2006-08) Ult**	LIC 94-96 rates
Demographic assumptions – Withdrawal	**3%**	3%

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

In the absence of relevant information from the actuary, the above details do not include the composition of plan assets.

The details of the experience adjustment arising on account of planned assets and liabilities as required by para 120(n)(ii) of AS 15 (revised) on employee benefits are not available in the valuation report and hence are not furnished.

Estimate of amount of contribution in the immediate next year is Rs. 72 lac.

Note 33 (i) Expenditure in Foreign Currency (Rupees in lac)

Particulars	Year ended 31 March 2013	Year ended 31 March 2012
Royalty	**39.10**	50.01
Professional & Consultancy Fees	**262.38**	303.54
Finance and Other Charges	**-**	414.09
Travelling	**8.38**	20.73
Other matters	**23.48**	9.63

33 (ii) Earnings in Foreign Currency

Particulars	Year ended 31 March 2013	Year ended 31 March 2012
Export on FOB basis	**24.90**	1036.97
Other income	**-**	30.92

(Rupees in lac)

33 (iii) Value of Imports calculated on CIF Basis

Particulars	Year ended 31 March 2013	Year ended 31 March 2012
Raw Materials (C&F)	**27.18**	29317.48
Fuel Oil (C&F)	**18894.49**	22547.67
Components & Spare Parts	**44.26**	98.32
Finished Goods	**30.10**	-

33 (iv) Details of consumption of Imported & Indigenous items

Particulars	Year ended 31 March 2013		Year ended 31 March 2012	
	Raw Materials	Components & Spare parts	Raw Materials	Components & Spare parts
Imported	**27.18**	**81.74**	29254.52	94.60
Indigenous	**120646.26**	**489.41**	159990.14	901.19

Note 34 The Company has reviewed its deferred tax assets and liabilities as at 31 March 2013. The Company has carry forward losses and unabsorbed depreciation, which give rise to deferred tax asset of Rs.30068.10 lac (Previous Year Rs.28458.84 lac) . However in the absence of virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized, the said deferred tax asset that can be recognized is restricted to the net deferred tax liability of Rs. 1848.15 lac (Previous Year Rs. 615.57 lac) as given below. Accordingly, there is no net deferred tax asset or liability as at 31 March 2013 to be accounted for.

Particulars	Year ended 31 March 2013	Year ended 31 March 2012
Depreciation	**2640.64**	2048.33
Subsidy	**248.43**	280.55
Deferred tax liability	**2889.07**	2328.88
Provision for doubtful debts	**784.38**	1407.20
VRS Compensation	**256.54**	306.11
Carry forward business losses and unabsorbed depreciation restricted to	**1848.15**	615.57
Deferred tax asset	**2889.07**	2328.88

Note 35 There is no provision for tax under Sec 115-JB of the Income Tax Act 1961 on the basis of adjustments permissible under that section and is also supported by the legal opinion obtained by the Company. No provision for tax is required to be made under other provisions of the aforesaid Act, in view of the carry forward losses / unabsorbed depreciation.

Note 36 SEGMENT REPORTING

Primary Segment Information (Business segments)

Particulars	Continuing		Discontinuing				Total
	Agro Inputs (Urea operations)	Others (Agribusiness)	Agro Inputs (Phosphatic operations)	Bulk Drugs and Formulations	SMO	Others (Enzymes)	
Segment revenue							
Sales to external Customers	**204192.39**	**1370.35**	**-**	**20.06**	**-**	**328.91**	**205911.71**
	(241347.06)	(1494.88)	(66784.63)	(987.02)	(18165.95)	(464.14)	(329243.68)
Operating Income	**1360.28**	**14.61**	**-**	**292.28**	**-**	**29.59**	**1696.76**
	(945.57)	(26.02)	(423.92)	(200.13)	(1.85)	(4.60)	(1602.09)
Other Income	**102.61**	**-**	**-**	**-**	**-**	**-**	**102.61**
	(35.61)	(-)	(159.17)	(-)	(68.08)	(-)	(262.86)

Note 36 SEGMENT REPORTING (continued)

(Rupees in lac)

Particulars	Continuing		Discontinuing				Total
	Agro Inputs (Urea operations)	Others (Agribusiness)	Agro Inputs (Phosphatic operations)	Bulk Drugs and Formulations	SMO	Others (Enzymes)	
Unallocated income							**1440.70**
							(1161.40)
Inter segment Revenue	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Total Revenue	**205655.28**	**1384.96**	**-**	**312.34**	**-**	**358.50**	**209151.78**
	(242328.24)	(1520.90)	(67367.72)	(1187.15)	(18235.88)	(468.74)	(332270.03)
Elimination of inter segment sales	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Total Net Revenue	**205655.28**	**1384.96**	**-**	**312.34**	**-**	**358.50**	**209151.78**
	(242328.24)	(1520.90)	(67367.72)	(1187.15)	(18235.88)	(468.74)	(332270.03)
Segment results	**2956.50**	**(314.94)**	**-**	**(49.58)**	**-**	**(314.71)**	**2277.27**
	(13673.08)	(-23.62)	(4958.23)	(-997.45)	(-1636.94)	(-237.92)	(15735.38)
Unallocated expenditure net of unallocated income							**(112635.94)**
							(5749.43)
Profit / (Loss) before interest and taxation							**114913.21**
							(9985.95)
Finance Cost							**4400.27**
							(8024.28)
Profit / (Loss) before taxation							**110512.94**
							(1961.67)
Tax expense							**-**
							(2592.46)
Profit / (Loss) after Taxation							**110512.94**
							(-630.79)
Other Information							
Segment assets	**47601.78**	**801.22**	**-**	**-**	**-**	**123.23**	**48526.23**
	(58521.35)	(1162.55)	(-)	(566.18)	(-)	(366.88)	(60616.96)
Unallocated corporate Assets							**21353.81**
							(19493.45)
Total Assets							**69880.04**
							(80110.41)

Note 36 SEGMENT REPORTING (continued) (Rupees in lac)

Particulars	Continuing		Discontinuing				Total
	Agro Inputs (Urea operations)	Others (Agribusiness)	Agro Inputs (Phosphatic operations)	Bulk Drugs and Formulations	SMO	Others (Enzymes)	
Segment liabilities	**26634.74**	**238.50**	**-**	**221.20**	**-**	**5.73**	**27100.17**
	(27108.78)	(227.98)	(-)	(802.38)	(-)	(45.60)	(28184.74)
Unallocated corporate Liabilities							**28967.88**
							(155166.24)
Total Liabilities							**56068.05**
							(183350.98)
Primary Segment Information (Business Segments)							
Capital expenditure (allocable)	**1234.97**	**26.12**	**-**	**-**	**-**	**22.57**	**1283.66**
	(374.13)	(5.96)	(182.42)	(1.47)	(843.49)	(4.37)	(1411.84)
Capital expenditure (Unallocable)							**50.08**
							(82.89)
Depreciation (allocable)	**4145.61**	**36.46**	**-**	**10.67**	**-**	**15.26**	**4208.00**
	(4253.81)	(55.85)	(955.11)	(640.76)	(61.11)	(17.66)	(5984.30)
Depreciation (Unallocable)							**137.30**
							(136.83)
Non-cash expenditure other than depreciation (allocable)	**172.87**	**0.22**	**-**	**156.06**	**-**	**122.65**	**451.80**
	(-11.78)	(-)	(859.49)	(136.05)	(-)	(29.19)	(1012.95)
Non-cash expenditure other than depreciation (unallocable)							**474.98**
							(3031.05)

Secondary segment Information (Geographical Segments)	Revenue	Carrying amount of segment assets	Capital Expenditure
Within India	**207686.18**	**48526.23**	**1283.66**
	(330071.66)	(60616.96)	(1411.84)
Outside India	**24.90**	**-**	**-**
	(1036.97)	(-)	(-)
Total	**207711.08**	**48526.23**	**1283.66**
	(331108.63)	(60616.96)	(1411.84)

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:

Continuing

(i) Agro inputs - Urea Operations

(ii) Others - Tissue culture and Seeds

Discontinuing

(i) Bulk drugs and formulations - includes Penicillin-G and formulations

(ii) Others - Enzymes

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 expenditure net of unallocated income.”

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 37 (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 2 SPIC Fertilizers and Chemicals FZE, Dubai 3 SPEL Semiconductor Limited 4 SPEL America Inc., USA
Associates	1 Tuticorin Alkali Chemicals and Fertilisers 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. K K Rajagopalan
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 6 Bengal Auto Parts Private Limited 7 Sicagen India Limited 8 Wilson Cables Private Limited, Singapore

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

S.No	PARTICULARS	RELATIONSHIP	As at 31 March 2013	As at 31 March 2012
A	**BALANCE OUTSTANDING AS AT 31.03.2013**			
	(a) Receivables including Advances			
	SPEL Semiconductor Limited	Subsidiary	**0.36**	0.36
	SPIC Fertilizers and Chemicals FZE, Dubai*	Subsidiary	**1053.47**	1053.47
	SPIC Fertilizers and Chemicals Limited, Mauritius*	Subsidiary	**1.93**	1.93
	Tamilnadu Petroproducts Limited	Jointly controlled entity	**0.80**	1.20
	Tuticorin Alkali Chemicals and Fertilisers Limited	Associate	**1677.80**	1256.59
	Greenstar Fertilizers Limited	Enterprises over which KMP exercise Significant Influence	**80.22**	8.86
	National Aromatics and Petrochemicals Corporation Limited*	Jointly controlled entity	**1477.75**	1474.80
	Thirumathi Devaki Muthiah	Relative of Key Management Personnel	**-**	3.75
	Sicagen India Limited	Enterprises over which KMP exercise Significant Influence	**9.24**	-
	(b) Payables			
	Wilson International Trading India Private Limited	Enterprises over which KMP exercise Significant Influence	**2444.07**	1799.99
	SPEL Semiconductor Limited	Subsidiary	**-**	0.62
	Manali Petrochemicals Limited	Enterprises over which KMP exercise Significant Influence	**6.29**	0.50
	Greenstar Fertilizers Limited	Enterprises over which KMP exercise Significant Influence	**827.24**	101.69
	Sicagen India Limited	Enterprises over which KMP exercise Significant Influence	**0.96**	-
	(c) Advance against equity			
	SPIC Fertilizers and Chemicals FZE, Dubai*	Subsidiary	**1038.37**	1038.37
	(d) Guarantee Received			
	Manali Petrochemicals Limited	Enterprises over which KMP exercise Significant Influence	**2500.00**	2500.00
	(e) Loans including interest			
	AMI Holdings Private Limited	Enterprises over which KMP exercise Significant Influence	**3449.13**	-
	Bengal Auto Parts Private Limited	Enterprises over which KMP exercise Significant Influence	**4027.62**	-
	(f) Share Capital including Securities premium			
	AMI Holdings Private Limited	Enterprises over which KMP exercise Significant Influence	**6523.42**	-

* Dues have been fully provided for

Related parties transaction (continued) (Rupees in lac)

S.No	PARTICULARS	RELATIONSHIP	For the year 2012-13	For the year 2011-12
B	**TRANSACTIONS DURING THE YEAR 2012 - 13**			
1	**Sale of goods**			
	Tuticorin Alkali Chemicals and Fertilisers Limited	Associate	**427.17**	562.47
	Greenstar Fertilizers Limited	Enterprises over which KMP exercise Significant Influence	**244.62**	135.58
	Wilson International Trading India Private Limited	Enterprises over which KMP exercise Significant Influence	**42.81**	-
	Sicagen India Limited	Enterprises over which KMP exercise Significant Influence	**0.89**	-
2	**Purchase of materials**			
	Tuticorin Alkali Chemicals and Fertilisers Limited	Associate	**5.46**	1.31
	Manali Petrochemicals Limited	Enterprises over which KMP exercise Significant Influence	**-**	1.33
	Greenstar Fertilizers Limited	Enterprises over which KMP exercise Significant Influence	**20.04**	19.32
	Tamilnadu Petroproducts Limited	Jointly controlled entity	**14.33**	-
	Wilson International Trading Pte Ltd, Singapore	Enterprises over which KMP exercise Significant Influence	**-**	29155.12
	Sicagen India Limited	Enterprises over which KMP exercise Significant Influence	**31.32**	-
3	**Reimbursement of Expenses (Receipts)**			
	Wilson International Trading India Private Limited	Enterprises over which KMP exercise Significant Influence	**0.01**	0.09
	Manali Petrochemicals Limited	Enterprises over which KMP exercise Significant Influence	**-**	0.87
	Tuticorin Alkali Chemicals and Fertilisers Limited	Associate	**-**	27.07
	Tamilnadu Petroproducts Limited	Jointly controlled entity	**0.02**	26.35
	National Aromatics and Petrochemicals Corporation Limited	Jointly controlled entity	**2.96**	3.35
	Greenstar Fertilizers Limited	Enterprises over which KMP exercise Significant Influence	**14.08**	0.35
	Sicagen India Limited	Enterprises over which KMP exercise Significant Influence	**4.24**	-
4	**Reimbursement of Expenses (Payments)**			
	SPEL Semiconductor Limited	Subsidiary	**-**	2.33
	Greenstar Fertilizers Limited	Enterprises over which KMP exercise Significant Influence	**0.22**	-
	Sicagen India Limited	Enterprises over which KMP exercise Significant Influence	**1.72**	-

Related parties transaction (continued) (Rupees in lac)

S.No	PARTICULARS	RELATIONSHIP	For the year 2012-13	For the year 2011-12
5	**Income from services rendered**			
	Manali Petrochemicals Limited	Enterprises over which KMP exercise Significant Influence	**0.25**	0.40
	Tamilnadu Petroproducts Limited	Jointly controlled entity	**0.10**	0.39
	Tuticorin Alkali Chemicals and Fertilisers Limited	Associate	**7.97**	211.60
	Greenstar Fertilizers Limited	Enterprises over which KMP exercise Significant Influence	**1142.44**	451.62
	Wilson International Trading India Private Limited	Enterprises over which KMP exercise Significant Influence	**0.38**	0.16
	Sicagen India Limited	Enterprises over which KMP exercise Significant Influence	**0.39**	-
	SPEL Semiconductor Limited	Subsidiary	**-**	0.16
6	**Services/Consultancy charges**			
	Tuticorin Alkali Chemicals and Fertilisers Limited	Associate	**0.02**	0.10
	Manali Petrochemicals Limited	Enterprises over which KMP exercise Significant Influence	**84.27**	82.23
	Greenstar Fertilizers Limited	Enterprises over which KMP exercise Significant Influence	**1027.76**	442.34
7	**Sale of Business Unit**			
	Greenstar Fertilizers Limited	Enterprises over which KMP exercise Significant Influence	**-**	30600.00
8	**Income from Rentals**			
	Tamilnadu Petroproducts Limited	Jointly controlled entity	**1.80**	1.61
	Greenstar Fertilizers Limited	Enterprises over which KMP exercise Significant Influence	**70.95**	18.97
	Sicagen India Limited	Enterprises over which KMP exercise Significant Influence	**17.32**	-
	Wilson International Trading India Private Limited	Enterprises over which KMP exercise Significant Influence	**-**	0.90
9	**Dividend Income**			
	Manali Petrochemicals Limited	Enterprises over which KMP exercise Significant Influence	**-**	57.31
	Tamilnadu Petroproducts Limited	Jointly controlled entity	**76.17**	152.34
10	**Provision for doubtful advances**			
	National Aromatics and Petrochemicals Corporation Limited	Jointly controlled entity	**2.96**	3.35
	Tuticorin Alkali Chemicals and Fertilisers Limited	Associate	**-**	8.82
11	**Provision for diminution in the value of investment**			
	SPEL Semiconductor Limited	Subsidiary	**366.52**	539.47

Related parties transaction (continued) (Rupees in lac)

S.No	PARTICULARS	RELATIONSHIP	For the year 2012-13	For the year 2011-12
12	**Finance and Other Charges**			
	Wilson International Trading India Private Limited	Enterprises over which KMP exercise Significant Influence	**-**	14.40
	Wilson International Trading Pte Ltd, Singapore	Enterprises over which KMP exercise Significant Influence	**-**	304.16
13	**Profit on Phosphatic operations transferred**			
	Greenstar Fertilizers Limited	Enterprises over which KMP exercise Significant Influence	**-**	1118.02
14	**Managerial Remuneration**			
	Dr. A C Muthiah	Key Management Personnel	**-**	32.88
	Thiru. K K Rajagopalan	Key Management Personnel	**35.01**	12.39
15	**Rent Paid**			
	Greenstar Fertilizers Limited	Enterprises over which KMP exercise Significant Influence	**265.87**	92.39
	Thirumathi Devaki Muthiah	Relative of Key Management Personnel	**-**	3.77
16	**Sitting Fees**			
	Thiru. Ashwin C Muthiah	Key Management Personnel	**0.60**	1.00
17	**Trade advance received**			
	Wilson International Trading India Private Limited	Enterprises over which KMP exercise Significant Influence	**610.00**	7800.00
18	**Trade advance repaid / returned**			
	Wilson International Trading India Private Limited	Enterprises over which KMP exercise Significant Influence	**310.00**	6000.00
19	**Special Rebate Paid**			
	Wilson International Trading India Private Limited	Enterprises over which KMP exercise Significant Influence	**386.92**	-
20	**Amount received against Share Capital and Securities Premium**			
	AMI Holdings Private Limited	Enterprises over which KMP exercise Significant Influence	**6523.42**	-
21	**Amount received against Loans**			
	AMI Holdings Private Limited	Enterprises over which KMP exercise Significant Influence	**3147.58**	-
	Bengal Auto Parts Private Limited	Enterprises over which KMP exercise Significant Influence	**4000.00**	-
22	**Interest on Borrowings**			
	AMI Holdings Private Limited	Enterprises over which KMP exercise Significant Influence	**335.05**	-
	Bengal Auto Parts Private Limited	Enterprises over which KMP exercise Significant Influence	**30.68**	-

Note 38 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 2013					
		Assets	Liabilities	Income	Expenditure	Contingent liabilities	Capital commitments
Tamilnadu Petroproducts Limited, India	**16.93** (16.93)	**13850.32** (13915.33)	**7797.55** (6772.36)	**22476.42** (21564.57)	**22987.41** (21517.84)	**603.99** (603.74)	**9.59** (10.73)
National Aromatics and Petrochemicals Corporation Limited, India	**50.00** (50.00)	**1951.92** (1891.71)	**515.97** (455.76)	**-** (-)	**-** (-)	**-** (-)	**-** (-)

Note 39 Earning per share

Particulars	Year ended 31 March 2013	Year ended 31 March 2012
(i) Continuing Operations		
Face Value per share (In Rupees)	**10**	10
Profit / (Loss) for the year (Rupees in lac)	**110877.23**	(2680.88)
Less: Arrears of Preference Dividend (Refer Note 31(d))	**176.95**	175.79
Profit / (Loss) for the year after preference dividend (Rupees in lac)	**110700.27**	(2856.67)
Basic		
Weighted Average Number of shares outstanding	**169525380**	166278374
Earnings/(Loss) per share (In Rupees)	**65.30**	(1.72)
Diluted		
Weighted Average Number of shares outstanding	**169525380**	166291005
Earnings/(Loss) per share (In Rupees)	**65.30**	(1.72)
(ii) Total Operations		
Face Value per share (In Rupees)	**10**	10
Profit / (Loss) for the year (Rupees in lac)	**110512.94**	(630.79)
Less: Arrears of Preference Dividend (Refer Note 31(d))	**176.95**	175.79
Profit / (Loss) for the year after preference dividend (Rupees in lac)	**110335.99**	(806.58)
Basic		
Weighted Average Number of shares outstanding	**169525380**	166278374
Earnings/(Loss) per share (In Rupees)	**65.09**	(0.49)
Diluted		
Weighted Average Number of shares outstanding	**169525380**	166291005
Earnings/(Loss) per share (In Rupees)	**65.09**	(0.49)

Note 40

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

(b) Assets and Liabilities in the Balance Sheet include figures both for Continuing and Discontinuing Operations.

(c) The Provision for doubtful trade and other receivables, loans and advances, provision for non-moving inventories and earlier provision writeback pertains to both Continuing and Discontinuing operations. These are appropriately shown in the Statement of Profit and Loss under Continuing Operations and Discontinuing operations. The Balance Sheet contains provision figures both for Continuing and Discontinuing Operations in total.

(d) Previous year figures are given in brackets.

STATEMENT REGARDING SUBSIDIARY COMPANIES PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

a.	Name of Subsidiary Company	SPEL Semiconductor Limited	SPEL America Inc., U.S.A. (Subsidiary of SPEL Semiconductor Limited)	SPIC Fertilizers and Chemicals Limited (SFCL) Mauritius
b.	Financial year of the Subsidiary Company ended on	31 March 2013	31 March 2013	31 March 2013
c.	Holding Company's Interest:			
	(i) No. of Equity Shares	25811207	10	32640000
	Face Value	Rs. 10	USD 10	One USD
	Paid up Value	Rs. 258112070	USD 100	USD 32640000
	(ii) Extent of Holding	55.97 percent	55.97 percent	83.54 percent
d.	Net aggregate amount of Subsidiary's profits/(losses) not dealt within the Holding Company's accounts:			
	(i) for subsidiary's financial year	(Rs. 25467807)	USD 2191	NIL
	(ii) for its previous financial years	Rs. 3186800	(USD 2597)	NIL
e.	Net aggregate amount of subsidiary's profits/(losses) dealt within the Holding Company's accounts:			
	(i) for subsidiary's financial year	NIL	NIL	NIL
	(ii) for its previous financial year	NIL	NIL	NIL
f.	Changes in the interest of the Holding Company between the end of the Subsidiary's financial year ended 31 March 2013			
	(i) Holding Company's interest as on 31 March 2013	Not Applicable	Not Applicable	Not Applicable
	Number of Equity Shares			
	Face Value			
	Paid up value			
	ii) Extent of Shareholding			
g.	Material changes between the end of the Subsidiary's financial year ended 31 March 2013 in respect of :			
	(i) Subsidiary's Fixed Assets	Not Applicable	Not Applicable	Not Applicable
	(ii) Subsidiary's Investments	Not Applicable	Not Applicable	Not Applicable
	(iii) Monies lent by subsidiary	Not Applicable	Not Applicable	Not Applicable
	(iv) Monies borrowed by the subsidiary, other than for meeting current liabilities	Not Applicable	Not Applicable	Not Applicable

1. SPIC Fertilizers and Chemicals Limited, Mauritius (SFCL)(a wholly owned subsibidiary of the Company) holds 1 equity share of One Million Arab Emirate Dirham each in SPIC Fertilizers and Chemicals FZE, Dubai (SFC, FZE). Hence the combined share of the Company and its subsidiary in SFC, FZE Dubai is 83.54%. As assets of SFC,FZE Dubai were taken over by Jebel Ali Free Zone Authorities (JAFZA), Dubai SFCL, Mauritius ceased to have control over its subsidiary SFC,FZE. Hence the details of SFC,FZE Dubai is not given in the above statement.
2. As Jebel Ali Free Zone Authorities (JAFZA) had taken over the assets of SPIC Fertilizers and Chemicals (SFC, FZE), Dubai, the holding company SFCL Mauritius lost control over the subsidiary. Full provision has been made for these investments in earlier years. The company is considering writing off the investments in SFCL Mauritius and is in the process of getting the approval of the concerned Regulatory Authorities to write off the aforesaid investment in the books of account. Hence the financial statements of the subsidiary company SFCL Mauritius have not been considered for consolidation.
3. 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.

ASHWIN C MUTHIAH
Chairman

T K ARUN
Director

S SHANKAR
Director

K K RAJAGOPALAN
Whole-time Director

Place : Chennai
Date : 29 May 2013

M B GANESH
Secretary

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Consolidated Financial Statements

INDEPENDENT AUDITORS' REPORT
TO THE BOARD OF DIRECTORS 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 (the "Company"), its subsidiaries and jointly controlled entities (the Company, its subsidiaries and jointly controlled entities constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31 March 2013, the Consolidated Statement of Profit and Loss and the Consolidated 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 Consolidated Financial Statements

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 judgement, 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 control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

a) Attention is invited to Note 2(b)(i) to the consolidated financial statements describing non consolidation of the financial statements of a subsidiary to reflect the adjustments relating to the period 1 April 2011 to 31 March 2013, as the said financial statements are not available to the Company for the reasons explained in the said Note. Our audit report for the previous year was also similarly qualified.

b) The consolidated financial statements include the unaudited financial information of two subsidiaries and one jointly controlled entity of a jointly controlled entity (Previous year ended 31 March 2012: four subsidiaries and one jointly controlled entity), whose financial information reflect total assets (net) of Rs.98.53 lac as at 31 March 2013 (As at 31 March 2012: Rs.638.93 lac), total revenue of Rs.10.16 lac (Previous year ended 31 March 2012: Rs.235.83 lac) and net cash flows amounting to Rs.978.38 lac for the year ended on that date (Previous year ended 31 March 2012: Rs.79.06 lac), as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of Rs.64.84 lac for the year ended 31 March 2013, as considered in the consolidated financial statements, in respect of an associate (Previous year ended 31 March 2012:Rs.50.96 lac), based on their unaudited financial information. Our opinion, in so far as it relates to the amounts included in respect of these subsidiaries, jointly controlled entity and associate, is based solely on such unaudited financial information.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the consequential effects of the matter described under (a) which is not quantifiable and the effects of the matter described under (b) in the Basis for Qualified Opinion paragraph above,and based on the consideration of the reports of the other auditors on the financial statements / financial information of the subsidiaries, jointly controlled entities and associates referred to below in the Other Matter paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31 March 2013;

(b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and

(c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matter

We did not audit the financial statements of two subsidiaries and one jointly controlled entity, whose financial statements reflect total assets (net) of Rs.16,970.29 lac as at 31 March 2013, total revenues of Rs.8,200.35 lac and net cash outflows amounting to Rs.96.33 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 2013, 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, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors.

Our opinion is not qualified in respect of this matter.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm Registration No. 008072S)

Bhavani Balasubramanian
Partner
(Membership No. 22156)

Chennai
29 May 2013

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2013

(Rupees in Lac)

S.No.	Particulars	Note No.	As at 31 March 2013	As at 31 March 2012
A	**EQUITY AND LIABILITIES**			
1	**Shareholders' funds**			
	(a) Share capital	3	**21614.03**	17877.84
	(b) Reserves and surplus	4	**(781.25)**	(113540.76)
			20832.78	(95662.92)
2	**Share application money pending allotment**	3 (v)	**1445.00**	1686.59
3	**Minority Interest**		**3844.45**	4325.35
4	**Non-current liabilities**			
	(a) Long-term borrowings	5	**17200.43**	92871.08
	(b) Deferred tax liabilities (net)	6	**1816.46**	2305.52
	(c) Other long-term liabilities	7	**11233.71**	2854.93
	(d) Long-term provisions	8	**538.40**	581.22
			30789.00	98612.75
5	**Current liabilities**			
	(a) Short-term borrowings	9	**4059.52**	3083.95
	(b) Trade payables	10	**22611.89**	30084.15
	(c) Other current liabilities	11	**12270.02**	63953.69
	(d) Short-term provisions	12	**733.66**	1400.35
			39675.09	98522.14
	TOTAL		**96586.32**	107483.91
B	**ASSETS**			
1	**Non-current assets**			
	(a) Fixed assets			
	(i) Tangible assets	13	**58631.89**	63091.15
	(ii) Intangible assets		**26.70**	35.91
	(iii) Capital work-in-progress		**1878.81**	2064.12
	(iv) Intangible assets under development		**429.47**	429.47
	(v) Expenditure during construction period pending allocation Share of Joint venture - Jointly controlled entities		**-**	913.86
	(b) Non-current investments	14	**1176.02**	305.47
	(c) Long-term loans and advances	15	**4496.65**	4213.62
			66639.54	71053.60
2	**Current assets**			
	(a) Inventories	16	**10832.75**	12655.99
	(b) Trade receivables	17	**3571.46**	3253.71
	(c) Cash and cash equivalents	18	**5379.31**	3209.79
	(d) Short-term loans and advances	19	**10142.71**	16847.78
	(e) Other current assets	20	**20.55**	463.04
			29946.78	36430.31
	TOTAL		**96586.32**	107483.91
	See accompanying notes forming part of the financial statements			

For and on behalf of the Board of Directors

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

BHAVANI BALASUBRAMANIAN
Partner

Place : Chennai
Date : 29 May 2013

ASHWIN C MUTHIAH
Chairman

T K ARUN
Director

S SHANKAR
Director

K K RAJAGOPALAN
Whole-time Director

M B GANESH
Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2013

(Rupees in lac)

S.No.	Particulars	Note No.	Year ended 31 March 2013	Year ended 31 March 2012
A.	**CONTINUING OPERATIONS:**			
1	Revenue from operations (gross)	21	**239600.34**	276423.09
	Less: Excise duty		**2890.97**	2417.98
	Revenue from operations (net)		**236709.37**	274005.11
2	Other income	22	**1694.22**	1515.65
3	**Total revenue (1+2)**		**238403.59**	275520.76
4	**Expenses**			
	(a) Cost of materials consumed	23	**138212.89**	154887.01
	(b) Purchases of stock-in-trade	24	**1035.83**	2119.57
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	25	**(21.63)**	761.23
	(d) Employee benefits expense	26	**6088.32**	6102.21
	(e) Finance costs	27	**5523.37**	8764.16
	(f) Depreciation and amortisation expense	13(ii)	**6159.45**	6015.38
	(g) Other expenses	28	**87770.27**	98843.06
	Total expenses		**244768.50**	277492.62
5	Loss before exceptional items and tax (3-4)		**(6364.91)**	(1971.86)
6	Exceptional items	29	**116080.44**	2401.47
7	**Profit before tax (5+6)**		**109715.53**	429.61
8	Tax expense			
	(a) Current tax expense for current year		**0.88**	84.11
	(b) (Less): MAT credit		**-**	(17.52)
	(c) Current tax expense relating to prior years		**-**	2592.46
	(d) Deferred Tax		**(489.06)**	(36.74)
	Total Tax expense for the year		**(488.18)**	2622.31
9	**Profit/(Loss) from continuing operations after Tax (7-8)**		**110203.71**	(2192.70)
B.	**DISCONTINUING OPERATIONS:**	30		
10.i	Profit from discontinuing operations before tax and exceptional items		**(265.61)**	1624.68
10.ii	Exceptional items		**-**	(663.82)
10.iii	Profit from discontinuing operations before tax (10.i+10.ii)		**(265.61)**	960.86
10.iv	Gain / (Loss) on disposal of assets / settlement of liabilities attributable to the discontinuing operations (net)		**(98.68)**	1089.23
10.v	Tax expense of Discontinuing Operations		**-**	-
11	Profit / (Loss) from discontinuing operations after tax (10.iii+10.iv-10.v)		**(364.29)**	2050.09
12	**Profit / (Loss) for the year after Tax (9+11)**		**109839.42**	(142.61)
13	**Share of Profit / (Loss) of Associates (net)**		**(64.77)**	(50.99)
14	**Profit / (Loss) before Minority Interest (12+13)**		**109774.65**	(193.60)
15	**Profit / (Loss) applicable to Minority Interest**		**(200.00)**	23.92
16	**Net Profit / (Loss) for the year (14-15)**		**109974.65**	(217.52)
17	**Earnings per share of Rs. 10/- each before and after extraordinary items**	42		
	(a) Basic			
	(i) Continuing operations		**64.98**	(1.47)
	(ii) Total operations		**64.77**	(0.24)
	(b) Diluted			
	(i) Continuing operations		**64.98**	(1.47)
	(ii) Total operations		**64.77**	(0.24)
	See accompanying notes forming part of the financial statements			

For and on behalf of the Board of Directors

In terms of our report attached.

For DELOITTE HASKINS & SELLS
Chartered Accountants

BHAVANI BALASUBRAMANIAN
Partner

Place : Chennai
Date : 29 May 2013

ASHWIN C MUTHIAH
Chairman

T K ARUN
Director

S SHANKAR
Director

K K RAJAGOPALAN
Whole-time Director

M B GANESH
Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2013

(Rupees in lac)

S. No.	Particulars	Year ended 31 March 2013	Year ended 31 March 2012
A.	**CASH FLOW FROM OPERATING ACTIVITIES:**		
	Profit/(Loss) for the year before exceptional item and tax		
	- Continuing Operations	**(6364.91)**	(1971.86)
	- Discontinuing Operations	**(364.29)**	1624.68
	Add: Exceptional Items		
	Excess Liability written back	**115775.00**	2255.08
	Profit on Sale of Investment	**305.44**	562.89
	Loss on sale of Business Unit (SMO)	-	(1745.56)
	Profit on sale of Business Unit (Phosphatics)	-	2166.28
	Profit /(Loss) on Sale of Fixed Assets (net)	-	252.01
	VRS Compensation	-	(1179.31)
	Reversal / (Provision) relating to Asset Impairment (net)	-	515.49
	Profit for the year before tax and after exceptional item	**109351.24**	2479.70
	Adjustment for :		
	Depreciation	**6185.38**	7690.02
	Investments written off	**101.19**	-
	Exchange difference	**2612.55**	6293.55
	(Profit) / Loss on sale / retirement of assets (net)	**106.22**	227.94
	Profit on sale of Business Undertakings (net)	**-**	(420.72)
	(Reversal) / Provision relating to Asset Impairment (net)	**-**	(515.49)
	Profit on sale of Investments	**(340.09)**	(609.03)
	Excess liability written back	**(115775.00)**	(2255.08)
	Provision for non-moving inventories	**2.92**	462.80
	Provision for doubtful debts and advances	**406.90**	2809.22
	Unclaimed Credit balances written back	**-**	(516.90)
	Provisions no longer required written back	**(1072.02)**	(96.58)
	Transfer from reserve	**-**	(6.50)
	Bad debts and advances written off	**116.88**	-
	Rental Income	**(20.29)**	(121.97)
	Interest and finance costs	**5446.15**	8660.45
	Income from investments	**(6.57)**	(63.96)
	Interest income	**(231.64)**	(290.08)
	Operating profit before working capital changes	**6883.82**	23727.37
	Adjustments for :		
	(Increase)/Decrease in trade receivables	**(401.78)**	(8835.67)
	(Increase)/Decrease in inventories	**1719.15**	(5207.71)
	(Increase)/Decrease in long-term loans and advances	**(668.28)**	2489.88
	(Increase)/Decrease in short-term loans and advances	**5628.45**	5261.63
	(Increase)/Decrease in other current assets	**32.25**	14.37
	Increase/(Decrease) in long-term liabilities	**(53.10)**	136.13
	Increase/(Decrease) in long-term provisions	**(39.36)**	50.31
	Increase/(Decrease) in trade payables	**4025.10**	(12766.25)
	Increase/(Decrease) in current liabilities & provisions (includes Rs. 63.65 lac of repayment towards 391 scheme)	**(6689.97)**	1524.70
	Increase/(Decrease) in short-term provisions	**(508.48)**	(376.88)
	Cash from operations	**9927.80**	6017.88
	Direct taxes (paid) / Refund Received	**213.85**	442.82
	Net cash from operating activities	**10141.65**	6460.70

CASH FLOW STATEMENT (Continued)

(Rupees in lac)

S. No.	Particulars	Year ended 31 March 2013	Year ended 31 March 2012
B.	**Cash flow from investing activities :**		
	Purchase of Fixed Assets	**(1602.96)**	(3785.59)
	Expenditure pending allocation	**-**	(131.17)
	Proceeds from sale of fixed assets	**135.63**	3750.29
	Proceeds from issue of share capital to minority share holders by a jointly controlled entities	**-**	131.00
	Proceeds from sale of Business undertakings	**-**	36195.79
	Income from investments	**6.57**	87.12
	Proceeds from sale of investments	**810.54**	1463.63
	Rental Income	**20.29**	121.97
	Bank balance not considered as cash and cash equivalents	**1172.95**	(374.00)
	Interest income	**231.22**	288.82
	Net Cash from Investing Activities	**774.24**	37747.86
C.	**Cash Flow from Financing Activities :**		
	Proceeds from issue of Equity Shares Capital	**6523.42**	-
	Long term borrowings	**6124.88**	(43812.39)
	Loans availed	**249.24**	-
	Short term borrowings	**16.52**	(281.24)
	Net increase / (decrease) in working capital borrowings	**726.33**	1117.87
	Foreign Exchange Gain	**-**	(65.11)
	Repayment under 391 scheme	**(13212.36)**	-
	Repayment of Long Term Borrowings	**(3746.10)**	-
	Tax on Dividend	**(12.36)**	(24.71)
	Paid to Investor Education and Protection Fund	**(3.27)**	(2.98)
	Deposits paid	**(2.81)**	(2.70)
	Interest and finance costs paid	**(4419.66)**	(4453.98)
	Net Cash Used In Financing Activities	**(7756.17)**	(47525.24)
	Exchange differences on translation of foreign currency cash and cash equivalents	**31.06**	**-**
	Net Cash Flows During The Year(A+B+C)	**3190.78**	(3316.68)
	Cash and cash equivalents (opening balance) *	**1676.12**	5354.97
	Cash balance relating to discontinuing operations	-	362.17
	Cash and cash equivalents (closing balance) *	**4866.90**	1676.12
	Disclosure of non cash transactions		
	Unpaid Interest	**1068.43**	4206.48
	Exchange loss on restatement of FRN liability	**989.31**	2376.25
	Conversion of Capital advance to investment	**922.00**	-
	Conversion of Debt into equity	**16.20**	-
	Take over of asset resulting in reduction of liability	**-**	3327.15
	Excess Liability written back	**115775.00**	-

* Includes Rs. Nil (Previous year Rs. 2.44 lac) being the effect of exchange differences on restatement of foreign currency cash and cash equivalents

* Excludes Margin Money Deposit with Scheduled Banks Rs. 338.40 lac (Previous Year Rs. 347.70 lac) and Escrow account balance of Rs. 26.51 lac (Previous Year Rs. 0.45 lac).

* Excludes Rs. 134.20 lac (Previous year Rs. 1172.63 lac) being money in deposit accounts with original maturity of more than three months.

* Excludes Rs. 13.29 lac (Previous year Rs. 15.33 lac) being money in unpaid dividend account

The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discontinuing operations.

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

For and on behalf of the Board of Directors

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

BHAVANI BALASUBRAMANIAN
Partner

Place : Chennai
Date : 29 May 2013

ASHWIN C MUTHIAH
Chairman

T K ARUN
Director

S SHANKAR
Director

K K RAJAGOPALAN
Whole-time Director

M B GANESH
Secretary

NOTES ON THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2013.

Note 1. Corporate Information

Southern Petrochemical Industries Corporation Limited (the Company), 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 in manufacturing and selling of Urea, a Nitrogenous chemical fertilizer and has its manufacturing facility at Tuticorin. The company through its subsidiary SPEL Semiconductor Limited (SPEL), situated at Maraimalai Nagar is in the assembling and testing of Integrated circuit chip. Joint venture company Tamilnadu Petroproducts Limited (TPL) is in manufacturing and selling of petrochemical products namely Linear Alkyl Benzene (LAB), Epichlorohydrin (ECH) 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 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 notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention except for categories of fixed assets acquired before 1 April, 2006, that are carried at revalued amounts. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

With respect to a subsidiary, the financial statements have been prepared on accrual basis under the historical cost convention except certain fixed assets which are revalued.

With respect to a jointly controlled entity the financial statements have been prepared on accrual basis under the historical cost convention except for categories of fixed assets acquired before 1 April 1996, that are carried at revalued amounts.

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

2.b Principles of consolidation

The consolidated financial statements relate to Southern Petrochemical Industries Corporation Limited (the ‘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 2013 except in respect to a subsidiary and an associate as stated in note below.

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 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. Alternatively, 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.

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) The subsidiary companies considered in these consolidated financial statements are:

Name of the Company	Country of Incorporation	Percentage of ownership interest as at 31 March 2013	Percentage of ownership interest as at 31 March 2012
SPIC Fertilizers and Chemicals Limited (SFCL, Mauritius)	Mauritius	**83.54**	83.54
SPIC Fertilizers and Chemicals FZE (through a subsidiary company – SFCL Mauritius)	Dubai	**83.54**	83.54
SPEL Semiconductor Limited	India	**55.97**	55.97
SPEL America, Inc., USA (through a subsidiary company – SPEL Semiconductor Limited, India)	America	**55.97**	55.97

As Jebel Ali Free Zone Authorities (JAFZA) had taken over the assets of SPIC Fertilizers and Chemicals (SFC) FZE, Dubai, the holding company SFCL Mauritius lost control over the subsidiary. Full provision has been made for these investments in earlier years. The company is considering writing off the investments in SFCL Mauritius and is in the process of getting the approval of the concerned Regulatory Authorities to write off the aforesaid investment in the books of account. The accounts relating to the subsidiary company SFCL Mauritius included in the consolidated financial statements is as at 31 March 2011 which are based on Management accounts. As the records have been seized by JAFZA authorities, there are no financial statements available from 1 April 2011 to 31 March 2013 and adjustments if any to liabilities, in the consolidated financial statements for the said period has not been made in respect of these two subsidiaries.

(ii) **Interests in Jointly Controlled entities:**

The Group's interests in jointly controlled entities are:

Name of the Company	Country of incorporation	Percentage of ownership interest as at 31 March 2013	Percentage of ownership interest as at 31 March 2012
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 of the Company	Country of incorporation	Percentage of Ownership interest as at 31 March 2013	Percentage of Ownership interest as at 31 March 2012
Tuticorin Alkali Chemicals and Fertilisers Limited	India	**45.15**	45.15
Gold Nest Trading Company Limited	India	**32.76**	32.76

(iv) The financial statements of the associates other than Gold Nest Trading Company Limited were drawn up to 31 March 2013 while that of Gold Nest Trading Company Limited has been drawn up to 30 September 2012.

(v) Investment in Tuticorin Alkali Chemicals and Fertilisers 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 2013 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.

(vi) 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 2013 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.

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 expenses 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) Cash and cash equivalents (for 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.

iii) 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.

iv) Fixed Assets and Depreciation

Fixed assets other than Land and Building, Plant and Machinery are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of fixed 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.

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.

Land and Buildings and Plant and Machinery have been 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 with a corresponding credit to Revaluation Reserve Account (Refer Note 13(iii)). Fixed 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.

Depreciation on fixed assets has been provided on Straight Line Method (SLM) as per the rates prescribed in Schedule XIV to the Companies Act, 1956.

Assets costing less than Rs.5,000 each are fully depreciated in the year of capitalisation.

With respect to a subsidiary, certain assets have been revalued as on 31 March 2005 and 31 March 2008 and the resultant surplus has been added to the cost of the assets with the corresponding credit to revaluation reserve account.

With respect to a jointly controlled entity, depreciation is provided on a straight line basis at the rates and in the manner specified under Schedule XIV to the Companies Act, 1956 except for Plant and Machinery used in the Epichlorohydrin Plant which is depreciated at 10%, assets provided to employees which are depreciated at 20% and certain specific assets whose useful life has been determined at 4.5 years.

Capital work-in-progress:

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

v) 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, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. 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, except in case of revalued assets.

vi) 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.

vii) Inventories

Inventories are valued at the lower of cost on FIFO / weighted average basis 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.

With respect to a jointly controlled entity, inventories are valued at lower of cost and net realisable value except stores and loose tools, which are valued at cost. The methods of determination of cost of various categories of inventories are as follows:

a. Stores, loose tools and raw materials at moving weighted average rates.

b. Work-in-process and finished goods at full absorption costing method.

viii) Revenue Recognition

(a) Sales are recognised, net of returns and trade discounts, 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) Service revenue is recognised on completion of the service and becomes chargeable. Revenues from contracts priced on a time and material basis are recognised when services are rendered and related costs are incurred.

(c) 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.

(d) Other Income

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

(ix) Foreign Currency Transactions

Foreign currency transactions are recorded at the rate of exchange prevailing on the date of the transaction. Monetary assets & liabilities outstanding at the year-end are translated at the rate of exchange prevailing at the year-end and the gain or loss, is recognized in the Statement of Profit and Loss.

Exchange differences arising on actual payments/realizations and year-end restatements are dealt with in the Statement of Profit and Loss. Investments in Foreign currencies are reported using the exchange rate at the date of the transaction.

With respect to a subsidiary, premium or discount on forward contracts is amortized over the life of such contracts and is recognized as income or expense. Foreign currency contracts are stated at market value as at the year end.

With respect to a jointly controlled entity:

a. Forward cover premium is recognised over the life of the contract.

b. 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) Employee Benefits

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

a. Defined Contribution Plan

(i) Fixed contributions paid / payable to (a) the Superannuation Fund pertaining to Officers and Executives which is administered by the Company nominated trustees and being managed by Life Insurance Corporation of India, (b) the Superannuation Fund pertaining to staff members which is administered by Company nominated trustees and (c) the Employee State Insurance Corporation (ESIC) are charged to the Statement of Profit and Loss.

Company also contributes to a Government administered Pension Fund on behalf of its employees, which are charged to the Statement of Profit and Loss.

(ii) Fixed Contributions made to the Provident Fund managed by the Regional Provident Fund Commissioner are charged to Statement of Profit and Loss.

(iii) In respect of a jointly controlled entity contribution to superannuation plan which covers whole time directors and the 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 Profit and Loss account on an accrual basis.

b. Defined Benefit Plan

The liability for Gratuity to employees, as at the Balance Sheet date determined on the basis of actuarial valuation using Projected Unit Credit method, is funded with a Gratuity Trust managed by Company nominated Trustees. The liability thereof paid / payable is absorbed in the Statement of Profit and Loss. The actuarial gains / losses are recognised in the Statement of Profit and Loss. 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.

With respect to a jointly controlled entity contributions are made monthly at a predetermined rate to the Provident Fund Trust managed by the company and debited to the Profit and Loss account 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.

With respect to a subsidiary and a jointly controlled entity, the Company has an arrangement with the Life Insurance Corporation of India (LIC) to administer its Gratuity fund. Premium paid / payable is determined based on an actuarial valuation carried out by LIC using the projected unit credit method as on the Balance Sheet date and debited to the Profit & Loss account on accrual basis. Actuarial gain or loss is recognised in the statement of profit & loss as income or expense.

c. Long Term Compensated Absences

In respect of long term portion of compensated absences [Leave benefits], the liability is determined on the basis of actuarial valuation using Projected Unit Credit method as on the Balance Sheet date and is provided for.

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 :

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

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

(xi) 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.

(xii) 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 is 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.

(xiii) 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”.

(xiv) Taxation

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

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, deferred tax assets are recognised only if there is virtual certainty 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.

(xv) 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.

(xvi) Operating Leases

With respect to a jointly controlled entity, 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.

(xvii) 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.

(xviii) 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.

(xix) Insurance claims

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.

(xx) 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.

Note 3 Share Capital

(Rupees in lac)

Particulars	As at 31 March 2013	As at 31 March 2012
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 (16,62,78,374) Equity shares of Rs.10 each	**20364.03**	16627.84
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**	17877.84

3 (i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Issued to secured lenders on conversion of secured debts	Issued on conversion of Convertible Warrants	Closing Balance
Equity shares				
Year ended 31 March 2013				
- Number of shares	**166278374**	**85262**	**37276700**	**203640336**
- Amount (Rupees in lac)	**16627.84**	**8.53**	**3727.67**	**20364.03**
Year ended 31 March 2012				
- Number of shares	166278374	-	-	166278374
- Amount (Rupees in lac)	16627.84	-	-	16627.84

(Rupees in lac)

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

Class of shares / Name of shareholder	As at 31 March 2013		As at 31 March 2012	
	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	**43678229**	**21.45**	43678229	26.27
The Bank of Newyork Mellon	**17066800**	**8.38**	17183850	10.33
AMI Holdings Private Limited	**37276700**	**18.31**	-	-
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**	500000	58.83
10.00% Redeemable cumulative non-convertible preference shares				
Mrs. Brish Darbari Seth & Dr Manu Seth	**-**	**-**	25000	25.00
Mrs. Brish Darbari Seth & Mrs Dolly Robin Lai	**-**	**-**	25000	25.00
Mrs. Brish Darbari Seth & Mrs Mina Rohit Chand	**-**	**-**	25000	25.00
Mrs. Brish Darbari Seth & Mrs Biya Sanjay Thukral	**25000**	**25.00**	25000	25.00
Ms. Mina Rohit Chand	**25000**	**25.00**	-	-
Mrs. Dolly Lai	**25000**	**25.00**	-	-
Mrs. Sindhu Seth	**25000**	**25.00**	-	-

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' / Investors' 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' / Investors' Grievance Committe held on 9 November 2012.

(f) 3,72,76,700 equity shares of Rs.10 each fully paid up 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 includes a premium of Rs.7.50 per share by way of conversion of 3,72,76,700 warrants (which were issued during the current financial year), at the meetings of Shareholders' / Investors' 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.

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.

(d) 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, 1956 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.

3 (v) Share Application Money Pending allotment

As at 31 March 2013, 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 lac) [Previous year Rs. 2889.99 lac (Proportionate share Rs. 1445 lac)]

Note 4 Reserves and Surplus

(Rupees in lac)

	Particulars	**As at 31 March 2013**	As at 31 March 2012
a)	**Capital Reserve**		
	Opening balance	**97.33**	100.97
	Less.Utilised / transferred during the year	**-**	3.64
	Closing balance	**97.33**	97.33
b)	**Capital Redemption Reserve**	**6500.00**	6500.00
c)	**Securities Premium Account**		
	Opening balance	**18270.78**	18270.78
	Add: Additions during the year		
	Premium on shares issued to secured lenders on conversion of secured debts (Refer Note 3(iii)(d & e))	**7.67**	-
	Premium on shares issued on conversion of convertible warrants (Refer Note 3(iii)(f)).	**2795.75**	-
		21074.20	18270.78
d)	**Debenture Redemption Reserve (Refer Note 4(i) below)**	**3800.00**	3800.00
e)	**Revaluation Reserve**	**1141.98**	1141.98
f)	**Statutory Reserve**	**41.34**	41.34
g)	**Foreign currency translation reserve**	**2844.67**	2844.67
h)	**Hedge reserve**	**-**	15.16
i)	**Surplus / (Deficit) in Statement of Profit and Loss**		
	Opening balance	**(151577.78)**	(151364.51)
	Add: Profit / (Loss) for the year	**110550.28**	(213.27)
		(41027.50)	(151577.78)

Reserves and Surplus (Continued)

(Rupees in lac)

Particulars	As at 31 March 2013	As at 31 March 2012
j) Add: Share of joint ventures - jointly controlled entities (Reserves)		
- Securities Premium Account	**780.74**	780.85
- Capital Reserve	**7.15**	7.15
- Revaluation Reserve		
Opening balance	**343.08**	346.49
Less: Utilized for set off against depreciation	**3.40**	3.41
Closing balance	**339.68**	343.08
- General Reserve	**2346.50**	2346.24
- Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	**1848.44**	1889.56
Profit/ (Loss) for the year	**(575.76)**	(4.25)
Tax on dividends	**-**	(36.87)
	1272.68	1848.44
Total	**(781.25)**	(113540.76)

4.(i) As against outstanding Debenture liability of Rs. 58.05 lac, Debenture Redemption Reserve of Rs. 3800 lac is available. Hence it is not required to create Debenture Redemption Reserve as required under section 117C of the Companies Act, 1956.

Note 5 Long-term borrowings

Particulars	As at 31 March 2013	As at 31 March 2012
Privately placed non-convertible debentures - secured *	**-**	6833.88
Term loans (Refer Note 5 (i))		
From banks - Secured **	**4017.89**	9193.84
From related parties - Secured	**5718.06**	-
From other parties - Secured (Refer Note 5(iii))***	**6790.99**	50343.34
Total Long term Borrowings - Secured	**16526.94**	66371.06
From other parties - Unsecured	**-**	25607.50
Share in Joint Ventures - Jointly controlled entities	**673.49**	892.52
Total	**17200.43**	92871.08

* Includes Debentures assigned to Asset Reconstruction Company (India) Limited (ARCIL) Rs. Nil (Previous year Rs. 5265.96 lac)

** Includes Rs. 2892.44 lac payable under 391 scheme (Refer Note 5(iii))

*** Includes term loans assigned to ARCIL Rs. Nil (Previous year Rs. 50317.38 lac)

5 (i) Security

(a) Term Loans from other parties are unsecured loans converted as secured loans as per the Court sanctioned Scheme as referred in note 5 (iii) below. Term Loans from Banks and other parties does not bear any interest and are repayable in 45 quarterly instalments as per the Scheme. In line with the Scheme, a Trust has been formed to charge all the Specified Assets in favour of the above creditors and the Company is in the process of releasing the existing charge and creating a fresh charge.

Term Loan from Related Parties bear an interest rate of 20% p.a. and are repayable in 10 equal quarterly instalments. These loans are to be secured by a pari-passu second charge on the Specified Assets and a pari-passu charge on certain other assets of the Company, after creation of charge on all the Specified Assets to banks and other parties as mentioned above.

(b) In respect of Subsidiary

(i) Term loan from banks are secured by first mortgage of fixed assets acquired out of Bank Finance. Equitable Mortgage relating to factory land and building at 5, CMDA Industrial Estate, Maraimalai Nagar. First Charge on the existing Plant & Machinery and other Fixed Assets for Term Loan.

(ii) Other Terms and Condition of Sanction

- Security Documents Including Personal guarantee of Dr. A C Muthiah. Credit report of the guarantors to be provided.

(c) In respect of Jointly Controlled Entities

(i) Average rate of interest on Term loan from Bank I is 13.03% p.a (2012:13.68%) and Bank II is14.02 % p.a. (2012:15.72%). The Loans are secured by a first mortgage of all the Company's immovable properties, both present and future, and second charge on all the movable properties of the Company (except for exclusive charges referred in note (ii) below) by deposit of title deeds, ranking pari-passu amongst them.

(ii) Average rate of interest on loan from Financial Institution is 13.17% p.a (2012:13.71%). The Loan is secured by an exclusive mortgage of a specified property at Chennai by way of deposit of title deeds and rent receivables on the said property,

5 (ii) Settlement of dues to creditors:

As the Corporate Debt Restructuring (CDR) Package dated 19 March 2003 did not yield the desired results, secured lenders who held approximately 85.56% in value, assigned the financial assistance granted by them along with the attendant security interests in favour of Asset Reconstruction Company (India) Limited (ARCIL) under the provisions of Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act).

ARCIL and other Financial Institutions have approved the rework package dated 13 March 2010 through Corporate Debt Restructuring (CDR) mechanism (read with Term Sheet of ARCIL dated 28 March 2010 and Addendum dated 29 June 2011 to the Term Sheet). As the Company could not meet certain repayment obligations as per the rework package, the Corporate Debt Restructuring Empowered Group (CDREG) vide its letters dated 26 July 2011 and 5 September 2011 approved modifications and revised the rework package, stipulating certain changes in the repayment schedule. The total payment to ARCIL and other secured lenders as per total revised working upto 31 March 2013 amounted to Rs.130007.17 lac (Previous year Rs.126377.17 lac) including a sum of Rs.3630 lac (Previous Year Rs.43822.02 lac) paid during the year. ARCIL and certain other secured lenders have converted upto 31 March 2013 part of the debts amounting to Rs.5761.20 lac (Previous year Rs.5745 lac) into equity as stipulated in the CDR rework package, including Rs.16.20 lac (Previous year Rs. Nil) converted during the year. They have also converted part of the debt amounting to Rs. Nil (Previous year Rs.203.18 lac) into non-convertible debentures, out of which debentures amounting to Rs.145.13 lac (Previous year Rs.29.03 lac) have been redeemed including a sum of Rs.116.10 lac (Previous year Rs.29.03 lac) redeemed during the year.

5 (iii): The Company filed a Scheme of Compromise and Arrangement with certain creditors under Section 391 and other relevant provisions of the Companies Act, 1956, before the Hon'ble Madras High Court on 14 December 2011 for settlement of their dues. Pursuant to the directions of the Hon'ble Court, the meeting of the creditors of the Company was held on 24 February 2012 at Chennai. The Scheme was approved by the requisite majority and thereafter sanctioned by the Hon'ble Court vide its Order dated 16 August 2012. The effective date of the Scheme was 28 September 2012, being the date on which the Court Order was filed with the Registrar of Companies, Tamilnadu at Chennai.

As per the Court sanctioned Scheme, the Company offered the following settlement Options to its creditors and the settlements were to be made after the Option expiry date :

Option 1 : 60% of settlement liability payable in 46 quarterly instalments.

Option 2 : 22% of the settlement liability payable within 3 years .

Option 3 : An one time settlement equivalent to 18.15% of the settlement liability payable within 45 days. The creditor shall be entitled to pro-rata payment of an additional 1.5% per annum of the settlement liability calculated in days if the settlement liability is credited to the creditor account after 30 June 2012.

While 23% of the creditors had opted for Option 1, 77% of the creditors opted for Option 3. Based on the Options exercised, the first instalment and the final payment to those creditors who had exercised Option 1 and 3 respectively amounting to Rs.13276.01 lac were paid before the due date for payment (i.e.) 6 January 2013. On account of the above settlements/payments, the excess liability of Rs.115775 lac including interest has been written back as an Exceptional Item during the year.

The creditors balances other than loans are reflected under Long term Liabilities and Trade Payables based on the repayment schedule specified in the scheme.

Note 6 Deferred Tax Liabilities(Net) (Rupees in lac)

Particulars	As at 31 March 2013	As at 31 March 2012
Deferred Tax Liability		
Depreciation	**1089.72**	1206.75
Deferred Tax Assets	**-**	-
Net Deferred Tax Liability (in respect of subsidiaries)	**1089.72**	1206.75
Share in Joint Ventures - Jointly controlled entities	**726.74**	1098.77
Total	**1816.46**	2305.52

Note 7 Other long-term liabilities

Particulars	As at 31 March 2013	As at 31 March 2012
Trade Payables - Secured (Refer Note 5(iii))	**8371.68**	-
Trade / Security deposits received	**1353.73**	1243.58
Liabilities for expenses	**907.92**	910.38
Total	**10633.33**	2153.96
Share in Joint Ventures - Jointly controlled entities	**600.38**	700.97
Total	**11233.71**	2854.93

Note 8 Long term provisions

Particulars	As at 31 March 2013	As at 31 March 2012
Provision for employee benefits:		
(i) Provision for compensated absences (Refer Note 37)	**329.93**	313.69
(ii) Provision for gratuity (Refer Note 37)	**145.83**	129.69
(iii) Provision for other employee benefits	**-**	87.88
Total	**475.76**	531.26
Share in Joint Ventures - Jointly controlled entities (Refer Note 37 (i))	**62.64**	49.96
Total	**538.40**	581.22

Note 9 Short term borrowings

Particulars	As at 31 March 2013	As at 31 March 2012
From banks		
Secured	**453.35**	424.03
From Other parties - Secured	**318.83**	203.90
Deposits - Unsecured		
From Banks	**500.00**	500.00
From Others	**350.00**	245.00
Total	**1622.18**	1372.93
Share in Joint Ventures - Jointly controlled entities	**2437.34**	1711.02
Total	**4059.52**	3083.95

9 (i) In respect of Subsidiary

Working Capital Loans from Banks are secured by hypothecation by way of first charge on the current assets of the Company viz. Stock of Raw materials, Stocks in Process, Semi-finished and Finished Goods, Stores and Spares not relating to Plant and Machinery (Consumables, Stores and Spares) Bills receivables, Book debts, deposits and all other movables excluding such movables as may be permitted by Banks in their discretion from time to time, both present and future, wherever situated and further secured by the second charges on the immovable assets of the Company both present and future. The charge on current assets of the Company will rank pari-passu with the existing charges created and/or agreed to be created thereon in favour of Banks.

9(ii) In respect of Jointly Controlled Entities

Loans are secured by hypothecation by way of charge on 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, (except for exclusive charges stated in note 5 (i) (c) on second charge basis ranking pari-passu amongst them.

Note 10 Trade payable (Rupees in lac)

Particulars	As at 31 March 2013	As at 31 March 2012
Trade payables:		
- Micro & Small Enterprises	**947.80**	69.98
- Other than Micro Enterprises and Small Enterprises	**18041.06**	27784.28
- Others - Secured (Refer Note 5 (iii))	**251.46**	-
Total	**19240.32**	27854.26
Share in Joint Ventures - Jointly controlled entities @	**3371.57**	2229.89
Total	**22611.89**	30084.15

@ The Long term wage settlement with one of the employee unions has expired in January 2005 and the negotiation is in progress. The liability towards the arrears of wages has been accrued based on management estimate.

Note 11 Other current liabilities

Particulars	As at 31 March 2013	As at 31 March 2012
Current maturities of long-term debt (Refer Note 11(i) below)	**2341.23**	29274.30
Interest accrued and not due on borrowings	**329.17**	-
Interest accrued and due on borrowings	**49.45**	18277.69
Unclaimed Deposits	**0.52**	3.33
Retention Money	**23.63**	19.29
Other payables		
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	**552.00**	136.64
(ii) Interest accrued on Security Deposit	**204.42**	246.27
(iii) Trade / Security deposits received	**871.84**	996.64
(iv) Advances from customers	**5031.62**	4579.77
(v) Liability for expenses	**2430.26**	10019.25
(vi) Rental advances	**36.00**	-
Total	**11870.14**	63553.18
Share in Joint Ventures - Jointly controlled entities	**399.88**	400.51
Total	**12270.02**	63953.69

11(i) Current maturities of long-term debt include the following (Refer Note 5(i) -Long term borrowings for details of security)

(Rupees in lac)

Particulars	As at 31 March 2013	As at 31 March 2012
Debentures - Secured * (Refer Note 11(ii))	**58.05**	890.02
Term loans		
From banks - Secured **	**649.68**	1671.14
From other parties-Secured		
Related Parties	**1429.52**	-
Others (Refer Note 5(iii))***	**203.98**	5626.50
Unsecured	**-**	21086.64
	2341.23	29274.30
Share in Joint Ventures - Jointly controlled entities	**223.12**	202.27
Total	**2564.35**	29476.57

* Includes Debentures assigned to ARCIL Rs. NIL (Previous year Rs. 588.06 lac)

** Includes Rs. 86.88 lac payable under 391 scheme [(Refer Note 5(iii)]

*** Includes term loans assigned to ARCIL Rs. NIL (Previous year Rs. 5623.60 lac)

11 (ii) Details of Privately placed non-convertible debentures (Secured)

Particulars		No. of debentures	Face Value (Rs.)	Current Balance as at		Long Term Balance as at		Due date of redemption	Rate of interest
				31 March 2013	31 March 2012	31 March 2013	31 March 2012		
(i)	Series VII			-	317.26	-	2689.58		
(ii)	Series XIII			-	456.66	-	4086.25		
(iii)	Series XIV	41700	100	**41.70**	83.40	-	41.70	30-June-13	14%
(iv)	Series XV	2250	100	**2.25**	4.50	-	2.25	30-June-13	14%
(v)	Series XVI	14100	100	**14.10**	28.20	-	14.10	30-June-13	14%
	Total			**58.05**	**890.02**	**-**	**6833.88**		

Note 12 Short term provisions

Particulars	As at 31 March 2013	As at 31 March 2012
Provision for employee benefits:		
(i) Provision for bonus	**-**	29.61
(ii) Provision for compensated absences (Refer Note 37)	**62.80**	63.80
(iii) Provision for gratuity (Refer Note 37)	**414.39**	626.45
(iv) Provision for Superannuation fund	**214.99**	489.55
(v) Provision for other employee benefits	**-**	32.36
Provision - Others	**-**	90.27
Total	**692.18**	1332.04
Share in Joint Ventures - Jointly controlled entities	**41.48**	68.31
Total	**733.66**	1400.35

Note 13.Fixed assets schedule for consolidated accounts for the year ended 31 March 2013 (Previous year figures are given in brackets)

(Rupees in lac)

Description	Gross block				Accumulated depreciation				Impairment Loss	Net block	
	As at 1 April 2012	Additions/ Adjustments	Deletions/ Adjustments	As at 31 March 2013	As at 1 April 2012	For the year	Deletions/ Adjustments	As at 31 March 2013		As at 31 March 2013	As at 31 March 2012
Tangible Assets											
(a) Land											
- Freehold	**9909.40**	**-**	**-**	**9909.40**	**-**	**-**	**-**	**-**	**-**	**9909.40**	**9909.40**
	(14210.08)	(-)	(4300.68)	(9909.40)	(-)	(-)	(-)	(-)	(-)	(9909.40)	(14210.08)
- Leasehold	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	(130.19)	(13.54)	(143.73)	(-)	(29.64)	(0.72)	(30.36)	(-)	(-)	(-)	(100.55)
(b) Buildings	**13827.87**	**-**	**252.53**	**13575.34**	**6248.31**	**228.13**	**97.80**	**6378.64**	**-**	**7196.70**	**7421.88**
	(30880.42)	(45.28)	(17097.83)	(13827.87)	(14704.87)	(384.93)	(8841.49)	(6248.31)	(157.70)	(7421.86)	(16028.34)
(c) Plant and Equipment	**135336.13**	**1187.17**	**1061.57**	**135461.73**	**97275.23**	**5051.59**	**792.05**	**101534.77**	**-**	**33926.96**	**37921.12**
	(204430.90)	(4282.69)	(73377.46)	(135336.13)	(144548.90)	(6394.50)	(53668.17)	(97275.23)	(139.71)	(37921.19)	(59256.83)
(d) Furniture and Fixtures	**669.54**	**10.68**	**108.77**	**571.45**	**561.63**	**12.59**	**86.76**	**487.46**	**-**	**83.99**	**102.60**
	(925.29)	(37.57)	(293.32)	(669.54)	(802.44)	(30.18)	(270.99)	(561.63)	(5.31)	(102.60)	(562.69)
(e) Vehicles	**234.77**	**0.16**	**46.51**	**188.42**	**153.04**	**21.33**	**35.35**	**139.02**	**-**	**49.40**	**75.52**
	(356.88)	(78.85)	(200.96)	(234.77)	(231.94)	(26.93)	(105.83)	(153.04)	(6.21)	(75.52)	(124.94)
(f) Office equipments	**7220.02**	**124.48**	**31.01**	**7313.49**	**5678.35**	**186.34**	**25.11**	**5839.58**	**-**	**1473.91**	**1541.67**
	(9797.40)	(161.74)	(2739.12)	(7220.02)	(7703.32)	(172.70)	(2197.67)	(5678.35)	(-)	(1541.67)	(1645.19)
(g) Roads	**218.42**	**-**	**-**	**218.42**	**118.46**	**7.25**	**-**	**125.71**	**-**	**92.71**	**99.96**
	(1171.86)	(-)	(953.44)	(218.42)	(581.79)	(25.65)	(488.98)	(118.46)	(-)	(99.96)	(572.09)
(h) Railway Sidings	**582.26**	**-**	**-**	**582.26**	**228.11**	**14.19**	**-**	**242.30**	**-**	**339.96**	**354.15**
	(582.26)	(-)	(-)	(582.26)	(213.88)	(14.23)	(-)	(228.11)	(-)	(354.15)	(368.38)
Intangible Assets											
- Technical know-how	**161.81**	**-**	**161.81**	**-**	**161.81**	**-**	**161.81**	**-**	**-**	**-**	**-**
	(523.66)	(-)	(361.85)	(161.81)	(403.05)	(-)	(241.24)	(161.81)	(-)	(-)	(-)
- Software	**57.93**	**-**	**-**	**57.93**	**22.02**	**9.21**	**-**	**31.23**	**-**	**26.70**	**35.91**
	(56.20)	(1.73)	(-)	(57.93)	(12.88)	(9.14)	(-)	(22.02)	(-)	(35.91)	(43.32)
Capital Work-in-progress										**355.89**	**122.77**
										(122.77)	(1676.60)
Total - A	**168218.15**	**1322.49**	**1,662.20**	**167878.44**	**110446.96**	**5530.63**	**1198.88**	**114778.71**	**-**	**53455.62**	**57585.03**
	(263065.14)	(4621.40)	(99468.39)	(168218.15)	(169232.71)	(7058.98)	(65844.73)	(110446.96)	(308.93)	(57585.03)	(94589.01)
Share in Joint Ventures - Jointly controlled entities											
- Tangible Assets	**21432.29**	**565.77**	**148.40**	**21849.66**	**15767.49**	**658.53**	**135.22**	**16290.80**	**-**	**5558.86**	**5664.80**
	(21272.69)	(180.32)	(20.72)	(21432.29)	(15148.11)	(635.05)	(15.67)	(15767.49)	(-)	(5664.80)	(6124.58)
- Capital Work-in-progress										**1522.92**	**1941.35**
										(1941.35)	(1762.40)
-Intagible assets											
- Intangible assets under development	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**429.47**	**429.47**
										(429.47)	(429.47)
Total - B	**21432.29**	**565.77**	**148.40**	**21849.66**	**15767.49**	**658.53**	**135.22**	**16290.80**	**-**	**7511.25**	**8035.62**
	(21272.69)	(180.32)	(20.72)	(21432.29)	(15148.11)	(635.05)	(15.67)	(15767.49)	(-)	(8035.62)	(8316.45)
GRAND TOTAL (A + B)	**189650.44**	**1888.26**	**1810.60**	**189728.10**	**126214.45**	**6189.16**	**1334.10**	**131069.51**	**-**	**60966.87**	**65620.65**
Previous year	(284337.83)	(4801.72)	(99489.11)	(189650.44)	(184380.82)	(7694.03)	(65860.40)	(126214.45)	(308.93)	(65620.65)	(102905.46)

Notes:

a The Company has reviewed its carrying cost of certain assets relating to the formulations and enzyme units of the erstwhile Pharmaceutical Division and written off their value of Rs. 248.25 lac as these assets were not having any intrinsic value.

b Capital Work-in-progress of Rs. 355.89 lac is net of provision of Rs. 140.20 lac.

c In respect of Subsidiary, Plant & Machinery during the year represents Rs. 25.13 lac (Previous year Rs.51.88 lac) towards exchange gain adjusted in fixed assets as per GOI Notification (GO No. GSR225(E) dated Mar 31, 2009).

d In respect of Jointly Controlled Entities depreciation for the year includes Rs. 0.22 lac (Previous year Rs. 0.34 lac) in respect of SPIC Electric Power Corporation (Private) Limited grouped under Expenditure during construction period pending allocation.

13 (i) Depreciation disclosure relating to Continuing and Discontinuing operations

(Rupees in lac)

Sl. No	Particulars	Year ended 31 March 2013	Year ended 31 March 2012
1	Depreciation for the year on tangible assets as per Note 13	**6179.95**	7684.89
2	Depreciation for the year on intangible assets as per Note 13	**9.21**	9.14
	Total Depreciation	**6189.16**	7694.03
	Depreciation relating to Continuing operations	**6163.23**	6019.39
	Depreciation relating to Discontinuing operations	**25.93**	1674.64

13 (ii) Depreciation charge for the year - Continuing Operations

Sl. No	Particulars	Year ended 31 March 2013	Year ended 31 March 2012
1	Depreciation for the year-continuing operations	**6163.23**	6019.39
2	Less.Credit for the amount (with respect to a Jointly controlled entity)		
	amount withdrawn from the revaluation reserve	**(3.40)**	(3.41)
	amount grouped under expenditure during constrution period pending allocation	**-**	(0.22)
	amount debited to Capital work in progress	**(0.38)**	(0.38)
	Net Depreciation charged to the statement of profit and loss-continuing operations	**6159.45**	6015.38

13 (iii) Certain assets pertaining to Urea operations, Pharmaceutical and Biotechnology divisions were revalued as on 31 March 1996, 31 March 1999, 31 March 2000, 1 April 2002, 1 April 2003 and 31 March 2006 by independent professional valuers and the resultant surplus included in the gross block of fixed assets as on 31 March 2013 is as below:

Assets revalued	Revaluation uplift
Land	**5849.23**
Buildings	**11848.67**
Plant and Equipment	**80156.42**
Furnitures and Fixtures & Office Equipment	**3156.35**
Roads	**207.47**
Railway Sidings	**182.91**

13 (iv) In respect of Subsidiary, SPEL Semiconductor Limited has opted for accounting the exchange difference arising on reporting of long term foreign currency monetary items in line with Companies (Accounting Standards) Amendment Rules 2009 and Accounting Standard 11 (AS-11) notified by Government of India on 31 March 2009 (GO No. GSR 225(E) dated 31 March 2009). The exchange difference adjusted in the carrying amount of fixed assets during the accounting period is Rs. 25.13 lac (gain) [Previous year Rs.51.88 lac (gain)].

Note 14 Non-Current Investments

(Rupees in lac)

Particulars	As at 31 March 2013			As at 31 March 2012		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
NON-CURRENT INVESTMENTS (At cost)						
OTHER INVESTMENTS (NON - TRADE)						
(a) **Investment in equity instruments - fully paid up**						
(i) 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 14 (iii) below) 5,77,681 (5,77,681) Equity Shares of Rs. 10 each	**-**	**-**	**-**	-	-	-
- State Bank of Bikaner and Jaipur 3,450 (3,450) Equity Shares of Rs. 10 each	**1.85**	**-**	**1.85**	1.85	-	1.85
- ICICI Bank Limited 383 (383) Equity Shares of Rs. 10 each	**0.20**	**-**	**0.20**	0.20	-	0.20
- SPIC Petrochemicals Limited (Refer Note 14 (iv) below) 25,37,50,009 (25,37,50,009) Equity Shares of Rs. 10 each	**-**	**25375.00**	**25375.00**	-	25375.00	25375.00
- SPIC Electric Power Corporation Private Limited Nil (5,00,000) Equity Shares of Rs. 10 each	**-**	**-**	**-**	-	50.00	50.00
- Biotech Consortium India Limited 2,50,000 (2,50,000) Equity Shares of Rs. 10 each	**-**	**25.00**	**25.00**	-	25.00	25.00
- Cuddalore SIPCOT Industries Common Utilities Limited Nil (15,915) Equity Shares of Rs. 100 each	**-**	**-**	**-**	-	15.92	15.92
- Chennai Willington Corporate Foundation 50 (50) Equity Shares of Rs. 10 each costing Rs. 450	**-**	-	-	-	-	-
- Mercantile Ventures Limited 92,20,000 (Nil) Equity Shares of Rs. 10 each	**-**	**922.00**	**922.00**	-	-	-
Total Investment in Equity instruments in other entities	**2.73**	**26322.00**	**26324.73**	2.73	25465.92	25468.65
(b) **Investment in preference shares - fully paid up**						
(ii) of other entities						
- SPIC Petrochemicals Limited (Refer Note 14 (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
(c) **Investment in bonds - fully paid up**						
(i) of other entities						
- SPIC Petrochemicals Limited* (Refer Note 14 (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
(d) **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	**2.73**	**56937.63**	**56940.36**	2.73	56081.55	56084.28
Less: Provision for diminution in value of investments	**-**	**55989.62**	**55989.62**	-	56039.63	56039.63
NET VALUE OF INVESTMENTS	**2.73**	**948.01**	**950.74**	2.73	41.92	44.65
Add: Share in Joint Ventures - Jointly controlled entities	**-**	**225.28**	**225.28**	-	260.82	260.82
Total	**2.73**	**1173.29**	**1176.02**	2.73	302.74	305.47

14 (i) The Company's investments included Rs. 18453.62 lac (Previous year Rs.18453.62 lac) in equity share capital of SPIC Fertilizer and Chemicals Limited, Mauritius, which had invested in a wholly owned subsidiary company, viz. SPIC Fertilizers and Chemicals FZE, Dubai (SFC FZE, Dubai) in the earlier years, whose objective was production of ammonia and urea in Jebel Ali Free Zone, Dubai. Since the project did not materialize due to non allocation of gas, the said subsidiary company had commenced activities for dismantling the existing plant and machinery at the project site with a view to relocate the same where assured gas supply could be obtained.

As Jebel Ali Free Zone Authorities (JAFZA) had taken over the assets of SPIC Fertilizers and Chemicals (SFC) FZE, Dubai, the holding company SFCL Mauritius lost control over the subsidiary. Full provision has been made for these investments in earlier years. The company is considering writing off the investments in SFCL Mauritius and is in the process of getting the approval of the concerned Regulatory Authorities to write off the aforesaid investment in the books of account. The accounts relating to the subsidiary company SFCL Mauritius included in the consolidated financial statements is as at 31 March 2011 which are based on Management accounts. As the records have been seized by JAFZA authorities, there are no financial statements available from 1 April 2011 to 31 March 2013 and adjustments if any to liabilities, in the consolidated financial statements for the said period has not been made in respect of these two subsidiaries.

14 (ii) The 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.

14 (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 alloted 5,77,681 Equity Shares of the face value of Rs. 10 each in SICAGEN India Limited.

14 (iv) The Company promoted SPIC Petrochemicals Limited (SPIC Petro) in 1994-95 for the manufacture of Polyester Filament Yarn (Capacity: 80000 TPA) and Purified Terepthalic Acid (Capacity: 315000 TPA). 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 or repayment of all the term loans to the lenders, whichever is earlier. In view of the pending litigation between Chennai Petroleum Corporation Limited (CPCL) and the Company and the consequent interim injunction granted by the Hon'ble Madras High Court in 1997 to stop implementation of activities, there has been a suspension of activities.

While SPIC Petro was pursuing its revival efforts, the Hon'ble Single Judge of the Hon'ble Madras High Court ordered the winding up of the company on 17 April 2009 and appointed the Official Liquidator to take charge of all the properties and effects of the company, at the time of disposing the winding up petitions filed by certain unsecured creditors.

Against the above winding up order, SPIC Petro filed an appeal and obtained an interim stay from the Division Bench of the Hon'ble Madras High Court on 5 May 2009. After several hearings, the Division Bench vide its order dated 16 December 2009 directed SPIC Petro to pay an amount of Rs.110 lac as part-payment to certain unsecured creditors who have initiated the winding up proceedings before the court, on or before 31 March 2010. Since SPIC Petro was unable to make the above payment on or before 31 March 2010, 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.

However, the Official Liquidator appointed by the Hon'ble Madras High Court had taken over possession of the assets and effects of SPIC Petro on 14 May 2010, in accordance with the order issued by the Division Bench of the Hon'ble Madras High Court on 26 April 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. On an appeal preferred by ARCIL, the Hon'ble Madras High Court vide its order dated 20 December 2010 directed the official Liquidator to hand back the possession of the above mentioned assets to ARCIL, pursuant to which ARCIL took repossession of the same on 4 January 2011.

In view of the above developments, 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.

14 (v) The Company had paid a capital advance of Rs. 2091.04 lac (Previous year Rs. 2091.04 lac) to MCC Finance Limited (now known as Mercantile Ventures Limited) in the earlier years, for purchase of certain immovable properties. Consequent to the withdrawal of the pending litigation before the Hon'ble Madras High Court, full provision was made in the accounts during the 1st quarter of the previous year. MCC Finance Ltd., filed a Scheme of Arrangement with its creditors under section 391 and other relevant provisions of the Companies Act, 1956 before the Hon'ble Madras High Court which was sanctioned by the Hon'ble Court vide its Order dt. 18 October 2012.

As per the sanctioned Scheme and the option exercised by the Company, Mercantile Ventures Ltd., has allotted equity shares for a value of Rs.922 lac (92,20,000 equity shares with a face value of Rs.10 each with a premium of Rs.15/-) to the Company against the outstanding capital advance of Rs.2091.04 lac and the balance of Rs.1169.04 lac was charged off to the Statement of Profit and Loss . Consequently provision of Rs. 922 lac already made has been written back to other income during the year.

Note 15 Long-term loans and advances

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

Particulars	As at 31 March 2013		As at 31 March 2012	
Capital advances				
Considered good	**129.64**		275.44	
Doubtful	-		2091.04	
	129.64		2366.48	
Less: Provision for doubtful capital advances	-	**129.64**	2091.04	275.44
Deposits				
Considered good	**3114.56**		2869.37	
Doubtful	**33.97**		4.12	
	3148.53		2873.49	
Less: Provision for doubtful deposits	**33.97**	**3114.56**	4.12	2869.37
Loans and advances to employees				
Considered good	**4.70**		5.79	
Doubtful	**5.35**		5.35	-
	10.05		11.14	
Less: Provision for doubtful loans and advances	**5.35**	**4.70**	5.35	5.79
Advance income tax (net of provisions Rs. 4135.56 lac (As at 31 March, 2012 Rs. 4135.56 lac) - Unsecured,		**689.72**		593.79
Balances with government authorities				
Considered good	**-**		30.14	
Doubtful	**453.83**		370.27	
	453.83		400.41	
Less: Provision for doubtful receivables	**453.83**	**-**	370.27	30.14
Other loans and advances - Considered Good		-		61.28
Total		**3938.62**		3835.81
Share in Joint Ventures - Jointly controlled entities (Considered Good)		**558.03**		377.81
Total		**4496.65**		4213.62

Note 16 Inventories

Particulars	As at 31 March 2013	As at 31 March 2012
Raw materials	**3070.52**	4237.42
Work-in-progress	**740.88**	1458.30
Finished goods	**140.27**	465.42
Stores and spares	**3767.19**	4886.25
Goods-in-transit	**65.86**	47.45
Less: Provision for non-moving spares	**(745.76)**	(710.69)
	3087.29	4223.01
Loose tools	**20.01**	17.37
Total	**7058.97**	10401.52
Share in Joint Ventures - Jointly controlled entities	**3773.78**	2254.47
Total	**10832.75**	12655.99

Note 17 Trade receivable

(Rupees in lac)

Particulars	As at 31 March 2013		As at 31 March 2012	
Trade receivables outstanding for a period exceeding six months from the date they were due for payment				
Secured, considered good	**24.60**		3.26	
Unsecured, considered good	**707.74**		265.80	
Doubtful	**926.90**		1068.14	
	1659.25		1337.20	
Less: Provision for doubtful trade receivables	**926.90**	**732.34**	1068.14	269.06
Other Trade receivables				
Secured, considered good	**515.11**		5.82	
Unsecured, considered good	**606.17**		1486.53	
Doubtful	**65.50**		-	
	1186.78		1492.35	
Less: Provision for doubtful trade receivables	**65.50**	**1121.28**	-	1492.35
Total		**1853.62**		1761.41
Share in Joint Ventures - Jointly controlled entities		**1717.84**		1492.30
Total		**3571.46**		3253.71

Note-18 Cash and cash equivalents

Particulars	As at 31 March 2013	As at 31 March 2012
Cash on hand	**7.94**	6.55
Cheques, drafts on hand	**0.07**	500.00
Balances with banks		
(i) In current accounts	**3685.38**	674.97
(ii) In EEFC accounts	**1.00**	0.94
(iii) In deposit accounts	**-**	160.00
(iv) In earmarked accounts		
- Balances held as margin money or Security against borrowings, guarantees and other commitments *	**444.58**	321.48
- Balance in Escrow Account	**26.51**	0.45
Total	**4165.48**	1664.39
Share in Joint Ventures - Jointly controlled entities	**1213.83**	1545.40
Total	**5379.31**	3209.79
of the above balances that meet the definition of cash and cash equivalents as per AS 3 Cash Flow statement is	**4866.90**	1676.12

*** In respect of Subsidiary**

(i) Includes deposits is lien marked with IOB with respect to Buyer's Credit for Rs.134.20 lac (Previous year Nil).

(ii) Includes margin money deposit with a carrying amount of Rs.76.74 lac (Previous year Rs.97.66 lac) are given as security for opening of letter of credit with banks.

Note 19 Short-term loans and advances
(Unsecured, Considered Good unless otherwise stated) (Rupees in lac)

Particulars	As at 31 March 2013		As at 31 March 2012	
Loans and advances to related parties				
Considered Good	**84.57**		35.35	
Doubtful	**4273.97**		4271.02	
	4358.54		4306.37	
Less: Provision for doubtful loans and advances	**4273.97**	**84.56**	4271.02	35.35
Deposits				
Considered Good	**10.86**		91.25	
Doubtful	**88.73**		62.92	
	99.59		154.17	
Less: Provision for doubtful deposits	**88.73**	**10.86**	62.92	91.25
Loans and advances to employees				
Considered Good	**6.44**		17.55	
Doubtful	**18.37**		20.72	
	24.81		38.27	
Less: Provision for doubtful loans and advances	**18.37**	**6.44**	20.72	17.55
Prepaid expenses		**144.39**		74.00
Subsidy Receivable		**7669.26**		7568.94
Balances with government authorities				
Considered good	**804.78**		445.50	
Doubtful	**47.93**		37.40	
	852.71		482.90	
Less: Provision for doubtful receivables	**47.93**	**804.78**	37.40	445.50
Advance to suppliers		**99.69**		6423.92
Loans and Advances to other parties				
Considered good	**525.23**		1268.70	
Doubtful	**548.42**		548.41	
	1073.65		1817.11	
Less: Provision for doubtful loans and advances	**548.42**	**525.23**	548.41	1268.70
Total		**9345.22**		15925.21
Share in Joint Ventures - Jointly controlled entities		**797.49**		922.57
Total		**10142.71**		16847.78

19 (i) The loans & advances include certain overdue and unconfirmed balances. However, in the opinion of the Management these current assets would in the ordinary course of business realize the value as stated in the accounts.

(Rupees in lac)

Note-20 Other current assets

Particulars	As at 31 March 2013		As at 31 March 2012	
Accrued Income		**8.93**		3.49
Interest accrued on Deposits		**-**		9.94
Others				
Insurance Claims				
Considered Good	**0.07**		0.07	
Considered Doubtful	**0.71**		0.71	
	0.78		0.78	
Less: Provision for doutbful claims	**0.71**	**0.07**	0.71	0.07
MAT Credit		**-**		311.23
Other receivables				
Considered Good	**6.02**		133.19	
Considered Doubtful	**79.17**		72.59	
	85.19		205.78	
Less: Provisions for Doubtful receivables	**79.17**	**6.02**	72.59	133.19
Total		**15.02**		457.92
Share in Joint Ventures - Jointly controlled entities		**5.53**		5.12
Total		**20.55**		463.04

Note-21 Revenue from operation

Particulars	Year ended 31 March 2013	Year ended 31 March 2012
Sale of products (Refer Note 21 (i) below)	**35776.93**	45599.26
Subsidy Income	**178066.21**	205462.22
Sale of services	**103.98**	92.61
Total	**213947.12**	251154.09
Other operating revenues (Refer Note 21(ii) below)	**1398.88**	1066.49
Total	**215346.00**	252220.58
Less: Excise duty	**331.44**	382.71
Total	**215014.56**	251837.87
Share in Joint Ventures - Jointly controlled entities		
Total Revenue	**24254.34**	24202.51
Less: Excise Duty	**2559.53**	2035.27
Net Sales	**21694.81**	22167.24
Total	**236709.37**	274005.11

21 (i) Sale of Products

Particulars	Year ended 31 March 2013	Year ended 31 March 2012
Sale of products comprises:		
- Manufactured goods	**34406.58**	44690.38
- Traded goods	**1370.35**	908.88
Total	**35776.93**	45599.26
Share in Joint Ventures - Jointly controlled entities	**566.42**	34.24
Total	**36343.35**	45633.50

21(ii) Other operating Revenues (Rupees in lac)

Particulars	Year ended 31 March 2013	Year ended 31 March 2012
Unclaimed credit balances written back	**20.92**	313.29
Facility sharing income	**1024.73**	461.62
Sale of scrap	**184.14**	118.96
Other operating income	**169.09**	172.62
Total	**1398.88**	1066.49
Share in Joint Ventures - Jointly controlled entities	**41.14**	31.83
Total	**1440.02**	1098.32

Note 22 Other income

Particulars	Year ended 31 March 2013	Year ended 31 March 2012
(a) Interest income (Refer Note 22 (i) below)	**212.55**	204.91
(b) Dividend income - from long-term investments		
- Others	**6.40**	63.95
(c) Net gain on foreign currency transactions and translation	**73.35**	-
(d) Provision no longer required written back		
For Doubtful debts/advances	-	8.18
Others	**972.00**	516.90
(e) Other non-operating income (Refer Note 22 (ii) below)	**325.78**	426.97
Total	**1590.08**	1220.92
Share in Joint Ventures - Jointly controlled entities	**104.14**	294.73
Total	**1694.22**	1515.65

Note 22 (i) - Interest Income

Particulars	Year ended 31 March 2013	Year ended 31 March 2012
Interest income comprises:		
Interest from banks on-		
- Deposits	**70.83**	171.13
- Other interest	**141.72**	33.78
Total	**212.55**	204.91
Share in Joint Ventures - Jointly controlled entities	**19.27**	19.69
Total	**231.82**	224.60

Note 22 (ii) - Other non-operating income

Particulars	Year ended 31 March 2013	Year ended 31 March 2012
Other non-operating income comprises:		
- Rental income	**325.12**	228.88
- Miscellaneous Income	**0.66**	60.03
Total	**325.78**	288.91
Share in Joint Ventures - Jointly controlled entities	**-**	138.06
Total	**325.78**	426.97

Note 23 Cost of materials consumed (Rupees in lac)

Particulars	Year ended 31 March 2013	Year ended 31 March 2012
Opening stock	**4386.39**	2727.17
Add: Purchases	**123516.12**	143661.77
Less: Closing stock	**3340.75**	4386.39
Total	**124561.76**	142002.55
Share in Joint Ventures - Jointly controlled entities	**13651.13**	12884.46
Cost of material consumed	**138212.89**	154887.01

Note 24 Purchase of stock-in-trade

Particulars	Year ended 31 March 2013	Year ended 31 March 2012
Purchases of stock-in-trade	**476.67**	2088.91
Share in Joint Ventures - Jointly controlled entities	**559.16**	30.66
Total	**1035.83**	2119.57

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

Particulars	Year ended 31 March 2013	Year ended 31 March 2012
(a) Inventories at the end of the year:		
Finished goods	**140.27**	396.98
Work-in-progress	**740.88**	1450.32
Total	**881.15**	1847.30
(b) Inventories at the beginning of the year:		
Finished goods	**396.98**	749.92
Work-in-progress	**1450.32**	2326.74
Total	**1847.30**	3076.66
(Increase) / Decrease	**966.15**	1229.36
Share in Joint Ventures - Jointly controlled entities	**(987.78)**	(468.13)
Net (increase) / decrease	**(21.63)**	761.23

Note 26 Employee benefits expenses

Particulars	Year ended 31 March 2013	Year ended 31 March 2012
Salaries and wages	**4623.86**	4360.24
Contributions to provident and other funds	**308.05**	306.24
Contribution to gratuity	**49.98**	278.64
Contribution to superannuation funds	**91.33**	155.26
Staff welfare expenses	**515.01**	502.13
Total	**5588.23**	5602.51
Share in Joint Ventures - Jointly controlled entities	**500.09**	499.70
Total	**6088.32**	6102.21

Note 27 Finance cost

(Rupees in lac)

Particulars	Year ended 31 March 2013	Year ended 31 March 2012
Interest expense on:		
(i) Borrowings	**758.88**	7670.77
(ii) Trade payables/Trade Advances	**3689.10**	14.40
(iii) Deposits	**139.74**	177.49
(iv) Others	**282.66**	22.05
Other borrowing costs	**113.89**	343.42
Total	**4984.27**	8228.13
Share in Joint Ventures - Jointly controlled entities	**539.10**	536.03
Total	**5523.37**	8764.16

Note 28 Other expenses

Particulars	Year ended 31 March 2013		Year ended 31 March 2012	
Consumption of stores and spare parts		**546.31**		1455.03
Increase / (decrease) of excise duty on inventory		**0.57**		(36.30)
Power and fuel		**59581.27**		66317.68
Water		**1942.90**		709.06
Rent		**466.14**		389.17
Repairs to				
- Buildings	**399.62**		242.50	
- Machinery	**1011.80**		1224.25	
- Others	**319.60**	**1731.02**	446.93	1913.68
Insurance		**226.66**		318.33
Rates and taxes		**117.98**		118.84
Communication		**12.73**		15.40
Travelling and conveyance		**446.70**		553.29
Packing, transportation and handling		**6995.43**		6989.09
Marketing Service Charges		**911.28**		400.50
Rebates and Discount		**2318.82**		2693.00
Sales promotion expenses		**21.70**		5.21
Professional Fees		**731.76**		849.28
Payment to auditors (Refer Note 28(i) below)		**35.34**		64.19
Bad trade and other receivables, loans and advances written off	**1250.10**		215.38	
Less: Transfer off from provision	**(1250.00)**	**0.10**	(215.38)	-
Net loss on foreign currency transactions and translation		**2555.27**		4170.58
(Profit)/Loss on fixed assets sold / scrapped / written off		**28.35**		(4.23)
Provision for doubtful trade and other receivables, loans and advances (net)		**249.47**		2492.93
Director's sitting fees		**1.67**		-
Provision for Non-moving Inventory		**20.16**		-
Printing and stationery		**12.52**		-
Miscellaneous expenses		**745.04**		997.36
Total		**79699.19**		90412.09
Share in Joint Ventures - Jointly controlled entities		**8071.08**		8430.97
Total		**87770.27**		98843.06

28 (i) Payment to Auditors (Rupees in lac)

Particulars	Year ended 31 March 2013	Year ended 31 March 2012
Payments to the auditors comprises (net of service tax input credit, where applicable):*		
- As auditors - statutory audit	**26.50**	31.50
- For taxation matters	**0.30**	0.30
- For other services	**7.77**	31.27
- Reimbursement of expenses	**0.77**	1.12
Total	**35.34**	64.19
Share in Joint Ventures - Jointly controlled entities	**4.63**	5.69
Total	**39.97**	69.88

*Includes fee paid to auditors of subsidiary and Jointly Controlled entities

Note 29 Exceptional items

Particulars	Year ended 31 March 2013	Year ended 31 March 2012
Excess Liability written back (Refer Note 5(iii))	**115775.00**	2255.08
Profit on Sale of Investment	**-**	562.89
Profit/ (Loss) on Sale of Fixed Assets	**-**	(416.50)
Total	**115775.00**	2401.42
Share in Joint Ventures - Jointly controlled entities	**305.44**	-
Total	**116080.44**	2401.47

Note 30 Discontinuing Operations

30 (i) The operations of the Formulations Industrial Unit at Maraimalai Nagar were discontinued with effect from 2 April 2012 due to low demand for its products in the domestic and export markets and uncertain power situation. Certain assets relating to the above unit were disposed off during the year and the loss of Rs.11.28 lac has been included in "(Loss)/Gain on disposal of assets".

30 (ii) The operations of Enzyme Unit of the Pharmaceutical Division were discontinued during the year in view of its uneconomical business size, constraints in fund infusion/restart-up of the operations after being relocated from various places and paucity of working capital. Certain assets of the above unit were sold on 18 December 2012 based on an Asset Sale Agreement and the loss arising out of such sale amounting to Rs.87.40 lac is included in " (Loss)/Gain on disposal of assets".

30 (iii) Notes to Discontinuing Operations - for the year ended 31 March 2013 (Rupees in lac)

S. No	Particulars	Discontinuing		
		Bulk Drugs and Formulations	Enzymes	Total
1	Revenue from operations (gross)	**313.30**	**381.99**	**695.29**
	Less: Excise duty	**0.97**	**23.49**	**24.46**
	Revenue from operations (net)	**312.33**	**358.50**	**670.83**
2	**Expenses**			
	(a) Cost of materials consumed	**-**	**85.69**	**85.69**
	(b) Purchases of stock-in-trade	**-**	**107.62**	**107.62**
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	**36.68**	**20.20**	**56.88**
	(d) Employee benefits expense	**123.93**	**137.09**	**261.02**
	(e) Depreciation and amortisation expense	**10.67**	**15.26**	**25.93**
	(f) Other expenses	**179.35**	**219.95**	**399.30**
	Total expenses	**350.63**	**585.81**	**936.44**
3	**Loss from Discontinuing Operations (1-2)**	**(38.30)**	**(227.31)**	**(265.61)**
4	Loss on disposal of assets / settlement of liabilities attributable to the discontinuing operations	**(11.28)**	**(87.40)**	**(98.68)**
5	**Loss before and after tax (3 + 4)**	**(49.58)**	**(314.71)**	**(364.29)**

30 (iv) Notes to Discontinuing Operations - for the year ended 31 March 2012 (Rupees in lac)

S. No	Particulars	Discontinuing				
		Phosphatic Operations	Bulk Drugs and Formulations	Enzymes	SMO	Total
1	Revenue from operations (gross)	67647.38	1187.15	475.33	18167.80	87477.66
	Less: Excise duty	438.83	-	6.59	-	445.42
	Revenue from operations (net)	67208.55	1187.15	468.74	18167.80	87032.24
2	Other income	159.17	-	-	68.08	227.25
3	**Total revenue (1+2)**	67367.72	1187.15	468.74	18235.88	87259.49
4	**Expenses**					
	(a) Cost of materials consumed	49961.22	405.40	79.08	-	50445.70
	(b) Purchases of stock-in-trade	-	2.42	190.89	-	193.31
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	1040.23	(29.45)	9.28	(769.06)	251.00
	(d) Employee benefits expense	1364.96	328.81	148.86	497.26	2339.89
	(e) Finance costs	11.53	-	-	24.32	35.85
	(f) Depreciation and amortisation expense	955.11	640.76	17.66	61.11	1674.64
	(g) Other expenses	11254.24	958.96	143.28	18337.94	30694.42
	Total expenses	64587.29	2306.90	589.05	18151.57	85634.81
5	**Profit / (Loss) before exceptional items and tax (3 - 4)**	2780.43	(1119.75)	(120.31)	84.31	1624.68
6	Exceptional items					
	(a) VRS Compensation	-	(1179.31)	-	-	(1179.31)
	(b) Reversal / (Provision) relating to Asset Impairment (net)	-	633.10	(117.61)	-	515.49
7	**Profit from Discontinuing Operations (5 + 6)**	2780.43	(1665.96)	(237.92)	84.31	960.86
8	Gain / (Loss) on disposal of assets / settlement of liabilities attributable to the discontinuing operations	2166.28	668.51	-	(1745.56)	1089.23
9	**Profit / (Loss) before and after tax (7 + 8)**	4946.71	(997.45)	(237.92)	(1661.25)	2050.09

30 (v) Carrying Value of Assets and Liabilities of Discontinuing Operations as at 31 March 2013 with Comparative Previous Year figures

Particulars	Bulk Drugs and Formulations	Enzymes	Total
Total Assets			
31 March 2013	**-**	**123.23**	**123.23**
31 March 2012	566.18	366.88	933.06
Total Liabilities			
31 March 2013	**221.20**	**5.73**	**226.93**
31 March 2012	802.38	45.60	847.98

30 (vi) Cash Flow of Discontinuing Operations as at 31 March 2013 with Comparative Previous Year figures.

(Rupees in lac)

Particulars	Agro Inputs (Phosphatic operations)	Bulk Drugs and Formulations	Enzymes	SMO	Total
Cash flow from / (used in) Operating Activities					
31 March 2013	**-**	**(160.03)**	**(180.02)**	**-**	**(340.05)**
31 March 2012	8507.52	(1450.88)	(119.93)	(357.36)	6579.35
Cash flow from Investing Activities					
31 March 2013	**-**	**52.65**	**17.26**	**-**	**69.91**
31 March 2012	30360.01	3080.01	137.98	4818.74	38396.74
Cash flow used in Financing Activities					
31 March 2013	**-**	**-**	**-**	**-**	**-**
31 March 2012	(0.02)	-	-	-	(0.02)

Note 31 Commitments

(a) Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. 1553.79 lac (Previous year Rs. 373.63 lac). (including share of joint venture – jointly controlled entities – Rs. 9.59 lac (Previous year Rs. 10.73 lac)

(b) Confirmed sales commitments (in respect of joint venture – jointly controlled entities) to be fulfilled within one year as on 31 March 2013 is Rs. 3833.59 lac (Previous year Rs.1800 lac).

(c) Confirmed purchase commitments to be fulfilled within one year as on 31 March 2013 in respect of joint venture – jointly controlled entities is Rs. 8336.63 lac.

(d) Letter of Credit outstanding (relating to subsidiary) – Rs. 355.11 lac (previous year – Rs. 526.29 lac)

Note 32 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 37 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.1633.70 lac (Previous year Rs.1242.70 lac) is not acknowledged as debt, as this differential value from April 2009 to March 2013 is not supported by any Government Order and also the other beneficiaries are objecting to such claims of TWAD.

(iii) The Superintending Engineer, Tamilnadu Generation and Distribution Corporation Limited (TANGEDCO), Cuddalore, vide letter dated 19 April 2012 has claimed Rs. 155.48 lac (Previous year Rs. 155.48 lac) towards outstanding dues relating to the Pen-G unit of the erstwhile Pharmaceutical Division at Cuddalore. The Company has requested TANGEDCO authorities to inform the basis of the above claim for taking further action.

(iv) Other claims against the Company, which are being disputed/challenged before the Courts – Rs. 4379.04 lac (Previous year Rs. 4304.95 lac).

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

(b) Guarantees/Security given to Banks/Financial Institutions on behalf of other companies Rs.4500 lac (Previous year Rs. 4500 lac)

(c) Other Bank Guarantees outstanding Rs.781.78 lac (Previous year Rs. 781.78 lac).

(d) Cumulative amount of Preference Dividend and Dividend Tax thereon not provided for the period from 1 April 2001 to 31 March 2013 is Rs.2465.04 lac (Previous year Rs. 2288.09 lac)

(e) No provision has been considered necessary by the Management for the following disputed Income tax, 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

Name of the Statute	Nature of the Dues	Period to which the amount relates	Amount (Rs. in lac)	Forum where pending
Indirect Taxes Central Excise Act, 1944	Excise duty	1998-99 to 2006-07	**537.01** (391.46)	Commissioner of Central Excise (Appeals) / Customs, Excise and Service Tax Appellate Tribunal (CESTAT)
Finance Act, 1994	Service Tax	2003-04 to 2004-05 2008-09 2010-11	**347.40** (140.55)	Commissioner of Central Excise (Appeals) CESTAT/Hon'ble Madras High Court
Sales Tax Act under various State enactments	Local Sales Tax	1996-97 to 2009-10	**925.32** (804.24)	Additional/Deputy Commissioner (Appeals) / Sales Tax Appellate Tribunal. Hon'ble AP and Mardas High Court.
Tamilnadu Electricity (Taxation on Consumption) Act, 1962	Electricity Tax	1985-86 to 1993-94	**1050.54** (1050.54)	Division Bench of the Hon'ble Madras High Court
Employees State Insurance Act *	ESI dues	1977 to 2003	**11314.49** (11061.40)	ESI Court / Hon'ble Madras High Court
Income Tax, Sales Tax, Excise Duty, Service Tax, Electricity Tax and other demands pending before various authorities with respect to subsidiaries/joint ventures – jointly controlled entities			**787.28** (842.00)	
Total			**14962.04** **(**14290.27**)**	

* 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.14174.76 lac (Previous year Rs. 13448.19 lac), an amount of Rs.875.31 lac (Previous year Rs.864.92 lac) has been deposited under protest/adjusted by relevant authorities.

Note 33.

(i) Due to failure of Southwest monsoon, there was an acute water scarcity in the Southern parts of Tamilnadu. Tamilnadu Water Supply and Drainage Board (TWAD) had discontinued supply of water to the Tuticorin Plant due to which production of Urea was stopped effective 12 August 2012. The production was resumed on 4 October 2012 after commencement of partial supplies by TWAD.

(ii) There has been delay in the disbursement of fertilizer subsidy by the Department of Fertilizers, Government of India, during February and March 2013, due to which the payments to Indian Oil Corporation (IOC) for raw material supplies could not be made before the stipulated due dates, resulting in shutdown of the Nitrogenous plants with effect from 2 March 2013 to till date. The Company is in discussion with the Dept. of Fertilizers, Govt. of India, for the renewal of fertilizer subsidy on a priority basis and also renegotiating with IOC for better credit terms for raw material supplies. The Company is hopeful of recommencing the operations of the Nitrogenous plants at Tuticorin after the resumption of raw material supplies by IOC.

Note 34

In respect of holding company there is no provision for tax under Sec 115-JB of the Income Tax Act 1961 on the basis of adjustments permissible under that section and is also supported by the legal opinion obtained by the Company. No provision for tax is required to be made under other provisions of the aforesaid Act, in view of the carry forward losses/unabsorbed depreciation.

Note 35 Foreign currency exposures - In respect of Subsidiary

The Company does not use any derivative instruments to hedge its foreign currency exposures. The details of foreign currency balances which are not hedged as at the balance sheet date are as below:

Particulars	**Year ended 31 March 2013**		
	Foreign Currency	**Amount in Foreign Currency**	**Amount Rupees in lac**
Trade Payable	USD	**1295088.83**	**704.92**
Advance to Suppliers	USD	**20007.38**	**10.82**
Trade Receivables	USD	**970605.88**	**524.81**
Advance from Customers	USD	**446290.00**	**242.92**
Buyers credit-IOB	USD	**585753.15**	**318.83**
Foreign Currency in Hand	USD	**800.00**	**0.43**
Foreign Currency in Hand	EURO	**5.00**	**-**
Foreign Currency in Hand	SGD	**142.00**	**0.06**

Particulars	Year ended 31 March 2012		
	Foreign Currency	Amount in Foreign Currency	Amount Rupees in lac
Trade Payable	USD	1228867.52	625.25
Trade Payable	EURO	1162.80	0.79
Trade Payable	SGD	1423.08	0.58
Advance to Suppliers	USD	39070.49	19.75
Trade Receivables	USD	1330552.65	672.59
Advance from Customers	USD	564246.61	287.09
Buyers credit-IOB	USD	400751.20	203.90
Foreign Currency Loan with IOB	USD	494408.47	251.56
Foreign Currency in Hand	USD	922.00	0.47
Foreign Currency in Hand	SGD	130.00	0.05

Derivative Instruments - In respect of Joint Venture - Jointly controlled entities

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

Particulars	**US Dollars**	**Amount Rupees in lac**
Amount receivable in foreign currency - Exports	**364895.85**	**198.07**
	(561001.28)	(285.44)
Amount payable in foreign currency - Imports	**439197.72**	**238.40**
	(533646.97)	(309.53)
Amount payable in foreign currency - Buyers Credit	**1147841.13**	**623.05**
	(1126122.48)	(572.97)

Figures in brackets are in respect of the previous year

Note 36. Operating Leases
(with respect to a Joint Venture - jointly controlled entity)
The property given under operating leases: (Rupees in lac)

Particulars	Year ended 31 March 2013	Year ended 31 March 2012
Gross carrying amount of building	**189.21**	189.21
Accumulated depreciation	**33.67**	29.81
Depreciation for the year	**3.85**	3.85
Future minimum lease payments under non- cancellable operating leases		
Not later than 1 year	**44.29**	16.87
Later than 1 year and not later than 5 years	**43.53**	25.10
Later than 5 years	**-**	-

Note 37 Disclosure as per Accounting Standard 15 (Revised)
Disclosures required under this standard are given below:

a) Movement of Gratuity

Particulars	2012-13	2011-12
Projected Benefit Obligation as of 1 Apri1 2012	**1481.95**	1722.27
Service cost	**62.17**	156.00
Interest cost	**108.26**	122.86
Actuarial Loss	**(306.06)**	47.37
Settlement Cost	**-**	(186.07)
Benefits paid	**(262.39)**	(380.48)
Projected Benefit Obligation as of 31 March 2013	**1083.94**	1481.95
Amount recognised in the Balance Sheet:		
Projected benefit obligation at the end of the year	**1083.94**	1481.95
Fair value of plan assets at the end of the year	**1085.74**	992.06
Liability recognised in the Balance Sheet	**(1.80)**	489.89

Particulars	2012-13	2011-12
Cost of defined plan for the year		
Current service cost	**62.17**	155.99
Interest on obligation	**108.26**	122.86
Expected return on plan assets	**(79.52)**	(110.69)
Net actuarial gain (loss) recognized in the year	**(316.35)**	660.22
Settlement – Transfer out	**-**	(186.08)
Net cost recognized in the Statement of Profit and Loss	**(225.43)**	642.30

Particulars	2012-13	2011-12
Fair value of plan assets at the beginning	**992.06**	1277.27
Expected return on plan assets	**79.52**	110.69
Contribution	**266.27**	597.42
Benefits paid (claim settled)	**(262.39)**	(380.48)
Actuarial gain/(loss) on plan assets	**10.29**	(612.84)
Fair value of plan assets at the end of the financial year	**1085.74**	992.06

b) Mean Financial Assumptions

Particulars	2012-13	2011-12
Discount Rate	**8%**	8%
Salary escalation rate	**7.5%**	7.5%
Demographic assumptions – Mortality	**IALM (2006-08) Ult**	LIC 94-96 rates
Demographic assumptions – Withdrawal	**3%**	3%

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

In the absence of relevant information from the actuary, the above details do not include the composition of plan assets.

The details of the experience adjustment arising on account of planned assets and liabilities as required by para 120(n)(ii) of AS15 (revised) on employee benefits are not available in the valuation report and hence are not furnished.

37 (i) Disclosure as per AS 15 (Revised) in respect of Subsidiaries/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) for each completed year of service.

The following tables summarize the components of net benefit expense recognised in the statement of 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 2013**	Year ended 31 March 2012
Statement of Profit and Loss			
Net employee benefit expense (recognised in Personnel expenses)			
(i)	Current service cost on Benefit Obligations	**27.58**	21.49
(ii)	Interest cost on Benefit Obligations	**29.86**	16.62
(iii)	Expected return on plan assets	**(18.34)**	-
(iv)	Net actuarial (gains)/ losses recognised in the year	**6.33**	7.72
(v)	Net (Benefit) / Expense	**45.44**	45.83
(vi)	Actual return on plan assets	**18.34**	-
Balance Sheet			
Details of Provision for gratuity			
(i)	Defined benefit obligation	**390.36**	373.14
(ii)	Plan Liability /(Asset)	**210.78**	218.90
		179.58	154.24
Changes in the present value of the defined benefit obligation are as follows:			
(i)	Opening defined benefit obligation	**373.14**	305.05
(ii)	Current service cost	**27.58**	26.78
(iii)	Interest cost	**29.86**	23.40
(iv)	Actuarial (gains) / losses on obligation	**16.37**	53.15
(v)	Benefits paid	**(56.60)**	(35.24)
(vi)	Closing defined benefit obligation	**390.36**	373.14
Changes in the fair value of the plan assets are as follows:			
(i)	Opening fair value of plan assets	**218.90**	208.33
(ii)	Expected return	**18.34**	7.96
(iii)	Actuarial gains / (losses)	**10.04**	20.45
(iv)	Contributions by employer	**20.11**	17.40
(v)	Benefits paid	**(56.60)**	(35.24)
(vi)	Closing fair value of plan assets	**210.78**	218.90

The principal actuarial assumptions used in determining gratuity obligation for the Company's plans are shown below:

		Year ended 31 March 2013	Year ended 31 March 2012
(i)	Discount rate	**8.26%**	8.69%
(ii)	Salary Escalation	**5.00%**	5.00%
(iii)	Expected Return on Assets	**9.00%**	9.00%
(iv)	Mortality	**LIC(1994-96) Ultimate**	LIC(1994-96) Ultimate

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Note 38 (i) The Company has reviewed its deferred tax assets and liabilities as at 31 March 2013. The Company has carry forward losses and unabsorbed depreciation, which give rise to deferred tax asset of Rs.30068.10 lac (Previous Year Rs.28458.84 lac) . However in the absence of virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized, the said deferred tax asset that can be recognized is restricted to the net deferred tax liability of Rs. 1848.15 lac (Previous Year Rs. 615.57 lac) as given below. Accordingly, there is no net deferred tax asset or liability as at 31 March 2013 to be accounted for.

(Rupees in lac)

Particulars	**As at 31 March 2013**	As at 31 March 2012
Depreciation	**2640.64**	2048.33
Subsidy	**248.43**	280.55
Deferred tax liability	**2889.07**	2328.88
Provision for doubtful debts	**784.38**	1407.20
VRS Compensation	**256.54**	306.11
Carry forward business losses & Unabsorbed Depreciation restricted to	**1848.15**	615.57
Deferred tax asset	**2889.07**	2328.88

(ii) Subsidiaries and share in Joint Ventures – Jointly controlled entities

The deferred tax position as at 31 March 2013 has arisen on account of the following:

Particulars	**As at 31 March 2013**	As at 31 March 2012
Depreciation	**1089.72**	1206.75
Deferred Tax liability	**1089.72**	1206.75
Deferred Tax Assets	**-**	-
Net Deferred Tax Liability (in respect of Subsidiaries)	**1089.72**	1206.75
Proportionate share in Joint Ventures – Jointly controlled entities	**726.74**	1098.77
Grand Total	**1816.46**	2305.52

Note 39

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 Company filed Special Leave Petitions in the Hon'ble Supreme Court against the above order. On 24 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 15 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 12 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 40 SEGMENT REPORTING
Primary segment information (Business segments)

(Rupees in Lac)

Particulars	Continuing				Discontinuing				Total
	Agro Inputs (Urea operations)	Integrated Circuits	Petro chemicals	Others	Agro Inputs (Phosphatic operations)	Bulk Drugs and Formulations	SMO	Others (Enzymes)	
Segment revenue									
Sales to external Customers	**204192.39**	**8052.95**	**-**	**23024.02**	**-**	**20.06**	**-**	**328.91**	**235618.33**
	(241347.06)	(7929.44)	(-)	(23630.29)	(66784.63)	(987.02)	(18165.95)	(464.14)	(359308.53)
Operating Income	**1360.28**	**23.97**	**-**	**55.75**	**-**	**292.28**	**-**	**29.59**	**1761.87**
	(945.57)	(49.18)	(-)	(57.85)	(423.92)	(200.13)	(1.85)	(4.60)	(1683.10)
Other Income	**102.61**	**122.75**	**-**	**104.15**	**-**	**-**	**-**	**-**	**329.51**
	(35.61)	(86.38)	(-)	(432.80)	(159.17)	(-)	(68.08)	(-)	(782.04)
Unallocated income									**1364.71**
									(1161.40)
Inter segment Revenue	-	**-**	**-**	-	-	-	-	-	-
	(-)	(-)	(-)	(154.83)	(-)	(-)	(-)	(-)	(154.83)
Total Revenue	**205655.28**	**8199.67**	**-**	**23183.92**	**-**	**312.34**	**-**	**358.49**	**239074.42**
	(242328.24)	(8065.00)	(-)	(23966.11)	(67367.72)	(1187.15)	(18235.88)	(468.74)	(362780.24)
Elimination of inter segment sales	-		**-**	-	-	-	-	-	-
	(-)		(-)	(-)	(-)	(-)	(-)	(-)	(-)
Total Net Revenue	**205655.28**	**8199.67**	**-**	**23183.92**	**-**	**312.34**	**-**	**358.49**	**239074.42**
	(242328.24)	(8065.00)	(-)	(23966.11)	(67367.72)	(1187.15)	(18235.88)	(468.74)	(362780.24)
Segment results	**2956.50**	**14.68**	**-**	**(964.31)**	**-**	**(49.58)**	**-**	**(314.71)**	**1642.58**
	(13673.08)	(315.19)	(-)	(567.79)	(4958.23)	(-997.45)	(-1636.94)	(-237.92)	(16641.98)
Unallocated expenditure net of unallocated income									**(113232.03)**
									(-5362.28)
Profit / (Loss) before interest and taxation									**114874.61**
									(11279.70)
Finance Cost									**5523.37**
									(8800.00)
Profit / (Loss) before taxation									**109351.24**
									(2479.70)
Tax expense									**(488.18)**
									(2622.31)
Profit / (Loss) after Taxation									**109839.42**
									(-142.61)
Share of Profit/(Loss) of Associate									**(64.77)**
									(-50.99)
Profit/(Loss) after taxation before minority interest									**109774.65**
									(-193.60)
Less: Profit/(Loss) applicable to minority interest									**(200.00)**
									(23.92)
Net Profit/(Loss) for the year									**109974.65**
									(-217.52)
Add: Other Information									
Segment assets	**47601.78**	**14775.25**	**1951.92**	**14651.54**	**-**	**-**	**-**	**123.23**	**79103.72**
	(58521.35)	(15804.62)	(1891.71)	(15077.88)	(-)	(566.18)	(-)	(366.88)	(92228.62)
Unallocated corporate Assets									**17482.60**
									(15255.28)
Total Assets									**96586.32**
									(107483.90)
Segment liabilities	**26634.74**	**6043.81**	**515.97**	**8036.05**	**-**	**221.20**	**-**	**5.73**	**41457.50**
	(27108.78)	(6592.92)	(455.76)	(7000.35)	(-)	(802.38)	(-)	(45.60)	(42005.79)
Unallocated corporate Liabilities				-					**29006.59**
									(155129.09)
Total Liabilities									**70464.08**
									(197134.88)

Note 40 SEGMENT REPORTING (Continued) (Rupees in lac)

Particulars	Continuing				Discontinuing				Total
	Agro Inputs (Urea operations)	Integrated Circuits	Petro chemicals	Others	Agro Inputs (Phosphatic operations)	Bulk Drugs and Formulations	SMO	Others (Enzymes)	
Capital expenditure (allocable)	**1234.97**	**370.69**	**59.94**	**591.89**	**-**	**-**	**-**	**22.57**	**2280.06**
	(374.13)	(3233.48)	(8.02)	(234.82)	(182.42)	(1.47)	(843.49)	(4.37)	(4882.20)
Capital expenditure (Unallocable)									**50.08**
									(82.89)
Depreciation (allocable)	**4145.61**	**1185.33**	**-**	**691.21**	**-**	**10.67**	**-**	**15.26**	**6048.08**
	(4253.81)	(937.93)	(-)	(686.82)	(955.11)	(640.76)	(61.11)	(17.66)	(7553.20)
Depreciation (Unallocable)									**137.30**
									(136.83)
Non-cash expenditure other than depreciation (allocable)	**172.87**	**22.70**	**2.22**	**0.22**	**-**	**156.06**	**-**	**122.65**	**476.71**
	(-11.78)	(-)	(-)	(53.14)	(-)	(136.05)	(-)	(29.19)	(1066.09)
Non-cash expenditure other than depreciation (unallocable)									**926.80**
									(3031.05)

Secondary segment Information (Geographical Segments)	Revenue	Carrying amount of segment assets	Capital Expenditure
Within India	**229553.33**	**79103.72**	**2280.06**
	(359258.95)	(90449.82)	(4882.20)
Outside India	**8156.38**	**197.39**	**-**
	(2514.72)	(1778.80)	(-)
Total	**237709.71**	**79301.11**	**2280.06**
	(361773.67)	(92228.62)	(4882.20)

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:

Continuing

(i) Agro inputs - includes fertilisers

(ii) Petrochemicals - includes Polyester Filament Yarn and Purified Terepthalic Acid

(iii) Integrated Circuits - Semiconductor Assembly and Test facility providing Integrated Circuits packing solutions

(iv) Others - Tissue culture, Seeds, Chemicals and Power

Discontinuing

(i) Bulk drugs and formulations - includes Penicillin - G and formulations

(ii) Others - Enzymes

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 expenditure net of unallocated income.”

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 41 (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 Fertilisers Limited 2 Gold Nest Trading Company Limited 3 Petro Araldite Private Limited (Associate of a Jointly controlled entity)
Jointly controlled entities	1 Tamilnadu Petroproducts Limited 2 National Aromatics and Petrochemicals Corporation Limited 3 Gulf Petroproducts Company E.C (Joint venture of a Jointly controlled entity)
Key management personnel	1 Thiru. Ashwin C Muthiah 2 Thiru. K K Rajagopalan 3 Thiru. RM Muthukaruppan - Managing Director of a Jointly controlled entity (till 3 February 2013) 4 Thiru. Muthukrishnan Ravi - Managing Director of a Jointly controlled entity (from 4 February 2013) 5 Thiru. V Ramani - Chief Financial Officer of a Jointly controlled entity (till 3 February 2013) 6 Dr. A C Muthiah - Chairman of a Subsidiary 7 Thiru. D Balakrishnan - Chief Executive Officer of a Subsidiary 8 Thiru. Ar Rm Arun - Director of a Subsidiary 9 Thiru. N Sivashanmugam - Whole Time Director of a Subsidiary
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 6 Bengal Auto Parts Private Limited 7 Sicagen India Limited 8 Wilson Cables Private Limited, Singapore 9 Valingro Exponenta Limited 10 ACM Medical Foundation 11 Natronix Semiconductor Technology Limited
Others	1 Tamilnadu Industrial Development Corporation Limited (Promoter of a Jointly controlled entity)

41 (ii) The following transactions were carried out with the related parties

(Rupees in lac)

S.No.	Particulars	Relationship	As at 31 March 2013	As at 31 March 2012
A	**BALANCE OUTSTANDING AS AT 31.03.2013**			
	(a) Receivables including Advances			
	Tamilnadu Petroproducts Limited	Jointly controlled entity	**0.80**	1.20
	Tuticorin Alkali Chemicals and Fertilisers Limited	Associate	**1677.80**	1256.59
	Greenstar Fertilizers Limited	Enterprises over which KMP exercise Significant Influence	**80.22**	8.86
	National Aromatics and Petrochemicals Corporation Limited*	Jointly controlled entity	**1477.75**	1474.80
	Thirumathi Devaki Muthiah	Relative of Key Management Personnel	**-**	3.75
	Sicagen India Limited	Enterprises over which KMP exercise Significant Influence	**9.24**	-
	Manali Petrochemicals Limited	Enterprises over which KMP exercise Significant Influence	**22.71**	-
	Petro Araldite Private Limited	Associate of a Jointly controlled entity	**190.23**	144.65
	Gulf Petroproducts Company E.C	Jointly controlled entity	**-**	18.55
	(b) Payables			
	Wilson International Trading India Private Limited	Enterprises over which KMP exercise Significant Influence	**2444.07**	1799.99
	Manali Petrochemicals Limited	Enterprises over which KMP exercise Significant Influence	**153.51**	34.36
	Greenstar Fertilizers Limited	Enterprises over which KMP exercise Significant Influence	**827.24**	101.69
	Sicagen India Limited	Enterprises over which KMP exercise Significant Influence	**0.96**	-
	Valingro Exponenta Limited	Enterprises over which KMP exercise Significant Influence	**2.54**	2.19
	Natronix Semiconductor Technology Limited	Enterprises over which KMP exercise Significant Influence	**1.52**	3.66
	(c) Guarantee Received			
	Manali Petrochemicals Limited	Enterprises over which KMP exercise Significant Influence	**2500.00**	2500.00
	Dr. A.C. Muthiah	Key management personnel	**7.63**	8.18
	(d) Loans including interest			
	AMI Holdings Private Limited	Enterprises over which KMP exercise Significant Influence	**3449.13**	-
	Bengal Auto Parts Private Limited	Enterprises over which KMP exercise Significant Influence	**4027.62**	-
	Valingro Exponenta Limited	Enterprises over which KMP exercise Significant Influence	**150.00**	-
	(e) Fixed Deposit			
	ACM Medical Foundation	Enterprises over which KMP exercise Significant Influence	**2000.00**	2000.00
	(f) Share Capital including Securities premium			
	AMI Holdings Private Limited	Enterprises over which KMP exercise Significant Influence	**6523.42**	-

* Dues have been fully provided for

Related party transactions (Continued) (Rupees in lac)

S.NO.	Particulars	Relationship	For the year 2012-13	For the year 2011-12
B	**TRANSACTIONS DURING THE YEAR 2012 - 13**			
1	**Sale of goods**			
	Tuticorin Alkali Chemicals and Fertilisers Limited	Associate	**427.17**	562.47
	Greenstar Fertilizers Limited	Enterprises over which KMP exercise Significant Influence	**244.62**	135.58
	Wilson International Trading India Private Limited	Enterprises over which KMP exercise Significant Influence	**42.81**	-
	Sicagen India Limited	Enterprises over which KMP exercise Significant Influence	**0.89**	-
	Petro Araldite Private Limited	Associate of a Jointly controlled entity	**1834.37**	1591.42
	Manali Petrochemicals Limited	Enterprises over which KMP exercise Significant Influence	**38.49**	-
2	**Sale of Service**			
	Petro Araldite Private Limited	Associate of a Jointly controlled entity	**110.81**	82.49
	Manali Petrochemicals Limited	Enterprises over which KMP exercise Significant Influence	**2.26**	-
3	**Purchase of materials**			
	Tuticorin Alkali Chemicals and Fertilisers Limited	Associate	**5.46**	1.31
	Manali Petrochemicals Limited	Enterprises over which KMP exercise Significant Influence	**41.47**	1.33
	Greenstar Fertilizers Limited	Enterprises over which KMP exercise Significant Influence	**20.04**	19.32
	Tamilnadu Petroproducts Limited	Jointly controlled entity	**14.33**	-
	Wilson International Trading Pte Ltd, Singapore	Enterprises over which KMP exercise Significant Influence	**-**	29155.12
	Sicagen India Limited	Enterprises over which KMP exercise Significant Influence	**31.32**	-
4	**Reimbursement of Expenses (Receipts)**			
	Wilson International Trading India Private Limited	Enterprises over which KMP exercise Significant Influence	**0.01**	0.09
	Manali Petrochemicals Limited	Enterprises over which KMP exercise Significant Influence	**-**	0.87
	Tuticorin Alkali Chemicals and Fertilisers Limited	Associate	**-**	27.07
	Tamilnadu Petroproducts Limited	Jointly controlled entity	**0.02**	26.35
	National Aromatics and Petrochemicals Corporation Limited	Jointly controlled entity	**2.96**	3.35
	Greenstar Fertilizers Limited	Enterprises over which KMP exercise Significant Influence	**14.08**	0.35
	Sicagen India Limited	Enterprises over which KMP exercise Significant Influence	**4.24**	-
5	**Reimbursement of Expenses (Payments)**			
	Greenstar Fertilizers Limited	Enterprises over which KMP exercise Significant Influence	**0.22**	-
	Sicagen India Limited	Enterprises over which KMP exercise Significant Influence	**1.72**	-

Related party transactions (Continued) (Rupees in lac)

S.NO.	Particulars	Relationship	For the year 2012-13	For the year 2011-12
6	**Income from services rendered**			
	Manali Petrochemicals Limited	Enterprises over which KMP exercise Significant Influence	**0.25**	0.40
	Tamilnadu Petroproducts Limited	Jointly controlled entity	**0.10**	0.39
	Tuticorin Alkali Chemicals and Fertilisers Limited	Associate	**7.97**	211.60
	Greenstar Fertilizers Limited	Enterprises over which KMP exercise Significant Influence	**1142.44**	451.62
	Wilson International Trading India Private Limited	Enterprises over which KMP exercise Significant Influence	**0.38**	0.16
	Sicagen India Limited	Enterprises over which KMP exercise Significant Influence	**0.39**	-
7	**Services/Consultancy charges**			
	Tuticorin Alkali Chemicals and Fertilisers Limited	Associate	**0.02**	0.10
	Manali Petrochemicals Limited	Enterprises over which KMP exercise Significant Influence	**84.27**	82.23
	Greenstar Fertilizers Limited	Enterprises over which KMP exercise Significant Influence	**1027.76**	442.34
8	**Sale of Business Unit**			
	Greenstar Fertilizers Limited	Enterprises over which KMP exercise Significant Influence	**-**	30600 .00
9	**Income from Rentals**			
	Tamilnadu Petroproducts Limited	Jointly controlled entity	**1.80**	1.61
	Greenstar Fertilizers Limited	Enterprises over which KMP exercise Significant Influence	**70.95**	18.97
	Sicagen India Limited	Enterprises over which KMP exercise Significant Influence	**17.32**	-
	Wilson International Trading India Private Limited	Enterprises over which KMP exercise Significant Influence	**-**	0.90
10	**Dividend Income**			
	Manali Petrochemicals Limited	Enterprises over which KMP exercise Significant Influence	**-**	57.31
	Relating to Jointly controlled entity	Associate	**-**	23.16
11	**Dividend Paid**			
	Tamilnadu Industrial Development Corporation Limited	Others	**13.41**	26.82
12	**Provision for doubtful advances**			
	National Aromatics and Petrochemicals Corporation Limited	Jointly controlled entity	**2.96**	3.35
	Tuticorin Alkali Chemicals and Fertilisers Limited	Associate	**-**	8.82
13	**Finance and Other Charges**			
	Wilson International Trading India Private Limited	Enterprises over which KMP exercise Significant Influence	**-**	14.40
	Wilson International Trading Pte Ltd, Singapore	Enterprises over which KMP exercise Significant Influence	**-**	304.16
14	**Profit on Phosphatic operations transferred**			
	Greenstar Fertilizers Limited	Enterprises over which KMP exercise Significant Influence	**-**	1118.02

Related party transactions (Continued) (Rupees in lac)

S.NO.	Particulars	Relationship	For the year 2012-13	For the year 2011-12
15	**Managerial Remuneration**			
	Dr. A.C. Muthiah	Key Management Personnel	**-**	32.88
	Thiru. K.K. Rajagopalan	Key Management Personnel	**35.01**	12.39
	Thiru. N Sivashanmugam	Key Management Personnel	**13.82**	12.81
	Thiru. D Balakrishnan	Key Management Personnel	**32.00**	30.32
	Relating to Jointly controlled entity	Key Management Personnel	**13.44**	14.56
16	**Rent Paid**			
	Greenstar Fertilizers Limited	Enterprises over which KMP exercise Significant Influence	**265.87**	92.39
	Thirumathi Devaki Muthiah	Relative of Key Management Personnel	**-**	3.77
17	**Sitting Fees**			
	Thiru. Ashwin C Muthiah	Key Management Personnel	**0.60**	1.00
	Tamilnadu Industrial Development Corporation Limited	Others	**0.81**	0.63
18	**Commission**			
	Thiru. Ar Rm Arun	Key management personnel	**-**	2.48
19	**Others**			
	a. Corporate Communication Charges Valingro Exponenta Limited	Enterprises over which KMP exercise Significant Influence	**18.20**	17.35
	b. Corporate Rent Charges of Valingro Exponenta Limited	Enterprises over which KMP exercise Significant Influence	**13.48**	12.02
	c. Marketing Fees Natronix Semiconductor Technology Limited	Enterprises over which KMP exercise Significant Influence	**7.71**	-
	d. Manpower Deputation Charges Natronix Semiconductor Technology Limited	Enterprises over which KMP exercise Significant Influence	**15.47**	15.67
20	**Trade advance received**			
	Wilson International Trading India Private Limited	Enterprises over which KMP exercise Significant Influence	**610.00**	7800.00
	Manali Petrochemicals Limited	Enterprises over which KMP exercise Significant Influence	**101.58**	-
21	**Trade advance repaid/returned**			
	Wilson International Trading India Private Limited	Enterprises over which KMP exercise Significant Influence	**310.00**	6000.00
22	**Special Rebate Paid**			
	Wilson International Trading India Private Limited	Enterprises over which KMP exercise Significant Influence	**386.92**	-
23	**Amount received against Share Capital and Securities Premium**			
	AMI Holdings Private Limited	Enterprises over which KMP exercise Significant Influence	**6523.42**	-
24	**Amount received against Loans**			
	AMI Holdings Private Limited	Enterprises over which KMP exercise Significant Influence	**3147.58**	-
	Bengal Auto Parts Private Limited	Enterprises over which KMP exercise Significant Influence	**4000.00**	-
25	**Interest on Borrowings**			
	AMI Holdings Private Limited	Enterprises over which KMP exercise Significant Influence	**335.05**	-
	Bengal Auto Parts Private Limited	Enterprises over which KMP exercise Significant Influence	**30.68**	-

Note 42 Earning per Share

Particulars	**Year ended 31 March 2013**	Year ended 31 March 2012
(i) Continuing Operations		
Face Value per share (in Rupees)	**10**	10
Profit / (Loss) for the year (Rupees in lac)	**110338.94**	(2267.61)
Less:Arrears of Preference Dividend (Refer Note 32(d))	**176.95**	175.79
Profit / (Loss) for the year after preference dividend (Rupees in lac)	**110161.99**	(2443.40)
Basic		
Weighted Average Number of shares outstanding	**169525380**	166278374
Earnings/(Loss) per share (In Rupees)	**64.98**	(1.47)
Diluted		
Weighted Average Number of shares outstanding	**169525380**	166291005
Earnings/(Loss) per share (In Rupees)	**64.98**	(1.47)
(ii) Total Operations		
Face Value per share (in Rupees)	**10**	10
Profit / (Loss) for the year (Rupees in lac)	**109974.65**	(217.52)
Less:Arrears of Preference Dividend (Refer Note 32(d))	**176.95**	175.79
Profit / (Loss) for the year after preference dividend (Rupees in lac)	**109797.70**	(393.31)
Basic		
Weighted Average Number of shares outstanding	**169525380**	166278374
Earnings/(Loss) per share (In Rupees)	**64.77**	(0.24)
Diluted		
Weighted Average Number of shares outstanding	**169525380**	166291005
Earnings/(Loss) per share (In Rupees)	**64.77**	(0.24)

Note 43

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

(b) Assets and Liabilities in the Balance Sheet include figures both for Continuing and Discontinuing Operations.

(c) The Provision for doubtful trade and other receivables, loans and advances, provision for non-moving inventories and earlier provision writeback pertains to both Continuing and Discontinuing operations. These are appropriately shown in the Statement of Profit and Loss under Continuing Operations and Discontinuing operations. The Balance Sheet contains provision figures both for Continuing and Discontinuing Operations in total.

(d) Previous year figures are given in brackets.

Information disclosed in accordance with the Ministry of Corporate Affairs, Government of India, Order No-51/12/2007 CL-III General Circular No.2/2011 dated 8 February 2011

Particulars	SPEL Semiconductor Limited	SPEL America Inc., USA (Subsidiary of SPEL Semiconductor Ltd)		SPIC Fertilizers and Chemicals Limited (SFCL) Mauritius	
Financial year of the subsidiary company ended on	31 March 2013	31 March 2013		31 March 2013	
	Rupees in lac	Amount in USD	Rupees in lac*	Amount in USD	Rupees in lac*
Capital	4613.25	100.00	0.05	39073390.00	21248.11
Reserves	4120.19	(3454.68)	(1.88)	(39073390.00)	(21248.11)
Total Assets	14776.82	5433.32	2.95	-	-
Total Liabilities	14776.82	5433.32	2.95	-	-
Investments	-	-	-	-	-
Turnover	8198.58	208000.00	113.11	-	-
Profit/(Loss) before tax	(572.06)	5538.03	3.01	-	-
Provision for taxation	(117.03)	1623.00	0.88	-	-
Profit/(Loss) after tax	(455.03)	3915.03	2.13	-	-
Proposed dividend	-	-	-	-	-

* Translated at exchange rate prevailing as on the following closing Balance Sheet date of the respective companies.

1 USD (US Dollar) = Rs. 54.38

1 SPIC Fertilizers and Chemicals Limited, Mauritius (SFCL) (a Wholly owned subsidiary of the Company) holds 1 equity share of One Million Arab Emirate Dirham each in SPIC Fertilizers and Chemicals FZE, Dubai (SFC, FZE). Hence the combined share of the Company and its subsidiary in SFC FZE Dubai is 83.54%. Due to inaccessibility to the records consequent to re-possession of certain assets of the company by Jebel Ali Free Zone Authorities (JAFZA), Dubai the details of SFC, FZE, Dubai are not given in the above statement.

2 As Jebal Ali Free Zone Authorities (JAFZA) had taken over the assets of SPIC Fertilizers and Chemicals, FZE, Dubai, the holding company SFCL Mauritius lost control over the subsidiary. Full provision has been made for these investments in earlier years. The company is considering writing off the investments in SFCL Mauritius and is in the process of getting the approval of the concerned Regulatory Authorities to write off the aforesaid investment in the books of account. Hence the financial statement of the subsidiary company SFCL Mautitius have not been considered for consolidation.

3 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.

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

ATTENDANCE SLIP

Please bring this attendance slip (duly filled in) and hand it over at the entrance of "RAJAH ANNAMALAI HALL", Chennai - 600 108.

Name & 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 **42nd Annual General Meeting** of the Company at **"RAJAH ANNAMALAI HALL"**, Chennai - 600 108 on **Monday, the 2nd September 2013** at **3.00 P.M.**

Signature of the Member	Signature of the Proxy
No. of Shares:	No. of Shares:

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

PROXY FORM

I / We..

.... of ....

in the district of .... being a Member(s) of the above

named Company hereby appoint Mr/Ms..

of .... in the District of ....

or failing him/her, Mr/Ms ....

of .... in the District of ....

as my / our proxy to vote for me / us on my / our behalf at the **42nd Annual General Meeting** of the Company to be held at **"RAJAH ANNAMALAI HALL"** on **Monday, the 2nd September 2013 at 3.00 P.M.** and at any adjournment thereof.

Signed this .... day of ....2013.

Folio No	

DP. ID		Client ID	

Affix
30 paise
Revenue
Stamp

Notes :
1. The Proxy to be valid should be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the meeting or adjourned meeting.
2. The Proxy should be executed on 30 Paise Revenue Stamp.

SPIC

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

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