



Ref: Secy/NSE

June 18, 2020

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

Dear Sir

Sub: Outcome of the Board Meeting – Reg. 30 of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015

We wish to inform that the details of the outcome of the Board Meeting of the Company held today i.e., 18<sup>th</sup> June 2020 are as follows:-

1. In terms of Regulation 33 of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015, we enclose the copy of Audited Financial Results of the Company for the Quarter / Year ended 31<sup>st</sup> March 2020, which was recommended by the Audit Committee and approved by the Board of Directors of the Company at their respective Meeting held today. The Audit Report dated 18<sup>th</sup> June 2020 of the Statutory Auditors of the Company on the Audited Financial Results is enclosed.
2. In view of the accumulated losses as at 31<sup>st</sup> March 2020, the Board of Directors did not consider recommendation of dividend on the Preference Share Capital and Equity Share Capital.
3. Re-appointment of Mr. S R Ramakrishnan, Whole-time Director for a period of 3 years from 30<sup>th</sup> July 2020 and remuneration payable were approved subject to the approval of the shareholders by Postal Ballot.

The declaration dt. 18<sup>th</sup> June 2020 under Reg. 33(3)(d) (Listing Obligations & Disclosure Requirements) Regulation, 2015 is attached.

The Meeting of the Board of Directors of the Company commenced at 12:00 P.M. and concluded at 02:20 P.M.

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Southern Petrochemical Industries Corporation Limited

(CIN : L11101TN1969PLC005778)

REGISTERED & CORPORATE OFFICE : SPIC House 88 Mount Road, Guindy, Chennai 600 032 India  
Phone : +91 (44) 22350245 | Fax : +91 (44) 22352163 | Email : spiccorp@spic.co.in | www.spic.in

The Audited Financial Results will be made available on the website of the Company  
i.e., [www.spic.in](http://www.spic.in).

Thanking you,

Yours faithfully,

For Southern Petrochemical  
Industries Corporation Ltd.



M B Ganesh  
Secretary

Encl: as above

STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2020

S.No.	Particulars	Standalone				(Rupees in lac)
		Quarter ended		Year ended		
		31 Mar 2020 (Audited)	31 Dec 2019 (Unaudited)	31 Mar 2019 (Audited)	31 Mar 2019 (Audited)	
1	Revenue from Operations (a) Sales/Income from Operations (b) Other operating income Revenue from Operations Other Income Total Income	51300.04 210.71 51510.75 644.28 52155.03	37760.27 461.23 38221.50 147.37 38368.87	45419.91 192.26 45612.17 1923.45 47535.62	206711.76 1206.24 207918.00 1046.83 208964.83	258311.53 884.27 259195.80 2146.07 261341.87
2	Expenses (a) Cost of materials consumed (b) Purchase of stock in trade (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade (d) Employee benefits expense (e) Finance Cost (f) Depreciation and Amortisation expense (g) Power and Fuel charges (h) Other expenses Total Expenses	26523.81 - 4292.87 1686.09 564.07 856.14 9585.01 5790.17 49298.16	20841.64 - 832.66 1439.12 445.04 842.02 9175.69 4308.84 37885.01	23752.79 - 2541.20 1542.11 2036.61 769.65 5776.83 5367.03 45886.22	116842.89 - 1675.01 5891.97 3415.07 3214.27 50395.77 21832.04 203267.02	152210.98 3581.41 3987.75 6196.82 3567.35 3205.72 56306.18 26951.51 256007.72
3	Profit from Operations before exceptional items & tax (1-2)	2856.87	483.86	1649.40	5697.81	5334.15
4	Exceptional items	-	-	-	-	-
5	Profit after exceptional items (3+4)	2856.87	483.86	1649.40	5697.81	5334.15
6	Profit before tax Tax expense	2856.87 3.77	483.86 -	1649.40 -	5697.81 3.77	5334.15 (97.97)
7	Net Profit after tax (5-6) Other comprehensive income i) Items that will not be reclassified to profit or loss a) Effect of measuring investments at fair value b) Gain / (Loss) on actuarial valuation of gratuity ii) Income tax relating to items that will not be re-classified to profit or loss	2853.10 (369.55) (12.84) 36.96 (345.43)	483.86 (218.44) -	1649.40 (742.74) (45.03) 42.70 (745.07)	5694.04 (328.67) (129.03) 32.87 (424.83)	5334.15 (1,058.48) (165.28) 105.85 (1117.91)
8	Total other comprehensive Loss					
9	Total Comprehensive Income (7+8)	2507.67	287.26	904.33	5269.21	4216.24
10	Paid-up equity share capital (Face Value of Rs. 10 Per Share)	20364.03	20364.03	20364.03	20364.03	20364.03
11	Reserve excluding revaluation reserve					
12	Earnings Per Share (EPS) (of Rs.10/- each) Basic & Diluted (Not annualised) See accompanying notes to the financial results.	1.23	0.14	0.44	2.59	2.07



## Segment Reporting:

(Rupees in lac)

Particulars	Standalone			
	Quarter ended		Year ended	
	31 Mar 2020	31 Dec 2019	31 Mar 2019	31 Mar 2019
<b>1.Segment Revenue</b>				
a) Agro Inputs (Urea Operations)	51423.18	37865.16	45497.63	207213.96
b) Others (Agri Business)	119.95	146.60	158.28	561.59
c) Unallocated Income	611.90	357.11	1,879.71	1,189.28
<b>Income from operations</b>	<b>52155.03</b>	<b>38368.87</b>	<b>47535.62</b>	<b>208964.83</b>
<b>2.Segment Results</b>				
Profit (Before Tax and Interest) For each Segment				
a) Agro Inputs (Urea Operations)	3812.16	1154.19	2420.51	10710.09
b) Others (Agri Business)	(99.73)	(48.99)	(16.21)	(319.87)
<b>Total</b>	<b>3712.43</b>	<b>1105.20</b>	<b>2404.30</b>	<b>10390.22</b>
a) Finance Cost	564.06	445.04	2036.61	3415.07
b) Other Net Unallocable Income / (Expenses)	(291.50)	(176.30)	1281.71	(1277.34)
c) Exceptional items	-	-	-	-
<b>Profit / (Loss) Before Tax</b>	<b>2856.87</b>	<b>483.86</b>	<b>1649.40</b>	<b>5697.81</b>
Less: Tax expense	3.77	-	-	3.77
<b>Profit / (Loss) after tax</b>	<b>2853.10</b>	<b>483.86</b>	<b>1649.40</b>	<b>5694.04</b>
<b>3.Segment Assets</b>				
a) Agro Inputs (Urea Operations)	169934.25	128804.84	162305.88	169934.25
b) Others (Agri Business)	1539.20	1602.61	1855.42	1539.20
c) Unallocated	34431.35	35611.69	37033.48	34431.35
<b>Total Assets</b>	<b>205904.80</b>	<b>166019.14</b>	<b>201194.78</b>	<b>205904.80</b>
<b>4.Segment Liabilities</b>				
a) Agro Inputs (Urea Operations)	119629.60	104638.76	138614.32	119629.60
b) Others (Agri Business)	145.79	121.39	245.79	145.79
c) Unallocated	46076.49	23713.73	27550.97	46076.49
<b>Total Liabilities</b>	<b>165851.88</b>	<b>128473.88</b>	<b>166411.08</b>	<b>165851.88</b>



**Southern Petrochemical Industries Corporation Limited**

**Standalone Balance sheet as at 31 March 2020**

S. No.	Particulars	Standalone	
		As at 31 Mar 2020	As at 31 Mar 2019
<b>A</b>	<b>ASSETS</b>		
<b>1</b>	<b>Non-current assets</b>		
	(a) Property Plant & Equipment	35081.54	22995.67
	(b) Capital work-in-progress	2622.41	6900.91
	(c) Investment Property	125.71	129.18
	(d) Other Intangible assets	101.80	137.88
	<u>(e) Financial assets</u>		
	i) Investments		
	Investments in Associate	3710.86	3520.86
	Investments in Joint Venture	1980.47	1980.47
	Other Equity Investments	703.69	1028.94
	Other investments	1.00	1.00
	ii) Other financial assets	243.29	287.10
	(f) Deferred tax asset (Net)	10441.47	10408.60
	(g) Income tax assets (Net)	380.57	16.40
	(h) Other non-current assets	7742.53	4608.70
	<b>Total Non- Current Assets</b>	<b>63135.34</b>	<b>52015.71</b>
<b>2</b>	<b>Current assets</b>		
	(a) Inventories	13505.79	18785.36
	<u>(b) Financial assets</u>		
	i) Trade receivables	896.27	1764.96
	ii) Cash and cash equivalents	6409.33	7240.52
	iii) Bank balances other than ii) above	811.54	468.68
	iv) Other financial assets	110353.85	107000.31
	(c) Other current assets	10792.67	13919.24
	<b>Total Current Assets</b>	<b>142769.45</b>	<b>149179.07</b>
	<b>TOTAL ASSETS</b>	<b>205904.79</b>	<b>201194.78</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>		
<b>1</b>	<b>Equity</b>		
	(a) Equity Share capital	20364.03	20364.03
	(b) Other Equity	19688.88	14419.67
	<b>Total Equity</b>	<b>40052.91</b>	<b>34783.70</b>
<b>2</b>	<b>Non-current liabilities</b>		
	<u>(a) Financial Liabilities</u>		
	(i) Borrowings	-	12865.50
	(ii) Other financial Liabilities	3013.31	2888.69
	<b>Total Non-Current Liabilities</b>	<b>3013.31</b>	<b>15754.19</b>
<b>3</b>	<b>Current liabilities</b>		
	<u>(a) Financial Liabilities</u>		
	i) Borrowings	27909.72	23760.56
	ii) Trade payables		
	- Total outstanding dues to Micro Enterprises and Small Enterprises	-	-
	- Total outstanding dues to other than Micro Enterprises and Small Enterprises	118173.64	120872.95
	iii) Other financial liabilities	14428.89	3813.64
	(b) Provisions	461.33	389.34
	(c) Other current liabilities	1864.99	1820.40
	<b>Total Current Liabilities</b>	<b>162838.57</b>	<b>150656.89</b>
	<b>Total liabilities</b>	<b>165851.88</b>	<b>166411.08</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>205904.79</b>	<b>201194.78</b>



**Southern Petrochemical Industries Corporation Limited**

**Cash Flow Statement for the year ended 31 March 2020**

S.No.	Particulars	Year ended 31 March 2020		Year ended 31 March 2019	
A.	<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>				
	Profit for the year before tax		5697.81		5334.15
	Adjustment for :				
	Depreciation and amortisation expense	3214.27		3205.72	
	Assets Written off	27.07		9.23	
	Profit on sale of assets	(7.68)		(2.84)	
	Provision for non-moving inventories	12.84		24.41	
	Allowances for doubtful debts and advances	0.81		0.80	
	Provisions no longer required written back	(30.00)		(56654.03)	
	Bad debts and advances written off	53.44		318.91	
	Investment written off	-		55989.64	
	Exchange difference (Gain)/ Loss	293.55		(0.05)	
	Finance Costs	3415.07		3567.35	
	Income from investments	(154.75)		(79.72)	
	Interest income	(122.72)		(774.75)	
			6701.90		5604.67
	Operating profit before working capital changes		12399.71		10938.82
	Adjustments for (Increase)/Decrease in:				
	Trade receivables	898.69		2980.51	
	Inventories	5266.73		64.85	
	Non current financial assets	43.82		(87.61)	
	Other Non-current assets	1014.05		1545.16	
	Current financials assets	(3361.14)		(54119.56)	
	Other current assets	3126.56		5254.10	
	Adjustments for Increase/(Decrease) in:				
	Other non current financial liabilities	124.62		300.03	
	Trade payables	(2992.86)		46966.62	
	Other current financial liabilities	(2157.86)		(3590.05)	
	Other current liabilities	(84.44)		(3980.20)	
	Short-term provisions	71.99		66.89	
	Deferred tax asset	-		(97.97)	
			1950.16		(4697.23)
	Cash from operations		14349.87		6241.59
	Direct taxes refund / (paid)		(367.94)		538.85
	<b>NET CASH FROM OPERATING ACTIVITIES</b>		<b>13981.93</b>		<b>6780.44</b>



**Cash Flow Statement for the year ended 31 March 2020**

S.No.	Particulars	Year ended 31 March 2020		Year ended 31 March 2019	
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES :</b>				
	Purchase of Property, Plant and Equipment	(11015.45)		(5161.30)	
	Movement in capital advances	(4147.88)		(1526.22)	
	Proceeds from sale of Property, Plant and Equipment	13.97		8.66	
	Income from investments	154.75		79.72	
	Purchase of Investment	(193.42)		(4088.73)	
	Sale of Investment			5.28	
	Interest income	76.08		622.65	
	Movement in Bank balances other than cash and cash equivalents	(342.86)		(44.03)	
			(15454.81)		(10103.97)
	<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(15454.81)</b>		<b>(10103.97)</b>
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES :</b>				
	Proceeds from short term borrowings (net)	3967.11		13574.83	
	Finance Costs	(3325.42)		(3344.79)	
			641.69		10230.04
	<b>NET CASH FROM FINANCING ACTIVITIES</b>		<b>641.69</b>		<b>10230.04</b>
	<b>NET CASH FLOWS DURING THE YEAR (A+B+C)</b>		<b>(831.19)</b>		<b>6906.51</b>
	Cash and cash equivalents at the beginning of the year		7240.52		334.01
	Cash and cash equivalents at the end of the year		6409.33		7240.52
			831.19		(6906.51)
	Cash and cash equivalents comprise				
	Balances with banks				
	Cash on hand		5.94		3.72
	With the Banks		6403.39		7236.80
	<b>Total cash and bank balances at end of the year</b>		<b>6409.33</b>		<b>7240.52</b>



**Notes:**

1. The above financial results were reviewed and recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on 18<sup>th</sup> June 2020 and has been subjected to audit by the Statutory Auditors of the Company. The audited standalone financial results are prepared in accordance with Indian Accounting Standard (Ind AS) as prescribed under section 133 of the Companies Act 2013.
2. During the quarter, the production and sale of Urea of the Company were 1.05 lac MT and 1.16 lac MT respectively and for the year, the production and sale of Urea were 5.50 lac MT and 5.54 lac MT respectively.
3. Government of India on 17<sup>th</sup> June 2015, had permitted the Company to produce Urea using Naphtha as feedstock on existing provisions till assured supply of gas is made available. The subsidy would be paid based on the Retention Price computed on the lower of Naphtha/Fuel oil or Regasified liquefied Natural Gas (RLNG) price.

Subsidy for the quarter and year ended 31<sup>st</sup> March 2020 of Rs.43578.11 lac and Rs.170232.63 lac respectively, has been accounted based on the provisional Retention Price (RP) computed in line with the Government's policy indicated in the Notification dated 17<sup>th</sup> June 2015, as the final retention price has not been announced by the Department of Fertilizers. The necessary adjustments, if any, will be made when the final retention price is notified by the Department of Fertilizers.

4. Revenue for the quarter and year ended 31<sup>st</sup> March 2020 includes an amount of Rs. 12376.72 lacs (amount pertaining to earlier years amounting to Rs. 10450.71 lacs) relating to grant of Additional Fixed Cost to Fertilizer units of Rs.350 / MT of Urea from FY 2014-15 till 2019-20 which is recognized as per Modified New Pricing Scheme (NPS) III notified in 2014, as approved by the Cabinet during the current year.
5. During the year, the Company's Plant was in operation for 282 days as against 325 days in the corresponding previous year and during the quarter, the plant was in operation for 51 days, as against 56 days in corresponding quarter in previous year. The plant recommenced operation on 22<sup>nd</sup> April 2020, after completing the shutdown works.
6. There is no provision for tax in view of the brought forward losses/unabsorbed depreciation relating to earlier years available for set off while computing income both under the provisions of 115-JB and those other than Sec 115-JB of the Income Tax Act, 1961.

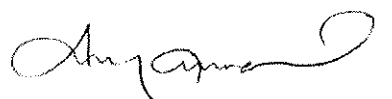
The Company has not opted to exercise the option under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 and decided to continue with the existing rate of income tax for the purpose of deferred tax computation.





7. Ind AS 116 "Leases", was introduced effective from 1<sup>st</sup> April 2019 and its application did not have any significant impact on recognition and measurement of leases in the financial results including the retained earnings as on 31<sup>st</sup> March 2020.
8. As the world faces one of the biggest challenge caused by the COVID 19 related disruptions, the agricultural sector remains relatively insular from demand point of view though it had to face some issues related to non-availability of labour and supply chain disruptions. Due to the proactive steps taken by the Government in supporting the farming community, production, distribution and sales of fertilizers largely remain unaffected. The plant which was shut down for maintenance restarted on 22<sup>nd</sup> April 2020 and is adhering to strict safety measures and Government guidelines. Though the COVID 19 related uncertainties persist, with good reservoir levels and normal monsoon predictions, impact of the pandemic on Indian Agriculture is expected to be minimal. The Company has used the principle of prudence in applying judgments, estimates and assumptions including sensitivity analysis and has concluded that there is no impact of COVID 19 on the recoverability of carrying values of assets. Accordingly, no adjustments have been made to the financial statements. The impact of COVID-19 on the Company's financial statements if any, may differ from that estimated as at the date of approval of these financial statements.
9. Previous year/period's figures have been regrouped/recast, wherever necessary, to conform to the classification on the current year/period's classification.
10. Figures for the quarter ended 31<sup>st</sup> March 2020 and 31<sup>st</sup> March 2019 are the balancing figures between the audited figures in respect of the full financial year ended 31<sup>st</sup> March 2020 and 31<sup>st</sup> March 2019 respectively and the published year to date figures for nine months ended 31<sup>st</sup> December 2019 and 31<sup>st</sup> December 2018 respectively, as regrouped.

For and on behalf of the Board



**S R RAMAKRISHNAN**  
Whole – Time Director

Place: Tuticorin

Date: 18<sup>th</sup> June 2020



STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2020

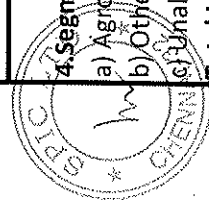
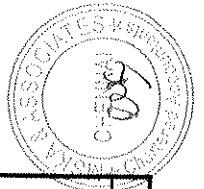
S.No.	Particulars	Consolidated				(Rupees in lac)	
		Quarter ended		Year ended			
		31 Mar 2020 (Audited)	31 Dec 2019 (Unaudited)	31 Mar 2019 (Audited)	31 Mar 2020 (Audited)	31 Mar 2019 (Audited)	31 Mar 2020 (Audited)
1	Revenue from Operations (a) Sales/Income from Operations (b) Other operating income Revenue from Operations Other Income Total Income Expenses	51300.04 210.71 51510.75 644.28 52155.03	37760.27 461.23 38221.50 147.37 38368.87	45419.91 192.26 45612.17 1923.45 47535.62	206711.76 1206.24 207918.00 1046.83 208964.83	258311.53 884.27 259195.80 2146.07 261341.87	
2	(a) Cost of materials consumed (b) Purchase of stock in trade (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade (d) Employee benefits expense (e) Finance Cost (f) Depreciation and Amortisation expense (g) Power and Fuel charges (h) Other expenses Total Expenses	26523.81 - 4292.87 1686.09 564.07 856.14 9585.01 5790.17 49298.16	20841.64 - 832.66 1439.12 445.04 842.02 9175.69 4308.84 37885.01	23752.79 - 2641.20 1542.11 2036.61 769.65 9776.83 5367.03 45886.22	116842.89 - 1675.01 5891.97 3415.07 3214.27 50395.77 21832.04 203267.02	152210.98 - 3987.75 6196.82 3567.35 3205.72 56306.18 26951.51 256007.72	3581.41 - - - - - - - 5334.15
3	Profit / (Loss) from Operations before share of profit of equity accounted investees, exceptional items & tax (1-2)	2856.87	483.86	1649.40	5697.81		
4	Exceptional items						
5	Profit / (Loss) before share of profit of equity accounted investees and tax (3+4)	2856.87	483.86	1649.40	5697.81		
6	Share of profit of joint ventures	125.94	330.42	299.32	1317.45	5334.15	
7	Profit before tax	2982.81	814.28	1948.72	7015.26	1261.02	
8	Tax expense	28.92	88.21	96.72	266.91	295.82	
9	Net Profit / (Loss) after tax (7-8)	2953.89	726.07	1852.00	6748.35	6299.35	
10	Other comprehensive income i) Items that will not be reclassified to profit or loss a) Effect of measuring investments at fair value b) Gain / (Loss) on actuarial valuation of gratuity ii) Income tax relating to items that will not be re-classified to Profit or loss Share of other comprehensive income as reported by joint ventures Total other comprehensive income	(369.55) (12.84) 36.96 63.47 (281.96)	(218.44) 0.00 21.84 0.48 (196.12)	(742.74) (45.03) 42.70 62.75 (682.32)	(328.67) (129.03) 32.87 67.87 (356.96)	(1058.48) (165.28) 105.85 113.65 (1004.26)	
11	Total Comprehensive Income (9+10)	2671.93	529.96	1169.68	6391.39	5295.09	
12	Paid-up equity share capital (Face Value of Rs. 10 Per Share)	20364.03	20364.03	20364.03	20364.03	20364.03	
13	Reserve excluding revaluation reserve						
14	Earnings Per Share (EPS) (of Rs.10/- each) Basic & Diluted (Not annualised) See accompanying notes to the financial results.	1.31	0.26	0.57	3.14	2.60	



## Segment Reporting:

(Rupees in lac)

Particulars	Consolidated			
	Quarter ended		Year ended	
	31-Mar-20 (Audited)	31-Dec-19 (Unaudited)	31-Mar-19 (Audited)	31-Mar-19 (Audited)
<b>1.Segment Revenue</b>				
a) Agro Inputs (Urea Operations)	51423.18	37865.16	45497.63	258591.11
b) Others (Agri Business)	119.95	146.60	158.28	767.73
c) Unallocated Income	611.90	357.11	1879.71	1983.03
<b>Income from operations</b>	<b>52155.03</b>	<b>38368.87</b>	<b>47535.62</b>	<b>261341.87</b>
<b>2.Segment Results</b>				
Profit (Before Tax and Interest) For each Segment				
a) Agro Inputs (Urea Operations)	3812.16	1154.19	2420.51	9129.71
b) Others (Agri Business)	(99.73)	(48.99)	(16.21)	(103.13)
<b>Total</b>	<b>3712.43</b>	<b>1105.20</b>	<b>2404.30</b>	<b>9026.58</b>
a) Finance Cost	564.06	445.04	2036.61	3567.35
b) Other Net Unallocable (Expenses)	(291.50)	(176.30)	1281.71	(125.08)
c) Exceptional items	-	-	-	-
<b>Profit / (Loss) Before Tax</b>	<b>2856.87</b>	<b>483.86</b>	<b>1649.40</b>	<b>5334.15</b>
Less: Tax expense	28.92	88.21	96.72	295.82
Add: Share of profit from Joint Ventures	125.94	330.42	299.32	1,261.02
<b>Profit after tax</b>	<b>2953.89</b>	<b>726.07</b>	<b>1852.00</b>	<b>6299.35</b>
<b>3.Segment Assets</b>				
a) Agro Inputs (Urea Operations)	169934.25	128804.84	162305.88	162305.88
b) Others (Agri Business)	1649.19	1602.61	1855.42	1855.42
c) Unallocated	37740.67	43658.02	39330.61	39330.61
<b>Total Assets</b>	<b>209324.11</b>	<b>174065.47</b>	<b>203491.91</b>	<b>203491.91</b>
<b>4.Segment Liabilities</b>				
a) Agro Inputs (Urea Operations)	119629.60	104638.76	138614.32	138614.32
b) Others (Agri Business)	255.79	121.59	245.79	245.79
c) Unallocated	45966.49	23713.73	27550.97	27550.97
<b>Total Liabilities</b>	<b>165851.88</b>	<b>128473.88</b>	<b>166411.08</b>	<b>166411.08</b>

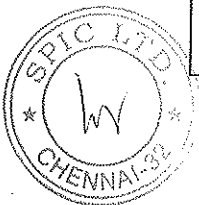


**Southern Petrochemical Industries Corporation Limited**

**Consolidated Balance sheet as at 31st March 2020**

(Rupees in lac)

S. No.	Particulars	As at 31 March 2020	As at 31 March 2019
<b>A</b>	<b>ASSETS</b>		
<b>1</b>	<b>Non-current assets</b>		
	(a) Property Plant & Equipment	35081.54	22995.67
	(b) Capital work-in-progress	2622.41	6900.91
	(c) Investment Property	125.71	129.18
	(d) Other Intangible assets	101.80	137.88
	<u>(e) Financial assets</u>		
	i) Investments		
	Investments in Associate	766.42	593.53
	Investments in Joint Venture	8344.23	7204.93
	Other Equity Investments	703.69	1028.94
	Other investments	1.00	1.00
	ii) Other financial Assets	243.29	287.10
	(f) Deferred tax asset (Net)	10441.47	10408.60
	(g) Income tax assets (Net)	380.57	16.40
	(h) Other non current assets	7742.53	4608.70
	<b>Total Non- Current Assets</b>	<b>66554.66</b>	<b>54312.84</b>
<b>2</b>	<b>Current assets</b>		
	(a) Inventories	13505.79	18785.36
	<u>(b) Financial assets</u>		
	i) Trade receivables	896.27	1764.96
	ii) Cash and cash equivalents	6409.33	7240.52
	iii) Bank balances other than ii) above	811.54	468.68
	iv) Other financial assets	110353.85	107000.31
	(c) Other current assets	10792.67	13919.24
	<b>Total Current Assets</b>	<b>142769.45</b>	<b>149179.07</b>
	<b>TOTAL ASSETS</b>	<b>209324.11</b>	<b>203491.91</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>		
<b>1</b>	<b>Equity</b>		
	(a) Equity Share capital	20364.03	20364.03
	(b) Other Equity	23108.20	16716.80
	<b>Total Equity</b>	<b>43472.23</b>	<b>37080.83</b>
<b>2</b>	<b>Non-current liabilities</b>		
	<u>(a) Financial Liabilities</u>		
	(i) Non - current Borrowings	0.00	12865.50
	(ii) Other financial Liabilities	3013.31	2888.69
	<b>Total Non-Current Liabilities</b>	<b>3013.31</b>	<b>15754.19</b>
<b>3</b>	<b>Current liabilities</b>		
	<u>(a) Financial Liabilities</u>		
	i) Current Borrowings	27909.72	23760.56
	ii) Trade payables	118173.64	120872.95
	iii) Other financial liabilities	14428.89	3813.64
	(b) Provisions	461.33	389.34
	(c) Other current liabilities	1864.99	1820.40
	<b>Total Current Liabilities</b>	<b>162838.57</b>	<b>150656.89</b>
	<b>Total liabilities</b>	<b>165851.88</b>	<b>166411.08</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>209324.11</b>	<b>203491.91</b>



**Southern Petrochemical Industries Corporation Limited**  
**Consolidated Cash Flow Statement for the year ended 31 March 2020**

S.No.	Particulars	Year ended 31 March 2020		Year ended 31 March 2019	
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>				
	Profit for the year before tax		5697.81		5334.15
	Adjustment for :				
	Depreciation and amortisation expense	3214.27		3205.72	
	Assets Written off	27.07		9.23	
	Profit on sale of assets	(7.68)		(2.84)	
	Provision for non-moving Inventories	12.84		24.41	
	Allowances for doubtful debts and advances	0.81		0.80	
	Provisions no longer required written back	(30.00)		(56654.03)	
	Bad debts and advances written off	53.44		318.91	
	Investment written off	-		55,989.64	
	Exchange difference (Gain)/ Loss	293.55		(0.05)	
	Finance Costs	3415.07		3567.35	
	Income from investments	(154.75)		(79.72)	
	Interest income	(122.72)		(774.75)	
			6701.90		5604.67
	Operating profit before working capital changes		12399.71		10938.82
	Adjustments for (Increase)/Decrease in:				
	Trade receivables	898.69		2980.51	
	Inventories	5266.73		64.85	
	Non current financial assets	43.82		(87.61)	
	Other Non-current assets	1014.05		1545.16	
	Current financials assets	(3361.14)		(54119.56)	
	Other current assets	3126.56		5254.10	
	Adjustments for Increase/(Decrease) in:				
	Other non current financial liabilities	124.62		300.03	
	Trade payables	(2992.86)		46966.62	
	Other current financial liabilities	(2157.80)		(3590.05)	
	Other current liabilities	(84.44)		(3980.20)	
	Short-term provisions	71.99		66.89	
	Deferred tax asset	-		(97.97)	
			1950.16		(4697.23)
	Cash from operations		14349.88		6241.59
	Direct taxes refund / (paid)		(367.94)		538.85
	<b>NET CASH FROM OPERATING ACTIVITIES</b>		<b>13981.94</b>		<b>6780.44</b>



**Consolidated Cash Flow Statement for the year ended 31 March 2020**

S.No.	Particulars	Year ended 31 March 2020		Year ended 31 March 2019	
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES :</b>				
	Purchase of Property, Plant and Equipment	(11015.45)		(5161.30)	
	Movement in capital advances	(4147.88)		(1526.22)	
	Proceeds from sale of Property, Plant and Equipment	13.97		8.66	
	Income from investments	154.75		79.72	
	Purchase of Investment	(193.42)		(4088.73)	
	Sale of Investment			5.28	
	Interest income	76.08		622.65	
	Movement in Bank balances other than cash and cash equivalents	(342.86)		(44.03)	
	<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(15454.81)</b>		<b>(10103.97)</b>
			<b>(15454.81)</b>		<b>(10103.97)</b>
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES :</b>				
	Proceeds from short term borrowings (net)	3967.11		13574.83	
	Finance Costs	(3325.42)		(3344.79)	
	<b>NET CASH (USED IN) FINANCING ACTIVITIES</b>		<b>641.69</b>		<b>10230.04</b>
			<b>641.69</b>		<b>10230.04</b>
	<b>NET CASH FLOWS DURING THE PERIOD (A+B+C)</b>		<b>(831.19)</b>		<b>6906.51</b>
	Cash and cash equivalents at the beginning of the year		<b>7240.52</b>		<b>334.01</b>
	Cash and cash equivalents at the end of the period		<b>6409.33</b>		<b>7240.52</b>
			<b>831.19</b>		<b>(6906.51)</b>
	Cash and cash equivalents comprise				
	Balances with banks				
	Cash on hand		<b>5.94</b>		<b>3.72</b>
	With the Banks		<b>6403.39</b>		<b>7236.80</b>
	<b>Total cash and bank balances at end of the period</b>		<b>6409.33</b>		<b>7240.52</b>
	The accompanying notes are an integral part of these financial statements				



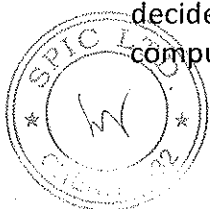
**Notes:**

1. The above consolidated financial results were reviewed and recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on 18<sup>th</sup> June 2020 and has been subjected to audit by the Statutory Auditors of the Company. The audited consolidated financial results are prepared in accordance with Indian Accounting Standard (Ind AS) as prescribed under section 133 of the Companies Act 2013.
2. During the quarter, the production and sale of Urea of the Company were 1.05 lac MT and 1.16 lac MT respectively and for the year, the production and sale of Urea were 5.50 lac MT and 5.54 lac MT respectively.
3. Government of India on 17<sup>th</sup> June 2015, had permitted the Company to produce Urea using Naphtha as feedstock on existing provisions till assured supply of gas is made available. The subsidy would be paid based on the Retention Price computed on the lower of Naphtha/Fuel oil or Regasified liquefied Natural Gas (RLNG) price.

Subsidy for the quarter and year ended 31<sup>st</sup> March 2020 of Rs.43578.11 lac and Rs.170232.63 lac respectively, has been accounted based on the provisional Retention Price (RP) computed in line with the Government's policy indicated in the Notification dated 17<sup>th</sup> June 2015, as the final retention price has not been announced by the Department of Fertilizers. The necessary adjustments, if any, will be made when the final retention price is notified by the Department of Fertilizers.

4. Revenue for the quarter and year ended 31<sup>st</sup> March 2020 includes an amount of Rs. 12376.72 lacs (amount pertaining to earlier years amounting to Rs. 10450.71 lacs) relating to grant of Additional Fixed Cost to Fertilizer units of Rs.350 / MT of Urea from FY 2014-15 till 2019-20 which is recognized as per Modified New Pricing Scheme (NPS) III notified in 2014, as approved by the Cabinet during the current year.
5. During the year, the Company's Plant was in operation for 282 days as against 325 days in the corresponding previous year and during the quarter, the plant was in operation for 51 days, as against 56 days in corresponding quarter in previous year. The plant recommenced operation on 22<sup>nd</sup> April 2020, after completing the shutdown works.
6. There is no provision for tax in view of the brought forward losses/unabsorbed depreciation relating to earlier years available for set off while computing income both under the provisions of 115-JB and those other than Sec 115-JB of the Income Tax Act, 1961.

The Company has not opted to exercise the option under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 and decided to continue with the existing rate of income tax for the purpose of deferred tax computation.



7. Ind AS 116 "Leases", was introduced effective from 1<sup>st</sup> April 2019 and its application did not have any significant impact on recognition and measurement of leases in the financial results including the retained earnings as on 31<sup>st</sup> March 2020.

8.

- a. As the world faces one of the biggest challenge caused by the COVID 19 related disruptions, the agricultural sector remains relatively insular from demand point of view though it had to face some issues related to non-availability of labour and supply chain disruptions. Due to the proactive steps taken by the Government in supporting the farming community, production, distribution and sales of fertilizers largely remain unaffected. The plant which was shut down for maintenance restarted on 22<sup>nd</sup> April 2020 and is adhering to strict safety measures and Government guidelines. Though the COVID 19 related uncertainties persist, with good reservoir levels and normal monsoon predictions, impact of the pandemic on Indian Agriculture is expected to be minimal. The Company has used the principle of prudence in applying judgments, estimates and assumptions including sensitivity analysis and has concluded that there is no impact of COVID 19 on the recoverability of carrying values of assets. Accordingly, no adjustments have been made to the financial statements. The impact of COVID-19 on the Company's financial statements if any, may differ from that estimated as at the date of approval of these financial statements.
- b. In respect of a Joint Venture Company, "In view of the Government of India's Order under the Disaster Management Act, 2005 to implement complete lock down in all parts of India with effect from 25<sup>th</sup> March 2020 to contain spread of COVID – 19 virus. The operations of the plants were shut down. This has impacted the normal business operations of the Company by way of interruption in production, supply chain disruption, unavailability of personnel, closure/lock down of production facilities, sales and profitability. The operations of the Units restarted in phases from 2<sup>nd</sup> week of April 2020, duly following the Government guidelines. Though the sale of LAB being input for surfactant/disinfectant products was not materially impacted the demand for caustic and propylene oxide off-take have been significantly lower due to the end-use industries remaining shutdown for longer periods. The demand for these products are yet to recuperate fully and it is not certain how long the situation would continue. The company has considered the impact that may arise from the pandemic situation on the carrying amount of its assets including inventory and receivables at the date of the year. Based on the current assessment it is expected that the net carrying amount of the said assets will be recovered. As at the date of approval of these results, it is not possible to reliably estimate the future financial effect of the situation on the Company's operations as normalcy is yet to return. The impact assessment is a continuing process given the uncertainties associated with nature and duration of the current situation. The eventual impact may differ from what has been assessed by the

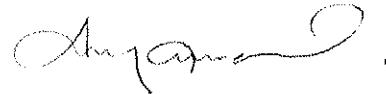




Management as at the date of approval of these financial results. The Company will continue to closely monitor any material changes in future economic conditions and take appropriate actions as may be required”.

9. Previous year/period's figures have been regrouped/recast, wherever necessary, to conform to the classification on the current year/period's classification.
10. Figures for the quarter ended 31<sup>st</sup> March 2020 and 31<sup>st</sup> March 2019 are the balancing figures between the audited figures in respect of the full financial year ended 31<sup>st</sup> March 2020 and 31<sup>st</sup> March 2019 respectively and the published year to date figures for nine months ended 31<sup>st</sup> December 2019 and 31<sup>st</sup> December 2018 respectively, as regrouped.

For and on behalf of the Board



**S R RAMAKRISHNAN**  
Whole – Time Director

Place: Tuticorin  
Date: 18<sup>th</sup> June 2020



**Independent Auditor's Report On Quarterly Standalone Financial Results and Year to Date  
Standalone Financial Results pursuant to the Regulation 33 of the SEBI (Listing Obligations and  
Disclosure Requirements) Regulations, 2015**

**To the Board of Directors of Southern Petrochemical Industries Corporation Limited**

**Report on the Audit of Standalone Financial Results**

**Opinion**

We have audited the accompanying Standalone Annual Financial Results of Southern Petrochemical Industries Corporation Limited (hereinafter referred to as the 'Company'), for the quarter and year ended March 31, 2020 (the 'Statement'), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations'). In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Statement: (i) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and (ii) give a true and fair view in conformity with the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of net profit and other comprehensive income and other financial information of the Company for the year ended March 31, 2020.

**Basis for Opinion**

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

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

**Emphasis of Matter**

1. We draw attention to Note 3 and 4 to the accompanying Statement with regards to computation of subsidy income based on the provisional Retention price (RP) in line with the government's policy dated June 17, 2015 as the final retention price has not been announced and accounting for additional fixed cost in line with the Press Release by Cabinet Committee on Economic Affairs dated March 13, 2020, which is yet not notified by the Department of Fertilizers. The necessary adjustments, if any, and its consequential impact will be assessed when the final retention price and accounting for additional fixed cost is notified by the Department of Fertilizers.





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2. We draw attention to Note 8 to the accompanying Statement which states that the management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the year ended March 31, 2020 and has concluded that there is no impact which is required to be recognised in the financial results. Accordingly, no adjustments have been made to the financial results.

Our opinion is not modified in respect of these matters.

#### **Board of Directors' Responsibilities for the Standalone Financial Results**

This Statement have been prepared on the basis of the standalone annual financial statements. The Company's Board of Directors are responsible for the preparation and presentation of this Statement that give a true and fair view of the net profit and other comprehensive income in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The Board of Directors of the Company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Statement by the Directors of the Company, as aforesaid.

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

The Board of Directors of the Company are responsible for overseeing the financial reporting process of the Company.

#### **Auditor's Responsibilities for the Audit of the Standalone Financial Results**

Our objectives are to obtain reasonable assurance about whether the Statement as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Statement.





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

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

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

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

#### **Other Matters**

1. Due to the restrictions and lock down laid by the government due to the COVID-19 pandemic it was impracticable for us to attend the physical verification of inventory carried out by the management subsequent to the year end. Consequently, we have performed related alternative audit procedures and have obtained sufficient, appropriate audit evidence over the existence of inventory (amounting to Rs. 13,505.79 lakhs) as on March 31, 2020.



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2. The Statement include the results for the quarter ended March 31, 2020 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" which were subject to limited review by us.

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

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

*Geetha Jeyakumar*

Geetha Jeyakumar  
Partner  
Membership No.: 029409  
UDIN :20029409A AAAA C9787



Place: Chennai  
Date: June 18, 2020

**Independent Auditor's Report On Quarterly Consolidated Financial Results and Year to Date Consolidated Financial Results pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**To the Board of Directors of Southern Petrochemical Industries Corporation Limited**

**Report on the Audit of Consolidated Financial Results**

**Opinion**

We have audited the accompanying consolidated annual financial results of Southern Petrochemical Industries Corporation Limited (hereinafter referred to as the 'Company'), its associates and its joint ventures for the quarter and year ended March 31, 2020 (the 'Statement' attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('Listing Regulations')).

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate audited financial statements of the associates and joint ventures, the aforesaid Statement:

(i) include the annual financial results of the following entities

Sr. No	Name of the Entity	Relationship with the Company
1.	Tamilnadu Petroproducts Limited	Joint venture
2.	National Aromatics and Petrochemicals Corporation Limited	Joint venture*
3.	Gold Nest Trading Company Limited	Associate
4.	Tuticorin Alkali Chemicals and Fertilizers Limited	Associate*
5.	Greenam Energy Limited	Associate

\* As the Companies share of losses in the associate and joint venture has exceeded the cost of investment in an earlier year, loss for the year has not been considered in these consolidated financial statements.

(ii) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and



(iii) give a true and fair view in conformity with the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of net profit and other comprehensive income and other financial information of the Company for the year ended March 31, 2020.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Results section of our report. We are independent of the Company, its associates and joint ventures in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

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

#### **Emphasis of Matter**

1. We draw attention to Note 3 and 4 to the accompanying Statement with regards to computation of subsidy income based on the provisional Retention price (RP) in line with the government's policy dated June 17, 2015 as the final retention price has not been announced and accounting for additional fixed cost in line with the Press Release by Cabinet Committee on Economic Affairs dated March 13, 2020, which is yet not notified by the Department of Fertilizers. The necessary adjustments, if any, and its consequential impact will be assessed when the final retention price and accounting for additional fixed cost is notified by the Department of Fertilizers.
2. We draw attention to Note 8 to the accompanying Statement which states that the management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the year ended March 31, 2020 and has concluded that there is no impact which is required to be recognised in the financial results. Accordingly, no adjustments have been made to the financial results.

Our opinion is not modified in respect of these matters.





**& Associates**

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### **Board of Directors' Responsibilities for the Consolidated Financial Results**

These Statement have been prepared on the basis of the consolidated annual financial statements. The Company's Board of Directors are responsible for the preparation and presentation of this Statement that give a true and fair view of the net profit and other comprehensive income and other financial information of the Company including its associates and joint ventures in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the company and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and its associates and joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Statement by the Directors of the Company, as aforesaid.

In preparing the Statement, the respective Board of Directors of the companies included in the Company and of its associates and joint ventures are responsible for assessing the ability of the Company and its associates and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Company and of its associates and joint ventures are responsible for overseeing the financial reporting process of the Company and of its associates and joint ventures.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Results**

Our objectives are to obtain reasonable assurance about whether the Statement as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Statement.

