

## SOUTHERN PETROCHEMICAL INDUSTRIES CORPORATION LIMITED

Regd. Office: 73, Armenian Street, Chennai 600 001.

## AUDITED FINANCIAL RESULTS (BOTH STANDALONE AND CONSOLIDATED) FOR THE YEAR ENDED 31ST MARCH 2011

(Rupees in Lac)

| S.No | Description                                                                                       | STANDALONE                                                      |                                                                 | CONSOLIDATED                                                    |                                                                 |
|------|---------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|-----------------------------------------------------------------|-----------------------------------------------------------------|-----------------------------------------------------------------|
|      |                                                                                                   | Year ended<br>31st March 2011<br>(Apr'10 - Mar'11)<br>(Audited) | Year ended<br>31st March 2010<br>(Apr'09 - Mar'10)<br>(Audited) | Year ended<br>31st March 2011<br>(Apr'10 - Mar'11)<br>(Audited) | Year ended<br>31st March 2010<br>(Apr'09 - Mar'10)<br>(Audited) |
| 1    | Income                                                                                            |                                                                 |                                                                 |                                                                 |                                                                 |
|      | (a) Net sales/Income from Operations                                                              | 172902.41                                                       | 41706.51                                                        | 209361.44                                                       | 111437.07                                                       |
|      | (b) Other operating income                                                                        | 1981.90                                                         | 5025.62                                                         | 1981.90                                                         | 5025.62                                                         |
|      | <b>Total Income</b>                                                                               | <b>174884.31</b>                                                | <b>46732.13</b>                                                 | <b>211343.34</b>                                                | <b>116462.69</b>                                                |
| 2    | Expenditure                                                                                       |                                                                 |                                                                 |                                                                 |                                                                 |
|      | (a) (Increase)/decrease in stock in trade and work in progress                                    | (4831.60)                                                       | 2632.39                                                         | (3999.73)                                                       | 17103.79                                                        |
|      | (b) Consumption of raw materials                                                                  | 92269.90                                                        | 19053.97                                                        | 100732.89                                                       | 46279.01                                                        |
|      | (c) Materials and Equipments for Construction Contracts                                           | 20248.91                                                        | 3746.48                                                         | 20248.91                                                        | 3746.48                                                         |
|      | (d) Purchase of traded goods                                                                      | 1960.29                                                         | 1599.83                                                         | 1986.55                                                         | 2046.95                                                         |
|      | (e) Power and fuel charges                                                                        | 31307.18                                                        | 4327.65                                                         | 32485.80                                                        | 4951.84                                                         |
|      | (f) Employees cost                                                                                | 6326.82                                                         | 5669.36                                                         | 9123.18                                                         | 11780.74                                                        |
|      | (g) Depreciation                                                                                  | 8894.90                                                         | 9667.44                                                         | 11457.88                                                        | 15418.15                                                        |
|      | (h) Exchange (Gain)/Loss(Net)                                                                     | (462.51)                                                        | (3750.95)                                                       | (525.31)                                                        | (3810.07)                                                       |
|      | (i) Other expenditure                                                                             | 19907.54                                                        | 11699.57                                                        | 40633.74                                                        | 38938.89                                                        |
|      | <b>Total Expenditure</b>                                                                          | <b>175621.43</b>                                                | <b>54645.74</b>                                                 | <b>212143.91</b>                                                | <b>136455.78</b>                                                |
| 3    | Profit/ (Loss) from Operations before Other Income, Interest and Exceptional items (1-2)          | (737.12)                                                        | (7913.61)                                                       | (800.57)                                                        | (19993.09)                                                      |
| 4    | Other Income                                                                                      | 900.76                                                          | 1799.91                                                         | 1231.35                                                         | 2179.99                                                         |
| 5    | Profit/(Loss) before Interest and Exceptional Items (3+4)                                         | 163.64                                                          | (6113.70)                                                       | 430.78                                                          | (17813.10)                                                      |
| 6    | Interest                                                                                          | 2551.04                                                         | 2049.51                                                         | 3102.51                                                         | 2346.04                                                         |
| 7    | Profit/(Loss) after Interest but before Exceptional Items (5-6)                                   | (2387.40)                                                       | (8163.21)                                                       | (2671.73)                                                       | (20159.14)                                                      |
| 8    | Exceptional Items                                                                                 |                                                                 |                                                                 |                                                                 |                                                                 |
|      | (a) (Loss) on Sale of Fixed assets (Net)<br>(Including estimated loss on proposed sale of assets) | (3463.19)                                                       | (1315.50)                                                       | (3463.19)                                                       | (1,315.50)                                                      |
|      | (b) Provision for Diminution in value of Investment                                               | -                                                               | (30609.63)                                                      | (55989.63)                                                      | (6.56)                                                          |
|      | (c) Profit on sale of investments<br>(Joint venture/ Subsidiary/Associate/Other companies)        | 14048.95                                                        | 7694.45                                                         | 13215.69                                                        | 4,689.27                                                        |
|      | (d) Excess liability for interest on loans written back                                           | -                                                               | 17065.40                                                        | -                                                               | 17,065.40                                                       |
|      | (e) Provision for claims no longer required written back                                          | -                                                               | 2871.92                                                         | -                                                               | 2,871.92                                                        |
|      | (f) Investment written off                                                                        | -                                                               | -                                                               | (17542.13)                                                      | -                                                               |
| 9    | Profit/(Loss) after Exceptional items but before tax (7+8)                                        | 8198.36                                                         | (12456.57)                                                      | (66450.99)                                                      | 3145.39                                                         |
| 10   | Tax expenses                                                                                      |                                                                 |                                                                 |                                                                 |                                                                 |
|      | Current Tax                                                                                       | -                                                               | -                                                               | 297.80                                                          | 817.01                                                          |
|      | Deferred Tax                                                                                      | -                                                               | -                                                               | 21.95                                                           | 223.62                                                          |
| 11   | Profit/(Loss) for the year before extraordinary items (9-10)                                      | 8198.36                                                         | (12456.57)                                                      | (66770.74)                                                      | 2104.76                                                         |
| 12   | Extraordinary item (net of tax expense)                                                           | -                                                               | -                                                               | -                                                               | -                                                               |
| 13   | Profit/(Loss) for the year after extraordinary items(11-12)                                       | 8198.36                                                         | (12456.57)                                                      | (66770.74)                                                      | 2104.76                                                         |
| 14   | Add: Share of Profit From Associates                                                              | -                                                               | -                                                               | 1084.72                                                         | 1259.35                                                         |
| 15   | Less: Minority Interest                                                                           | -                                                               | -                                                               | (3091.53)                                                       | (6853.42)                                                       |
| 16   | Profit / (Loss) for the year                                                                      | 8198.36                                                         | (12456.57)                                                      | (62594.49)                                                      | 10217.53                                                        |
| 17   | Paid-up equity share capital (Face Value Rs. 10 per share).                                       | 16627.84                                                        | 13117.35                                                        | 16627.84                                                        | 13117.35                                                        |
| 18   | Reserve excluding revaluation reserves                                                            | 28682.85                                                        | 25628.90                                                        | 32345.76                                                        | 36997.36                                                        |
| 19   | Debit balance in Profit and loss account                                                          | 149170.47                                                       | 157368.83                                                       | 147116.92                                                       | 84522.43                                                        |
| 20   | Earnings Per Share (EPS)                                                                          |                                                                 |                                                                 |                                                                 |                                                                 |
|      | a) Basic earnings per share before and after extraordinary items (EPS) (Rs) (Not annualised)      | 5.51                                                            | (11.69)                                                         | (43.08)                                                         | 9.29                                                            |
|      | b) Diluted earnings per share before and after extraordinary items (EPS) (Rs) (Not annualised)    | 5.51                                                            | (9.77)                                                          | (43.08)                                                         | 7.77                                                            |
| 21   | Public shareholding (Excluding shares against which GDR's are issued)                             |                                                                 |                                                                 |                                                                 |                                                                 |
|      | (a) Number of Shares                                                                              | 78949314                                                        | 65040979                                                        | 78949314                                                        | 65040979                                                        |
|      | (b) Percentage of Shareholding                                                                    | 52.96                                                           | 57.08                                                           | 52.96                                                           | 57.08                                                           |
| 22   | Promoters & Promoter group shareholding (Excluding shares against which GDR's are issued)         |                                                                 |                                                                 |                                                                 |                                                                 |
|      | a) Pledged/Encumbered                                                                             |                                                                 |                                                                 |                                                                 |                                                                 |
|      | - Number of shares                                                                                | 10486639                                                        | 10531639                                                        | -                                                               | -                                                               |
|      | - Percentage of shares(as a % of the total shareholding of promoters and promoter group)          | 14.95                                                           | 21.53                                                           | -                                                               | -                                                               |
|      | - Percentage of shares(as a % of the total share capital of the Company)                          | 6.31                                                            | 8.03                                                            | -                                                               | -                                                               |
|      | b) Non - Encumbered                                                                               |                                                                 |                                                                 |                                                                 |                                                                 |
|      | - Number of shares                                                                                | 59647871                                                        | 38383770                                                        | -                                                               | -                                                               |
|      | - Percentage of shares(as a % of the total shareholding of promoters and promoter group)          | 85.05                                                           | 78.47                                                           | -                                                               | -                                                               |
|      | - Percentage of shares(as a % of the total share capital of the Company)                          | 35.87                                                           | 29.26                                                           | -                                                               | -                                                               |

**SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED  
FOR THE YEAR ENDED 31ST MARCH 2011**

(Rupees in Lac)

| S.No. | Description                                                                                                                                                                                                                                                               | STANDALONE                                                                                               |                                                                                                                     | CONSOLIDATED                                                                                                      |                                                                                                              |
|-------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|
|       |                                                                                                                                                                                                                                                                           | Year ended<br>31st March 2011<br>(Apr'10 - Mar'11)<br>(Audited)                                          | Year ended<br>31st March 2010<br>(Apr'09 - Mar'10)<br>(Audited)                                                     | Year ended<br>31st March 2011<br>(Apr'10 - Mar'11)<br>(Audited)                                                   | Year ended<br>31st March 2010<br>(Apr'09 - Mar'10)<br>(Audited)                                              |
| A     | <b>Segment Revenue</b><br>a) Agro Inputs<br>b) Bulk Drugs & Formulation<br>c) SMO<br>d) Petrochemicals<br>e) Others<br>f) Unallocated Income<br><b>Sales / Income from operations</b>                                                                                     | 146215.05<br>1539.56<br>24828.79<br>-<br>2207.20<br>994.47<br><b>175785.07</b>                           | 30038.06<br>5036.80<br>8438.43<br>-<br>2565.83<br>2452.92<br><b>48532.04</b>                                        | 155319.20<br>1539.56<br>24828.79<br>-<br>29892.67<br>994.47<br><b>212574.69</b>                                   | 68007.11<br>5036.80<br>8438.43<br>-<br>34707.42<br>2452.92<br><b>118642.68</b>                               |
| B     | <b>Segment Results</b><br>Profit/(Loss) (Before Tax and Interest)<br>For each Segment<br>a) Agro Inputs<br>b) Bulk Drugs & Formulation<br>c) SMO<br>d) Petrochemicals<br>e) Others<br>f) Unallocated<br><b>Total</b><br>Less: Interest<br><b>Profit/(Loss) Before Tax</b> | 5189.80<br>(5277.47)<br>729.26<br>-<br>78.62<br>10029.19<br><b>10749.40</b><br>2551.04<br><b>8198.36</b> | (2677.52)<br>(4365.20)<br>262.40<br>-<br>(468.98)<br>(3157.76)<br><b>(10407.06)</b><br>2049.51<br><b>(12456.57)</b> | 4325.09<br>(5277.47)<br>729.26<br>-<br>1068.34<br>(64193.70)<br><b>(63348.48)</b><br>3102.51<br><b>(66450.99)</b> | (17753.56)<br>(4365.20)<br>262.40<br>-<br>2810.35<br>24537.44<br><b>5491.43</b><br>2346.04<br><b>3145.39</b> |
| C     | <b>Capital Employed</b><br><b>(Segment Assets - Segment Liabilities)</b><br>a) Agro Inputs<br>b) Bulk Drugs & Formulation<br>c) SMO<br>d) Petrochemicals<br>e) Others<br>f) Unallocated<br><b>Total</b>                                                                   | 37241.09<br>2665.04<br>7554.60<br>-<br>2353.21<br>(152423.72)<br><b>(102609.78)</b>                      | 26033.34<br>8394.47<br>7460.92<br>-<br>3016.39<br>(158458.25)<br><b>(113553.13)</b>                                 | 37199.56<br>2665.04<br>7554.60<br>1435.94<br>21125.78<br>(159549.76)<br><b>(89568.84)</b>                         | 79593.68<br>8394.47<br>7460.92<br>57752.79<br>19580.75<br>(174941.18)<br><b>(2158.57)</b>                    |

(Rupees in Lac)

| STATEMENT OF ASSETS AND LIABILITIES AS AT 31st MARCH 2011 |                                 |                                 |                                 |                                 |
|-----------------------------------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Description                                               | STANDALONE                      |                                 | CONSOLIDATED                    |                                 |
|                                                           | As at 31st March 2011 (Audited) | As at 31st March 2010 (Audited) | As at 31st March 2011 (Audited) | As at 31st March 2010 (Audited) |
| <b>Shareholders fund</b>                                  |                                 |                                 |                                 |                                 |
| (a) Capital                                               | 17877.84                        | 18186.79                        | 17877.84                        | 18186.79                        |
| (b) Share Capital Advance                                 | -                               | -                               | 1614.88                         | 1615.04                         |
| (c) Reserves & surplus                                    | 28682.85                        | 25628.90                        | 33834.23                        | 38489.25                        |
| Minority Interests                                        | -                               | -                               | 4233.27                         | 24072.78                        |
| <b>Loan funds</b>                                         | 173259.84                       | 219926.53                       | 178769.37                       | 551436.43                       |
| <b>Deferred tax liability</b>                             | -                               | -                               | 2342.42                         | 2320.48                         |
| <b>Total</b>                                              | <b>219820.53</b>                | <b>263742.22</b>                | <b>238672.01</b>                | <b>636120.77</b>                |
| <b>Fixed Assets including CWIP*</b>                       |                                 |                                 |                                 |                                 |
| <b>Fixed Assets held for transfer</b>                     | 84922.46                        | 107716.26                       | 104447.55                       | 301976.15                       |
| <b>Preoperative expenditure pending allocation</b>        |                                 |                                 | 359.58                          | 359.58                          |
| <b>Investments</b>                                        | 5601.46                         | 23854.42                        | 2155.45                         | 334490.50                       |
| <b>Current Assets, Loans and advances</b>                 |                                 |                                 |                                 |                                 |
| (a) Interest accrued on Investments                       | -                               | 6.35                            | -                               | 6.35                            |
| (b) Inventories                                           | 16816.17                        | 10802.53                        | 20072.80                        | 22641.44                        |
| (c) Sundry Debtors                                        | 10926.52                        | 7171.39                         | 12688.93                        | 8739.90                         |
| (d) Cash and Bank balances                                | 9964.73                         | 18264.72                        | 11651.89                        | 23435.73                        |
| (e) Loans and Advances                                    | 27283.06                        | 15123.27                        | 28920.46                        | 10707.02                        |
| <b>Less: Current liabilities and provisions</b>           |                                 |                                 |                                 |                                 |
| (a) Liabilities                                           | 84393.78                        | 76138.03                        | 89292.20                        | 159750.60                       |
| (b) Provisions                                            | 470.56                          | 427.52                          | 695.64                          | 779.54                          |
| Net Current Assets                                        | (19873.86)                      | (25197.29)                      | (16653.76)                      | (94999.70)                      |
| Miscellaneous expenditure (Not written off or adjusted)   | -                               | -                               | 12.14                           | 316.84                          |
| <b>Profit and loss account</b>                            | 149170.47                       | 157368.83                       | 147116.92                       | 84522.43                        |
| <b>Total</b>                                              | <b>219820.53</b>                | <b>263742.22</b>                | <b>238672.01</b>                | <b>636120.77</b>                |

\* Includes assets held for sale amounting to Rs 2150 Lac (Previous year : Rs. 9466.62 lac)

**Notes:**

1. a. The Company has re-commenced the production of Urea from 9<sup>th</sup> October 2010 and the production has stabilized. The production of Phosphatic fertilisers continued during the current year. The other business activities viz. SPIC Maintenance Organization, Enzymes, Formulation Units and Agribusiness continued their operations throughout the financial year. This has resulted in significant reduction in operating loss.
  - b. As on 31<sup>st</sup> March 2011, secured lenders covering approximately 85% in value stands assigned the financial assistance granted by them along with the attendant security interest in favour of Asset Reconstruction Company (India) Limited (ARCIL). ARCIL and other financial institutions have approved the rework package through CDR mechanism during March 2010. The Company has commenced payment of dues as per the rework package and there has been delay in payment of some loan instalments which may entail additional outflow. In the event of the Company not being able to comply with the stipulated conditions as per the rework package, the same shall be withdrawn. In view of the delay in payment of instalments and pending satisfactory completion/compliance of the conditions stipulated in the package, no credit has been taken for expected relief in loan/interest liabilities.
  - c. The Supply Agreement executed on 24<sup>th</sup> April 2010 by the Company with Indian Oil Corporation Ltd. (IOCL) has enabled the Company to source naphtha and furnace oil and recommencement of operations of its nitrogenous fertiliser plants from 9<sup>th</sup> October 2010. The action of Department of Fertilisers, Government of India (GOI), to cut down the urea subsidy payment cycle resulted in reduction of working capital requirement and enabled the Company to operate its nitrogenous fertiliser plants at stipulated capacity levels.
  - d. The Notification issued by the Department of Fertilisers, Government of India (GOI), increasing the fixed cost reimbursement in urea operations resulted in additional realization of fertiliser subsidy and consequent improvement in profitability.
- The above positive developments have enabled the Company to operate the fertiliser plants, being its core business, at optimum levels resulting in profitable operations and reducing the accumulated losses.
2. These financial results have been prepared on a going concern basis on account of the developments mentioned in the Note 1 above.
  3. a. Nutrient Based Subsidy Scheme (NBS) has been implemented by Government of India for Phosphatic Fertilizers effective from 1<sup>st</sup> April 2010. Concession allowable under the above scheme (NBS) with respect to Phosphatic fertilizers is recognized at the rates notified by the Government for the year 2010-11. Concession is recognized on the basis of the receipt of material at the warehouse / sale at the factory gate to dealers.

- b. Under the New Pricing Scheme for Urea, the Government of India reimburses in the form of subsidy to the Fertiliser Industry, the difference between the cost of production and the selling price realised from the farmers, as fixed by the Government from time to time. This has been accounted on the basis of movement of fertiliser 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.
4. The Pen-G operations were shut down from 15<sup>th</sup> January 2010 due to then prevailing un-remunerative prices on account of Chinese competition. In view of the Company's inability to restart the Pen-G operations and also considering non-viability of operations relating to R&D and API, ARCIL vide notice dated 17<sup>th</sup> May 2011, has taken over the possession of immovable properties of the Pharma unit at Cuddalore to sell the assets. In pursuance of Accounting Standard 28 - Impairment of Assets (AS - 28) issued by the Institute of Chartered Accountants of India, the Company has reviewed its carrying cost of assets viz., buildings, plant and machinery, furnitures and fittings and intangible assets relating to Pharma Unit and has provided for impairment loss estimated at Rs.920.02 lac which is included in "Other Expenditure".
5. a. Pursuant to, the approvals of the Board at its meeting held on 25<sup>th</sup> January 2010 and the shareholders at the EGM held on 22<sup>nd</sup> February 2010, M/s FICON Holdings Ltd, Mauritius (FICON) a promoter group entity was allotted 2,77,77,777 Fully and Compulsorily Convertible Preference shares (FCCP) of Rs. 18 each with each FCCP compulsorily and mandatorily convertible in multiple tranche into one equity share of Rs. 10 each, fully paid up at an issue price of Rs.18, which is inclusive of a premium of Rs. 8 per share, in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI ICDR Regulations"). At the meetings of the Committee of the Board of Directors held on 30<sup>th</sup> March 2010 and 31<sup>st</sup> March 2010, 65,58,676 FCCP were converted into Equity shares of the face value of Rs.10 each fully paid up at a premium of Rs. 8 per share. The balance outstanding 2,12,19,101 FCCP were converted into Equity shares of the face value of Rs.10 each fully paid up at a premium of Rs. 8 per share at the meeting of the Committee of the Board of Directors held on 12<sup>th</sup> October 2010 after obtaining the exemption from SEBI under SEBI Takeover Code, vide its order dated 28<sup>th</sup> September 2010, from the requirement of making of a public announcement.
- b. Pursuant to, the approvals of the Board at its meeting held on 6<sup>th</sup> August 2010 and the shareholders at the AGM held on 21<sup>st</sup> September 2010, secured lenders were allotted 32,14,734 Equity 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, at the meeting of the Committee of the Board of Directors held on 8<sup>th</sup> November 2010 by conversion of secured debt of Rs 610.80 Lac into equity.

- c. Pursuant to, the approvals of the Board at its meeting held on 28<sup>th</sup> October 2010 and the shareholders at the EGM held on 29<sup>th</sup> November 2010, ARCIL was allotted 1,06,71,001 Equity 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, at the meeting of the Committee of the Board of Directors held on 8<sup>th</sup> December 2010 by conversion of secured debt of Rs.2134.20 Lac into equity.
6. The Company has carry forward business loss and unabsorbed depreciation, which give rise to a net deferred tax asset. However in the absence of virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized, the same has not been recognized
7. a. During the year, the committee of Directors at its meeting held on 16<sup>th</sup> February 2011 approved the sale of 6,58,66,053 equity shares of Rs.5/- each held by the Company in its associate, Manali Petrochemical Limited, in one or more tranches, to promoters inter se, at market related price. Out of the said shares 5,44,05,000 shares were sold during March 2011 and the profit on sale of Rs.2761.72 lac is included under exceptional items.
- b. The Company had entered into Share Purchase Agreement (SPA) with the Joint Venture Partner M/s. Jordan Phosphate Mines Company (JPMC) for sale of its entire shareholding (23,163,000 equity shares) in Indo-Jordan Chemicals Co Ltd. (IJC), pursuant to which the sale was effected during the year and the profit on sale of Rs. 7814.39 lac is included under exceptional items.
- c. During the year, entire investment (1427143 equity shares) held by the Company in its associate EDAC Engineering Limited were sold during October 2010 and the profit on sale of Rs. 3247.90 lac is included under exceptional items.
8. The Consolidated results do not include those relating to SPIC Petrochemicals Limited (SPIC Petro) for the following reasons:

The Official Liquidator appointed by the Hon'ble Madras High Court took over possession of the assets and effects of SPIC Petrochemicals Limited (SPIC Petro) on 14<sup>th</sup> May 2010, in accordance with the order issued by the Division Bench of the Hon'ble Madras High Court on 26<sup>th</sup> April 2010. On an appeal preferred by ARCIL, the Hon'ble Madras High Court vide its order dated 20<sup>th</sup> 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<sup>th</sup> January 2011. Consequent to the above, the nominee directors of SPIC Limited ceased to be directors on the Board of SPIC Petro and the Company has no representation in the Board of SPIC Petro with effect from 14<sup>th</sup> May 2010.

Consequently, the Company has lost its control over SPIC Petro and hence it ceased to be a subsidiary of the Company with effect from 14<sup>th</sup> May 2010. In the standalone accounts of the Company, the carrying value of investments aggregating to Rs. 55,984.63 Lacs was provided for in earlier years. On de-recognition of this subsidiary, the adjustment relating to this provision has been reflected in the consolidated financial statement under exceptional item.

9. The results of the subsidiary company SFCL, Mauritius considered for consolidation is based on the unaudited financial statements as prepared by the management. These results do not include the results of its subsidiary SFC, FZE, Dubai as it has ceased to be a subsidiary of SFCL, Mauritius consequent to takeover of the assets of that company by Jebel Ali Free Zone Authorities(JAFZA) resulting in loss of control in that company.
10. Previous period's figures have been regrouped / recast, wherever necessary, to conform to the classification of the current year.
11. During the quarter ended 31<sup>st</sup> March 2011, no investor complaint was received. No investor complaint was pending either at the beginning or at the end of the quarter.

**For and on behalf of the Board**

A handwritten signature in black ink, consisting of a vertical line with a horizontal stroke across it, and a diagonal line extending from the bottom left to the top right.

**ASHWIN C MUTHIAH  
VICE CHAIRMAN**

**Chennai  
26<sup>th</sup> July 2011**