Notes :

1. The Company operates in only one segment, namely, Industrial Intermediate Chemicals.
2. Figures of the previous period have been regrouped wherever necessary.
3. There were no investor complaints at the beginning of the quarter. During the quarter, 4 complaints were received, all of which were disposed of by the Company.
4. The Auditors' report on the annual accounts of the Company for the year ended March 31, 2010 and the Limited Review Report for the quarter ended December 31, 2010 contains the following comments:

a) " The Company has, during the period 1995-2003, invested ₹ 2764.50 lacs in SPIC Electric Power Corporation Private Limited and given advances against equity amounting to ₹33.91 lacs during the financial years 2006 to 2008 for which no provision has been considered necessary by the management. In view of the considerable delay in the implementation of the project we are unable to express an opinion on the provision, if any, required in respect of the said investment and advances against equity".

Board's Comment: The Company, SPIC Electric Power Corporation Private Limited (SEPC) and an investor company have signed a Shareholders' and Share Subscription Agreement on May 28, 2009 for implementation of the power project. The investor company has agreed to bring in 74% of the equity and has been meeting all the expenses of SEPC since August 2007. The Ministry of Shipping, Government of India has approved the proposal for allocation of an alternate site to SEPC and Tuticorin Port Trust have communicated their willingness to enter into a long-term lease for the identified alternate site. The Ministry of Environment and Forests has accorded environmental clearance for the project on November 3, 2010. The formalities for taking over possession of the land is in progress. Detailed Project Report with revised project cost has been finalised. SEPC's application for financial assistance is being processed by the institutions.

In view of the substantial progress achieved, no provision in the value of investment and advance against equity is considered necessary.

b) " Assets held by the Company amounting to ₹2123.63 lacs are expected to be transferred to the proposed overseas project at not less than cost. We are unable to express an opinion on the realisable value of these assets".

Board's comment : The Company is confident that the assets which are in the form of equipment and drawings for paraffin production can be transferred to its overseas project at a value not less than their cost.

5. During the quarter, the Company received a demand from the Income Tax department for ₹.5014 lacs (inclusive of interest) for Assessment Year 2001-2002. This primarily relates to the compensation received from CIBA which is now being considered by the Department as revenue and not as a capital receipt. The Company is contesting the matter in appeal and consequently, the liability on this account is not provided.

The financial results were reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on January 27, 2011.
The Statutory Auditors of the Company have carried out a limited review of the above financial results.

Place : Chennai
Date : January 27, 2011

V. RAMANI
DIRECTOR AND CHIEF FINANCIAL OFFICER