

# SPIC

Secy/NSE

5<sup>th</sup> July 2017

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

Dear Sir,

Sub: Notice of the 46<sup>th</sup> Annual General Meeting of the Company to be held on 26<sup>th</sup> July 2017.

In terms of the Regulation 30 (6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 a copy of the Notice of the 46<sup>th</sup> Annual General Meeting of the Members of the Company for the Financial Year 2016-17 to be held on 26<sup>th</sup> July 2017 at 10.00 AM at Chennai as sent to the shareholders is enclosed. The Notice is also available on the Company's Website at [www.spic.in](http://www.spic.in).

We request you kindly to take on record the Notice.

Thanking you,

Yours faithfully  
For SOUTHERN PETROCHEMICAL  
INDUSTRIES CORPORATION LTD.



M B GANESH  
SECRETARY

Encl: as above

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](mailto:spiccorp@spic.co.in) | [www.spic.in](http://www.spic.in)

**SOUTHERN PETROCHEMICAL INDUSTRIES CORPORATION LIMITED**

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

**NOTICE**

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

**ORDINARY BUSINESS:**

**1. Adoption of Financial Statements**

**"RESOLVED THAT**

- a.the audited financial statement of the Company for the year ended 31st March 2017 and the Reports of the Board of Directors and Auditors thereon;
  - b.the audited consolidated financial statement of the Company for the year ended 31st March 2017 and the Report of the Auditors thereon;
- be and are hereby received and adopted."

**2. Appointment of Director**

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

**3. Appointment of Statutory Auditors**

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

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

**SPECIAL BUSINESS:**

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

**"RESOLVED THAT** pursuant to Section 148 and other

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

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

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

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

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

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

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

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

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

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

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

**REMUNERATION:**

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

d. In addition to the above,

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

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

**Minimum Remuneration:**

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

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

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

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

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

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

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

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

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

#### NOTES:

- (A) a. The Register of Members and Share Transfer Books of the Company will remain closed from 19th July 2017 to 26th July 2017 (both days inclusive).
- b. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013, (the Act) in respect of items 3 to 8 is annexed hereto.
- c. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) OF THE COMPANY MAY APPOINT A PROXY / PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF. SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- The instrument appointing proxy (attached) duly filled in should be deposited at the Registered Office of the Company not less than forty-eight hours before commencement of the AGM. Proxy forms submitted on behalf of companies, societies, etc., must be supported by an appropriate resolution/authority, as applicable. Pursuant to the provisions of Section 105 of the Act, a person shall not act as a proxy for more than 50 (fifty) Members and holding in aggregate not more than 10% (ten percent) of the total share capital of the Company carrying voting rights. However, a single person may act as a proxy for a Member holding more than 10% (ten percent) of the total share capital of the Company carrying voting rights provided that such person shall not act as a proxy for any other person / shareholder.
- d. Members holding shares in physical form are advised to inform the Company of any change in address or demise of any Member.

- e. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) of Members holding shares in demat form and should submit self attested copy of their PAN details to the Company while sending physical share certificates for transfer / transmission.
- f. Details under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015[LODR] in respect of the Directors seeking appointment / re-appointment at the Annual General Meeting forms integral part of the Notice. Such Directors have furnished the requisite declarations for their appointment / re-appointment.
- g. Electronic copy of the Notice of the 46th Annual General Meeting (46th AGM) of the Company inter alia indicating the process and manner of electronic-voting (e-voting) along with Attendance Slip and Proxy Form are being sent to all the Members whose email IDs are registered with the Company / Depository Participants(s) for communication purposes unless any Member has requested for a hard copy of the same. For Members who have not registered their email address, physical copies of the Notice of the 46th AGM of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy form are being sent in the permitted mode (Registered Post/ Speed Post / Courier).
- Members are advised to register/update their e-mail addresses and enable the Company to send Notice, Financial Statements and other documents in electronic form.
- h. Members may also note that the Notice of the 46th AGM and the Annual Report will be available on the website of the Company.
- i. A person who has participated in e-voting is not debarred from participating in the meeting physically though he shall not be eligible to vote in the meeting again and his earlier vote cast electronically shall be treated as final. In terms of the provisions of Section 107 read with Section 109 of the Act there will be no voting by show of hands at the meeting and hence the provisions relating to demand for poll by the Members would not be relevant. The Chairman of the meeting will regulate the meeting and voting on the resolutions in accordance with the provisions of the Act and the applicable Rules and Listing Regulations.
- j. The facility for voting through ballot paper shall be made available at the meeting and Members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting.

- k. The voting rights of Members shall be in proportion to their shares of the paid-up equity share capital in the Company as on 19th July 2017, the cut-off-date.
- l. Members holding shares in single name are advised to avail the facility of nomination in respect of shares held by them pursuant to the provisions of Section 72 of the Act, read with the Rules made thereunder. Members holding shares in physical form desiring to avail this facility may send their nomination in the prescribed Form No. SH-13 duly filled to the Company. The Nomination Form is also available in the website of the Company. Members holding shares in electronic form may contact their respective Depository Participant(s) for availing this facility.

**Inspection of Documents:**

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

**(B) Voting through electronic means:**

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

**INSTRUCTIONS FOR MEMBERS FOR VOTING ELECTRONICALLY ARE AS UNDER:-**

- (i) The voting period begins on 23rd July 2017 (9.00 a.m.) and ends on 25th July 2017 (5.00 p.m.). During this period, the shareholders of the Company, holding shares either in physical form or in dematerialized form, as on 19th July 2017 (cut off date) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date will not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.

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

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

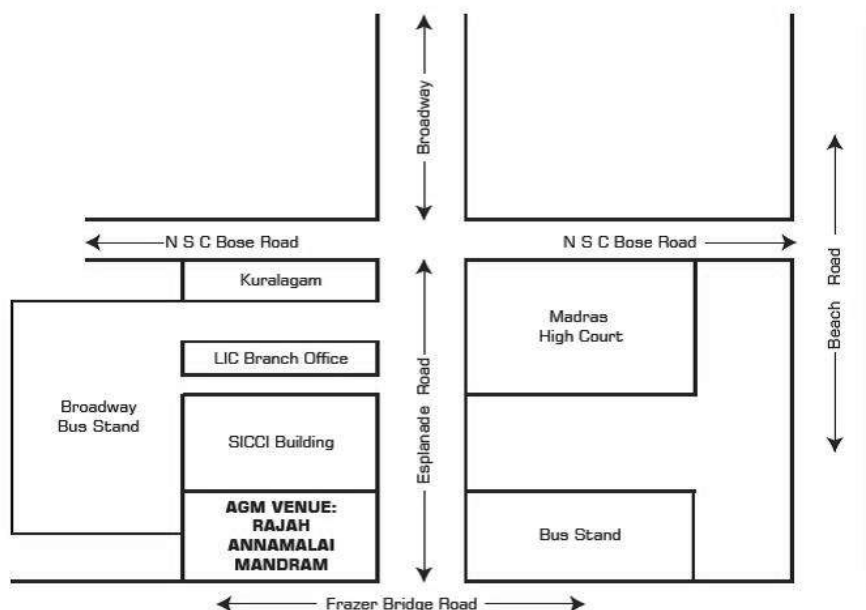
| <b>For Members holding shares in Demat Form and Physical Form</b> |  |
|---|--|
| PAN   | <p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul> |
| Dividend Bank Details OR Date of Birth (DOB)                      | <p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>  |

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for "Southern Petrochemical Industries Corporation Limited"

- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

## ROUTE MAP TO RAJAH ANNAMALAI MANDRAM (AGM VENUE)



## Annexure to Notice EXPLANATORY STATEMENT

### PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

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

#### ITEM No. 3

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

#### ITEM No. 4

The Board of Directors, on the recommendation of the Audit Committee, at their meeting held on 18th May 2017 appointed Mr. P.R.Tantri, Cost Accountant, (M. No 2403) as Cost Auditor at a remuneration of Rs.1,00,000/- (Rupees One lakh only) subject to applicable tax and levies to conduct the cost audit of the cost accounts and records of the Fertilizers Division of the Company for the financial year ending 31 March, 2018. In accordance with the provisions of Section 148 of the Act, and the Rules made thereunder, the remuneration payable to the Cost Auditor shall be ratified by the Members of the Company.

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

#### Memorandum of Interest:

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

#### ITEM No. 5

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

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

As per Regulation 23 of LODR, all Related Parties shall abstain from voting on resolution(s) seeking approval of

Members for material Related Party Transactions. Wilson International Trading Pte Limited, Singapore do not hold any shares in the Company.

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

#### Memorandum of Interest:

Except Mr. Ashwin C Muthiah, Chairman and his relatives, none of the Directors, Key Managerial Personnel of the Company and their relatives is interested in this Resolution.

#### ITEM NO: 6

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

The following are the details relating to the Project :

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

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

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

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

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

#### Memorandum of Interest:

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

## ITEM NO. 7

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

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

### A. General Information

#### 1. Nature of Industry:

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

#### 2. Year of commencement of commercial production:

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

#### 3. Financial performance:

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

(Rs. in Crore)

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

### B. Information about the Appointee

#### a. Background details :

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

The NRC and the Board of Directors noted that during the last three years of his term, he has brought about several changes and improvements in the Organisation which has helped in improving the performance of

the Company. The next two to three years will be an important phase in the revival efforts of the Company to bring more stability and also to complete the technical activities in connection with Revamp and Gas Conversion Project. Therefore, his continuance would be of help in achieving the time lines.

#### b. Past Remuneration:

- i. Basic Salary, Allowances and Perquisites : Rs. 35.00 lacs p.a.
- ii. Performance pay : Rs. 15.00 lacs p.a.
- iii. In lieu of car and driver : Rs. 07.80 lacs p.a.
- iv. In addition to the above
  - Provide telephone and other communication facilities to the incumbent for official use in relation to the discharge of his duties and responsibilities.
  - Reimburse actual entertainment and travelling expenses incurred by the incumbent in connection with Company's business and shall not be treated as perquisites or benefits.
- v. Contribution to Provident Fund, Superannuation Fund, or other Funds, Gratuity, Leave Eligibility and Encashment of leave shall be as per the Service Rules of the Company.

#### c. Job profile and his suitability:

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

- a) Attending day to day functions of the Company
- b) Handling Manufacturing function, HR and Admin, Secretarial and Legal functions of the Company
- c) Being responsible for driving the business and other goals set by the Board of Directors.
- d. The proposed appointee, aged 68 years, has got wide experience in chemical industries and is associated with the Company for many years in the past. His continuation as the Whole-time Director beyond the age of 70 years is important for the turnaround of the Company and hence a special resolution is sought to be passed in compliance with Section 196(3) of the Act.
- e. The terms of appointment of Mr. S R Ramakrishnan, as the Whole-time Director of the Company are furnished in the Resolution under Item No. 7 of the Notice.
- f. Comparative remuneration profile with respect of industry, size of the Company, profile of the position and person. - The proposed remuneration is reasonable with respect to the industry, size of the Company and job profile of the proposed appointee.
- g. Pecuniary relationship, directly or indirectly, with the Company / relationship with managerial personnel, if any - Mr. S R Ramakrishnan has no pecuniary relationship directly or indirectly, with the Company (except to the



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

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

### C. Other Information

Reasons for loss / inadequacy of profit :

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

#### Memorandum of Interest:

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

#### ITEM NO.8

The Board of Directors at their Meeting held on 21st May 2015 had approved the proposal of entering into a MoU with M/s. Tuticorin Alkali Chemicals and Fertilizers Ltd (TFL) for

settlement of outstanding dues to SPIC. The amount due were towards supply of CO<sub>2</sub> Gas, Ammonia pumping charges and infrastructure facilities besides an outstanding unsecured loan. TFL, with a view to settle the dues, had approached the BIFR with a Draft Rehabilitation Scheme (DRS) converting outstanding dues aggregating Rs. 29.81 Crores into 60,50,000 equity shares of Rs. 10/- each and 23,76,000 redeemable cumulative preference shares of Rs. 100/- each. Consequent upon the dismantling of BIFR, the matter has been referred to National Company Law Board Tribunal (NCLT). The Company with the approval of the Board of Directors of the Company at their Meeting held on 18th May 2017, has executed a Consent Affidavit for conversion of outstanding loan and other dues into securities of TFL as permitted by NCLT. Based on the Order passed by NCLT, it is proposed to convert the outstanding unsecured loan and other receivables into securities of TFL on such term and subject to compliance to Regulatory requirements.

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

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

#### Memorandum of Interest:

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

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

Place : Chennai  
Date : 18 May 2017

M B GANESH  
Secretary

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

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

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