



47th ANNUAL REPORT
2017-18

**SOUTHERN PETROCHEMICAL INDUSTRIES
CORPORATION LIMITED**

SOUTHERN PETROCHEMICAL INDUSTRIES CORPORATION LIMITED**Board of Directors**

Ashwin C Muthiah	DIN 00255679	Chairman
S Visakan I.A.S	DIN 06578414	Director (from 13 Jun 2018)
M S Shanmugam I.A.S	DIN 02475286	Director (upto 30 Nov 2017)
B Elangovan	DIN 00133452	Director
B Narendran	DIN 01159394	Independent Director
S Shankar	DIN 06591908	Independent Director
Harish Chandra Chawla	DIN 00085415	Independent Director
Sashikala Srikanth	DIN 01678374	Independent Director
Sumanjit Chaudhry	DIN 06752672	Independent Director
S Radhakrishnan	DIN 00061723	Independent Director (from 7 Feb 2018)
T K Arun	DIN 02163427	Director
S R Ramakrishnan	DIN 00120126	Whole-time Director

Secretary

M B Ganesh

Chief Financial Officer

K R Anandan

Registered Office :

SPIC House, No. 88, Mount Road, Guindy,
Chennai 600 032
CIN: L11101TN1969PLC005778
Phone : +91 44 22350245 • Fax : +91 44 22352163
Website : www.spic.in • E-mail : spiccorp@spic.co.in

Plant:

SPIC Nagar, Muthiapuram,
Tuticorin 628 005
Phone : 0461-2355525
Fax : 0461 2355588
E-mail : spiccorp@spic.co.in

Statutory Auditors :

MSKA & Associates
(Formerly known as MZSK & Associates)
Chartered Accountants
117/54, Floor 2, Citadel Building
Dr Radhakrishnan Salai
Mylapore, Chennai 600 004

Registrar and Share Transfer Agents

Cameo Corporate Services Limited
"Subramanian Building"
No 1 Club House Road, Chennai 600 002
Tel: 044-28460390 / 28460718
Fax : 044-28460129
E-mail : investor@cameoindia.com

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SOUTHERN PETROCHEMICAL INDUSTRIES CORPORATION LIMITED

Registered Office: "SPIC House", No. 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 SEVENTH ANNUAL GENERAL MEETING of the Members of Southern Petrochemical Industries Corporation Limited will be held on Tuesday the 7th August 2018 at 2.30 P.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 2018 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 2018 and the Report of the Auditors thereon;

be and are hereby received and adopted."

2. Appointment of Director

"RESOLVED THAT Mr. S R Ramakrishnan, Director (DIN:00120126), 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."

SPECIAL BUSINESS:

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

"RESOLVED THAT Mr. T K Arun, (DIN: 02163427), pursuant to Section 160 and other applicable provisions, if any, of the Companies Act, 2013, and the Articles of Association of the Company be and is hereby appointed as Director of the Company liable to retire by rotation."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (the Act) and the Rules made there under read with Schedule IV of the Act and SEBI (Listing Obligations & Disclosure Requirements), 2015 the appointment of Mr. S Radhakrishnan (DIN: 00061723) as Independent Director of the Company and to hold office for a period

of five years from 7th February 2018 be and is hereby approved."

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

"RESOLVED THAT Mr. S Visakan, IAS (DIN: 06578414), Nominee Director of Tamilnadu Industrial Development Corporation Limited pursuant to Section 160 and other applicable provisions, if any, of the Companies Act, 2013, and the Articles of Association of the Company be and is hereby appointed as Director of the Company liable to retire by rotation."

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

"RESOLVED THAT pursuant to the provisions of 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, 2019, on a remuneration of ₹ 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."

7. 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 considered material entered into by the Company with Wilson International Trading Pte., Ltd., Singapore, a Related Party, for purchase of raw material of value ₹35,173.79 lakhs in the ordinary course of business and at arms length basis."

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

“RESOLVED THAT in supersession of the Special Resolution passed at the 46th Annual General Meeting held on 26th July 2017 and 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) and SEBI Regulations, 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 4,68,50,000 equity shares of ₹ 10/- each of M/s. Tuticorin Alkali Chemicals and Fertilizers Limited (TFL) at par or at such price determined as per appropriate method of valuation, if applicable, arising out of conversion of outstanding unsecured loan and other receivables aggregating ₹ 29.81 Crore (Rupees Twenty Nine Crore and Eighty One Lakh) and 20,00,000 5% Redeemable Cumulative Preference Shares of ₹100/- each held by the Company, 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”.

- 9 To consider and if thought fit, to pass with or without modification(s), the following Resolution as **SPECIAL RESOLUTION**:

“RESOLVED that pursuant to Sections 185, 186 and other applicable provisions, if any of the Companies Act, 2013 (the Act) and the Rules made thereunder (including any statutory modification thereof), subject to such approvals, consents sanctions, 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 provide security by way of pledge of equity shares held/to be held in Greenam Energy Private Limited (Greenam) for a value not exceeding ₹ 12 Crores (Rupees Twelve Crore only) in favour of Indian Renewable Energy Development Agency Limited (IREDA) and to give an Undertaking to IREDA for non-disposal of equity shares of Greenam held/to be held by the Company during the tenure of the facility and to infuse additional funds to meet the shortfall in the resources of Greenam for completing the project.”

“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 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
Date : 14 June 2018

M B Ganesh
Secretary

NOTES:

- (A) a. Share Transfer Register of the Company will remain closed from 1st August 2018 to 7th August 2018 (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 9 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 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 physical 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 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 47th Annual General Meeting (47th 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 47th 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 47th 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 already 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 31st July 2018, 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 Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is providing to its Members facility to exercise their right to vote at the 47th 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 4th August 2018 (9.00 a.m.) and ends on 6th August 2018 (5.00 p.m.). During this period, the shareholders of the Company, holding shares either in physical form or in dematerialized form, as on 31st July 2018 (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.
- (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 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:

For Members holding shares in Demat Form and Physical Form	
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"> • 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. • 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.
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"> • 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).

- (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 the relevant on which you choose to vote.
- (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. 4
- (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 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.

- 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 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.

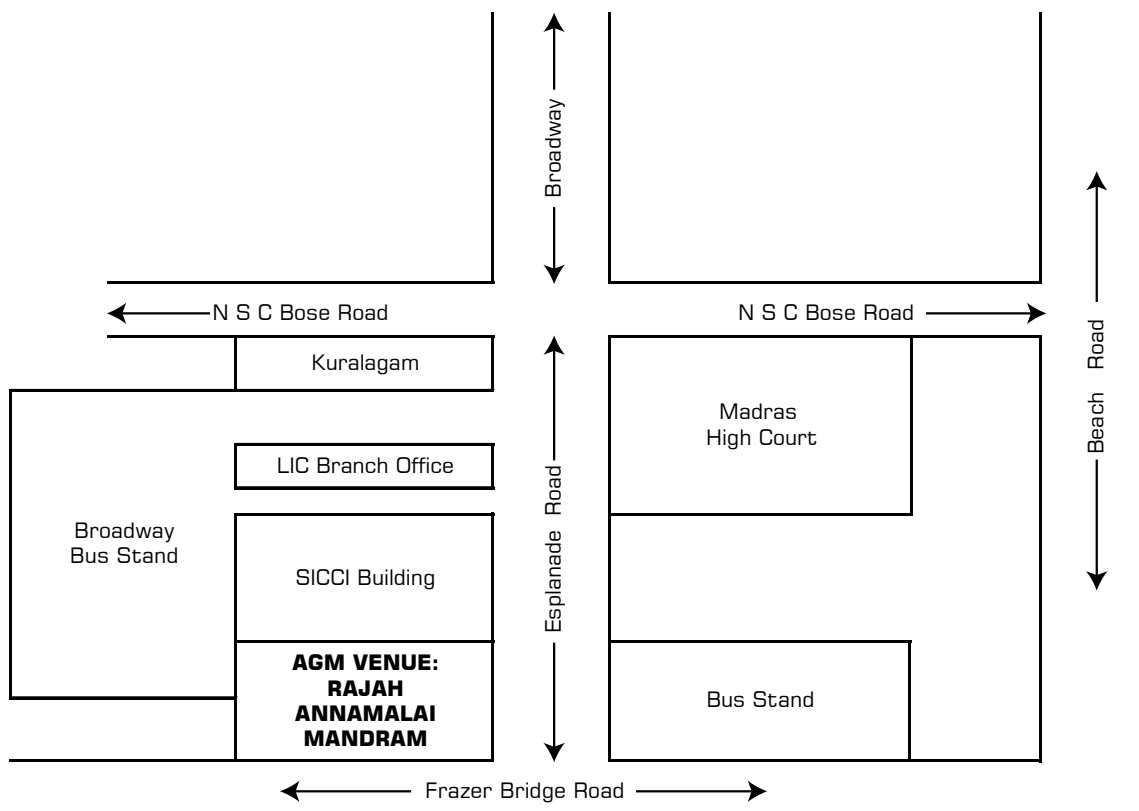
(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

(xi) The Company has appointed M/s B Chandra & Associates Practicing Company Secretaries, Chennai as Scrutinizer for remote E-voting and to conduct poll at AGM.

ATTENTION SHAREHOLDERS

As per latest SEBI Circular No SEBI/MIRSD/DOP1/CIR/P/2018/73 dated 20th April 2018 shareholders holding shares in Physical mode are advised to submit PAN and Bank details to the Company / RTA.

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 9 of the Notice convening the 47th AGM:

ITEM No. 3

The Board of Directors, at their Meeting held on 7th February 2018 on the recommendation of the Nomination and Remuneration Committee had appointed Mr. T K Arun. (DIN: 02163427), as Additional Director of the Company pursuant to Section 161 of the Companies Act, 2013 ("the Act") and will hold office upto the date of this AGM. Notice proposing his candidature has been received from a Member under Section 160 of the Act. The Board recommends the resolution in relation to appointment of Mr. T K Arun as Director for approval by the Members of the Company.

Memorandum of Interest:

Except Mr. T K Arun, and his relatives, none of the Directors, Key Managerial Personnel of the Company and their relatives is interested in this Resolution.

ITEM No. 4

The Board of Directors, at their meeting held on 7th February 2018 on the recommendation of Nomination and Remuneration Committee had appointed Mr. S Radhakrishnan (DIN: 00061723) as Independent Director for a period of five years from 7th February 2018 pursuant to applicable provisions of the Act and the SEBI (Listing Obligations & Disclosure Requirements), Regulations 2015 (LODR). In the opinion of the Board, Mr. S Radhakrishnan fulfils the conditions specified in the Act, and LODR for appointment as an Independent Director of the Company and is independent of the Management. Notice proposing his candidature has been received from a Member under Section 160 of the Act. The Board recommends the resolution seeking approval of the Members for the appointment of Mr. S Radhakrishnan as an Independent Director.

Memorandum of Interest:

Except Mr. S Radhakrishnan, and his relatives, none of the Directors, Key Managerial Personnel of the Company and their relatives is interested in this Resolution.

ITEM No. 5

The Board of Directors, in their resolution dated 13th June 2018 on the recommendation of the Nomination and Remuneration Committee had appointed Mr. S Visakan, I.A.S. (DIN: 06578414), nominee of Tamilnadu Industrial Development Corporation Ltd. (TIDCO) as Additional Director of the Company pursuant to Section 161 of the Companies Act, 2013 ("the Act") and will hold office upto the date of this AGM. Notice proposing his candidature has been received from TIDCO under Section 160 of the Act. The Board recommends the Resolution in relation to appointment of Mr. S Visakan IAS as Director for approval by the Members of the Company.

Memorandum of Interest:

Except Mr. S Visakan, IAS and his relatives and Mr. B Elangovan, Nominee Director of TIDCO, 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, on the recommendation of the Audit Committee, at their meeting held on 17th May 2018 appointed Mr. P.R.Tantri, Cost Accountant, (M. No 2403) as Cost Auditor at a remuneration of ₹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, 2019. 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. 6 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending 31 March, 2019.

Memorandum of Interest:

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

ITEM No. 7

During the year 2017-18, the Company had purchased raw materials from M/s. Wilson International Trading Pte Limited, Singapore for ₹ 35,173.79 lacs (including demurrage charges) in the ordinary course of business and at arm's length basis. The transaction is considered material pursuant to Regulation 23 the SEBI (Listing Obligations & Disclosure Requirements), Regulations 2015 (LODR) and hence the proposed Ordinary Resolution seeking approval of the Members. The transaction was earlier approved by the Audit Committee / Board of Directors as required under the Company's Policy on Related Party Transactions. As per LODR, all Related Parties shall abstain from voting on the resolution seeking approval of Members. 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.7 of the Notice for having entered into transactions with a Related Party.

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