

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

POSTAL BALLOT NOTICE

Dear Member(s),

NOTICE is hereby given pursuant to Section 110 of the Companies Act, 2013, as amended read together with Rule 22 of the Companies (Management and Administration) Rules, 2014, (including any statutory modification(s) or re-enactment(s) there of for the time being in force), General Circular No. 17/2020 dated April 13, 2020 issued by Ministry of Corporate Affairs, Government of India and other applicable laws, regulations, that the resolution appended below is proposed to be passed by the Shareholders of the Company through remote electronic voting (E-voting).

SPECIAL BUSINESS:

Re-appointment of Mr. S R Ramakrishnan as Whole-time Director of the Company and payment of remuneration.

To consider, and if thought fit, to pass the following resolution as a **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 other approvals, as may be necessary, consent of the Company be and is hereby accorded to the re-appointment of Mr. S R Ramakrishnan, (DIN: 00120126) as Whole-time Director of the Company for a period of three years from 30th July 2020, on the following terms and conditions:

REMUNERATION:

a.	Basic Salary, Allowance 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 term of appointment, the Whole-time Director shall be entitled to the aforesaid remuneration as the minimum remuneration and the same shall be subject to applicable provisions of the Act, or such other approvals, as may be required under the relevant laws.

“**RESOLVED FURTHER THAT** in the event of any amendment, modifications or relaxation by the Central Government to Schedule V of the Act, during the term of appointment of Mr. S R Ramakrishnan, the Board of Directors (herein referred to as the 'Board' which term shall include a Committee of Directors) be and are hereby authorized to vary or increase the remuneration (including the minimum remuneration), subject to such approvals as may be required by law and to take such steps as may be expedient or desirable to give effect to the Resolutions herein”.

By Order of the Board
For SOUTHERN PETROCHEMICAL
INDUSTRIES CORPORATION LIMITED

Place : Chennai
Date : 18th June 2020

M B Ganesh
Secretary

NOTES:

1. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 (the Act) read with Rule 22 of the Companies (Management and Administration) Rules, 2014 setting out the material facts is annexed hereto.
2. The Board of Directors have appointed B. Chandra & Associates, Practising Company Secretaries, Chennai as a Scrutinizer to scrutinize the postal ballot process/e-voting in a fair and transparent manner.
3. The Notice of Postal Ballot is being sent by e-mail only to all the Members, whose names appear on the Register of Members/ List of Beneficial Owners as received from Depositories i.e. National Securities Depository Limited (“NSDL”)/Central Depository Services (India) Limited (“CDSL”) as on 22nd June 2020 (the Cut-off Date) and who have registered their e-mail address in respect of electronic holdings with the Depositories and in respect of physical holdings with the Company’s Registrar and Share Transfer Agent, Cameo Corporate Services Limited (RTA).
4. In terms of Sections 108, 110 and other applicable provisions of the Act, read with the Companies (Management and Administration) Rules, 2014 and in compliance with Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the ‘Listing Regulations’) as amended, the Company is pleased to provide remote e-voting facility to all the Members of the Company. The Company has appointed Central Depository Service Limited to facilitate the Members to cast their votes electronically (hereinafter referred to as the “Remote e-voting”).
5. Due to non-availability of postal and courier services, on account of threat posed by COVID-19 pandemic situation, the Company is sending Notice of Postal Ballot in electronic form only and expresses its inability to dispatch

hard copy of Postal Ballot Notice along with the Explanatory Statement and other information. This procedure of sending by email only has been permitted by MCA vide the General Circular No. 14/2020 dated April 8 2020, General Circular No. 17/2020 dated April 13, 2020 and General Circular No. 20/2020 dated May 5, 2020 and SEBI vide Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 hereinafter referred to as “the Circulars”.

6. After completion of the scrutiny of the electronic votes, the Scrutinizer will submit his report to the Chairman/Company Secretary or any other authorized personnel of the Company who shall countersign the same.
7. The results of the Postal Ballot will be announced not later than 48 hours of conclusion of the e-voting period (refer Sl. No. (i) on Instruction to shareholders on remote e-voting). The said results would be displayed at the Registered Office of the Company and on its website www.spic.in and on the website of Central Depository Services Limited (evotingindia.com). The results shall simultaneously be intimated to the National Stock Exchange of India Limited where the shares of the Company are listed.

To facilitate such Shareholders to receive this Notice electronically and cast their vote electronically, the Company has made arrangement with its RTA for registration of email addresses in terms of the Circulars. The process for registration of email addresses is as under:

The Shareholders (holding shares in physical form) who have not yet registered their email address and in consequence could not receive the postal ballot/e-voting Notice may temporarily get their email address registered with the RTA, Cameo Corporate Services Limited by following the below instructions.

- For physical shareholders - Send a mail to the RTA of the Company, Cameo Corporate Services Ltd. (“Cameo”) at investor@cameoindia.com attaching the

scanned copy of the request letter duly signed by sole/first shareholder quoting the Folio No., Name of the sole/first shareholder for registering email address. Post successful registration of the e-mail, the Members would get the softcopy of the Notice and the procedure for e-voting along with the User Id and Password to enable e-voting for this Postal Ballot.

- For Demat Shareholders - Please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to RTA.

THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:

- (i) The voting period begins on 26th June 2020 (9:00 AM IST) and ends on 25th July 2020 (5:00 PM IST). The e-voting module shall be disabled by CDSL for voting thereafter. During this period, the Shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e., 22nd June 2020 may cast their vote electronically.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on “Shareholders” module.
- (iv) 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and

voted on an earlier e-voting of any company, then your existing password is to be used.

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

	For Shareholders 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"> • Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number which is printed on Postal Ballot indicated 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 (iv).

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.
- (x) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for “Southern Petrochemical Industries Corporate Limited” on which you choose to vote.

- (xii) 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.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvii) 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.
- (xviii) Shareholders can also cast their vote using CDSL’s mobile app “m-Voting”. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.
- (xix) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - 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.
 - Alternatively Non-Individual shareholders are required to send the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; bchandracoasecy@gmail.com/shares.dep@spic.co.in (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
- 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 or call 1800225533.

OR

Mr. Rakesh Dalvi, Manager, (CDSL Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Future, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT

Pursuant to Section 102 of the Companies Act, 2013.

The Board of Directors of the Company at their Meeting held on 18th June 2020 based on the recommendations of Nomination and Remuneration Committee, at their Meeting held on 16th June 2020, approved the proposal of re-appointment of Mr. S R Ramakrishnan as Whole-time Director of the Company for a further period of 3 years from 30th July 2020, on the existing terms and conditions subject to the approval of the shareholders. In terms of Article 157 of Articles of Association of the Company and the Companies Act, 2013 (the Act) approval of Members is now sought for his re-appointment and payment of remuneration. Mr. S.R. Ramakrishnan has attained the age of 70 years and hence prior approval of Shareholders is sought by passing a Special Resolution pursuant to Section 196(3), and 197 read with Schedule V of the Act.

Statement giving details as required under Para A, Section II, Part II of Schedule V of the Act is given below to the extent applicable.

A. General Information:

- Nature of Industry: The Company is primarily engaged in manufacture and sale of Urea.
- Year of commencement of commercial production: The commercial production of Urea, the main product of the Company, commenced during 1975.
- Financial performance: The following are the results of the Company during the last three years.

(₹ in Crores)

Financial parameters	2017-18	2018-19	2019-20
Total Income	1999.37	2613.41	2089.65
Net Profit after Tax (as per P&L a/c)	37.22	53.34	56.94
Rate of Dividends Declared	Nil	Nil	Nil
Amount of Dividend paid	Nil	Nil	Nil

B. Information about the Appointee

I. Background details:

Mr. S R Ramakrishnan was first appointed as Whole-time Director of the Company with effect from 30th July 2014 for a period of 3 years and re-appointed again for a period of 3 years from 30th July 2017. He is B.Tech (Chem) from IIT Madras.

His association with SPIC was since 1972 and he worked in various departments including operation, process engineering, technical services, R&D, corporate planning, etc., till August 1998. Before joining the SPIC Board, he served M/s Bharath Coal Chemicals Ltd (belonging to Shriram Group) as its Managing Director from May 2011 to July 2014. During that period he was involved in developing a coal based Ammonia - Urea project in Paradip.

II. Justification:

During the last six years of his term in the Company, he has brought about several changes in the Organisation which has helped in improving the performance of the Company. The Company has already embarked in the implementation of conversion of the Plant from Naphtha to Gas based, keeping in line with the Government of India guidelines and norms. Other revamp activities for achieving energy efficiency are also in progress. The coming years will be an important phase for the Company as the technical activities in connection with Revamp and Gas Conversion Project are fast progressing and nearing completion. Therefore, his continuation as Whole-time Director would be of help in achieving the timelines of these Projects and for the growth of the Company.

III. Past Remuneration:

a.	Basic Salary, Allowance 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

- 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.

- 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 term of appointment, the Whole-time Director shall be entitled to the aforesaid remuneration as the minimum remuneration and the same shall be subject to applicable provisions of the Companies Act 2013, or such other approvals, as may be required under the relevant laws.

IV. Job profile and his suitability:

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

- i. Attending day to day functions of the Company
- ii. Handling Manufacturing function, HR and Admin, Secretarial and Legal functions of the Company
- iii. Being responsible for driving the business and other goals set by the Board of Directors.

V. Mr. S R Ramakrishnan is having wide experience in fertilizers and chemical industries and is associated with the Company for many years in the past. His continuation as the Whole-time Director is essential to complete several developmental projects under progress which would help in sustaining the growth of the Company. As he has attained the age of 70 years and will continue for 3 more years from 30th July 2020, a Special Resolution is proposed under Section 196(3) of the Act seeking prior approval of the Shareholders.

VI. Remuneration payable and the terms of re-appointment of Mr. S R Ramakrishnan, as the Whole-time Director of the Company are furnished in the Special Resolution.

VII. 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.

VIII. 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).

IX. During the year 2019-20 there was no delay in payment of interest to any creditors. Hence, no prior approval from the creditor is required to be 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:

During the last three years ending 31st March 2020, 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.

By Order of the Board
For SOUTHERN PETROCHEMICAL
INDUSTRIES CORPORATION LIMITED

Place : Chennai
Date : 18th June 2020

M B Ganesh
Secretary

Details of the Mr. S R Ramakrishnan Whole-time Director seeking re-appointment

[Pursuant to Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Mr. S R Ramakrishnan, (DIN : 00120126) aged 70 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.

During the year, he has attended all the Board

Meetings. He is a Director of Sicagen India Limited, The Fertiliser Association of India, SPIC Officers & Staff Welfare Foundation and Greenam Energy Private Limited. Member of Stakeholders Relationship Committee in Sicagen India Limited. He does not hold any equity shares in the Company and there is no relationship between the Directors inter-se.
