

Ref: Secy/NSE

30th May 2023

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

Dear Sir,

Sub: Submission of Secretarial Compliance Report under
Reg. 24 A of SEBI (LODR) Regulations, 2015

Please find the attached the Secretarial Compliance Report dated 29th May 2023 for the year ended 31st March 2023 issued by M/s. B Chandra, Practising Company Secretary ACS No. 20879 / CP No. 7859, pursuant to Regulation 24 A of SEBI (LODR) Regulations, 2015.

We request you kindly to take on record the Report.

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". No. 88, Mount Road, Guindy, Chennai - 600 032 India.

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B.CHANDRA

PRACTISING COMPANY SECRETARY

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No.26, Kumaran Colony Main Road,
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Chennai – 600026

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**Secretarial compliance report of
SOUTHERN PETROCHEMICAL INDUSTRIES CORPORATION LIMITED for the year ended
31.03.2023**

I, B Chandra, Practising Company Secretary have examined:

- (a) all the documents and records made available to us and explanation provided by SOUTHERN PETROCHEMICAL INDUSTRIES CORPORATION LIMITED ("the listed entity")
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) Website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended 31.03.2023 in respect of compliance with the provisions of:

- (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:

- a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- b) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- c) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

The company, during the year, was not required to comply with the following regulations and consequently not required to maintain any books, papers, minute books or other records or file any forms/ returns under:



- a) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- b) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013;
- c) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
- d) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- e) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018

and circulars/ guidelines issued thereunder;

and based on the above examination, I/We hereby report that, during the Review Period:

- I. (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder except in respect of matters specified below: -

As per Annexure A

- (b) The listed entity has taken the following actions to comply with the observations made in previous reports:

As per Annexure B

II. Compliances related to resignation of statutory auditors from listed entities and their material subsidiaries as per SEBI Circular CIR/CFD/CMD1/114/2019 dated 18th October, 2019:

| Sr. No. | Particulars | Compliance (Yes/No/ NA) | Status | Observations/ Remarks by PCS |
|---------|--|-------------------------|--------|------------------------------|
| 1 | Compliances with the following conditions while appointing/re-appointing an auditor | | | |
| | <p>i. If the auditor has resigned within 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter; or</p> <p>ii. If the auditor has resigned after 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter as well as the next quarter; or</p> <p>iii. If the auditor has signed the limited review/ audit report for the first three quarters of a financial year, the auditor before such resignation, has issued the</p> | NA | | |



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| | limited review/ audit report for the last quarter of such financial year as well as the audit report for such financial year. | | |
| 2 | Other conditions relating to resignation of statutory auditor | | |
| | i. Reporting of concerns by Auditor with respect to the listed entity/its material subsidiary to the Audit Committee: | NA | |
| | <p>a. In case of any concern with the management of the listed entity/material subsidiary such as non-availability of information / non-cooperation by the management which has hampered the audit process, the auditor has approached the Chairman of the Audit Committee of the listed entity and the Audit Committee shall receive such concern directly and immediately without specifically waiting for the quarterly Audit Committee meetings.</p> <p>b. In case the auditor proposes to resign, all concerns with respect to the proposed resignation, along with relevant documents has been brought to the notice of the Audit Committee. In cases where the proposed resignation is due to non-receipt of information / explanation from the company, the auditor has informed the Audit Committee the details of information/ explanation sought and not provided by the management, as applicable.</p> <p>c. The Audit Committee / Board of Directors, as the case may be, deliberated on the matter on receipt of such information from the auditor relating to the proposal to resign as mentioned above and communicate its views to the management and the auditor.</p> <p>ii. Disclaimer in case of non-receipt of information:</p> <p>The auditor has provided an appropriate disclaimer in its audit report, which is in accordance with the Standards of Auditing as specified by ICAI / NFRA, in case where the listed entity/ its material subsidiary has</p> | NA | |

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| | not provided information as required by the auditor. | | |
| 3 | The listed entity / its material subsidiary has obtained information from the Auditor upon resignation, in the format as specified in Annexure-A in SEBI Circular CIR/ CFD/CMD1/114/2019 dated 18th October, 2019 | NA | |

III. c. Additional Affirmations

| S No | Particulars | Compliance status (Yes/No/NA) | Observations /Remarks by PCS* |
|------|---|-------------------------------|-------------------------------|
| 1 | Secretarial Standard The compliances of listed entities are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries of India (ICSI). | Yes | - |
| 2 | Adoption and timely updation of the Policies: a. All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities • All the policies are in conformity with SEBI Regulations and has been reviewed & timely updated as per the regulations/circulars/guidelines issued by SEBI | Yes | - |
| 3 | Maintenance and disclosures on Website: • The Listed entity is maintaining a functional website • Timely dissemination of the documents/ information under a separate section on the website • Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which redirects to the relevant document(s)/ section of the website | Yes | - |
| 4 | Disqualification of Director: None of the Director of the Company are disqualified under Section 164 of Companies Act, 2013 | Yes | - |
| 5 | To examine details related to Subsidiaries of listed entities: | Yes | - |

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| | (a) Identification of material subsidiary companies (b) Requirements with respect to disclosure of material as well as other subsidiaries | | |
| 6 | Preservation of Documents: The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015 | Yes | - |
| 7 | Performance Evaluation: The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year as prescribed in SEBI Regulations | Yes | - |
| 8 | Related Party Transactions: (a) The listed entity has obtained prior approval of Audit Committee for all Related party transactions; (b) In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit Committee; | Yes | As per Annexure A |
| 9 | Disclosure of events or information: The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder. | Yes | As per Annexure A |
| 10 | Prohibition of Insider Trading: The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015 | Yes | |
| 11 | Actions taken by SEBI or Stock Exchange(s), if any: No Actions taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder | Nil | - |
| 12 | Additional Non-compliances, if any: | NA | |

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| | Any additional non-compliance observed for all SEBI regulation/circular/guidance note etc. | | |
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There has been no resignation of Statutory Auditors during the year under review.

We further add due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.

Place: Chennai

Date: 29.05.2023

Signature: 

Practicing Company Secretary: 

ACS/ FCS No.: 20879

C P No.: 7859

PEER REVIEW NO 602/2019

UDIN A020879E000402480

Annexure A for the year ended 31-03-2023

| S No (1) | Compliance Requirement (Regulations/ circulars / guidelines including specific clause) (2) | Regulation / Circular No. (3) | Deviations (4) | Action taken by (5) | Type of Action (6) | Details of violation (7) | Fine Amount (8) | Observations/ Remarks of the Practicing Company Secretary (9) | Management Response (10) | Remarks (11) |
|----------|--|-------------------------------|---|---------------------|--------------------|--------------------------|-----------------|---|--|--------------|
| 1. | LODR | Regulation 23 (9) | The Correct disclosure of the name of the related party has not been made in the Return for the HY ended 31-03-2022 filed in May '22. | NA | NA | Same as in Col 4. | NA | Same as in Col 4. | Inadvertent error but correctly reflected in the Annual Report vide Related Party Disclosures | |
| 2. | | | Pledge of investments in favour of a Related party omitted to be reported in HY return | NA | NA | Same as in Col 4. | NA | Same as in Col 4. | The pledge of shares by SPIC was based on a condition stipulated by IREDA, the lender of loan to Greenam. Hence, it is not a decision taken by the Company Suo moto. As a Promoter, the shares have been pledged to benefit Greenam (SPIC being one of the | |

B. Chandra

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Practising Company Secretary

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| | | | | | | | | | <p>Promoters), which is setting up Solar Power Project. This will also benefit SPIC so that its investment is purposefully used.</p> <p>Hence, this aspect was referred to Audit Committee for prior approval. Hence, not entered in the half-yearly RPT Return.</p> | |
| 3. | | | Value of approvals granted by the ACM for RPTs are not included in the return in the HY return. | NA | NA | Same as in Col 4. | | Details in the return does not tally with the approvals granted. | The data filed with the return is the same placed before the Audit Committee for review. | |
| 4. | | | Remuneration paid to KMPs not included in the RPT return for the HY ended September 2022. | NA | NA | Same as in Col 4. | | Not included in the RPT return filed. | The details are included in the Annual return vide Related Party Disclosures. | |
| 5. | LODR | Regulation 23(2) | Material modification post April 2022 with a related party for sale of goods was not | NA | NA | As per Col 4 | | Same as in Col 4. | Based on the approval of the Audit Committee in March 2022 to sell Ammonia to Greenstar | |

B. Chandrasekhar
 B. CHANDRA
 7859
 PRACTISING COMPANY SECRETARY

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| | | | prior approved by the Audit Committee | | | | | | from out of the approved quantity of 12000 MTs proposed to be procured (for both SPIC and Greenstar) at a price not exceeding 1000 \$ per MT, an advance of Rs. 71 crores was received from Greenstar. Quantity to be sold to Greenstar was not defined in the approval. The sale transaction to Greenstar was for 8364 MTs valued at Rs 93.46 crores @ USD 1224 per MT. As there was unexpected and unprecedented fluctuation in the global purchase rate due to then ongoing global Ukraine-Russia crisis the amount has increased. However it is within the material modification threshold limit of Rs 104.65 crores. (15 % of original approved value of Rs. 91 crores) | |
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| 6. | Secretarial Standard 1 | 1.3.7 | General consent not obtained in the First meeting of the Board for circulating the UPSI at shorter notice | NA | NA | As per Col 4 | | The Standard is not complied with. | There was no objection from any of the Directors for circulation at a shorter notice. If so, it would have been recorded in the minutes. Further the resolution passed on such subjects are recorded as "unanimously approved." | |
| 7. | LODR | 23(9) | Delayed filing of HY return | NSE | Fine | Same as in Col 4 | Rs 70,800/- | No Remarks | As per amended SEBI LODR Regulations, disclosure of Related Party Transaction effective 1 st April 2022 shall be filed within 15 days from the date of publication of financial statements. As the return was filed belatedly, the NSE levied a fine which was duly paid. | |

B. Chandrasekhar


Annexure B for the year ended 31-03-2022

| S No | Compliance Requirement (Regulations/ circulars / guidelines including specific clause) | Regulation/ Circular No. | Deviations | Action taken by | Type of Action | Details of violation | Fine Amount | Observations/ Remarks of the Practicing Company Secretary | Management Response | Remarks |
|----------------|--|--------------------------|------------|-----------------|----------------|----------------------|-------------|---|---------------------|---------|
| Not applicable | | | | | | | | | | |

Place: Chennai
Date:29.05.2023

Signature:

Practicing Company Secretary : B CHANDRA

ACS/ FCS No.: 20879

C P No.: 7859

UDIN A020879E000402480

Peer review no. 602/2019

