



Southern Petrochemical Industries Corporation Limited

Registered Office: SPIC House, 88, Mount Road, Guindy, Chennai 600 032

NOTICE

Notice is hereby given that the postponed Extra-ordinary General Meeting of the Members of Southern Petrochemical Industries Corporation Limited will be held at 10.00 A.M. on Monday, the 30 December 2013, at MAC Hall (1st Floor), SICCI Premises (Next to Rajah Annamalai Hall), No. 6 Esplanade, Chennai - 600 108 to transact the following Special Business:

To pass with or without modification the following resolutions as Ordinary Resolution:

"RESOLVED THAT consent of the Company be and is hereby accorded to the Board of Directors, subject to requisite approvals under Companies Act, 1956, Companies Act, 2013, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, Foreign Exchange Management Act, 1999, The Securities Contracts (Regulations) Act, 1956 and other applicable laws for the time being in force being obtained and necessary compliances as may be required, to sell 2,58,11,207 equity shares of Rs.10/- each, fully paid, held by the Company in SPEL Semiconductor Ltd (Target Company), constituting 55.97 % of the issued, subscribed and paid up capital of Target Company to M/s Natronix Semiconductor Technology Pvt. Ltd. (Acquirer), a company incorporated under the Laws of Singapore and having its Registered Office in Singapore, at a price of Rs.7.62/- per equity share and in compliance with the conditions stipulated in the Order No. WTM/PS/42/CFD-DCR/SEPT/2013 dated 6 September 2013 and the letter No. CFD/DCR/SKS/29663/2013 dated 20 November 2013 of Securities and Exchange Board of India to the Acquirer under Regulation 11(1) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, such other amendments if any that may be obtained to such Order."

"RESOLVED FURTHER that the Board of Directors of the Company (including any duly authorised Committee thereof) be and is hereby authorised in its entire discretion for the purpose of giving effect to the above resolution, to do all such acts, deeds, matters and things as it may deem necessary or appropriate for such purpose, without being required to seek any further clarification, consent or approval of the Members and that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

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

Place : Chennai
Date : 4 December 2013

M B GANESH
SECRETARY

Notes:

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and on a poll to vote instead of himself and the proxy need not be a member of the Company. The proxy form attached must be deposited at the Registered Office of the Company not later than 48 hours before the time for holding the meeting; in default, the instrument of proxy shall not be treated as valid.
2. Explanatory Statement of material facts, pursuant to Article 76 of the Articles of Association read with Section 102 of the Companies Act, 2013, for the subject set out in the Notice is annexed hereto.

Inspection of Documents:

All material documents relating to the aforesaid item of business of the Notice are available for inspection by the Members at the Registered Office of the Company on any working day between 11.00 a.m. and 1.00 p.m. prior to the date of the Meeting.

EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013 read with Article 76 of the Articles of Association of the Company)

The Company is holding 2,58,11,207 equity shares constituting 55.97% of the total Issued, Subscribed and Paid-up Capital of SPEL Semiconductor Ltd., (Target Company), a subsidiary of the Company.

Mrs. Valli Arun and Dr. A.C. Muthiah are holding 9,75,350 equity shares and 4,000 equity shares respectively in the Target Company constituting 2.12% of the total Issued, Subscribed and Paid-up Capital of the Target Company. They are Persons Acting in Concert with SPIC Ltd., and have been declared so in the filings made by SPEL Semiconductor Ltd., with the Stock Exchange / Securities and Exchange Board of India (SEBI).

As you are aware, the Company has been undergoing severe financial stress and has also resorted to Corporate Debt Restructuring to reduce the debts. A Scheme of Compromise and Arrangement with the Creditors of the Company under Section 391 of the Companies Act, 1956 (Scheme) was approved by Hon'ble High Court of Madras vide its Order dated 16 August 2012. The Company has been meeting its obligations to make payments under the Scheme. The Company has now obtained permission from the Hon'ble High Court of Madras to meet its obligation under the Scheme to make accelerated payment of dues to the Creditors under the Scheme vide Order dated 26 August 2013.

As a part of the revival and restructure activity, the Company has been in the continuous process of disposing of non-core assets / investments to generate the much needed cash flow and liquidity. Given the nature of the Fertilizer Industry, the Company requires considerable Working Capital finances for its day-to-day operations. To further augment funds for its Working Capital requirement / meeting debt obligations, it is now proposed to sell its equity holdings in the Target Company, which is considered as a non-core investment. The Board at their Meeting held on 7 November 2013 decided to sell the equity shares of SPEL Semiconductor Ltd to M/s Natronix Semiconductor Technology Private Limited (Acquirer) in terms of SEBI Order No. WTM/PS/42/CFD-DCR/SEPT/2013 dated 6 September 2013. Subsequently SEBI vide its letter No. CFD/DCR/SKS/29663/2013 dated 20 November 2013 amended its earlier Order. M/s Natronix Semiconductor Technology Private Limited (the Acquirer) is a company incorporated under the Laws of Singapore and having its registered office in Singapore in which both Mrs. Valli Arun and Dr. A.C. Muthiah are the only shareholders. The Target Company incurred losses of Rs 4.55 Crs during the year ended 31 March 2013.

The Acquirer made an application to SEBI seeking exemption from making an Open Offer to shareholders of SPEL Semiconductor Ltd., under regulation 11(1) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. SEBI in its Order dated 6 September 2013 exempted the Acquirer from making the Open Offer subject to certain conditions. SEBI has given directions to the Acquirer to request the Company i.e., SPIC to obtain approval from its public shareholders for the proposed sale. It may kindly be noted that the market value of SPEL on 4 December 2013 is Rs.4.15/- per equity share, whereas the payment which will be made by the Acquirer to SPIC will be Rs.7.62/- per equity share which has been determined as per the regulation 8(2) (d) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. The sale of these shares is expected to realize a sum of Rs.19.67 crores.

As mentioned above in terms of clause 14(b) of the SEBI Order dated 6 September 2013, the sale of shares of the Target Company by your Company to the Acquirer is required to be approved by the public shareholders of the Company. In terms of the SEBI Order, the resolution shall be acted upon only if the number of votes cast by public shareholders in favour of the proposal are more than the number of votes cast by public shareholders against it.

Thiru Ashwin C Muthiah, Chairman of the Company is a relative of Dr A C Muthiah and Mrs Valli Arun who are the only shareholders of the Acquirer and to that extent may be deemed to be concerned or interested in the proposed resolution.

A copy of the said Order dated 6 September 2013 and said letter dated 20 November 2013 of SEBI and other relevant documents are available for inspection at the Registered Office of the Company on any working day between 11 A.M. and 1 P.M. prior to the date of the Meeting.

MEMORANDUM OF INTEREST

Except Thiru Ashwin C Muthiah, Chairman, none of the Directors of the Company is interested in the Resolution.

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

Place : Chennai
Date : 4 December 2013

M B GANESH
SECRETARY