



**TGV SRAAC LIMITED**

(Formerly Sree Rayalaseema Alkalies and Allied Chemicals Ltd.)



**37<sup>th</sup>**  
**Annual Report**  
**2018-19**



## TGV SRAAC LIMITED

(formerly known as Sree Rayalaseema Alkalies and Allied Chemicals Limited)

### BOARD OF DIRECTORS

Sri T.G. Venkatesh  
Chairman  
Sri P. N. Vedanarayanan  
Sri Subhasish Roy  
(Nominee of IDBI upto 15-10-2018)  
Sri Rangaraj K Rao  
(Nominee of IDBI from 18-01-2019)  
Sri G. Krishna Murthy  
Sri K. Karunakar Rao  
Executive Director & CEO  
Sri N. Jesvanth Reddy  
Executive Director (Technical)  
Sri Gopal Krishan  
Executive Director (Technical)  
Sri J. Nagabhushanam  
Smt. V. Surekha  
Dr M. Asha Reddy

### COMPANY SECRETARY

Sri V. Radhakrishna Murthy

### CHIEF FINANCIAL OFFICER

Sri C. Rajesh Khanna

### BANKERS

Indian Bank  
United Bank of India  
The South Indian Bank Limited  
The Federal Bank Limited  
IDBI Bank Limited  
Canbank Factors Limited

### SECRETARIAL AUDITOR

Sri N. Ramaswamy  
Flat No.101C, Sartaaaj Villa Apartment  
3-6-159, Urdu Hall Lane  
Himayat Nagar  
Hyderabad - 500 029 (T.S)

### COST AUDITOR

Aruna Prasad & Co.,  
Plot No. 802, 64<sup>th</sup> Street  
10<sup>th</sup> Sector, K.K. Nagar  
Chennai - 600 078 (T.N)

### STATUTORY AUDITORS

M/s. K S Rao & Co.,  
Chartered Accountants  
Flat No.602, Golden Green Apartments  
Irrum Manzil Colony  
Hyderabad – 500 082 (T.S)

### REGISTERED OFFICE & FACTORY

Gondiparla, Kurnool - 518 004 (A.P.)

### CORPORATE IDENTITY NUMBER (CIN)

L24110AP1981PLC003077

### CORPORATE OFFICE

40-304, 2<sup>nd</sup> Floor, Krishna Jyothsna Complex  
Bhagyanagar  
Kurnool - 518 004 (A.P.)

### REGISTRAR & SHARE TRANSFER AGENT

Aarathi Consultants Private Limited  
Regd. Office: 1-2-285, Domalguda  
Hyderabad - 500 029 (Telangana State)  
Tel. No. 040-27638111 / 4445  
Fax No. 040-27632184  
E-mail: [info@aarthiconsultants.com](mailto:info@aarthiconsultants.com)  
[aarthiconsultants@gmail.com](mailto:aarthiconsultants@gmail.com)

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**NOTICE**

NOTICE is hereby given that the 37<sup>th</sup> Annual General Meeting of the Members of TGV SRAAC LIMITED (formerly Known as Sree Royalaseema Alkalies and Allied Chemicals Limited) (CIN:L24110AP1981PLC003077) will be held at the Registered Office of the Company at the Factory Premises, Gondiparla, Kurnool - 518 004 (A.P.) on **Monday, the 30<sup>th</sup> September, 2019 at 4.00 P.M** to transact the following business

**ORDINARY BUSINESS:**

- 1) To receive, consider and adopt the Balance Sheet as at 31<sup>st</sup> March, 2019 and the Statement of Profit and Loss for the year ended as on that date together with the Reports of Directors and the Auditors attached thereto.
- 2) To appoint a Director in place of Sri T.G. Venkatesh (DIN: 00108120), who retires by rotation and being eligible offers himself for re-appointment.
- 3) To appoint a Director in place of Sri K. Karunakar Rao (DIN: 02031367), who retires by rotation and being eligible offers himself for re-appointment.

**SPECIAL BUSINESS:**

- 4) **Appointment and Remuneration of Cost Auditor.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution.**

**“RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the appointment of M/s. Aruna Prasad & Co. (Regn. No. 100883) Proprietrix: Aruna Prasad as Cost Auditors of the Company by the Board of Directors of the Company in its meeting held on 15-05-2019 [upon the recommendation of Audit Committee in its meeting held on 15-05-19] on a remuneration of Rs.1,50,000/- plus GST and reimbursement of out of pocket expenses, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2020, be and is hereby ratified.

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

- 5) **Re-appointment of Sri P.N. Vedanarayanan as Independent Director for a term of 3 (Three) consecutive years.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution.**

**“RESOLVED THAT** pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) of re-enactment thereof for the time being in force) and Regulation 17 & 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, Sri P.N. Vedanarayanan in respect of whom the Company has received a Notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of Director, be and is hereby re-appointed as a Non-Executive Independent Director of the Company to hold office for 3 (Three) consecutive years term from 25.09.2019.”

- 6) **Re-appointment of Sri G. Krishna Murthy as Independent Director for a term of 3 (Three) consecutive years.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution.**

**“RESOLVED THAT** pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) of re-enactment thereof for the time being in force) and Regulation 17 & 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, Sri G. Krishna Murthy in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby re-appointed as a Non-Executive Independent Director of the Company to hold office for 3 (Three) consecutive years term from 25.09.2019.”



## TGV SRAAC LIMITED

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### 7) Re-appointment of Sri Gopal Krishan as Executive Director (Technical) and Fixation of Remuneration.

To consider and if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution**.

“RESOLVED THAT pursuant to Section 198, 269, 309 and 311 read with Schedule-V and other applicable provisions, if any, of the Companies Act, 2013 and subject to required statutory approval as may be necessary, the Members of the Company hereby ratify the Board approval for Re-Appointment of Sri Gopal Krishan (DIN: 05342348) as Executive Director (Technical) for the period from 07.11.2018 to 31.01.2020 upon the recommendation of Nomination and Remuneration Committee Meeting held on 26.11.2018 on the following remuneration.

**RESOLVED FURTHER THAT** Sri Gopal Krishan will be paid Rs.2,00,000/- per month as Consolidated salary + allowances, perquisites and other benefits as per the Rules of the Company. Perquisites shall be evaluated as per Income Tax Rules or at actual costs.

**RESOLVED FURTHER THAT** in the event of absence or inadequacy of Profits in any financial year the aforesaid remuneration shall be treated as minimum remuneration in pursuance to Schedule V of the Companies Act, 2013 and any amendment thereof from time to time.

### 8) Approval for Material Related Party Transactions.

To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**.

“RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 (“the Act”) read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any amendment, modification, variation or re-enactment to any of the foregoing), and subject to such other approvals, consents, permissions and sanctions of other authorities 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 be deemed to include any Committee of the Board), to ratify/approve all existing contracts/arrangements/agreements/transactions and to enter into new/further contracts/ arrangements/

agreements/ transactions (including any modifications, alterations or amendments thereto), in the ordinary course of business and on arm’s length basis with ‘Related Parties’ within the meaning of the Act and the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as more particularly enumerated in the explanatory statement to the Notice and on such terms and conditions as may be agreed between the Company and related parties.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things and execute all such deeds, documents and writings, on an ongoing basis, as may be necessary, proper or expedient for the purpose of giving effect to the above resolution.”

### 9) Creation of Security in favour of M/s. IFCI Limited for a Rupee Term Loan of Rs. 90.00 Cr.

To consider and if thought fit, to pass with or without modification, the following Resolution which is proposed as an **Special Resolution**.

“RESOLVED THAT the consent of the members is hereby accorded to the Company in terms of Section 180 (1) (a) and other applicable provisions, if any, of the Companies Act, 2013 to create mortgage and / charge by the Board of Directors of the Company of all the fixed assets of the Company (including the assets of proposed Chloromethanes expansion project) alongwith other lenders of the Company (excluding the assets charged on exclusive basis to other lenders of the Company) wheresoever situate, present and future, and the whole of undertaking of the Company together with power to take over the management of the business and concern of the Company in certain events, to or in favour of IFCI Limited for creation of pari passu first charge basis as under.

ONFIRSTPARI-PASSUCHARGE BASIS	(Rs. in Crs )
IFCI Ltd., - Term Loan	90.00

together with interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, premia on prepayment or on redemption, costs, charges, expenses and other moneys payable by the company to the Lenders under their Loan agreements in respect of the said term loans.”

### 10. Creation of security on company Fixed Assets including Wind Mill Assets (excluding Chloromethanes, Bellary Power Plant division assets) in favour of Banks.

To consider and if thought fit, to pass with or without modification, the following resolution which is proposed as an **Special Resolution**.



“RESOLVED THAT the consent of the members is hereby accorded to the Company in terms of Section 180 (1) (a) and other applicable provisions, if any, of the Companies Act, 2013 to create mortgage and / charge by the Board of Directors of the Company of all the fixed assets of the company (including Wind Mill division (Ramgiri and Polepalli villages) wheresoever situate, present and future, and the whole of undertaking of the Company together with power to take over the management of the business and concern of the Company in certain events, to or in favour of working capital lenders for creation of pari passu second charge basis as under.

**ON SECOND PARI-PASSU CHARGE BASIS  
Rs. 15.28 Crs detailed hereunder;**

- a) Indian Bank - Rs. 7.64 Cr.
- b) United Bank of India - Rs. 6.57 Cr.
- c) The South Indian Bank Ltd. - Rs. 1.07 Cr.

together with interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, premia on prepayment or on redemption, costs, charges, expenses and other moneys payable by the company to the Lenders under their Loan agreements in respect of the said working capital facilities.”

**11. Creation of security on Company Chloromethanes Assets in favour of members of Banks Consortium.**

To consider and if thought fit, to pass with or without modification, the following Resolution which is proposed as an **Special Resolution**.

“RESOLVED THAT the consent of the members is hereby accorded to the Company in terms of Section 180 (1) (a) and other applicable provisions, if any, of the Companies Act, 2013 to create mortgage and / charge by the Board of Directors of the Company of all the fixed assets of the Chloromethanes division (excluding proposed expansion assets) wheresoever situate, present and future, and the whole of undertaking of the Company together with power to take over the management of the business and concern of the Company in certain events, to or in favour of working capital lenders for creation of pari passu 2nd charge basis as under.

**ON SECOND PARI-PASSU CHARGE BASIS  
Rs. 222.00 Cr. detailed hereunder;**

- a) Indian Bank - Rs. 95.99 Cr.
- b) United Bank of India - Rs. 49.88 Cr.

- c) The South Indian Bank Ltd - Rs. 20.54 Cr.
- d) The Federal Bank Ltd. - Rs. 11.54 Cr.
- e) IDBI Bank Ltd - Rs. 30.55 Cr
- f) Canbank Factors Ltd. - Rs. 13.50 Cr.

together with interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, premia on prepayment or on redemption, costs, charges, expenses and other moneys payable by the company to the Lenders under their Loan agreements in respect of the said working capital facilities.”

**12. Creation of security on Company Bellary Power Plant Assets in favour of members of Banks Consortium.**

To consider and if thought fit, to pass with or without modification, the following Resolution which is proposed as an **Special Resolution**.

“RESOLVED THAT the consent of the members is hereby accorded to the Company in terms of Section 180 (1) (a) and other applicable provisions, if any, of the Companies Act, 2013 to create mortgage and / charge by the Board of Directors of the Company of all the fixed assets of the Power Plant division at Bellary Dist. wheresoever situate, present and future, and the whole of undertaking of the Company together with power to take over the management of the business and concern of the Company in certain events, to or in favour of working capital lenders for creation of pari passu 2nd charge basis as under.

**ON SECOND PARI-PASSU CHARGE BASIS  
Rs. 222.00 Cr. detailed hereunder;**

- a) Indian Bank - Rs. 95.99 Cr.
- b) United Bank of India - Rs. 49.88 Cr.
- c) The South Indian Bank Ltd. - Rs. 20.54 Cr.
- d) The Federal Bank Ltd. - Rs. 11.54 Cr.
- e) IDBI Bank Ltd - Rs. 30.55 Cr
- f) Canbank Factors Ltd. - Rs. 13.50 Cr.

together with interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, premia on prepayment or on redemption, costs, charges, expenses and other moneys payable by the company to the Lenders under their Loan agreements in respect of the said working capital facilities.”

By order of the Board  
Sd/-

Place : Hyderabad  
Date : 27<sup>th</sup> July, 2019

**CS V. RADHAKRISHNA MURTHY**  
COMPANY SECRETARY



## TGV SRAAC LIMITED

(formerly known as Sree Rayalaseema Alkalies and Allied Chemicals Limited)

### NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more Proxies to attend and vote on a poll on his behalf and such proxy need not be a member of the Company. A proxy form is enclosed. Proxy Form in order to be effective duly completed, must be received by the company at the Registered Office of the company not less than 48 hours before the scheduled time of the Annual General Meeting.
2. Explanatory Statement pursuant Section 102 (1) of the Companies Act, 2013 is annexed hereto in respect to Special Business.
3. Member/Proxies are requested to produce the attendance Slip at the entrance of the Registered Office duly completed and signed for admission to the meeting hall.
4. Pursuant to Sec.91 of the Companies Act, 2013 and Regulation 42 of SEBI (LODR) Regulations, 2015, the Register of Members and Share Transfer Books of the Company will remain closed for 7 (Seven) days i.e. from 24-09-2019 to 30-09-2019 (both days inclusive).
5. Non-resident Indian Shareholders are requested to inform us immediately :
  - a) the change in Residential Status on return to India for permanent settlement.
  - b) the particulars of Bank/NRE Account, if not furnished earlier.
6. Route-map of the Annual General Meeting, venue, pursuant to the Secretarial Standard on General Meetings, is also annexed.
7. Business Envelop cover will be sent along with Annual Report to enable the Shareholders to send Postal Ballot Form for AGM.

Members are hereby requested to up-date Bank Mandate particulars (by submitting one cancelled cheque) and PAN details to comply with SEBI Notification No. SEBI/HO/MIRSD/DOP1/CIR/ P/2018/73 dt.20.04.2018 & SEBI/HO/MIRSD/DOS3/ CIR/P/2018/115 dt.16.07.2018.

### 8. E-Voting:

The Company is pleased to provide E-Voting facility through Central Depository Services (India) Limited (CDSL) as an alternative , for all members of the Company to enable them to cast their votes electronically

on the resolutions mentioned in the notice of 37<sup>th</sup> Annual General Meeting of the Company dated 30<sup>th</sup> September, 2019. The Company has appointed Mr. M. Nirmal Kumar Reddy, B.Com., F.C.A., I.S.A, I.R.M., Practicing Chartered Accountant as the Scrutinizer for conducting the E-voting process in a fair and transparent manner. E-voting is optional.

The E-voting rights of the Shareholders/beneficial owners shall be reckoned on the equity shares held by them as on 23-09-2019. The instructions for Members for voting electronically are as under:

- (i) The voting period begins on 26-09-2019 at 9.00 A.M. and ends on 29-09-2019 at 5.00 P.M. During this period shareholders' of the company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23-09-2019 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 would 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 :

**For Members holding shares in Demat Form and Physical Form**

**PAN\*** Enter your 10digit alpha-numeric \*PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders).

- Members who have not updated their PAN with the Company /Depository Participant are requested to use the first two letters of their name and 8 digits of the sequence number in the PAN field. In case of difficulty call Phone No.040-23313842/27638111.
- 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 filed.

Enter the Dividend Bank Details or Date of Birth (in dd/mm/format) as recorded in your demat account or in the company records in order to login.

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).

- i) After entering these details appropriately, click on "SUBMIT" tab.
- ii) 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 filed. Kindly note that his 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 take utmost care to keep your password confidential.
- iii) For Members holding shares in Physical Form, the details can be used only for e-voting on the resolutions contained in this Notice.
- iv) Click on the EVSN for the relevant TGV SRAAC LIMITED (formerly Known as Sree Rayalaseema Alkalies and Allied Chemicals Limited) on which you choose to vote.
- v) 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.

- vi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- vii) 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 you vote, click on "CANCEL" and accordingly modify you vote.
- viii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- ix) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- x) 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.
- xi) Note for Non-Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than individuals, HUF, NRI etc.) and Custodians re-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.
- xii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQ") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk@cdslindia.com](mailto:helpdesk@cdslindia.com).

By order of the Board  
Sd/-

Place : Hyderabad  
Date : 27<sup>th</sup> July, 2019

**CS V. RADHAKRISHNA MURTHY**  
COMPANY SECRETARY



# TGV SRAAC LIMITED

(formerly known as Sree Rayalaseema Alkalies and Allied Chemicals Limited)

## EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

### ITEM NO.4

The Board of Directors after taking into account the recommendation of Audit Committee in its meeting held on 15-05-2019 has appointed M/s.Aruna Prasad & Co. (Regn.No.100883) Proprietrix: Aruna Prasad as Cost Auditor for the Financial year 2019-20 on a remuneration of Rs.1,50,000/- plus GST and reimbursement of out of pocket expenses in its meeting held on 15-05-2019 to conduct Cost Audit of cost records of the Company in compliance of MCA Notification Ref. No. 52/56/CAB-2010, dated 06-11-2012. As per the provisions of Section 148 of the Act, payment of remuneration and appointment of Cost Auditors requires Members ratification for the action taken by the Board as explained above.

None of the Directors /Key Managerial Personnel (KMP) of the Company / their relatives are, in any way, concerned or interested in passing the Resolution set out in Item No.4 of the Notice.

The Board of Directors placed the Resolution set forth in Item No.4 for your approval / ratification.

### ITEM NO. 5

Sri P.N. Vedanarayanan was appointed as INDEPENDENT DIRECTOR by the members in the AGM held on 25.09.2014 for a term of five consecutive years. The Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing the candidature of Sri P.N. Vedanarayanan for the office of Independent Director for a second term of three consecutive years to be effective from 25.09.2019 of the Company. Further to comply with sub-regulation 1A of Regulation 17 of SEBI (LODR) Regulations, 2015 Special Resolution has been recommended by the Board for members approval since the age of Sri P.N. Vedanarayanan is more than 75 years. The company has received from Sri P.N. Vedanarayanan (i) Consent in writing to act as Director in Form DIR-2 (ii) Intimation in Form DIR-8 to the effect that she is not disqualified under Sub-section (2) of Sec. 164 of the Companies Act, 2013 (iii) A declaration to the effect that she meets the criteria of independence as provided in Sub-section (6) of Section 149 of the Companies Act, 2013.

In the opinion of the Board members (excluding the proposed candidate), Sri P.N. Vedanarayanan, the Independent Director proposed to be appointed for a second term, fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder and he is independent of the management.

No Director, Key Managerial Personnel (KMP) or their relatives, except Sri P.N. Vedanarayanan, to whom the resolution relates, is interested or concerned in the resolution.

Your Directors commend the Special Resolution set forth in item no.5 for your approval.

### ITEM NO. 6

Sri G. Krishna Murthy was appointed as INDEPENDENT DIRECTOR by the members in the AGM held on 25.09.2014 for a term of five consecutive years. The Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing the candidature of Sri G. Krishna Murthy for the office of Independent Director for a second term of three consecutive years to be effective from 25.09.2019 of the Company. Further to comply with sub-regulation 1A of Regulation 17 of SEBI (LODR) Regulations, 2015 Special Resolution has been recommended by the Board for members approval since the age of Sri G. Krishna Murthy is more than 75 years. The company has received from Sri G. Krishna Murthy (i) Consent in writing to act as Director in Form DIR-2 (ii) Intimation in Form DIR-8 to the effect that she is not disqualified under Sub-section (2) of Sec. 164 of the Companies Act, 2013 (iii) A declaration to the effect that she meets the criteria of independence as provided in Sub-section (6) of Section 149 of the Companies Act, 2013.

In the opinion of the Board members (excluding the proposed candidate), Sri G. Krishna Murthy, the Independent Director proposed to be appointed for a second term, fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder and he is independent of the management.

No Director, Key Managerial Personnel (KMP) or their relatives, except Sri G. Krishna Murthy, to whom the resolution relates, is interested or concerned in the resolution.

Your Directors commend the Special Resolution set forth in item no.6 for your approval.

### ITEM NO. 7

Shareholders may be aware that earlier approval for re-appointment of Sri Gopal Krishan (DIN: 05342348) as Executive Director (Technical) has expired on 07.11.2018. In view of the increased operations of the Company and implementation of future plans, and on consideration of Nomination and Remuneration Committee recommendation dtd. 26.11.2018, the Board has re-appointed Sri Gopal Krishan as Executive Director (Technical) in its meeting held on 18.01.2019 subject to Shareholders' ratification in the ensuing Annual General Meeting.





None of the Directors, Key Managerial Personnel or their relatives, except Sri Gopal Krishan to whom the resolution relates, is interested or concerned in this special Resolution.

Your Directors commend the Special Resolution set forth in Item No.7 for your approval and ratification.

**ITEM NO. 8**

Shareholder's attention is brought to Regulation 23 of SEBI (LODR) Regulations, 2015 which requires Shareholder's approval by way of Ordinary Resolution in case where total value of Related Party Transactions exceeds 10% of audited turnover of immediately preceding year.

This approval is required for all types of Related Party transactions whether they are in arms length or not whether they are done in the ordinary course of business or not.

For the current financial year 2018-19, total Related Party transactions value comes to Rs. 202.50 Cr whereas 10% of previous year audited turnover comes to Rs. 107.21 Cr. Shareholders approval in the previous AGM held on 26.12.2018 for estimated related party transactions is for Rs.200.00 Crores. This means total value of Related Party transactions is excess by Rs. 2.50 Cr when compared to previous AGM approval for which your approval by way of ratification is sought by the Resolution.

Further, it may kindly be noted that all the Related Party transactions are at arms length basis and done in the ordinary course of business and hence it does not require shareholders approval pursuant to provisions of Section 188 of the Companies Act, 2013, read with the Companies (Meetings of Board and its Powers) Rules, 2014. Even though all the transactions are having prior approval of the Audit Committee and Board, the Resolution is placed before the Shareholder's to comply with Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further it may kindly be noted that all Related Party transactions are subject to Transfer Price Audit.

Further, it may kindly be noted that around 95% of total Related Party Transactions value is between two (2) Listed Companies (i.e. between TGV SRAACL and SRHHL). Business transactions between them and other Related Parties are mutually beneficial. All Related Party transactions are mostly in the nature of day to day business transactions which are beneficial to the Company.

Basing on the estimation total value of Related Party Transactions for the financial year 2019-20 will be around Rs.249.31 Cr. In view of this Shareholder's prior approval is required for the future Related Party transactions (in excess of 10% of turnover), since it may exceed 10% of turnover of 2018-19 (audited).

The particulars of the contract / arrangement with related parties are as under:

(₹ in Crores)

Sl. No.	Name of the Related Party	For the financial year 2018-19 (Actual)					For the year 2019-20 (Estimated)
		Sales	Purchases	Services Availed / Rendered	Lease Rent Paid/ Received & Others	Total	Total
1	Sree Royalaseema Hi-Strength Hypo Limited	126.49	61.36	0.96	0.06	188.87	229.53
2	Other Related Parties	0.85	7.49	2.23	3.06	13.63	19.78
	<b>TOTAL</b>	<b>127.34</b>	<b>68.85</b>	<b>3.19</b>	<b>3.12</b>	<b>202.50</b>	<b>249.31</b>

# TGV SRAAC LIMITED

(formerly known as Sree Rayalaseema Alkalies and Allied Chemicals Limited)



Sri T.G. Venkatesh, Chairman and Smt V. Surekha, Director (in case of SRHHL) are deemed to be interested Directors in the Resolution.

The Board commends the Ordinary Resolution as set out in Item No.8 of this Notice for your approval.

## ITEM NO. 9

The company has a term Loan/financial assistance of Rs.90.00 Crores sanctioned by M/s. IFCI Limited vide their sanction letter Ref.No. IFCI/HO/CD/TGVSL/2019-190402031 dtd.13.03.2019 with the Board approval dt.05.04.2019. In terms of the said sanction letter the company has to create security of "First pari-passu charge on the entire fixed assets (both present and future) of the Company (including the assets of proposed chloromethane expansion project) along with the other lenders of the company (excluding the assets charged on exclusive basis to other lender of the company) giving a security cover of minimum 2.00 times, on WDV basis" for which appropriate special resolution is placed seeking members approval to comply with terms and conditions of sanction letter of the FI.

Your Directors recommended the Special Resolution as set out in the Notice for your approval.

None of the Directors/Key Managerial Personnel (KMP)/their relatives is deemed to be interest in the Special Resolution.

## ITEM NO. 10

The company has availed financial assistance as clearly mentioned in the resolution from Banks (LENDERS) with the Board approvals. In terms of the said sanction letters of Banks the company has to create security of "Second pari-passu charge basis on the fixed assets (both present and future) (including Wind Mills division at Ramgiri and Polepalli villages) in favour of Indian Bank, United Bank of India and The South Indian Bank Ltd. along with other existing lenders (M/s. IDBI Bank Ltd., is holding title deeds as security) for which appropriate special resolution is placed in the notice seeking members approval to comply with terms and conditions of sanction letters of the Banks.

Your Directors recommended the Special Resolution as set out in the Notice for your approval.

None of the Directors/Key Managerial Personnel (KMP)/their relatives is deemed to be interest in the Special Resolution.

## ITEM NO. 11

The company has availed working capital financial assistance as clearly mentioned in the resolution from Banks with the Board approvals. In terms of the said sanction letters of Banks the company has to create security of "Second pari-passu charge basis on the fixed assets (both present and future) of the Chloromethanes division (excluding proposed expansion assets) in favour of Indian Bank, United Bank of India, The South Indian Bank Ltd., The Federal Bank Ltd, IDBI Bank Ltd. and Canbank Factors Ltd. along with other existing lenders (M/s. Indian Bank., is holding title deeds as security) for which appropriate special resolution is placed in the notice seeking members approval to comply with terms and conditions of sanction letters of the Banks.

Your Directors recommended the Special Resolution as set out in the Notice for your approval.

None of the Directors/Key Managerial Personnel (KMP)/their relatives is deemed to be interest in the Special Resolution.

## ITEM NO. 12

The company has availed financial assistance as clearly mentioned in the resolution from Banks with the Board approvals. In terms of the said sanction letters of Banks the company has to create security of "Second pari-passu charge basis on the fixed assets (both present and future) of the Power Plant division at Bellary Dist in favour of Indian Bank, United Bank of India, The South Indian Bank Ltd., The Federal Bank Ltd, IDBI Bank Ltd. and Canbank Factors Ltd. along with other existing lenders (M/s. IFCI Ltd., is holding title deeds as security) for which appropriate special resolution is placed in the notice seeking members approval to comply with terms and conditions of sanction letters of the Banks.

Your Directors recommended the Special Resolution as set out in the Notice for your approval.

None of the Directors/Key Managerial Personnel (KMP)/their relatives is deemed to be interest in the Special Resolution.

## REQUEST TO THE MEMBERS :

1. Queries, if any, on Annual Accounts may please be forwarded to the Registered Office of the Company atleast 7 days before the date of the Annual General Meeting to enable us to prepare the answers well in advance.



## TGV SRAAC LIMITED

(formerly known as Sree Rayalaseema Alkalies and Allied Chemicals Limited)

- Members are requested to quote Folio No. / Client ID No. in all correspondence.
- Since the company's shares are permitted for trading under compulsory demat mode, shareholders holding shares in physical form are requested to dematerialize the same immediately to avoid any inconvenience in future. Company's Equity Shares ISIN No. INE284B01028.

Members are requested to note the following "e-mail Id" for any clarification on shares and other related matters "sralkalies@tgvmail.net".

### Details of Directors seeking Appointment/Re-Appointment at the forthcoming Annual General Meeting (Pursuant to Regulation 36(3) of SEBI (LODR) Regulations, 2015)

Sl.No.	Name of the Director	Sri P.N. Vedanarayanan	Sri G. Krishna Murthy
1.	Date of Birth	June 4, 1933	September 17, 1941
2.	Date of Appointment	April 1, 1994	November 30, 1996
3.	Experience in Specific areas	More than 50 years experience of very senior level in public sector units. Ex-Chairman and Managing Director of NTC Mills Ltd.	More than 50 years experience in Industrial and Business fields as Promoter and entrepreneur. He is an eminent personality having interest in the field of social services and human relations.
4.	Qualifications	I.A.S. (Retd.)	Graduate of MILT
5.	Shareholding in the Company	Nil	Nil
6.	Directorships in other public Ltd. Companies	Nil	Nil
7.	Membership in other public Ltd. Company committees	Nil	Nil

Sl.No.	Name of the Director	Sri T. G. Venkatesh	Sri K. Karunakar Rao
1.	Date of Birth	May 16, 1950	June 14, 1950
2.	Date of Appointment	May 25, 2014	May 11, 2010
3.	Experience in Specific areas	More than 45 years as Industrialist, entrepreneur and senior executive of Listed Companies.	More than 44 experience years in the field of Finance in Chemical Industries.
4.	Qualifications	B.Com.,	B.Com., ACA
5.	Shareholding in the Company	303848 Equity Shares	50 Equity Shares
6.	Directorships in other public Ltd. Companies	Nil	Nil
7.	Membership in other public Ltd. Company committees	Nil	Nil

By order of the Board  
Sd/-

Place : Hyderabad  
Date : 27<sup>th</sup> July, 2019

**CS V. RADHAKRISHNA MURTHY**  
COMPANY SECRETARY



## DIRECTORS' REPORT

Dear Members,

Your Directors' have pleasure in presenting the Annual Report and the Audited statements of Accounts of the Company for the year ended 31<sup>st</sup> March, 2019.

### 1. Operations

The turnover (Gross) for the year under review is Rs.139678 Lakhs as compared to Rs.120950 Lakhs in the previous year. The 15% increase is on account of the following changes in respective Divisions performance.

### 2. Division / Segment Wise Operations

The Caustic unit has produced 190797 MTs of Caustic Soda as against 171658 MTs for the previous year representing an increase of 11%. As against net sales of Rs. 66063 Lakhs for previous year, the current year sales comes to Rs. 77843 Lakhs representing an increase of 18%.

For the current year the Potassium plant has produced 19316 MTs of Potassium Hydroxide as against 13573 MTs for the previous year representing a increase of 42%. As against net sales of Rs. 8160 Lakhs for previous year, the current sales comes to Rs. 13528 Lakhs representing increase of 66%.

Chloromethanes Plant has produced 38603 MT of Chloromethanes for the current year as against previous year production of 39620 MT representing an decrease of 3%. The current year net sales for Chloromethanes is at Rs. 18515 Lakhs. Previous year net sales are at Rs. 13976 lakhs an increase of 32%.

The Castor Oil Plant has processed 2634 MTs of oil for the current year as against 4763 MTs processed for the previous year representing a decrease of 45%. As against net sales of Rs. 5186 lakhs for the previous year, the current year sales stood at Rs. 3198 Lakhs representing decrease of 38%. The difference is mainly attributed to the rapid fluctuations in raw materials and finished product prices.

The Fatty acid plant has processed 11492 MTs for the current year as against 14672 MTs for the previous year representing decrease of 22%. The net sales of this division has decreased from Rs. 10741 Lakhs to Rs.6762 Lakhs representing a decrease of 37%.

There are no commercial operations at Bellary Power Plant due to expiry of Power Purchase Agreement (PPA)

by KPTCL. The Company is looking out for other viable options including its sale or relocation of the Plant.

The Wind Farm at Ramagiri has generated 26.43 Lakh/ KWH power in the current year as against previous year generated of 26.61 Lakh/KWH representing a marginal decrease of 1% when compared to previous year. The power generated is wheeled through State Grid to the Company for captive use. The generation of Power depends upon Wind velocity.

### 3. Outlook for the Current Year

Segment-wise discussion is furnished in Management Discussion and Analysis annexed to this report in "ANNEXURE – E".

## FINANCIAL RESULTS

(₹ in lakhs)

Particulars	31.03.2019	31.03.2018
Profit before Finance Costs & depreciation	23789.56	20180.65
Less: Finance Cost	6299.35	5175.94
Profit before Depreciation	17490.21	15004.71
Less: Depreciation	5813.59	7655.54
Profit (Loss) before Exceptional items and Tax	11676.62	7349.17
Less: Exceptional items	1161.16	-
Profit/Loss Before Tax	10515.46	7349.17
<b>Tax Expense:</b>		
Less:- Current Tax	2159.49	1188.52
- Deferred Tax	529.30	1130.08
Profit for the period from continuing operations	7826.67	5030.57
Less: Loss from discontinued operations	986.56	2069.45
Profit for the period	6840.11	2961.12
Add: Balance Carried from Previous year	5094.43	3673.95
Profit available for Appropriation	11934.54	6635.07
Less: Transfer to General Reserve	(3500.00)	(1500.00)
Add/Less: Transfer from Other Comprehensive Income	11.56	(40.64)
Surplus carried to Balance Sheet	8446.10	5094.43

Profit after tax for the Current year is Rs.7826.67 Lakhs where as previous year Profit after tax is Rs.5030.57 Lakhs representing an increase of 56%. The increase in profit is mainly on account of better performance of the company.

Upon the completion of Redemption of 0.01% CRPS at par Capital Redemption Reserve Account has been closed by transfer of Rs. 20 Cr to General Reserve Account.

**4. Dividend**

In view of liquidity constraints and future requirements your Directors have not recommended any dividend on Equity Shares.

**5. Capital Expenditure**

During the year the Company has incurred an amount of Rs.90.07 Cr towards modernization works and normal capital expenditure. The funds required for the above is met from Banks.

**6. Safety and Environment Protection**

Your Company has taken all possible steps for pollution free activities of the Company for sustained growth. All steps being taken to ensure Pollution free Environment in the vicinity of the factory where manufacturing activities of the Company takes place. The greenery around the Factory is the real testimony for company's efforts towards this end. With regard to safety the Company is complying all relevant statutory provisions. The safety department was headed by a Senior most officer who was able supported by dedicated staff who ensures round the clock safety. Mock drills, training of employees are some of the important routines taken up by the safety department to ensure preparedness of the Company to take any eventuality at all times.

**7. Listing Fees**

The Company has paid Listing Fee for the year 2019-20 to Bombay Stock Exchange vide our letter dated 25.04.2019.

**8. Insurance**

Assets of the Company are adequately insured.

**9. Fixed Deposits**

The Company has not accepted any fixed deposits during the year and there are no fixed deposits outstanding as on 31.03.2019.

**10. Directors and Key Managerial Personnel**

Sri T.G. Venkatesh (DIN : 00108120) and Sri K. Karunakar Rao (DIN : 02031367) are retiring by rotation at the ensuing Annual General Meeting (AGM) being eligible for re-election, they have given their consent for re-appointment. Appropriate resolutions are placed in the notice of Annual General Meeting under ordinary business for members approval.

Sri Gopal Krishan has been re-appointed as Executive Director (Technical) by the Board in its meeting held on 26.11.2018 (on consideration of recommendation of Nomination and Remuneration Committee Meeting dt.26.11.18) to be effective from 07.11.2018 to 31.01.2020 on same terms and conditions subject to members ratification at the ensuing AGM. Appropriate special resolution is placed in the notice of AGM for members ratification.

M/s. IDBI Bank Ltd., has appointed Sri Rangaraj K Rao, as their Nominee Director vide their letter Ref.No. LCG-SSCB.53/71/Nom.8, dated 03.10.2018 and the Board in its meeting held on 18/01/2019 has co-opted him as Nominee Director on the Board of the Company.

To comply with the provisions of Sec. 149, 152 read with SEBI Notification dt.09.05.2018, SEBI (LODR) Regulations, 2015 Nomination and Remuneration Committee in its meeting held on 27.05.2019 and Board in its meeting held on 27.07.2019 has recommended Special Resolution for members approval in the AGM for re-appointment of Sri P.N. Vedanarayanan (DIN:00982697) as Independent Director for a term of 3 years.

To comply with the provisions of Sec.149, 152 read with SEBI Notification dt.09.05.2018, SEBI (LODR) Regulations, 2015 Nomination and Remuneration Committee in its meeting held on 27.05.2019 and Board in its meeting held on 27.07.2019 has recommended Special Resolution for members approval in the AGM for re-appointment of Sri G. Krishna Murthy (DIN:00134828) as Independent Director for a term of 3 years.

**11. Industrial Relations**

Your Company's Industrial Relations continue to be harmonious and cordial.

**12. Energy Conservation Technology Absorption and Foreign Exchange earnings and outgo**

Particulars required to be disclosed under Section 134 (3) of the Companies Act, 2013 read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 are forming part of the Directors' Report for the year ended 31<sup>st</sup> March, 2019 is annexed hereto as "Annexure – A" to this report.

**13. Directors' Responsibility Statement**

As required by the provisions of Section 134 (3) (C) of the Companies Act, 2013, Directors' Responsibility Statement is attached as "Annexure – B".



# TGV SRAAC LIMITED

(formerly known as Sree Rayalaseema Alkalies and Allied Chemicals Limited)

## 14. Corporate Governance – Reg.34 (3) read with Schedule-V of SEBI (LODR) Regulations, 2015

A separate report on Corporate Governance (**Annexure - C**) is being incorporated as a part of the Annual Report along with a certificate from the Auditors of the Company (**Annexure - D**) regarding compliance of the conditions of Corporate Governance. The “**Annexure C and D**” are attached to this report.

## 15. Management Discussion and Analysis Report

Further to comply with Reg. 34(2) (e) Schedule-V of SEBI (LODR) Regulations, 2015 “Management Discussion and Analysis” has been given as “**Annexure - E**” to the Directors’ Report.

## 16. Auditors

M/s. K.S. Rao & Co., Chartered Accountants, Hyderabad were appointed as Statutory Auditors for a term of 5 years upon the recommendation of Audit Committee in its meeting held on 23.08.2017 by the Board in its meeting held on 23.08.2017. Shareholders in the AGM held on 27.09.2017 has ratified the same. Pursuant to recent amendment to Sec. 143 of Companies Act, 2013 members ratification at every AGM is discontinued/not required.

## 17. Issue and allotment of Convertible Share Warrants

In pursuance to the Shareholders approval for issue of Convertible share Warrants on preferential basis and on completion of required formalities, M/s. BSE Ltd., has issued their in-principle approval to the Company vide their Letter Ref. No. DCS/PREF/SV/PRE/3462/2018-19 dtd.23.01.2019. The Board Allotment Committee in its meeting held on 27/01/2019 has allotted following Convertible Share Warrants to the Promoter/Promoter Group company on receipt of 25% upfront payment in Three Tranches to comply with SEBI (ICDR) Regulations, 2018 and SEBI (LODR) Regulations, 2018.

S. No.	Tranche	Name of the Promoter/ Promoter Group	No. of Convertible Share Warrants	Issue Price Rs.
01.	First	M/s. Brilliant Industries Private Ltd.	48,32,427	37.01
02.	Second	Sri T.G. Venkatesh	50,86,765	37.01
03.	Third	M/s. Brilliant Industries Private Ltd.	53,54,490	37.01
		<b>Total</b>	<b>1,52,73,682</b>	

## 18. Listing approval from BSE Limited for First Tranche Warrants convertible into Equity

After completion of required formalities, BSE Limited vide their letter Ref.No. DCS/PREF/JR/PRE/014/2019-20 dt.09.04.2019 has given Listing Approval and Trading Approval letter Ref.No.DCS/PREF/TP/JR/8780/2019-20 dt.07.05.2019 for listing of 48,32,427 Equity Shares (which were allotted on 27.01.2019 by the Board Allotment Committee on conversion of convertible share warrants into equity in the ratio 1:1 with a face value of Rs.10/- each at a premium of Rs.27.01 per Share). These Shares are subject to lock-in provision upto 09-05-2022 to comply with SEBI (ICDR) Regulations, 2018. These proceeds of preferential issue was utilized for the objectives mentioned in the resolution.

## 19. Redemption of 0.01 CRP Shares (Cumulative Redeemable Preference Shares)

During the year the Company has completed redemption of 18882332 shares at par in Four quarterly equal installments on 01.04.18; 01.07.18; 01.10.18 and 01.01.19 for Resident Indian (RI) Shareholders and for Non-Resident Indian (NRI) Shareholders in One installment on 01.04.18. The details of unpaid/unclaimed redemption amounts are furnished in this report.

## 20. Cost Audit

Some of the products manufactured by the Company are coming under Central Govt. order Letter Ref. No. 52/26/CAB-2010 dated 06.11.2012. To comply with statutory provisions, Cost Audit Report has been filed in Form-CRA-4 in XBRL format vide SRN No.H21441365 dt.15.10.2018 with MCA portal for the financial year 2017-18. The cost audit report for the financial year ended 31<sup>st</sup> March, 2019 is being submitted in due course.

## 21. Audit Committee

An Audit Committee continues to function to comply with provisions of Regulation 18 of SEBI (LODR) Regulations, 2015 and other statutory provisions. The Audit Committee was reconstituted on 18.01.2019 with the following members namely Sri Rangaraj K Rao, Sri G.Krishna Murthy and Dr. M. Asha Reddy as members with Sri P.N. Vedanarayanan as Chairman of the Audit Committee.



**22. Material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the Report**

There are no material changes which will be affected to the financial position of the company according to the date of financial year and the date of its Report.

**23. Statement concerning development and implementation of Risk Management Policy of the Company**

A Committee comprising well qualified Senior Executives having exposure in various fields of risks related matters has been formed to assist Executive Director and CEO in (a) Overseeing and approving the Company's enterprise wide risk management framework, and (b) Overseeing that all the risks that the organisation faces such as strategic, financial, credit market, liquidity, security, property, IT, legal, regulatory, reputational and other risks have been identified and assessed and there is an adequate risk management infrastructure in place capable of addressing those risks.

The Executive Director and CEO, monitors and reports on the principal risks and uncertainties that can impact the company and its ability to achieve strategic objectives. The Company's management systems, organisational structures, processes, standards, code of conduct and behaviors together form the Management and business of the Company.

Several improvements are effected to integrate Enterprise Risk Management, Internal Controls Management and Assurance Frameworks and processes to drive a common integrated view of risks, optimal risk mitigation responses and efficient management of internal control and assurance activities.

**24. Details of Policy developed and implemented by the Company on its Corporate Social Responsibility initiatives**

Your Company has involved in CSR activities right from beginning of the company. It recognizes the importance for the sustained growth of the company through society development. Appropriate steps are taken by the company to integrate CSR activities for the development of areas surrounding the Company in particulars and other areas in general. Since its inception, CSR Policy has been drafted by a Team of Senior Executives of the Company and the same was approved by the Board in its meeting held on 26.05.2014. For the financial year ending 31.03.2019, the Company has to spend Rs. 81.71 Lakhs as against this the Company has spent Rs. 86.89 Lakhs. The

CSR activities of the company are continuous and the Team of Senior Executives taking all necessary steps for its implementation under the guidance of C.S.R. Committee. A Board sub-committee has been formed by the Board on 26.05.2014 to monitor the implementation of C.S.R. activities. During the year there is no change in the constitution of the CSR Committee. The members of the Committee are (1) Sri G. Krishna Murthy, Chairman (2) Sri K. Karunakar Rao, Member and (3) Sri Gopal Krishan, Member.

Details of C.S.R. activities are given as "**Annexure - I'**".

**25. Particulars of Loans, Guarantees or Investments made under Section 186 of the Companies Act, 2013**

The Company has not given any loans, guarantees and also not made any investments during the year.

**26. Particulars of Contracts or Arrangements made with Related Parties**

During the course of its business, the Company is dealing with the Group Companies which are Related Parties pursuant to the Section 188 of the Companies Act, 2013, Accounting Standard 18 and SEBI (LODR) regulation, 2015. The Sale, Purchase, Lease Rental Transactions, services availed / provided and monetary values of its transactions are mentioned in notes to Accounts to comply with IND AS-24. All the Related party transactions were on arm-length basis and the same are entered with the prior approval of the Audit Committee (omnibus approval) and Board. Further details to be furnished in Form AOC-2 has been given as "**Annexure-G'**" to this report to comply with statutory provisions of Sec.188.

**27. Explanation or comments on qualifications, reservations or adverse remarks or disclaimers made by the Auditors and the Practicing Company Secretary in their Reports**

Statutory Auditors of the Company and the Practicing Company Secretary, who have conducted statutory audit and Secretarial Audit respectively, have not made any adverse comments on the activities of the Company for the financial year 2018-19.

**28. Company's Policy relating to Directors appointment, payment of Remuneration and discharge of their duties**

The Nomination and Remuneration Committee has been re-constituted by the Board in its meeting held on 29.01.2016 to ensure the appointment of persons having wide exposure in the fields which are useful to the companies growth having independence as defined in the Companies Act to be available for appointment as Director. The Committee always keeps a list of eminent



personalities having independence and qualification available for Company's requirement depending upon vacancy on the Board. As regards remuneration payable to whole-time Directors, the Board will take collective decision within the parameters of various statutes including Companies Act, 2013 and SEBI (LODR) Regulations, 2015. The Committee will follow the Company's policy to discharge its duties whenever necessity arises. It will not be out of place to mention that the set policy being followed since inception of the Company to ensure transparency.

## 29. Internal Financial Controls

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation were observed.

## 30. Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2004, the Board in its meeting held on 05.05.2018 has re-appointed Sri N. Ramaswamy as Secretarial Auditor for the year 2018-19. Secretarial Audit Report for the year ending 31.03.2019 has been Annexed to the Directors' Report as "Annexure - K" to comply with statutory provisions of the Companies Act, 2013 and other applicable provisions of other Acts. The Secretarial Auditor Report does not contain any qualification, reservation or adverse remark.

## 31. Annual Return in Form MGT-9 format

The details of Annual Return in Form MGT-9 format is enclosed as "Annexure - H".

## 32. Subsidiaries, Joint Ventures and Associate Companies

The Company is not having any Subsidiaries, Joint Ventures and Associate Companies as on 31.03.2019. During the year the company has sold its entire holdings in M/s. NCS Sugars Ltd. Details are furnished in "Annexure - F".

## 33. Declaration of Independent Directors

The Company has received the necessary declaration from each Independent Director in accordance with Section 149 (7) of the Companies Act, 2013, that he/she meets the criteria of independence as laid out in sub-section (6) of Section 149 of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. Further, Sri N. Ramaswamy, Practising Company Secretary has issued appropriate certificate regarding non-applicability of the provisions of Directors disqualification to comply with the provisions of SEBI (LODR) Regulations, 2015.

## 34. Evaluation

The Board evaluated the effectiveness of its functioning and that of the Committees and of individual Directors by seeking their inputs on various aspects of Board/Committee Governance.

The aspects covered in the evaluation include the contribution to and monitoring of corporate governance practices, participation in the long-term strategic planning and the fulfillment of Directors' obligation and fiduciary responsibilities, including but not limited to, active participation at the Board and Committee meetings.

The Chairman of the Board had one-on-one meetings with the Independent Directors and the Chairman of the Nomination and Remuneration Committee had one-on-one meetings with the Executive and non-Executive Directors. These meetings were intended to obtain Directors' inputs on effectiveness of Board/Committee processes. The Board considered and discussed the inputs received from the Directors.

Further, the Independent Directors at their meeting, reviewed the performance of Board, Chairman of the Board and of Non-Executive Directors.

## 35. Disclosure as per the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder.

- No. of complaints filed during the financial year - Nil
- No. of complaints disposed during the financial year - Not Applicable
- No. of complaints pending as on end of the financial year - Nil

## 36. Vigil Mechanism

The Vigil Mechanism of the Company, which also incorporates a whistle blower policy in terms of the SEBI (LODR) Regulations, 2018 includes an Ethics and Compliance Task Force comprising Senior Executives of the Company. Protected disclosures can be made by a whistle blower through an e-mail or a letter to the Task Force or to the Chairman of the Audit Committee. The Policy on Vigil Mechanism and whistle blower policy may be accessed on the Company's website at the link: <http://www.tgvgroup.com>.



**37. Investor Education and Protection Fund (IEPF) :**

Pursuant to the applicable provisions of the Companies Act, 2013 read with the IEPF Authority (Accounting, Audit, Transfer and Refund Rules) 2016, ('the Rules'), all unpaid and unclaimed dividends/amounts are required to be transferred by the Company to the IEPF established by the Government of India after the completion of seven years.

The following table provides list of years for which unclaimed dividends/redemption amount would become eligible to be transferred to the IEPF on the dates mentioned below.

**CRPS Dividend :**

Financial Year	CRPS Dividend Declared (%)	Date of declaration of Dividend on CRPS	Last date for claiming unpaid dividend/ amount	Unclaimed Dividend / Amount (Rs.) as on 31.03.2019	Due date for transfer to IEPF Account
01.04.2002 to 31.03.2016 (14 years)	@ 0.01 per year	27.09.2016	03.11.2023	33,631	04-11-2023

**Fractional Shares Entitlement :**

Financial Year	Fractional Shares entitlement	Date of payment/ declaration	Last date for claiming unpaid amount	Unclaimed Amount (Rs.) as on 31.03.2019	Due date for transfer to IEPF Account
2016-2017	Rs. 39/- per share	27.01.2017	04.03.2024	23,868	05.03.2024

**CRPS Dividend (2016-17 & 2017-18) + CRPS Redemption amounts :**

Financial Year	Redemption Installments	Date of payment/ declaration	Last date for claiming unpaid amount	Unclaimed Amount (Rs.) as on 31.03.2019	Due date for transfer to IEPF Account
2018-2019	RI – First (*)	01.04.2018	08.06.2025	32,25,960.00	09.06.2025
	NRI – Single (**)	01.04.2018	08.06.2025	4,40,690.00	09.06.2025
	RI – Second including Dividend (2 years) (*)	01.07.2018	08.08.2025	32,53,182.68	09.08.2025
	RI – Third (*)	01.10.2018	08.12.2025	33,99,752.50	09.12.2025
	RI – Fourth (*)	01.01.2019	10.03.2026	34,88,195.00	11.03.2026

(\*) RI means Resident Indian

(\*\*) NRI means Non-Resident Indian

**38. Acknowledgement**

Your Directors wish to express their sincere thanks to Financial Institutions, Bankers, Distributors and Customers for their continued support to the Company. The Directors also acknowledge with gratitude the continued help and support received from the various departments of the Government of India and the Government of Andhra Pradesh and Government of Telangana.

The Directors place on record their appreciation of the sincerity, commitment and contribution made by the Employees at all levels and this was mainly responsible to carry on the business of the Company during the year.

On behalf of the Board of Directors

Sd/-  
**CA K. KARUNAKAR RAO**  
Executive Director & CEO  
(DIN : 02031367)

Sd/-  
**N. JESVANTH REDDY**  
Executive Director (Technical)  
(DIN: 03074131)

Place : Hyderabad  
Date : 27<sup>th</sup> July, 2019

# TGV SRAAC LIMITED

(formerly known as Sree Rayalaseema Alkalies and Allied Chemicals Limited)



## ANNEXURE 'A' TO THE DIRECTORS' REPORT

Particulars pursuant to Rule 8(3) of Companies (Accounts) Rules, 2014.

### A. Conservation of energy

- 1 No. additional capacitor bank of 4,416 KVA is installed to improve the power factor to 0.999 which will result in saving of energy.
- Existing 18 MVA/31.5 MVA Transformers and 132 KVA /11KVA transformers are planned to replace with 50 MVA to reduce energy losses and to get stable operation.
- Replacing HPMV and Sodium Vapour lamps with LED fixtures to save energy.

### B. Details of Technology development and research

#### 1. Research and Development (R & D)

- Optimization of caustic soda in Hydro chlorination section and Thermal Chlorination Section in Chloromethanes plant by varying concentration by 6 to 10 %. After optimizing the concentration the overall consumption will be reduced by 20 %. Pilot plant studies are in progress to optimize the process.
- R&D experiments are under progress to convert glauber salt to anhydrous sodium sulphate in economical way to facilitate commercial value to sodium sulphate recovered from brine during purification.

#### 2. Benefits derived as a result of R&D

- After optimizing the concentration of caustic soda savings will be upto 20%.
- After successful laboratory experiments we can get better realization for sodium sulphate recovered from brine during purification.

#### 3. Technology Absorption, Adoption and Innovation

There is no instances of technology innovation, absorption and adoption during the financial year.

### C. Foreign Exchange Earnings and Outgo

- Activities relating to exports; initiatives taken to increase exports, development of new export markets for products and services, and export plans:
  - Exported Hydrogenated Castor Oil, 12 Hydroxy Stearic Acid, Caustic Potash and planning to enlarge exports by increasing export quantity and exploring export possibility for other products.
- Total Foreign Exchange earned and used **(Rs. in lakhs)**
  - Foreign Exchange earned 9531.33
  - Foreign Exchange used 6330.01

## ANNEXURE 'B' TO THE DIRECTORS' REPORT

### Directors' Responsibility Statement

#### Yours Directors Further Confirm that

- In the presentation of the Annual Accounts, applicable Accounting Standards have been followed.
- The accounting policies are consistently applied and reasonable, prudent judgment and estimates are made so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit of the company for that period.
- The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The Directors had prepared the Annual Accounts on a going concern basis.

On behalf of the Board of Directors

Sd/-  
**CA K. KARUNAKAR RAO**  
Executive Director & CEO  
(DIN : 02031367)

Sd/-  
**N. JESVANTH REDDY**  
Executive Director (Technical)  
(DIN: 03074131)

Place : Hyderabad  
Date : 27<sup>th</sup> July, 2019

**ANNEXURE "C" TO THE DIRECTORS' REPORT****Report On Corporate Governance**

The Management of TGV SRAAC Ltd., hereby confirm and certify that the relevant provisions of SEBI (LODR) Regulations, 2015 dealing with "Corporate Governance" as amended from time to time by SEBI and BSE Ltd., have been complied for the year 2018-19. The Corporate Governance compliance details are furnished hereunder:

**1. Company's Philosophy :**

Your company is firmly believes that by practicing transparency in all activities will automatically lead to adherence of Corporate Governance which in turns leads to attainment to objectives effectively. The company has complied with almost all the provisions of Corporate Governance before its enactment by SEBI (LODR) Regulations, 2015. This shows the commitment of the management of the company for fair and efficient Corporate Governance. The company's humble philosophy is "SERVING SOCIETY THROUGH HARMONIOUS AND CORDIAL INDUSTRY ACTIVITIES AND RELATIONS" synchronizing socio, economic and human objectives which are backed by principles of concern, commitment, ethics, excellence and learning in all its activities and harmonious relationships with stakeholders, customers, associates and community at large which has always propelled the Company towards higher horizons.

**2. Policies :**

In compliance with the requirements of Listing Agreements with Stock Exchanges; SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. ("Listing Regulations"), SEBI Regulations and Companies Act, 2013, Board of Directors of the Company has approved various policies, as detailed hereunder.

**3. Related Party Transaction Policy :**

In compliance with the requirements of Regulation 23 of Listing Regulations, the Board of Directors of the Company has approved a Related Party Transaction Policy, to facilitate senior management to report and seek approval for any Related Party Transaction proposed to be entered into by the Company. The said Related Party Transaction Policy can be viewed on [www.tgvgroup.com](http://www.tgvgroup.com).

**4. Policies & Code as per SEBI Insider Trading Regulations :**

In accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has formulated and approved (i) Insider Trading code to regulate dealing in the securities of the company by designated persons in compliance with the regulation; and (ii) a Policy for Fair Disclosure of Unpublished Price Sensitive Information.

Sri V. Radhakrishna Murthy, Company Secretary of the Company is Compliance Officer for the purposes of Insider Trading Code, while the Chief Executive Officer of the Company has been assigned responsibility fair disclosure policy.

**5. Familiarisation Program for Independent Directors :**

Independent Directors are familiarized with their roles, rights and responsibilities at the time of their appointment as Directors and regular presentations are made to the Board/Board Committees covering business strategies, management structure, periodic financial results, budgets and operations of subsidiaries, if any.

Apart from above policies, the Board has in accordance with the requirements of the Companies Act, 2013 and Listing Regulations approved and adopted Policy for Determining Material Subsidiary, Policy for Determining Material Events, Policy for Preservation of Documents and Archival of Records, Corporate Social Responsibility Policy and Remuneration Policy. These policies can be viewed on Company's Website at [www.tgvgroup.com](http://www.tgvgroup.com).

**6. Board Procedure :**

All the mandatory information as mentioned in SEBI (LODR) Regulations, 2015 is being placed before the Board during its meetings.

# TGV SRAAC LIMITED

(formerly known as Sree Rayalaseema Alkalies and Allied Chemicals Limited)



## 7. Board of Directors :

The Composition of the Board is in compliance with the guidelines given in SEBI (LODR) Regulations, 2015 and Companies Act, 2013. The Board comprises of Ten Directors and majority of Directors are independent/nominee Directors. Except three Executive Directors, the other Directors are non-Executive Directors. The day-to-day management of the Company is conducted by one Executive Director & CEO and two Executive Directors (Technical) under the co-ordination of Chairman subject to the superintendence and control of the Board of Directors. During the year the Board was reconstituted two times (1) on 27.10.2018 (2) on 18.01.2019 to give effect to the changes effected in IDBI Nominee Director. The details of Directors attending the Meetings and Date of the Meetings are further furnished hereunder :

S. No.	Name of Director	Category	F.Y. 2018-19 attendance at		As on 31 <sup>st</sup> March, 2019		
			BM	Last AGM	No. of Directorship	Committee Positions	
						Chairman/Member	No of other Committee positions held
1.	Sri T.G. Venkatesh	Chairman	6	Yes	-	-	-
2.	Sri Subhasish Roy (upto 15.10.18)	Director (IDBI Nominee)	2	No	-	-	-
	Sri Rangaraj K Rao (from 18.01.19)	Director (IDBI Nominee)	-	No	-	-	-
3.	Sri P.N. Vedanarayanan	Director (Independent)	4	No	-	-	-
4.	Sri G. Krishna Murthy	Director (Independent)	5	Yes	-	-	-
5.	Sri J. Nagabhusanam	Director (Independent)	5	No	-	-	-
6.	Smt. V. Surekha	Director	6	Yes	-	-	-
7.	Dr. M. Asha Reddy	Director (Independent)	6	Yes	-	-	-
8.	Sri K. Karunakar Rao	E.D (F & C)	6	Yes	-	-	-
9.	Sri N. Jesvanth Reddy	E.D. (Technical)	6	Yes	-	-	-
10.	Sri Gopal Krishan	E.D. (Technical)	6	Yes	-	-	-

During the financial year ended 31<sup>st</sup> March, 2019, Six Board Meetings were held on (1) 05-05-2018 (2) 06-06-2018 (3) 13-07-2018 (4) 27-10-2018 (5) 26-11-2018 and (6) 18-01-2019 respectively.

## 8. Audit Committee :

The composition of the Audit Committee is in accordance with the Regulation 15 of SEBI (LODR) Regulations, 2015 dealing with Corporate Governance guidelines and the provisions of Sec. 177 of the Companies Act, 2013. The main terms of reference of the Audit Committee are;

1. Oversight of the Company's financial reporting process to ensure that the financial statement is correct, sufficient and credible in compliance with IND AS and Companies Act, 2013 and other relevant acts.
2. Recommending to the Board with regard to appointment, re-appointment, fixation of fees etc. of Statutory Auditors, Cost Auditors etc.
3. Reviewing with management the annual Financial Statement before submitting to the Board with particular reference to Directors Responsibility statement, Changes in Accounting Policies, major accounting entries involving estimates, compliance with other Listing Agreement, disclosure of other related party transactions.
4. Qualifications in draft Audit Report.



5. Reviewing with management quarterly financial statements.
6. The adequacy of internal audit functions.
7. Discussion with statutory auditors before the audit commences.
8. Reviewing the findings of any investigations by the internal auditors etc.
9. Appointment of CFO.
10. Omnibus approval to related party transaction at the beginning of the year and review of quarterly actual related party transactions and recommendation of the same to the Board for its approval.

In addition to quarterly and yearly Un-audited/Audited financial results the Committee deliberate upon the relevant matters mentioned in SEBI (LODR) Regulations, 2015, Companies Act and Cost Audit Report Rules etc. The Committee is headed by Sri P.N. Vedanarayanan, the Senior most independent Director. Majority of the committee members are independent Directors or Nominee Directors of Financial Institution viz., IDBI. The Audit Committee was reconstituted on 27.10.18 to give effect to the ceasing of IDBI Nominee Director Sri Subhasish Roy cessation. Later the Audit Committee was reconstituted by the Board in its meeting held on 18.01.2019 with the following Directors as its members (1) Sri P. N. Vedanarayanan, Chairman (2) Dr. M. Asha Reddy, Member (3) Sri Subhasish Roy, Member & Sri Rangaraj K Rao, Member (4) Sri G. Krishna Murthy, Member.

Sl. No.	Name of the Director	Designation	No. of Meetings	
			Held	Attended
1.	Sri P.N. Vedanarayanan	Chairman	4	4
2.	Sri G. Krishna Murthy	Member	4	4
3.	Sri Subhasish Roy (upto 15.10.18) Sri Rangaraj K Rao (from 18.01.19)	Member Member	3 1	1 0
4.	Dr. M. Asha Reddy	Member	4	4

During the financial year ended 31<sup>st</sup> March, 2019, Four Board Audit Committee Meetings were held on (1) 05-05-2018 (2) 13-07-2018 (3) 27-10-2018 and (4) 18-01-2019 respectively.

#### 9. Nomination and Remuneration Committee :

The Nomination and Remuneration Committee was reconstituted by the Board in its Meeting held on 29.01.2016 with the following Directors as its members. The committee comprises of the following Directors as its members (1) Sri G. Krishna Murthy, Chairman (2) Sri J. Nagabhushanam, Member and (3) Dr. M. Asha Reddy, Member.

The Non-Executive Directors will be paid sitting fee of Rs.5,000/- per meeting of Board and Audit Committee and Rs.1,500/- for other Sub-committees of the Board. The Executive Directors will not be paid any sitting fee for attending the Board/ Committee meetings. During the year the Committee has met two times i.e. on 05.05.2018 and 26.11.2018. All the members attended the meetings.

Sl. No.	Name of the Director	Designation	No. of Meetings	
			Held	Attended
1.	Sri G. Krishna Murthy	Chairman	2	2
2.	Sri J. Nagabhushanam	Member	2	2
3.	Dr. M. Asha Reddy	Member	2	2



## 10. Stakeholders Relationship and Shareholders / Investors Grievance Committee :

To review the actions taken by the company in relieving Investor's Grievances and its response to Stock Exchange, SEBI and other related Government correspondence Stakeholders Relationship Committee and Shareholders/Investors Grievance Committee was reconstituted by the Board on 29.01.2016. The details of the committee meetings and composition are detailed hereunder:

Sl. No.	Name of the Director	Designation	No. of Meetings	
			Held	Attended
1.	Sri P.N. Vedanarayanan	Chairman	4	4
2.	Sri G. Krishna Murthy	Member	4	3
3.	Dr. M. Asha Reddy	Member	4	4

During the financial year ended 31<sup>st</sup> March, 2019, Four Stakeholders Relationship committee and Shareholders' / Investors Grievance Committee Meetings were held on (1) 10.04.2018 (2) 09.07.2018 (3) 12.10.2018 and (4) 10.01.2019 respectively.

The Committee is vested with the requisite powers and authorities to specifically look into redressal of shareholder and investor grievances to comply with SEBI (LODR) Regulations, 2015. The details of complaints are as follows:

No. of Investor Queries/complaints received in the year 2018-19	Pending at the end of the year	No. of pending Share Transfers
12	NIL	NIL

Sri V. Radhakrishna Murthy, Company Secretary, being the Compliance Officer of the Company and act as the Secretary to all the above Committees.

## 11. General Body Meetings :

The last three Annual General Meetings were held as follows :

Financial Year	Day & Date	Time	Venue
2015-16	Tuesday, 27.09.2016	4.35 P.M.	Regd. Office : Gondiparla, Kurnool
2016-17	Wednesday, 27.09.2017	4.00 P.M.	Regd. Office : Gondiparla, Kurnool
2017-18	Wednesday, 26.12.2018	4.00 P.M.	Regd. Office : Gondiparla, Kurnool

All Resolutions moved at the last Annual General Meeting (Resolutions were passed by physical, postal + e-voting to comply with the provisions of the Companies Act, 2013) were passed with Requisite majority. The last Annual General Meeting of the Company was held on 26.12.2018 and it was attended by Sri T.G. Venkatesh, Chairman besides other Directors viz. Sri G. Krishna Murthy, Sri K. Karunakar Rao, Sri N. Jesvanth Reddy and Sri Gopal Krishan.

The special business transacted and approved by the members at the previous 3 Annual General Meetings are as follows:

### (A) 2015-16

1. Appointment and Remuneration of Cost Auditor.
2. Appointment of Dr M. Asha Reddy as Independent Director.
3. Creation of Security in favour of The South Indian Bank Ltd.
4. To provide security in favour of M/s. IFCI Limited.
5. Re-appointment of Executive Director (Finance & Commercial) and Fixation of Remuneration.
6. Re-appointment of Executive Director (Technical) and Fixation of Remuneration.

**(B) 2016-17**

1. Appointment and fixation of remuneration of Cost Auditor.
2. Proposal for Change in name of the Company.
3. Creation of Security in favour M/s. Indian Bank.
4. Creation of Security in favour of M/s. IDBI Bank Ltd., and M/s. United Bank of India.
5. Approval for Related Party Transactions.

**(C) 2017-18**

1. Increase in Authorised Capital.
2. Alteration of Capital Clause of Memorandum of Association.
3. Alteration of Articles of Association.
4. Appointment and remuneration of Cost Auditor.
5. Re-Appointment of Dr M. Asha Reddy as Independent Director for second term of 3 consecutive years.
6. Re-Appointment of Sri J. Nagabhushanam as Independent Director for second term of 3 consecutive years.
7. Re-appointment of Sri Gopal Krishan, Executive Director (Technical) and Fixation of Remuneration.
8. Re-appointment of Sri K. Karunakar Rao, Executive Director (Finance & Commercial) and Payment of Remuneration.
9. Re-appointment of Sri N. Jesvanth Reddy, Executive Director (Technical) and Payment of Remuneration.
10. Continuation of Directorship by Sri P.N. Vedanarayanan as Non-Executive Independent Director for remaining period of existing term.
11. Continuation of Directorship by Sri G. Krishna Murthy as Non-Executive Independent Director for remaining period of existing term.
12. Creation of security in favour of Indian Bank Rs.50.00 Cr Term Loan.
13. Creation of Security in favour of Indian Bank Rs.40.00 Cr L.C. Facility.
14. Creation of Security in favour of Indian Bank Rs.100.00 Cr Capex L.C. Facility
15. Creation of additional security in favour of Banks and Financial Institutions for providing existing financial assistance to the Company.
16. Approval for Material Related Party Transactions.
17. Preferential Allotment of Convertible Share Warrants to Promoters/Promoters Group Companies.

**12. Disclosures :**

None of the transactions with any of the related parties were in conflict with the interests of the Company at large. The details of related party transactions are furnished under Note No. 30 - Notes to financial statements of Balance Sheet and Statement of Profit & Loss to comply with Accounting Standard 18. The company has not received any notices from Stock Exchange or SEBI regarding non compliance of statutory provisions. The Company is complying with all mandatory requirements stipulated in SEBI (LODR) Regulations, 2015 and non-mandatory requirements are not yet adopted by the Company.

**13. Means of Communication :**

The Company publishes its quarterly, half yearly and annual results in the (1) Business Standard (English) (2) Andhra Prabha (Telugu) newspapers generally.

In addition to this the company is communicating its results to all the Stock Exchanges where the shares are listed. Further quarterly results, shareholding pattern and other related information is placed on the company's website. The company is also making presentations to the Financial Institutions with all the details relating its quarterly results. Further to confirm that the management discussion and analysis report is communicated to shareholders and all the concerned, the report has been made part and of parcel of Annual Report. Further the Quarterly/Half yearly Results are generally posted in Company's Website [www.tgvgroup.com](http://www.tgvgroup.com).

# TGV SRAAC LIMITED

(formerly known as Sree Rayalaseema Alkalies and Allied Chemicals Limited)



## 14. General Shareholder Information :

- a) **AGM Date, time and Venue** : Monday, the 30<sup>th</sup> September, 2019 at 4.00 P.M  
Regd. Office : Gondiparla, Kurnool-518 004 (A.P)
- b) **Tentative Financial Calendar** : The next financial year covers the period  
from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2020
- Un-Audited Financial results for** : First Quarter - July / August, 2019  
Second Quarter - October / November, 2019  
Third quarter - January / February, 2020  
Fourth quarter - April / May, 2020
- c) **Book Closure period** : From 24-09-2019 to 30-09-2019 (both days inclusive)
- d) **Dividend payment date** : NA
- e) **The Shares of the Company is listed on** : BSE Limited, P.J. Towers, Dalal Street, Mumbai.  
ISIN No : INE 284B01028, SCRIP CODE : 507753
- f) **Market Price Data : The Monthly High and Low of Stock Quotations during the Financial Year 2018-19.**

MONTH & YEAR	EQUITY SHARES	
	HIGH (Rs.)	LOW (Rs.)
April, 2018	61.70	52.20
May, 2018	59.70	35.00
June, 2018	40.40	30.15
July, 2018	38.50	30.05
August, 2018	40.20	34.05
September, 2018	41.85	32.25
October, 2018	37.00	30.10
November, 2018	39.40	33.35
December, 2018	35.25	30.00
January, 2019	38.70	33.00
February, 2019	34.85	30.65
March, 2019	44.70	33.15

## g) Distribution of Shareholding pattern for Equity Shares as on 31<sup>st</sup> March, 2019.

Sl.No.	CATEGORY	EQUITY SHARES	
		Shares	%
1.	Promoters	57215917	59.20
2.	Mutual Funds and UTI	17887	0.02
3.	Banks & Financial Institutions	850	0.00
4.	Insurance Companies	563985	0.58
5.	Bodies Corporate	2869637	2.97
6.	Indian Public	34716751	35.92
7.	NRIs / OCB	1263518	1.31
	<b>TOTAL</b>	<b>96648545</b>	<b>100.00</b>

## h) Share Transfer Agents :

M/s. Aarthi consultants Pvt. Ltd., Regd. Office : 1-2-285, Domalguda, Hyderabad – 500 029 (T.S) has been acting as Share Transfer Agent (STA) to the Company. Shareholders who desire to dematerialise their shares are requested to send their shares along with supporting documents to the above Share Transfer Agent (STA). However with effect from April 1, 2019 as per SEBI circular dated November 30, 2018, no physical shares shall be accepted for transfers.



**i) Dematerialisation of Shares and Liquidity :**

As on 31<sup>st</sup> March, 2019, out of 96648545 Equity Shares 95236887 No. of Shares were dematerialised (98.54 %) were dematerialized. Since the company's shares are trading under compulsory De-mat mode shareholders are requested to take necessary steps to dematerialise their shares held in physical form.

**j) Outstanding GDR / ADRs / Warrants / Convertible Instruments :**

- Not Applicable -

**k) Code of Conduct :**

In compliance of Regulation 17 Sub-Regulation 5 proviso a) or b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 "Code of Conduct" applicable to (1) Directors (2) Senior Management has been approved by the Board and the same has been placed on the company's website. Copy of the code of conduct circulated to all the concerned and obtained their affirmation.

**DECLARATION BY CEO**

As provided in Regulation 17 Sub-Regulation 5 proviso a) or b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Directors and Senior Management personnel have confirmed compliance with code of conduct for the period ended 31.03.2019.

On behalf of the Board of Directors

Place : Hyderabad  
Date : 27<sup>th</sup> July, 2019

Sd/-  
**CA K. KARUNAKAR RAO**  
Executive Director & CEO  
(DIN : 02031367)

**l) Plant Location :**

Regd. Office : Gondiparla, Kurnool - 518 004 (A.P).  
Bellary Power Plant: Tagginabudihalli, Bellary, Karnataka.  
Wind Farm : Ramagiri, Anantapur Dist. (A.P)

**m) For all matters, address for Correspondance at any of the following addresses :**

- (A) Registrar and Share Transfer Agent:  
Aarthi Consultants Private Limited  
Regd. Office : 1-2-285, Domalguda, Hyderabad - 500 029 (T.S)  
Tel. No. : 040 - 27638111, 27634445, 27642217, 66611921 Fax No. : 040 - 27632184  
E-mail : info@arthiconsultants.com
- (B) TGV SRAAC Limited  
(formerly Known as Sree Rayalaseema Alkalies and Allied Chemicals Limited)  
(CIN: L24110AP1981PLC003077)  
6-2-1012, II Floor, TGV Mansion,  
Opp. Institute of Engineers, Khairatabad, Hyderabad - 500 004 (T.G)  
Tel No. : 040 - 23313842 Fax No.: 040 - 23313875

**n) E-mail ID : sralkalies@tgvmail.net**

On behalf of the Board of Directors

Place : Hyderabad  
Date : 27<sup>th</sup> July, 2019

Sd/-  
**CA K. KARUNAKAR RAO**  
Executive Director & CEO  
(DIN : 02031367)

Sd/-  
**N. JESVANTH REDDY**  
Executive Director (Technical)  
(DIN: 03074131)



## **TGV SRAAC LIMITED**

**(formerly known as Sree Rayalaseema Alkalies and Allied Chemicals Limited)**

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### **ANNEXURE "D" TO THE DIRECTORS' REPORT**

#### **Auditor's Certificate on Corporate Governance :**

(Under Schedule-V (E) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Auditor's Certificate is given for the Corporate Governance as annexure to the Directors' Report)

To

The Member of

**M/s. TGV SRAAC LIMITED**

**(formerly Known as Sree Rayalaseema Alkalies And Allied Chemicals Limited)**

**(CIN: L24110AP1981PLC003077)**

We have examined the compliance of conditions of Corporate Governance by M/s. TGV SRAAC Limited (formerly known as Sree Rayalaseema Alkalies and Allied Chemicals Ltd.) Kurnool for the year ended March 31, 2019 as stipulated under Schedule-V (E) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 applicable to Listed Companies of Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We state that generally no Investor Grievances are pending for a period exceeding 15 days against the Company as per the records maintained by the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**for K S RAO & Co.,**  
Chartered Accountants  
Firm's Regn. No. 0031095

Sd/-  
**P. GOVARDHANA REDDY**  
Partner  
Membership No.029193

Place : Hyderabad  
Date : 27<sup>th</sup> July, 2019

**ANNEXURE “E” TO THE DIRECTORS’ REPORT****MANAGEMENT DISCUSSION AND ANALYSIS :****Economy**

For the year 2018-19 India has achieved GDP of 2.72 trillion dollar there by assuming 7<sup>th</sup> position in the World. To propel and guide Indian economy to 5 trillion dollars the Govt. is continuing its reforms. Of late good monsoon rains throughout India and Govt. decision to give push to agriculture sector by providing various measures including zero based natural farming in the Budget one can hope for better economic growth in future. It is expected that our country will achieve better GDP growth for 2019-20.

**Segment-wise performance**

The Company is having three Business segments namely:-

- (1) Chemicals
- (2) Oils and Fats
- (3) Power

Segment-wise analysis of structure, opportunity, threats and outlook are discussed hereunder.

The Company has two performing segments namely Chemicals and Oils and Fats. The third, Power Segment has become non performing, owing to high prices of Furnace Oil, the feed stock and ultimate non renewal of Power Purchase Agreement by sole buyer of power, the State Electricity Agency.

The major products of Chemical Segment are Caustic Soda Lye/ Flakes, Chlorine, Hydrochloric Acid, Potassium Hydroxide Lye/ Flakes and chloromethanes, apart from allied products. Being industrial inputs, the products of this Segment finds application in almost all process industries namely, Aluminium, paper, rayon, pharma, water treatment, pigments etc.,

Oils and Fats segment products consists Hydrogenated Castor Oil, 12-Hydroxy Stearic Acid, Stearic Acid and Soap Noodles.

**Outlook**

With signs of satisfactory rainfall being received in the country, the sentiment of market is encouraging and conducive for growth in all industrial sectors. This will help the demand for chlor-alkali products, the main Segment of the Company, is expected for a reasonable growth, Company has plans for modernization further the Caustic Soda manufacturing facilities in order to reap the benefits of technology improvements with reduced power consumption. Company has also plans for expanding the capacities of Chloromethanes division considering the increasing production of Chlorine and acceptance of its Chloromethanes products by market.

**Risks and concerns**

Electricity, the main cost contributory for Chlor-alkali industry is always a concern. The reforms in Electricity Sector made by the Government is assuring satisfactory availability as against the shortfall witnessed, till recent times. Still, the cost of power is a worrying factor. The company is also making studies to start solar power projects either on its own or under joint venture mode to address long term needs of power with pollution free options to contain power cost in the long run.

**Financial Performance**

Out of the total Revenue (Gross Turnover) for FY 2018-19 of Rs.139678 lakhs, Chemicals Division share is Rs.128309 lakhs i.e.91.86 % and balance Rs.11369 lakhs revenue of 8.14 % is from Oils & Fats Division.

During the FY 2018-19, the Company has produced 190797 M.Ts of Caustic Soda compared to previous year 171658 M.Ts. The modernization carried by the Company helped to have this higher production.



## TGV SRAAC LIMITED

(formerly known as Sree Rayalaseema Alkalies and Allied Chemicals Limited)

During the year FY 2018-19, the Caustic Soda market is favourable trend continuing from previous year. In view of this caustic soda division production has been increased to better utilise capabilities.

The Company has produced 19316 M.Ts of Caustic Potash during FY 2018-19 compare to 13573 M.Ts of previous year. Company has flexibility in having product mix between Caustic Soda and Caustic Potash to meet its marketing needs.

Chloromethanes Unit also did well during the year. Company produced 39620 M.Ts against previous year quantity of 38603 M.Ts. This establishes quantity of the products and its acceptance among the customers.

With regard to Castor Oils derivatives and Fatty Acids products (Soap Noodles / Stearic Acid) subdued performance to state that the prices of inputs and finished products prices are highly volatile and Company desired to play safe and cautious in its production planning.

Company is pursuing various options before it in respect of Power Project at Bellary.

### GENERAL-SEGMENT-WISE PERFORMANCE TOGETHER WITH DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE :

Segment-wise performance together with discussion on financial performance with respect to operational performance has been dealt with in the Directors' Report which should be treated as forming part of this Management Discussion and Analysis.

### CREDIT RATING :

Your Company has been awarded with a Credit Rating of CARE A-Stable for Long Term Bank Facilities and CARE A2+ for Short Term Bank Facilities.

### DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS :

	31-03-2019	31-03-2018
<b>1. Inventory Turnover Ratio</b>	<b>0.10</b>	<b>0.08</b>

In case of inventory turnover ratio which reflects adverse variance during the current year under review the same is on account of increased inventories holding compared to previous financial year. Company has sourced some of the material requirement for modernization/ expansion works and pending utilization at the end of the financial year.

<b>2. Net profit margin</b>	<b>0.06</b>	<b>0.03</b>
-----------------------------	-------------	-------------

With better performance of the company during financial year 2018-19 compared to F.Y. 2017-18, the performance ratios have improved significantly.

### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY :

The Company has established an appropriate system of internal control to ensure that there exists a proper control over all the transactions and that all its assets are properly safeguarded and not exposed to risk arising out of unauthorised use or disposal. The Internal Audit conducted at all divisions for all the key areas of business. The Internal Control System is supplemented by a programme of Internal Audits to ensure that the assets are properly accounted for and the business operations are conducted in adherence to laid down policies and procedures. The Internal Audit is oriented towards review of controls and operational improvements.



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### **MATERIAL DEVELOPMENT IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED :**

Relations with the employees remained cordial in general throughout the year. In order to optimise the contribution of the employees to the Company's business and operations, in-house training is given to the employees to induce contribution to productivity increase and development programmes for all levels of employees have been devised. Occupational Health Safety and Environmental Management are given utmost importance. As at 31<sup>st</sup> March, 2019 the employee strength of the Company was 1083.

### **CAUTIONARY STATEMENT :**

Statement in this Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be 'forward-looking statements' within the meaning of applicable securities laws and regulations and such forward-looking statements involve risks and uncertainties. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include raw material availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the Countries in which the Company conducts business and other incidental factors. The Company undertakes no obligation to publicly update or revise any forward looking statements, whether as a result of new informations, future events, or otherwise. Readers are cautioned not to place undue reliance on these forward looking statements that speaks only as of their dates.

On behalf of the Board of Directors

Place : Hyderabad  
Date : 27<sup>th</sup> July, 2019

Sd/-  
**CA K. KARUNAKAR RAO**  
Executive Director & CEO  
(DIN : 02031367)

Sd/-  
**N. JESVANTH REDDY**  
Executive Director (Technical)  
(DIN: 03074131)

# TGV SRAAC LIMITED

(formerly known as Sree Rayalaseema Alkalies and Allied Chemicals Limited)



## ANNEXURE "F" TO DIRECTORS' REPORT

### Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies

Part "A": Subsidiaries : NIL

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of associates	M/s. NCS Sugars Limited
1. Latest Audited Balance Sheet Date	31.03.2018
2. Shares of Associate held by the company on the year end No.	46,85,000
Amount of Investment in Associates	Rs. 48.53 Lakhs
3. Extend of Holding%	23.43%
4. Description of how there is significant influence	No
5. Reason why the associate is not consolidated	Although Company holds more than 20% of Share Capital in NCS Sugars Limited, the Company does not exercise any control and or does not have significant influence over TGV SRAAC Limited and not considered as Associate of the Company as per Ind AS-23. The investments have been accounted as per AS-13 Investments.  During the year the Company has sold (18-12-2018) entire holdings in NCS Sugars Ltd.
6. Net worth attributable to shareholding as per latest audited Balance Sheet	-
7. Profit/Loss for the year i. Considered in Consolidation ii. Not Considered in Consolidation	-

### Entities formed/acquired or ceased during the financial year 2018-19

(pursuant to section 134 read with Rule 8(5)(iv) of Companies (Accounts) Rules, 2014.)

- |  |                      |
|--|----------------------|
| 1. Subsidiaries formed/acquired                | : NIL                |
| 2. Associate Companies formed /acquired        | : NIL                |
| 3. Subsidiaries and associate companies ceased | : NCS Sugars Limited |

On behalf of the Board of Directors

Sd/-  
**CA K. KARUNAKARAO**  
Executive Director & CEO  
(DIN : 02031367)

Sd/-  
**N. JESVANTH REDDY**  
Executive Director (Technical)  
(DIN: 03074131)

Place : Hyderabad  
Date : 27<sup>th</sup> July, 2019



**ANNEXURE "G" TO DIRECTORS' REPORT**

**FORM NO. AOC-2**

(Pursuant to Clause (b) of sub-section (3) of Sec.134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014. Form for Disclosure of particulars of Contracts / Arrangements entered into by the company with related parties referred to in sub-section (1) of Sec.168 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

- 1) Details of Contracts or Arrangements or Transactions not at Arm's Length basis : - Not Applicable -
- 2) Details of Material Contracts or Arrangements or Transactions at arm's length basis :

S. No	(a) Names(s) of the Related Party and Nature of Relationship	(b) Nature of Contracts/ Arrangements / Transactions	(c) Duration of the Contracts/ Arrangements/ Transactions	(d) Salient terms of the Contracts or Transactions including the value, if any. (Rs. in lakhs)	(e) Date(s) of approval by the Board, if any.	(f) Amount Paid as advances, if any.
1	Sree Royalaseema Hi-Strength Hypo Limited	Sales Purchases Rent Received Services availed Investment in Equity Dividend received	Annual Contracts / Arrangements	12649.20 6135.80 5.69 96.46 4.89	05.05.2018	509.51 (Cr)    24.48 (Dr)
2	TGV Projects & Investments Private Limited	Rent Paid	Annual Contracts / Arrangements	284.65	05.05.2018	100.75 (Dr)
3	Sree Royalaseema Galaxy Projects Private Limited	Sales Purchases	Annual Contracts / Arrangements	14.60 77.92	05.05.2018	-N.A-
4	Gowri Gopal Hospitals Private Limited	Sales Services availed Purchases	Annual Contracts / Arrangements	0.29 44.24 2.74	05.05.2018	30.26 (Cr)
5	The Mourya Inn	Services availed / Rendered	Annual Contracts / Arrangements	154.35	05.05.2018	-N.A-
6	Brilliant Industries Private Limited	Rent Paid Share Warrant application money received Equity shares allotted	Annual Contracts / Arrangements	2.36  2283.91  1788.48	05.05.2018	-N.A-  495.43 (Cr)
7	Sree Maruthi Marine Industries Limited	Purchases Land Purchase	Annual Contracts / Arrangements	284.12 166.69	05.05.2018	66.74 (Cr) 118.17 (Dr)
8	Sree Maruthi Agro Tech Private Limited	Purchases Land Purchase	Annual Contracts / Arrangements	52.17 123.66	05.05.2018	89.11 (Dr)
9	Nectar Laboratories Private Limited	Services availed	Annual Contracts / Arrangements	13.86	05.05.2018	-N.A-
10	Roopa Industries Limited	Sales	Annual Contracts / Arrangements	69.90	05.05.2018	6.73 (Dr)
11	M.V. Salts & Chemicals Private Limited	Purchases	Annual Contracts / Arrangements	41.83	05.05.2018	36.47 (Dr)
12	Brilliant Bio Pharma Private Limited	-	-	-	-	39.38 (Dr)
13	Other Related Parties	Rent & Others Rent advance paid	Annual Contracts / Arrangements	31.17 107.00	05.05.2018	-N.A- 107.00 (Dr)

Note : The above related party disclosures are only under Sec.188 read with Sec.134 of the Companies Act, 2013.

On behalf of the Board of Directors

Sd/-  
**CA K. KARUNAKAR RAO**  
Executive Director & CEO  
(DIN : 02031367)

Sd/-  
**N. JESVANTH REDDY**  
Executive Director (Technical)  
(DIN: 03074131)

Place : Hyderabad  
Date : 27<sup>th</sup> July, 2019

# TGV SRAAC LIMITED

(formerly known as Sree Rayalaseema Alkalies and Allied Chemicals Limited)



## ANNEXURE "H" TO DIRECTORS' REPORT

FORM NO. MGT - 9

EXTRACT OF ANNUAL RETURN

as on the Financial Year Ended on 31.03.2019

(Pursuant of Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014)

### I. REGISTRATION AND OTHER DETAILS

CIN	L24110AP1981PLC003077
Registration Date	24.06.1981
Name of the Company	TGV SRAAC LIMITED (formerly Known as Sree Rayalaseema Alkalies and Allied Chemicals Limited)
Category / Sub-Category of the Company	Public Company / Limited by Shares
Address of the Registered Office and Contact Details	Regd. Office: Gondiparla, Kurnool - 518 004 (A.P) (Tel: Nos.91-08518 280006, 280007, 280008) Fax 08518-280098 Cell : 09848304999
Whether Listed Company	Yes
Name & Address of the Registrar and Transfer Agent	M/s. Aarathi Consultants Private Limited Regd. Office: 1-2-285, Domalguda, Hyderabad - 500 029 (Telangana State) Contact Nos.040-27638111 / 27634445 Fax: 040-27632184 email: info@aarthiconsultants.com

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated :

Sl. No	Name and Description of main product/sevices	NIC Code of the Product/Service	% To total turn over the company
1	Caustic Soda Lye / Flakes	28151110 / 28151200	58%
2	Caustic Potash Lye / Flakes	28152000	10%
3	Methylene Chloride	29031200	11%

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No	Name and Address of the Company	CIN	Holding/Subsidiary/ Associates	% of Shares	Applicable
- Not Applicable -					
The Company has sold/disposed its investment in equity shares of M/s. NCS Sugars Ltd., (23%) during the year and hence no disclosure required here.					





**IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) as on 31-03-2019.**

**i) Category - wise Shareholding**

Sl. No.	Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2018)				No. of Shares held at the end of the year (31.03.2019)				% of Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A.</b>	<b>Promoters</b>									
<b>1</b>	<b>Indian</b>									
	a) Individual/ HUF	862137	0	862137	0.94	862137	0	862137	0.89	-0.05
	h) Central Govt.	0	0	0	0	0	0	0	0	0.00
	c) State Govt (s)	0	0	0	0	0	0	0	0	0.00
	d) Bodies Corp.	51521353	0	51521353	56.11	56353780	0	56353780	58.31	2.19
	e) Banks/ FI	0	0	0	0	0	0	0	0	0.00
	f) Any Other...	0	0	0	0	0	0	0	0	0.00
	<b>Sub Total (A) (1) :</b>	<b>52383490</b>	<b>0</b>	<b>52383490</b>	<b>57.05</b>	<b>57215917</b>	<b>0</b>	<b>57215917</b>	<b>59.20</b>	<b>2.15</b>
<b>2</b>	<b>Foreign</b>									
	a) NRIs - Individuals	0	0	0	0	0	0	0	0	0.00
	b) Other- Individuals	0	0	0	0	0	0	0	0	0.00
	c) Bodies Corp.	0	0	0	0	0	0	0	0	0.00
	d) Banks/ FI	0	0	0	0	0	0	0	0	0.00
	e) Any Other...	0	0	0	0	0	0	0	0	0.00
	<b>Sub Total (A) (2) :</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
	<b>Total Shareholding of Promoter (A)=(A) (1) + (A) (2)</b>	<b>52383490</b>	<b>0</b>	<b>52383490</b>	<b>57.05</b>	<b>57215917</b>	<b>0</b>	<b>57215917</b>	<b>59.20</b>	<b>2.15</b>
<b>B</b>	<b>Public Shareholding</b>									
<b>1</b>	<b>Institutions</b>									
	a) Mutual Funds	8937	8950	17887	0.02	8937	8950	17887	0.02	0.00
	b) Bank/ FI	0	850	850	0	0	850	850	0.00	0.00
	c) Central Govt.	0	0	0	0	0	0	0	0	0.00
	d) State Govt (s)	0	0	0	0	0	0	0	0	0.00
	e) Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
	f) Insurance Companies	563985	0	563985	0.61	563985	0	563985	0.58	-0.03
	g) FIs	0	0	0	0	0	0	0	0	0.00
	h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
	i) Others (specify)	0	0	0	0	0	0	0	0	0.00
	<b>Sub Total (B) (1) :</b>	<b>572922</b>	<b>9800</b>	<b>582722</b>	<b>0.63</b>	<b>572922</b>	<b>9800</b>	<b>582722</b>	<b>0.60</b>	<b>-0.03</b>
<b>2</b>	<b>Non-Institutions</b>									
	a) Bodies Corp.	4403150	42363	4445513	4.84	2832424	37213	2869637	2.97	-1.87
	i) Indian	0	0	0	0	0	0	0	0	0.00
	ii) Overseas	0	0	0	0	0	0	0	0	0.00
	b) Individuals									
	i) Individual Shareholders holding nominal share capital upto Rs.2 Lakh	19715595	1262307	20977902	22.85	19653824	1167081	20820905	21.54	-1.30
	Individual Shareholders holding nominal share capital in excess of Rs.2 Lakh	11946135	0	11946135	13.01	13895846	0	13895846	14.38	1.37
	c) Others (specify) NRIs	1250554	229802	1480356	1.61	1045317	218201	1263518	1.31	-0.30
	<b>Sub-total (B) (2):</b>	<b>37315434</b>	<b>1534472</b>	<b>38849906</b>	<b>42.31</b>	<b>37427411</b>	<b>1422495</b>	<b>38849906</b>	<b>40.20</b>	<b>-2.12</b>
	<b>Total Public shareholding (B)=(B)(1)+(B)(2)</b>	<b>37888356</b>	<b>1544272</b>	<b>39432628</b>	<b>42.95</b>	<b>37888356</b>	<b>1544272</b>	<b>39432628</b>	<b>40.80</b>	<b>-2.15</b>
<b>C)</b>	<b>Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	0.00
	<b>Grand Total (A+B+C)</b>	<b>90271846</b>	<b>1544272</b>	<b>91816118</b>	<b>100.00</b>	<b>95216250</b>	<b>1432295</b>	<b>96648545</b>	<b>100.00</b>	<b>0.00</b>

# TGV SRAAC LIMITED

(formerly known as Sree Rayalaseema Alkalies and Allied Chemicals Limited)



## ii) Shareholding of Promoters as on 31-03-2019

Sl. No.	Name of the shareholder	No of Shares at the beginning the year (01.04.2018)			Share holding at the end of the year (31.03.2019)			
		No. of shares	% of total shares of the company	% of shares pledged/en cumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged/en cumbered to total shares	% of change in share olding during the year
1	M/s. Sree Rayalaseema Hi-Strength Hypo Limited	2054495	22.38	0.02	2054496	21.26	0.02	-1.12
2	M/s. TGV Projects and Investments Private Limited	11694248	12.74	0	11694248	12.10	0	-0.64
3	M/s. Sree Rayalaseema Dutch Kassenbouw Private Ltd.	1881109	2.05	0	1881109	1.95	0	-0.10
4	M/s. Gowri Gopal Hospitals Private Limited	1005375	1.09	0	1005375	1.04	0	-0.05
5	M/s. Sree Rayalaseema Galaxy Projects Private Limited	54662	0.06	0	54662	0.06	0	0.00
6	M/s. TGV Securities Private Ltd.	14150	0.02	0	14150	0.01	0	0.00
7	M/s. Brilliant Industries Private Limited	16327313	17.78	0.19	21159740	21.89	0.18	4.11
8	Sri. T.G. Venkatesh	303848	0.33	0.33	303848	0.31	0.33	-0.02
9	Smt. T.G. Rajyalakshmi	322384	0.35	0.35	322384	0.33	0.35	-0.02
10	Sri. T.G. Bharath	129744	0.14	0.14	129744	0.13	0.13	-0.01
11	Smt. Jyothisna S Mysore	13361	0.01	0.01	13361	0.01	0.01	0.00
12	Smt. Boda Mourya	92800	0.10	0.10	92800	0.10	0.10	-0.01
	<b>Total</b>	<b>52383490</b>	<b>57.05</b>	<b>1.15</b>	<b>57215917</b>	<b>59.20</b>	<b>1.09</b>	<b>2.15</b>

## iii) Change in Promoters Shareholding (please specify, if there is no change)

S. No.	Name of the Shareholder	Shareholding		Date	Increase in Share-holding	Reason	Cumulative shareholding during the year 01.04.18 to 31.03.19	% of total shares of the Company
		No. of Share at the beginning of the year 01.04.18 / end of the year 31.03.19	% of total shares of the Company				No. of shares	
1	Brilliant Industries Private Limited	16327313	17.78	14.03.19	4832427	Preferential Allotment	21159740	21.89
	<b>Total</b>						<b>21159740</b>	<b>21.89</b>


**iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs) as on 31-03-2019.**

S. No.	Name of the Shareholder	Shareholding				Cumulative shareholding during the year (01.04.18 to (31.03.19)	% of total shares of the Company
		No. of Share at the beginning of the year 01.04.18 / end of the year 31.03.19	% of total shares of the Company	Increase / Decrease in Shareholding (during the year 01.04.18 to 31.03.19)	Reason	No. of shares	
1	Meherwan Adi Kotwal	0 679183	0.00 0.70		Purchase	679183	0.70
2	M Seethamma	0 597867	0.00 0.62		Purchase	597867	0.62
3	Life Insurance Corporation of India	537885 537885	0.59 0.56		No Change	537885	0.56
4	Ashok Kumar Giriraj Bansal	525000 525000	0.57 0.54		Purchase	525000	0.54
5	Sadhna Mehrotra	420000 396400	0.46 0.41	23600	Sale	396400	0.41
6	Heena Biren Gandhi	405000 300000	0.44 0.31	105000	Sale	300000	0.31
7	Bharti Chetan Cholera	345778 345778	0.38 0.36		No Change	345778	0.36
8	Lal Tolani	339834 339834	0.37 0.35		No Change	339834	0.35
9	Anju Bang	300000 0	0.33 0		Sale	300000	0.31
10	Mindset Securities Private Limited	300000 0	0.33 0		Sale	300000	0.31
11	Prem Nath Maini	0 291569	0.00 0.30		Purchase	291569	0.30
12	Saurabh Vakil	0 275050	0.00 0.28		Purchase	275050	0.28
13	Satyabrata Mohanty	0 269020	0.00 0.28		Purchase	269020	0.28
14	Shilpa Stock Broker Private Limited	275570 26900	0.30 0.03	248670	Sale	26900	0.03
15	Kashmira Investment and Leasing Private Ltd.	246500 0	0.27 0	246500	Sale	0	0
16	Rajasthan Global Securities Private Limited	23000 0	0.03 0	23000	Sale	0	0
17	Devika Anand	200000 0	0.22 0	200000	Sale	0	0
18	Ajay Kumar Bansal	139574 237059	0.15 0.25	97485	Purchase	237059	0.25

# TGV SRAAC LIMITED

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## v) Shareholding of Directors and Key Managerial Personnel:

S. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Date wise Increase / Decrease in Shareholding specifying for increase / decrease (e.g., Allotment / Transfer / Bouns / Sweat Equity etc.) during the year 01.04.18 to 31.03.19	Reason	Cumulative shareholding during the year 01.04.18 to 31.03.19	% of total shares of the Company
		No. of Shares at the beginning of the year 01.04.18 / end of the year 31.03.19	% of total shares of the Company			No. of shares	
1.	Sri T.G. Venkatesh	303848	0.33	0	No Change	303848	0.31
2	Dr. M Asha Reddy	2850	0.00	0	No Change	2850	0.00
3	Sri.K Karunakar Rao	50	0.00	0	No Change	50	0.00
4	Sri.V Radhakrishna Murthy	8	0.00	0	No Change	8	0.00
	<b>At the end of the Year</b>	<b>306756</b>	<b>0.33</b>	<b>0</b>	<b>-</b>	<b>306756</b>	<b>0.31</b>

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

(₹ in lakhs)

S.No.	Description	Secured Loans excluding deposits	Unsecured Loans	Deposit	Total Indebtedness
	Indebtedness at the beginning of the financial year				
(i)	Principal Amount	41494.67	906.11	0	42400.78
(ii)	Interest due but not paid	0	0	0	0
(iii)	Interest accrued but not due	53.22	0	0	53.22
	<b>Total (i+ii+iii)</b>	<b>41547.89</b>	<b>906.11</b>	<b>0</b>	<b>42454.00</b>
	<b>Change in Indebtedness during the financial year</b>				
*	Addition	0	0	0	0
*	Reduction	8764.49	154.59	0	8919.08
	<b>Indebtedness at the end of the financial year</b>				
(i)	Principal Amount	32744.73	751.52	0	33496.25
(ii)	Interest due but not paid	0	0	0	0
(iii)	Interest accrued but not due	38.67	0	0	38.67
	<b>Total (i+ii+iii)</b>	<b>32783.40</b>	<b>751.52</b>	<b>0</b>	<b>33534.92</b>


**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A) Remuneration to Managing Director, Whole-time Directors and /or Manager:**

Sl.No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount Rs.
		Sri K Karunakar Rao ED (Fin.&Comm.)	Sri N Jesvanth Reddy ED (Technical)	Sri Gopal Krishan ED (Technical)	
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2028768	1882020	2400000	6310788
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	188462	170825	120000	479287
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option				-
3	Sweat Equity				-
4	Commission - as % of Profit others, specify				-
5	Others, please specify				-
	<b>Total Ceiling as per the Act (*)</b>	<b>2217230</b>	<b>2052845</b>	<b>2520000</b>	<b>6790075</b>

(\*) Rs.529.31 lakhs (being 10% Profits of the Company as per Sec. 198 of the Companies Act, 2013.)

**B) Remuneration to Other Directors**

Sl. No.	Particulars of Remuneration during the period 01.04.2018 to 31.03.2019	Names of the Directors	Fee for attending Board / Committee Meetings	Commission	* Others (Please Specify)	Total Amount (in Rs.)
1	<b>Independent Directors</b>	Sri G. Krishna Murthy	73500	-	-	73500
		Sri P.N. Vedanarayanan	46000	-	-	46000
		Dr M. Asha Reddy	59000	-	-	59000
		Sri J. Nagabhushanam	40000	-	-	40000
	<b>Total (1)</b>		<b>218500</b>			<b>218500</b>
2	<b>Other Non-Executive Directors</b>	Sri Subhasish Roy (IDBI)	10000	-	-	10000
		Smt V. Surekha	30000	-	-	30000
	<b>Total (2)</b>		<b>40000</b>			<b>40000</b>
	<b>Total = (1+2)</b>		<b>258500</b>			<b>258500</b>
	Total Managerial Remuneration		-	-	-	-
	Overall Ceiling as per the Act		-	-	-	(*)

**Note:** Sitting Fees payable to Nominee Director (IDBI Bank Limited) paid to the appointing Institute i.e., (IDBI Bank Limited) instead of the Directors in pursuance to the Institutional Nominee Directors Appointment Terms & Conditions.

(\*) Rs.52.93 Lakhs (being 1% of the net profit of the company calculated under section 198 of the Companies Act, 2013)



## TGV SRAAC LIMITED

(formerly known as Sree Rayalaseema Alkalies and Allied Chemicals Limited)

### C) Remuneration to Key Managerial Personnel other than MD / MANAGER /WTD.

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount (in Rs.)
		Sri C. Rajesh Khanna Chief Financial Officer	Sri V. Radhakrishna Murthy Company Secretary	
1	Gross Salary	1103621	735158	1838779
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	38400	38400	76800
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act,1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of Profit-others, specify	-	-	-
5	Others, please specify	-	-	-
	<b>Total</b>	<b>1142021</b>	<b>773558</b>	<b>1915579</b>

### VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :

Type	Section of the Companies Act	Brief Description	Details of penalty / Punishment / Compounding fees imposed	Authority (RD / NCLT/ COURT)	Appeal made if any (give details)
<b>A.COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B.DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C.OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

**ANNEXURE "T" TO THE DIRECTORS' REPORT**

1. The Composition of the CSR Committee	1. Sri G. Krishna Murthy 2. Sri K. Karunakar Rao 3. Sri Gopal Krishan
2. Average net profit of the Company for last three financial years	Rs. 4085.30 Lakhs
3. Prescribed CSR Expenditure (two per cent of the amount as in item 2 above)	Rs. 81.71 Lakhs
4. Details of CSR spent for the financial year	Rs. 86.89 Lakhs
a. Amount unspent, if any	Rs. Nil Lakhs

Sl. No.	CSR Project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or (2) Specify the State and District where projects or programs was undertaken	Amount outlay (Budget) project or programs wise (Rs.)	Amount spent on the projects or programs Sub-heads: (1)Direct expenditure on projects or programs(2) Overheads (Rs.)	Cumulative expenditure upto the reporting period (Rs.)	Amount spent: Director or through implementing agency (Rs.)
1	Drinking Water to people of nearby areas	Provision of Drinking Water	Local area	649583	649583	649583	649583
2	Education to Nearby pupil	Provision of Education	Local area	970650	970650	970650	970650
3	Community and village development	Social Project	Local area	2232038	2232038	2232038	2232038
4	Pollution control	Environmental Stability	Local area	1964993	1964993	1964993	1964993
5	Old age pensions	Eradication of poverty	Local area	106800	106800	106800	106800
6	Sports and Development	Sports Education	Local area	148200	148200	148200	148200
7	Mass Marriages	Public Welfare	Local area	2617149	2617149	2617149	2617149
	<b>Total Rs.</b>			<b>8689413</b>	<b>8689413</b>	<b>8689413</b>	<b>8689413</b>

On behalf of the Board of Directors

Sd/-  
**CA K. KARUNAKAR RAO**  
Executive Director & CEO  
(DIN : 02031367)

Sd/-  
**N. JESVANTH REDDY**  
Executive Director (Technical)  
(DIN: 03074131)

Place : Hyderabad  
Date : 27<sup>th</sup> July, 2019



**ANNEXURE "J" TO THE DIRECTORS' REPORT**

Information pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

- (1) **Role of the remuneration of each Director/KMP to the median remuneration of all the employees of the Company for the financial year:**

Median remuneration of all the employees of the Company for the Financial year 2018-19	Rs. 27,615
The percentage increase in the median remuneration of employees in the Financial year 2018-19	3 %
The number of permanent employees on the rolls of the Company as on 31 <sup>st</sup> March, 2019	1083

<b>Name of Director</b>	<b>Ratio of remuneration to median remuneration of all employees</b>
<b>Non-Executive Directors</b>	
Smt. V. Surekha	0.10
<b>Independent Directors</b>	
Sri G. Krishna Murthy	0.22
Sri P.N. Vedanarayanan	0.14
Dr M. Asha Reddy	0.18
Sri J. Nagabhushanam	0.12
<b>Executive Directors</b>	
Sri K. Karunakar Rao	6.64
Sri N. Jesvanth Reddy	6.19
Sri Gopal Krishan	7.60
<b>Key Managerial Personnel</b>	
Sri V. Radhakrishna Murthy	2.33
Sri C. Rajesh Khanna	3.45

**Note:** 1. The ratio of remuneration to median remuneration is based on remuneration paid during the period 1<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2019.

- (2) Average percentile increase already made in the salaries of employees other than managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

Factors influencing remuneration of managerial and non-managerial executives is different.

- (3) Affirmation that the remuneration is as per the remuneration policy of the Company.

It confirmed affirmatively that the remuneration to executives is as per remuneration policy of the Company.

On behalf of the Board of Directors

Sd/-  
**CA K. KARUNAKAR RAO**  
Executive Director & CEO  
(DIN : 02031367)

Sd/-  
**N. JESVANTH REDDY**  
Executive Director (Technical)  
(DIN: 03074131)

Place : Hyderabad  
Date : 27<sup>th</sup> July, 2019





**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**M/s. TGV SRAAC LIMITED**  
(formerly known as Sree Royalaseema Alkalies and Allied Chemicals Ltd.,)  
(CIN : L24110AP1981PLC003077)  
Kurnool – 518 004, Andhra Pradesh

We have conducted the secretarial audit on the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. TGV SRAAC Limited (formerly Sree Royalaseema Alkalies and Allied Chemicals Ltd.) ("the Company"), Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on 31<sup>st</sup> March, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder and as amended upto date;
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made hereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 1992 (upto 14<sup>th</sup> May, 2015) and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 2015 (Effective from 15<sup>th</sup> May, 2015);
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and Securities and Exchange Board of India (Share Based Employee Benefit) Regulations, 2014 **(to the extent it is applicable to the Company during the Audit period).**
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(to the extent it is applicable to the Company during the Audit period);**
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with Client;



## TGV SRAAC LIMITED

(formerly known as Sree Rayalaseema Alkalies and Allied Chemicals Limited)

- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(to the extent it is applicable to the Company during the Audit period) and ;**
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(to the extent it is applicable to the Company during the Audit period).**
- (vi) We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the company has complied with the following laws applicable specifically to the Company;
- (a) The Drugs and Cosmetic Act, 2002 and rules made thereunder; (b) The Environmental Protection Act, 1986 (c) The Indian Electricity Act, 2003 (d) The Indian Explosives Act, 1884 (e) The Indian Telegraph Act, 1885 (f) Factories Act, 1948 (g) Industrial Disputes Act, 1947 (h) The Payment of Wages Act, 1936 (i) The Minimum Wages Act, 1948 (j) Employees' State Insurance Act, 1948 (k) The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (l) The Payment of Bonus Act, 1965 (m) The Payment of Gratuity Act, 1972 (n) The Contract Labour (Regulations & Abolition) Act, 1970 (o) The Child Labour (Prohibition & Regulation) Act, 1986 (p) The Industrial Employment (Standing Order) Act, 1946 (q) The Apprentices Act, 1961 (r) Equal Remuneration Act, 1976 (s) The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959.

We have also examined compliance with the applicable clauses of the following :

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India notified with effect from July 1, 2015 and
- (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [Effective from 1<sup>st</sup> December, 2015].

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. as mentioned above.

### We further report that :

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board meetings, Agenda and detailed notes on agenda were sent atleast 7 days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All Decisions at the Board Meetings and Committee Meetings are carried out unanimously by majority as recorded in the Minutes of the meeting of the Board of Directors and Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company had the following events/actions which have a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines and standards.

- 1,52,73,682 Convertible Share Warrants allotted by Board Allotment Committee on 27/01/2019 @ Rs.37.01 per warrant upon receipt of 25% upfront payment to M/s. Brilliant Industries Private Ltd., Sri T.G. Venkatesh and M/s. Brilliant Industries Private Ltd., in Three tranches to be converted into equity in the ratio of 1:1 within a period of 18 months.
- 2) The First Tranche of Share Warrants of 48,32,427 were converted into equal number of Equity Shares (Face value of Rs.10/- each) in the ratio of 1:1 with a premium of Rs.27.01 per share after fulfilment of all formalities by the Board to M/s. Brilliant Industries Private Ltd.

**3) Redemption of CRPS (Cumulative Redeemable Preference Shares):**

The Company has completed all the requirements for redemption of 18882332 Nos. Cumulative Redeemable Preference Shares (CRPS) of Rs.10/- each at par in 4 equal quarterly instalments for Resident Indian (RI) Shareholders starting from 01.04.2018, 01.07.2018, 01.10.2018 and 01.01.2019 and for Non-Resident Indian (NRI) Shareholders in One Single instalment on 01.04.2018 in pursuance to Hon'ble High Court of A.P Order dt.11.11.2004. Further the Company has paid two years dividend @ 0.01 % per year (2016-17 & 2017-18) along with Second Redemption instalment to RI Shareholders and for NRI Shareholders separately on same date i.e. 01.07.2018.

In view of the completion of redemption proceeds on due dates, the relevant demat records of Cumulative Redeemable Preference Shares (CRPS) were extinguished by NSDL and CDSL (ISIN : INE284B04014). The Company has also complied all related required formalities for suspension of CRPS on BSE platform and obtained approval from BSE Limited where CRPS are listed (BSE Letter dt.18.03.2019).

For **N. Ramaswamy & Associates**  
Company Secretaries  
Sd/-

**N. Ramaswamy**  
Practicing Company Secretary  
Sole Proprietor  
Member ship No.4408  
PCS No. 5052

Place : Hyderabad  
Date : 15<sup>th</sup> May, 2019

**Note: This is to be read with our letter of even date which is annexed and form an integral part of this report.**

**ANNEXURE**

The Members,  
**M/s. TGV SRAAC LIMITED**  
(formerly Known as Sree Royalaseema Alkalies and Allied Chemicals Ltd.,)  
Kurnool, Andhra Pradesh

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.

The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **N. Ramaswamy & Associates**  
Company Secretaries  
Sd/-

**N. Ramaswamy**  
Practicing Company Secretary  
Sole Proprietor  
Member ship No.4408  
PCS No. 5052

Place : Hyderabad  
Date : 15<sup>th</sup> May, 2019



# TGV SRAAC LIMITED

(formerly known as Sree Rayalaseema Alkalies and Allied Chemicals Limited)

## INDEPENDENT AUDITOR'S REPORT

To  
**The Members of  
TGV SRAAC LIMITED**  
(formerly known as Sree Rayalaseema Alkalies and Allied Chemicals Limited)

### Report on the Audit of Financial Statements

#### Opinion

We have audited the financial statements of TGV SRAAC Ltd (formerly known as Sree Rayalaseema Alkalies and Allied Chemicals Limited) ("the Company"), which comprise the balance sheet as at 31<sup>st</sup> March, 2019, the statement of profit and loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How the matter was addressed in our audit
<p><b>Revenue recognition</b></p> <p>The new accounting standard Ind AS 115 "Revenue from Contracts with the Customers" has been adopted by the Company from 1<sup>st</sup> April, 2018.</p> <p>Revenue from sale of goods is recognized when control of the products being sold is transferred to a customer and when there are no longer any unfulfilled obligations.</p> <p>The recognition of revenue involves significant judgement and estimates made by the management including identification of distinct performance obligations, determination of transaction price, basis for measurement of revenue over a period.</p> <p>There is risk of revenue being overstated and also short or excess provisioning of discounts and rebates.</p>	<ul style="list-style-type: none"> <li>• We reviewed the Company's implementation of Ind AS 115, including recognition of the effect on opening equity and changes to procedures, accounting guidelines, disclosures and systems to support correct revenue recognition. We reviewed and discussed the accounting policy including the key accounting estimates and judgements made by management.</li> <li>• We tested the relevant internal controls used to ensure the completeness, accuracy and timing of revenue recognised.</li> <li>• We read a sample of contracts to assess whether the method for recognition of revenue was relevant and consistent with Ind AS 115, and had been applied consistently. We focused on contract classification, allocation of income and cost to the individual performance obligations and timing of transfer of control.</li> </ul>



Key audit matters	How the matter was addressed in our audit
<p>Past experience is used to estimate the provision for discounts and rebates.</p> <p>Revenue is only recognised to the extent that it is highly probable as significant reversal will not occur.</p> <p>Refer note 37 and note 2(Q) of the financial statements.</p>	<ul style="list-style-type: none"> <li>• We evaluated the significant judgements and estimates made by management in applying accounting policy to sample of contracts and we obtained evidence to support them, including contractual agreements, delivery records. We also considered the historical out turns of estimates used in prior periods.</li> <li>• We applied Computer Assisted Audit Techniques to establish, whether any revenue has been recognised where no corresponding accounts receivable or cash has been recorded in the general ledger.</li> </ul>
<p><b>Provisions for contingent liabilities</b></p> <p>The Company faces a number of legal and regulatory proceedings. The determination of the provision and/or the level of disclosure required involves a high degree of judgement resulting in provisions and contingent liabilities being considered as a key audit matter.</p> <p>Refer note 27 of the financial statements.</p>	<ul style="list-style-type: none"> <li>• We evaluated the design of, and tested, key controls in respect of litigation and regulatory procedures, which we found to be satisfactory for the purposes of our audit.</li> </ul> <p>Our procedures included the following:</p> <ul style="list-style-type: none"> <li>• We read the summary of litigation matters provided by the Company's legal team and discussed each of the material cases noted in the report to determine the Company's assessment of the likelihood and magnitude of any liability that may arise.</li> <li>• We read, where applicable, external legal or regulatory advice sought by the Company and reviewed related correspondence.</li> </ul>

**Other Information**

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and those charged with governance for the financial statements**

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate application of appropriate accounting policies; making judgments and estimates that are reasonable



and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Director is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

## Auditor's Responsibilities for the Audit of Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters



in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, based on our audit we report that:
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) the Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this report are in agreement with the books of account;
  - d) in our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act;
  - e) on the basis of the written representations received from the directors of the Company as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act;
  - f) with respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements;
  - g) with respect to the other matters to be included in the Auditor's report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) which are required to be commented upon by us.
  - h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 27 to the Ind AS financial statements;
    - ii. the Company did not have any long-term contracts including derivative contracts; as such there were no material foreseeable losses thereon;
    - iii. there are no amounts which are required to be transferred to the Investor Education and Protection Fund; therefore, delay in transferring such sums does not arise.

**for K S RAO & Co.,**  
Chartered Accountants  
Firm's Regn. No. 003109S

Sd/-  
**P. GOVARDHANA REDDY**  
Partner  
Membership No.029193

Place : Hyderabad  
Date : 15<sup>th</sup> May, 2019



# TGV SRAAC LIMITED

(formerly known as Sree Rayalaseema Alkalies and Allied Chemicals Limited)

## ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

### Statement on the Companies (Auditor's Report) Order 2016

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

- i) in respect of the Company's fixed assets:
  - a) the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
  - b) the Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification;
  - c) according to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of all immovable properties are held in the name of the Company *except the title to the property of 12.17 acres of land situated in Bellary amounting to Rs. 15.29 Lakhs acquired by the Company from Karnataka Industrial Area Development Board (KIADB) is in the process of being transferred in the Company's name.*
- ii) in respect of Company's inventory:

the physical verification of inventory has been conducted at reasonable intervals by the management during the year and no material discrepancies were noticed on physical verification and the small discrepancies, if any, have been properly dealt with in the books of account;
- iii) according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Act;
- iv) in our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable;
- v) the Company has not accepted deposits from public during the year and does not have any unclaimed deposits as at March 31, 2019 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company;
- vi) the maintenance of cost records has been specified by the Central Government under Section 148(1) of the Act. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as prescribed by the Central Government under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained.

We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete;
- vii) according to the information and explanations given to us, in respect of statutory dues:
  - a. the Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax (GST), Customs Duty, Cess and other material statutory as applicable, with the appropriate authorities;
  - b. there were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax (GST), Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable;





- c. details of dues of Excise Duty, Customes, Entry Tax, Provident Fund, Electricity Charges, Sales Tax, Value Added Tax which have not been deposited as at March 31, 2019 on account of dispute are given below:

Name of the Statute	Nature of dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where dispute is pending
The Central Excise Act,1944	CENVAT Credit disallowed on input services	9.82	Mar, 2007 toFeb, 2008	Commissioner of Central Excise, Tirupathi
		9.23*	Mar, 2008 to Sept. 2015	
The Central Excise Act,1944	CENVAT Credit disallowed on input services	8.40	April, 2016 to June, 2017	Commissioner of Central Excise, (Appeals) Guntur
The Central Excise Act,1944	Charges levied on delayed payments of excise duty	190.48	November, 2016 to June, 2017	High Court of Andhra Pradesh, Amaravati
APVAT Act, 2005	Interest on delay payment of deferred sales tax	154.29*	2005-06 & 2006-07	High Court of Andhra Pradesh, Amaravati
Karnataka Tax on entry of goods Act, 1979	Entry tax on purchase of machinery items and interest	1.78*	2006-07 2007-08 2009-10	Dy. Commissioner of Commercial Taxes, Bellary
Andhra Pradesh entry tax act, 2001	Entry tax on purchase of electrical equipments	85.02	2014-15 2015-16 2016-17 2017-18	High Court of Andhra Pradesh, Amaravati
Indian Customs Act, 1962	Customs Duty claimed on raw materials	1,036.14*	2000-2006	Commissioner of customs, Chennai
Indian Customs Act, 1962	Finalisation of assessed bill of entries pertaining to KCL	7.05	2006-07	Dy. Commissioner of Customs, Alibag division Raigad, Maharashtra
Indian Customs Act, 1962	Anti –dumping duty on import of Barium Carbonate	32.69	2010-11	Joint commissioner of Customs, Chennai
Indian Customs Act, 1962	Differential duty on classification of goods disputed (Lauric Acid)	9.63	2014-15	Customs, Excise and Service Tax Appellate Tribunal, Chennai
		10.51	2014-15	Assistant Commissioner Customs, Chennai
Employees Provident Fund and Miscellaneous Provisions Act, 1952	PF delay charges/damages for belated payments	15.34	May, 2002 to Dec, 2007	Employees Provident Fund Appellate Tribunal, NewDelhi.
The Electricity Act, 2003	Fuel Surcharge Adjustment (FSA) charges	871.93	2008-09	Supreme Court of India
		651.87	2009-10	
The Electricity Act, 2003	Interest on amounts pending in court cases	648.11	From 2014-15 to March, 2018	High Court of Andhra Pradesh, Amaravati

# TGV SRAAC LIMITED

(formerly known as Sree Rayalaseema Alkalies and Allied Chemicals Limited)



Name of the Statute	Nature of dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where dispute is pending
The Electricity Act, 2003	Electricity Duty Demand	551.44	July, 2003- May, 2013	Supreme Court of India, Delhi
The Electricity Act,2003	Fuel Surcharge Adjustment (FSA) charges	1,591.38	May & June 2010 and October,2011 to March,2012	High Court of Andhra Pradesh,Amaravati
	Levy of interest by APCPDCL on FSA charges	598.17		
The Electricity Act,2003	Wheeling charges on wind generation	24.21	August, 2002	Supreme court of India

\* Net of amounts paid under protest.

- viii) in our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued any debentures;
- ix) in our opinion and according to the information and explanations given to us, money raised by way of term loans have been applied by the Company during the year for the purposes for which they were raised. The Company has not raised moneys by way of public offer;
- x) to the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year;
- xi) in our opinion and according to the information and explanations given to us and based on our examination of the records, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act;
- xii) the Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable;
- xiii) in our opinion and according to the information and explanations given to us, the Company is in compliance with Section 188 and 177 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc as required by the applicable accounting standards;
- xiv) in our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of fully or partly convertible debentures during the year under review. The company has made preferential allotment of Share Warrants and allotment of shares by conversion of warrants during the year under review. The requirements of section 42 of the Act, have been complied with and the amounts raised have been used for the purpose for which the funds were raised;
- xv) in our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of Section 192 of the Act, are not applicable;
- xvi) the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

for **K S RAO & Co.,**  
Chartered Accountants  
Firm's Regn. No. 003109S

Sd/-  
**P. GOVARDHANA REDDY**  
Partner  
Membership No.029193

Place : Hyderabad  
Date : 15<sup>th</sup> May, 2019

**ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT**

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

**Report on the Internal Financial Controls Over Financial Statements under Clause (i) of Subsection 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial statements of TGV SRAAC Ltd(formerly known as Sree Royalaseema Alkalies and Allied Chemicals Limited) (“theCompany”) as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditor’s Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system with reference to financial statements.

**Meaning of Internal Financial Controls Over Financial Statements**

A company’s internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that

## TGV SRAAC LIMITED

(formerly known as Sree Rayalaseema Alkalies and Allied Chemicals Limited)



transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for **K S RAO & Co.,**  
Chartered Accountants  
Firm's Regn. No. 003109S

Sd/-

**P. GOVARDHANA REDDY**

Partner

Membership No.029193

Place : Hyderabad  
Date : 15<sup>th</sup> May, 2019



# TGV SRAAC LIMITED

(formerly known as Sree Royalaseema Alkalies and Allied Chemicals Limited)

## Balance Sheet As At 31<sup>st</sup> March, 2019

(₹ in lakhs)

Particulars	Note No	As at 31st March, 2019	As at 31st March, 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment	3	63,561.18	66,874.04
Capital work-in-progress	3	7,737.45	1,346.50
Investment properties	4	7.05	7.05
<b>Financial assets</b>			
- Investments	5(a)	981.50	1,403.60
- Other financial assets	5(b)	2,395.73	3,332.68
Other non-current assets	6	681.07	2,804.69
<b>Total Non-current assets</b>		<b>75,363.98</b>	<b>75,768.56</b>
<b>Current assets</b>			
Inventories	7	8,990.48	6,503.74
<b>Financial assets</b>			
- Trade receivables	8(a)	9,900.87	10,619.77
- Cash and cash equivalents	8(b)	719.73	485.96
- Bank balances other than Cash and cash equivalents	8(c)	3,113.76	4,813.53
- Other financial assets	8(d)	9,415.91	9,513.43
Other current assets	9	2,039.06	1,346.30
<b>Total Current assets</b>		<b>34,179.81</b>	<b>33,282.73</b>
<b>TOTAL ASSETS</b>		<b>1,09,543.79</b>	<b>1,09,051.29</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	10(a)	9,669.13	9,185.89
Other equity	10(b)	38,235.60	29,049.33
<b>Total Equity</b>		<b>47,904.73</b>	<b>38,235.22</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
- Borrowings	11(a)	12,237.64	13,250.75
- Other financial liabilities	11(b)	5,853.92	3,346.43
Deferred tax liabilities (Net)	12	9,473.73	8,938.22
Deferred Government grants	13	96.58	143.16
<b>Total Non-current liabilities</b>		<b>27,661.87</b>	<b>25,678.56</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
- Borrowings	11(c)	15,144.09	23,675.38
- Trade and other payables	11(d)		
(A) total outstanding dues of micro enterprises and small enterprises; and		1,445.93	1,035.72
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		3,327.98	4,854.13
- Other financial liabilities	11(e)	8,988.84	10,630.21
Other current liabilities	14	3,707.92	4,325.44
Provisions	15	61.37	65.28
Current tax liability (Net)	16	1,301.06	551.35
<b>Total Current liabilities</b>		<b>33,977.19</b>	<b>45,137.51</b>
<b>TOTAL LIABILITIES</b>		<b>61,639.06</b>	<b>70,816.07</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,09,543.79</b>	<b>1,09,051.29</b>

General information 1

Summary of significant accounting policies 2

See accompanying notes forming part of financial statements

As per our attached report of even date

For and on behalf of the Board

for K S Rao & Co.,

Chartered Accountants

Firm's Regn. No. 0031095

Sd/-

(CA P. GOVARDHANA REDDY)

Partner

Membership No. 029193

Place : Hyderabad

Date : 15<sup>th</sup> May, 2019

Sd/-

CA K. KARUNAKAR RAO

Executive Director (Fin. & Comml.) & CEO

Sd/-

N. JESVANTH REDDY

Executive Director (Technical)

Sd/-

CS V. RADHAKRISHNA MURTHY

Company Secretary

Sd/-

CA C. RAJESH KHANNA

Chief Financial Officer

# TGV SRAAC LIMITED

(formerly known as Sree Rayalaseema Alkalies and Allied Chemicals Limited)



## Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2019

(₹ in lakhs)

Particulars	Note No	Year ended March 31, 2019	Year ended March 31, 2018
<b>I Revenue from operations</b>	17	1,20,457.46	1,07,208.46
<b>II Other income</b>	18	515.28	690.35
<b>III Total Income (I + II)</b>		<b>1,20,972.74</b>	<b>1,07,898.81</b>
<b>IV Expenses</b>			
Cost of materials consumed	19(a)	29,641.06	29,741.62
Purchase of stock-in-trade		25.29	-
Changes in inventories of finished goods, work in progress and stock-in-trade	19(b)	45.91	208.01
Excise duty on sale of goods		-	2,588.00
Employee benefit expense	20	4,917.39	4,150.36
Finance costs	21	6,299.35	5,175.94
Depreciation and amortisation expense	3	5,813.59	7,655.54
Power and fuel		46,033.12	39,328.12
Other expenses	22 (a)	16,520.41	11,702.05
<b>Total expenses (IV)</b>		<b>1,09,296.12</b>	<b>1,00,549.64</b>
<b>V Profit/ (loss) before exceptional items and tax (III-IV)</b>		<b>11,676.62</b>	<b>7,349.17</b>
<b>VI Exceptional items</b>	22 (b)	1,161.16	-
<b>VII Profit/ (loss) before tax (V-VI)</b>		<b>10,515.46</b>	<b>7,349.17</b>
Current tax	23	2,159.49	1,188.52
Deferred tax	23	529.30	1,130.08
<b>VIII Tax expense</b>		<b>2,688.79</b>	<b>2,318.60</b>
<b>IX Profit/ (loss) for the period from continuing operations (VII-VIII)</b>		<b>7,826.67</b>	<b>5,030.57</b>
<b>X Profit/ (loss) from discontinued operations</b>	30	<b>(986.56)</b>	<b>(2,069.45)</b>
<b>XI Tax expense of discontinued operations</b>		-	-
<b>XII Profit/ (loss) from discontinued operations (after tax) (X-XI)</b>		<b>(986.56)</b>	<b>(2,069.45)</b>
<b>XIII Profit/ (loss) for the period (IX+XII)</b>		<b>6,840.11</b>	<b>2,961.12</b>
<b>XIV Other comprehensive income</b>	24		
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains/ (losses) on defined benefit plans		17.77	(62.15)
Tax effect		(6.21)	21.51
Net gains/(losses) on FVTOCI equity securities		63.28	54.02
<b>XV Total comprehensive income for the period (XIII+XIV)</b>		<b>6,914.96</b>	<b>2,974.50</b>
<b>XVI Earnings per equity share (for continuing operations)</b>	25		
a) Basic		8.50	5.55
b) Diluted		8.45	5.55
<b>XVII Earnings per equity share (for discontinued operations)</b>			
a) Basic		(1.07)	(2.28)
b) Diluted		(1.07)	(2.28)
<b>XVIII Earnings per equity share (for discontinued &amp; continuing operations)</b>			
a) Basic		7.43	3.27
b) Diluted		7.38	3.27
General information	1		
Summary of significant accounting policies	2		
See accompanying notes forming part of financial statements			

As per our attached report of even date

for **K S Rao & Co.,**  
Chartered Accountants  
Firm's Regn. No. 0031095

Sd/-  
**(CA P. GOVARDHANA REDDY)**  
Partner

Membership No. 029193

Place : Hyderabad  
Date : 15<sup>th</sup> May, 2019

For and on behalf of the Board

Sd/- Sd/-  
**CA K. KARUNAKAR RAO** **N. JESVANTH REDDY**  
Executive Director (Fin. & Comml.) & CEO Executive Director (Technical)

Sd/- Sd/-  
**CS V. RADHAKRISHNA MURTHY** **CA C. RAJESH KHANNA**  
Company Secretary Chief Financial Officer



# TGV SRAAC LIMITED

(formerly known as Sree Royalaseema Alkalies and Allied Chemicals Limited)

Cash Flow Statement for the year ended March 31, 2019

(₹ in lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Cash flow from operating activities</b>		
Profit before tax from continuing operations	10,515.46	7,349.17
Profit/(loss) before tax from discontinued operations	(986.56)	(2,069.45)
<b>Profit before tax</b>	<b>9,528.90</b>	<b>5,279.72</b>
<b>Non-cash adjustments to reconcile profit before tax to net cash flows</b>		
Depreciation and amortisation expenses	5,853.15	9,680.48
Interest income	(384.12)	(560.71)
Profit on sale of asset	(41.26)	-
Allowance for expected credit loss on trade receivables	-	57.00
Unrealized foreign exchange loss	12.25	175.30
Dividend income on investments made	(4.89)	(3.72)
Interest expenses	6,194.41	5,126.41
Interest expense due to amortisation of financial liability & deferred sales tax recognised	104.94	49.54
Income due to deferred sales tax recognised & capital subsidy recognised	(46.58)	(47.88)
<b>Operating profit before working capital changes</b>	<b>21,216.79</b>	<b>19,756.13</b>
<b>Working capital adjustments:</b>		
(Decrease)/Increase in trade payables	(1,115.94)	(2,310.42)
(Decrease)/Increase in other current liabilities	(858.17)	1,738.08
(Decrease)/Increase in other non-current liabilities	2,507.49	-
(Decrease)/Increase in short term provisions	13.86	(38.65)
(Increase)/Decrease in trade receivables	720.21	(3,131.06)
(Increase)/Decrease in inventories	(2,486.74)	72.33
(Increase)/Decrease in other current assets	(640.23)	481.31
(Increase)/Decrease in other non-current assets	2,273.82	(129.62)
<b>Cash generated from operating activities</b>	<b>21,631.10</b>	<b>16,438.09</b>
Direct taxes paid (net)	(1,409.77)	(1,184.11)
<b>Net cash flow from operating activities (A)</b>	<b>20,221.33</b>	<b>15,253.98</b>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets, including CWIP	(8,934.98)	(8,060.96)
Proceeds from sale of fixed asset	45.00	-
Sales/(Purchase) of investment	485.38	(485.38)
Interest received	429.09	604.22
Dividend received	4.89	3.72
Deposits matured/(placed) during the year	2,737.14	250.21
Redemption/(Investment) of margin money deposit	(250.61)	219.77
<b>Net cash flow from/ (used in) investing activities (B)</b>	<b>(5,484.07)</b>	<b>(7,468.42)</b>
<b>Cash flows from financing activities</b>		
Proceeds from equity	2,754.56	586.02
Repayment of preference shares	(1,540.06)	(210.42)
Interest paid	(6,194.41)	(5,126.41)
(Repayment)/Proceeds of long term borrowings	(978.70)	(594.31)
(Repayment)/Proceeds from short term borrowings	(8,544.86)	(2,266.87)
<b>Net cash flow from/ (used in) financing activities (C)</b>	<b>(14,503.47)</b>	<b>(7,612.00)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>	<b>233.77</b>	<b>173.56</b>
Cash and cash equivalents at the beginning of the year	485.96	312.40
Cash and cash equivalents at the end of the year	<b>719.73</b>	<b>485.96</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	3.08	1.74
Balances with banks		
- in Current Account	263.56	435.82
Deposits with original maturity of less than three months	453.09	48.40
<b>Total cash and cash equivalents (Note 8(b))</b>	<b>719.73</b>	<b>485.96</b>

**Note:**

The Cash Flow Statement has been prepared under the 'Indirect Method' set out in Ind AS - 7 "Statement of Cash Flows" Previous Year's figures have been regrouped / rearranged to confirm to the current years presentation, wherever necessary.

As per our attached report of even date

For and on behalf of the Board

for **K S Rao & Co.,**  
Chartered Accountants  
Firm's Regn. No. 0031095

Sd/-  
**CA K. KARUNAKAR RAO**  
Executive Director (Fin. & Comm.) & CEO

Sd/-  
**N. JESVANTH REDDY**  
Executive Director (Technical)

(CA P. GOVARDHANA REDDY)  
Partner  
Membership No. 029193

Place : Hyderabad  
Date : 15<sup>th</sup> May, 2019

Sd/-  
**CS V. RADHAKRISHNA MURTHY**  
Company Secretary

Sd/-  
**CA C. RAJESH KHANNA**  
Chief Financial Officer

# TGV SRAAC LIMITED

(formerly known as Sree Rayalaseema Alkalies and Allied Chemicals Limited)



## Statement of Changes in Equity

(₹ in lakhs)

a. Equity share capital		Note	Amount						
As at 31st Mar 2017									
Changes in equity share capital during the year		10(a)							
As at 31st Mar 2018									
Changes in equity share capital during the year		10(a)							
As at 31st Mar 2019									

b. Other Equity		Reserves and Surplus				Items of Other Comprehensive income		Money	Total other equity
Particulars	Note	Securities premium reserve	Retained earnings	Capital redemption reserve	Other reserve (see note 10(b))	FVOCI - equity instruments	OCI - Actuarial gain/loss on gratuity	received against share warrants	
<b>Balance at 31st March, 2017</b>		2,885.53	3,673.94	2,000.00	16,500.00	693.01	-	195.34	25,947.89
<b>Changes in equity for the period ended 31st March, 2018</b>									
Exercise of share warrants	10(b)(i)	322.27	-	-	-	-	-	(195.34)	126.93
Transfer to general reserve	10(b)(iv)	-	(1,500.00)	-	-	-	-	-	(1,500.00)
Transfer from retained earnings	10(b)(iii)	-	-	-	1,500.00	-	-	-	1,500.00
Equity instruments through other comprehensive income	10(b)(v)	-	-	-	-	54.02	-	-	54.02
Gains/(losses) on arising from actuarial gain/loss on gratuity	10(b)(v)	-	-	-	-	-	(40.64)	-	(40.64)
Transfer to retained earnings	10(b)(v)	-	-	-	-	-	40.64	-	40.64
Transfer from OCI	10(b)(iv)	-	(40.64)	-	-	-	-	-	(40.64)
Profit for the year	10(b)(iv)	-	2,961.13	-	-	-	-	-	2,961.13
<b>Balance at 31st March, 2018</b>		3,207.80	5,094.43	2,000.00	18,000.07	747.03	-	-	29,049.33
<b>Changes in equity for the period ended 31st March, 2019</b>									
Exercise of share warrants	10(b)(i)	1,305.24	-	-	-	-	-	966.08	2,271.32
Transfer to general reserve	10(b)(iv)	-	(3,500.00)	(2,000.00)	(1,542.71)	-	-	-	(7,042.71)
Transfer from retained earnings	10(b)(iii)	-	-	-	3,500.00	-	-	-	3,500.00
Equity instruments through other comprehensive income	10(b)(v)	-	-	-	-	63.28	-	-	63.28
Gains/(losses) on arising from actuarial gain/loss on gratuity	10(b)(v)	-	-	-	-	-	11.56	-	11.56
Transfer to retained earnings	10(b)(v)	-	-	-	-	-	(11.56)	-	(11.56)
Transfer from Capital Redemption Reserve	10(b)(iii)	-	-	-	2,000.00	-	-	-	2,000.00
Transfer from Other reserves	10(b)(iii)	-	-	-	1,542.71	-	-	-	1,542.71
Transfer from OCI	10(b)(iv)	-	11.56	-	-	-	-	-	11.56
Profit for the year	10(b)(iv)	-	6,840.11	-	-	-	-	-	6,840.11
<b>Balance at 31st March, 2019</b>		4,513.04	8,446.10	-	23,500.07	810.31	-	966.08	38,235.60

As per our attached report of even date for **K S Rao & Co.**,  
Chartered Accountants  
Firm's Regn. No. 0031095

Sd/-  
**(CA P. GOVARDHANA REDDY)**

Partner  
Membership No. 029193

Place : Hyderabad  
Date : 15<sup>th</sup> May, 2019

For and on behalf of the Board

Sd/- Sd/-  
**CA K. KARUNAKAR RAO** **N. JESVANTH REDDY**  
Executive Director (Fin. & Comml.) & CEO Executive Director (Technical)

Sd/- Sd/-  
**CS V. RADHAKRISHNA MURTHY** **CA C. RAJESH KHANNA**  
Company Secretary Chief Financial Officer



**Notes to financial statements for the year ended 31st March, 2019****Note 1: General Information**

TGV SRAAC LIMITED (formerly known as Sree Royalaseema Alkalies and Allied Chemicals Limited) incorporated on 24<sup>th</sup> June, 1981 is the flagship company of the TGV Group. It is the leading producer of Chlor-Alkali products, Chloromethane and also manufactures Castor Derivatives and Fatty Acids.

The Company is a public limited company domiciled in India. The equity shares of the Company are listed on Bombay Stock Exchange (BSE).

The financial statements are approved for issue by the Company's Board of Director's on 15<sup>th</sup> May, 2019.

**Note 2: Significant Accounting Policies****A. Statement of Compliance**

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified under the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) Amendment Rules, 2016, Companies (Indian Accounting Standards) Amendment Rules, 2017, Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019.

**B. Basis of preparation and presentation of financial statements**

The financial statements have been prepared in accordance with the Indian Generally Accepted Accounting Principles on accrual basis of accounting and the historical cost convention basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

**C. Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

**D. Use of estimates and judgements**

The preparation of the financial statements requires that the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The recognition, measurement, classification or disclosure of an item or information in the financial statements is made relying on these estimates.



# TGV SRAAC LIMITED

(formerly known as Sree Rayalaseema Alkalies and Allied Chemicals Limited)

Notes to financial statements for the year ended 31st March, 2019

The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Actual results could differ from those estimates.

Any revision to accounting estimates is recognised prospectively in current and future periods. The critical accounting judgements and key estimates followed by the Company for preparation of financial statements is described in Note 2(W).

## E. Property, Plant and Equipment

Freehold Land is carried at historical cost. Other property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under Other Non-Current Assets and the cost of the assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognised in the Statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

## F. Depreciation and amortisation

The Company depreciates property, plant and equipment over their estimated useful lives as specified in Schedule II to the Companies act, 2013 using the straight-line method in respect of plant and machinery and buildings and in respect of other assets on written down value method.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The useful life as prescribed under Schedule II of the Companies Act have been followed except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc:

- Continuous process plant – 18 years
- Thermal power plant – 13 years
- Chlorine cylinders – 5 years
- Membranes – 5 years
- Soap plant – 15 years

## G. Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Though the Company measures investment property using cost-based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation of the technical experts.

**Notes to financial statements for the year ended 31st March, 2019**

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

**H. Non-current assets held for sale/ distribution to owners and discontinued operations**

The Company classifies non-current assets and disposal groups as held for sale/ distribution to owners if their carrying amounts will be recovered principally through a sale/ distribution rather than through continuing use. Actions required to complete the sale/ distribution should indicate that it is unlikely that significant changes to the sale/ distribution will be made or that the decision to sell/ distribute will be withdrawn. Management must be committed to the sale/distribution expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale/ distribution classification is regarded met only when the assets or disposal group is available for immediate sale/ distribution in its present condition, subject only to terms that are usual and customary for sales/distribution of such assets (or disposal groups), its sale/ distribution is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale/ distribution of the asset or disposal group to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset (or disposal group),
- An active programme to locate a buyer and complete the plan has been initiated,
- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale/for distribution to owners and disposal groups are measured at the lower of their carrying amount and the fair value less costs to sell/ distribute. Assets and liabilities classified as held for sale/ distribution are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale/ distribution to owners are not depreciated or amortised.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations,
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations
- Is a subsidiary acquired exclusively with a view to resale

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss.

Additional disclosures are provided in Note 32. All other notes to the financial statements mainly include amounts for continuing operations, unless otherwise mentioned.

**I. Impairment of Tangible Assets**

Property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets.



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(formerly known as Sree Royalaseema Alkalies and Allied Chemicals Limited)

Notes to financial statements for the year ended 31st March, 2019

In such cases, the recoverable amount is determined for the cash generating unit to which the asset belongs. If such assets are considered to be impaired, the impairment is recognized in the Statement of Profit and Loss and is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

## J. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### ● Financial assets

#### Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

#### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in two categories:

- Financial assets at amortised cost
- Equity instruments at fair value through other comprehensive income (FVTOCI)

#### Financial assets at amortised cost

A 'Financial asset' is measured at the amortised cost if both the following conditions are met:

- a. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPi) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade receivables. For more information on receivables, refer to Note 8.

#### Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value.

The Company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

**Notes to financial statements for the year ended 31st March, 2019**

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

**Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

The rights to receive cash flows from the asset have expired, or

The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement- and either

- (a) the Company has transferred substantially all the risks and rewards of the asset, or
- (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

**Impairment of Financial assets**

The Company recognizes loss allowances using the Expected Credit Loss (ECL) model for the financial assets which are not fair valued through profit or loss.

The Company follows "Simplified approach" for recognition of impairment loss allowance on trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in profit or loss.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L.

- **Financial liabilities**

**Initial recognition and measurement**

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

**Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

**Loans and borrowings**

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.



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## Notes to financial statements for the year ended 31st March, 2019

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

## K. Investment in associates

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

Such investments in which the Company has no significant influence are accounted under Ind AS 109 at fair value and the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value.

The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

## L. Inventories

Inventories are stated at the lower of cost and net realisable value after providing for obsolescence. Costs of inventories are determined on weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition.

## M. Cash and Cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

## N. Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

### ● Current Tax:

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'Profit Before Tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

### ● Deferred tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences.

**Notes to financial statements for the year ended 31st March, 2019**

Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

- **Current and Deferred Tax for the Year:**

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity respectively.

**O. Government Grants**

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Grants related to revenue items are presented as part of profit or loss under general heading such as other income or they are deducted in reporting the related expenses. Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the company with no future related costs are recognized in profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

**P. Provisions, Contingent liabilities and Commitments**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

Contingent liability is disclosed in the case of;

- A present obligation arising from past events, when it is not probable that an outflow of resources will not be required to settle the obligation.



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Notes to financial statements for the year ended 31st March, 2019

- A present obligation arising from past events, when no reliable estimate is possible
- A possible obligation arising from past events, unless the probability of outflow of resources is remote

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets. Provisions, contingent liabilities, contingent assets and commitments are reviewed at each reporting period.

## Contingent asset

Wherever there is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent asset is disclosed when the inflow of economic benefit is probable.

## Q. Revenue Recognition

Effective 1<sup>st</sup> April, 2018 the Company has applied Ind AS 115: Revenue from Contracts with Customers which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised.

Ind AS 115 replaces Ind AS 18 Revenue. The impact of the adoption of the standard on the financial statements of the Company is insignificant.

Revenue from sale of goods is recognised when control of the products being sold is transferred to our customer and when there are no longer any unfulfilled obligations.

The Performance Obligations in our contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms.

Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for such discounts and rebates.

Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

Our customers have the contractual right to return goods only when authorised by the Company. An estimate is made of goods that will be returned and a liability is recognised for this amount using a best estimate based on accumulated experience.

Income from services rendered is recognised based on agreements/arrangements with the customers as the service is performed and there are no unfulfilled obligations.

Interest income is recognized using the effective interest rate (EIR) method.

Dividend income on investments is recognised when the right to receive dividend is established.

## R. Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Lease payments under operating leases are recognised as an expense on a straight-line basis in net profit in the Statement of Profit and Loss over the lease term.

## S. Foreign Currencies

### (i) Functional Currency:

The functional currency of the Company is the Indian rupee. These financial statements are presented in Indian rupees (rounded off to lakhs).



**Notes to financial statements for the year ended 31st March, 2019****(ii) Transactions and translations:**

In preparing the financial statements, transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

**T. Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

**U. Employee Benefits****Short term Employee Benefits:**

All employee benefits payable wholly within twelve months of rendering the services are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of Bonus, Ex-gratia, Leave Travel Allowance, Reimbursement of Medical Expenses, Personal Accident Policy, Deposit Linked Insurance Policy are recognised in the period in which the employee renders the related services.

**Post-Employment Benefits:****(i) Defined Contribution Plan:**

The Company's contribution paid / payable during the year to Provident Fund, Superannuation Fund and other welfare funds are considered as defined contribution plans.

The Contribution paid / payable under these plans are recognised in the Statement of Profit and Loss during the period in which the employee renders the services.

**(ii) Defined Benefit Plans:**

The Gratuity Scheme managed by Life Insurance Corporation of India through a Trust is considered as defined benefit plan. The present value of the obligation is determined based on actuarial valuation using the Projected Unit Credit Method. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss and Other Comprehensive Income.

The fair value of the plan assets is reduced from the gross obligation under the defined benefit plan to recognise the obligation on net basis.



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## Notes to financial statements for the year ended 31st March, 2019

Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs.

### (iii) Long term Employee Benefits:

The obligation for long term employee benefits such as long term compensated absences, long service awards, etc. is recognised in the same manner as in the case of defined benefit plans as mentioned in (b) (ii) above except that the actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

## V. Earnings per share

Basic earnings per share are computed by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The Company did not have any potentially dilutive securities in any of the period presented.

## W. Estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

### Revenue recognition:

The Company applies judgement to determine whether each product or services promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised product or services are combined and accounted as a single performance obligation. The Company allocates the arrangement consideration to separately identifiable performance obligation deliverables based on their relative stand-alone selling price. Because the financial reporting of these contracts depends on estimates that are assessed continually during the term of these contracts, recognized revenue and profit are subject to revisions as the contract progresses to completion.

### Useful lives and residual value of property, plant and equipment:

The Company reviews the useful life and residual value of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

### Allowance for expected credit losses:

Note 2(J) describes the use of practical expedient by computing the expected credit loss allowance for trade receivables based on provision matrix. The expected credit allowance is based on the aging of the days receivables which are past due and the rates derived based on past history of defaults in the provision matrix.

### Fair value of investments:

The Company has invested in the equity instruments of various companies. However, the percentage of shareholding of the Company in such investee companies is very low and hence, it has not been provided with future projections including projected profit and loss account by those investee companies. Hence, the valuation exercise carried out by the Company with the help of available historical annual reports and other information in the public domain.

### Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

**Notes to financial statements for the year ended 31st March, 2019****Contingent liability judgement:**

Note 27 describes claims against the Company not acknowledged as debt. Contingencies may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum of contingencies inherently involve the exercise of significant judgement and the use of estimates regarding the outcome of future events.

**X. Recent accounting pronouncements**

In March 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019, notifying Ind AS 116 'Leases' and amendments to certain IND AS. The Standard / amendments are applicable to the Company with effect from 1st April 2019.

**IND AS 116: Leases**

The standard changes the recognition, measurement, presentation and disclosure of leases. It requires:

The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires the lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the Statement of Profit and Loss. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The effective date for the adoption of Ind AS 116 is annual periods beginning on or after 1<sup>st</sup> April, 2019.

The standard permits two possible methods of transition:

Full retrospective – Retrospectively to each prior period presented applying Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors

Modified retrospective – Retrospectively, with the cumulative effect of initially applying the standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

Its carrying amount as if the standard had been applied since the commencement date, but discounted at the lessee's incremental borrowing rate at the date of initial application, or An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods.

The Company will adopt Ind AS 116 "Leases" and apply it to all its identified lease contracts existing on 1<sup>st</sup> April, 2019 as a lessee using the modified retrospective method.

The Company estimates that the adoption of Ind AS 116 as on 1<sup>st</sup> April, 2019 will increase total assets by approximately Rs.2,272 lakhs and will increase liabilities by approximately Rs.1,964 lakhs. The difference between the said liability and right of use for the period of lease that are expired is recognised in retained earnings.

# TGV SRAAC LIMITED

(formerly known as Sree Rayalaseema Alkalies and Allied Chemicals Limited)



## Notes to financial statements for the year ended 31st March, 2019

NOTE 3: Property, Plant and Equipment											(₹ in lakhs)	
Particulars	Freehold land <sup>1</sup>	Freehold buildings, roads & fencing	Furniture, fittings and equipment	Thermal Power Plants	Plant and machinery continuous process	Other Plant & Machinery	Office & Telephone Equipments	Lab. Workshop & Other Equipment	Computers	Vehicles	Total	Capital in-progress
<b>Carrying amount</b>												
Closing gross carrying amount as at 31st March, 2017	732.53	11,731.04	1,05.78	34,985.01	76,072.46	4,615.63	474.53	359.31	557.78	334.40	129,968.47	-
Additions	2.20	442.73	2.47	355.11	5,825.45	-	37.88	4.02	30.29	14.32	6,714.47	1,346.50
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
<b>Closing gross carrying amount as at 31st March, 2018</b>	<b>734.73</b>	<b>12,173.77</b>	<b>108.25</b>	<b>35,340.12</b>	<b>81,897.91</b>	<b>4,615.63</b>	<b>512.41</b>	<b>363.33</b>	<b>588.07</b>	<b>348.72</b>	<b>136,682.94</b>	<b>1,346.50</b>
Additions	299.35	259.59	-	-	1,944.79	-	31.75	18.98	28.73	31.94	2,615.13	6,390.95
Disposals	-	-	-	(74.84)	-	-	-	-	-	-	(74.84)	-
<b>Closing gross carrying amount as at 31st March, 2019</b>	<b>1,034.08</b>	<b>12,433.36</b>	<b>108.25</b>	<b>35,265.28</b>	<b>83,842.70</b>	<b>4,615.63</b>	<b>544.16</b>	<b>382.31</b>	<b>616.80</b>	<b>380.66</b>	<b>139,223.23</b>	<b>7,737.45</b>
<b>Accumulated depreciation</b>												
Closing Accumulated depreciation as at 31st March, 2017	-	2,837.93	90.80	19,940.94	32,505.76	3,399.52	372.37	263.71	418.12	299.27	60,128.42	-
Depreciation charge during the year	-	383.31	3.32	4,724.73	3,533.16	887.82	38.72	23.45	79.14	6.83	9,680.48	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
<b>Closing Accumulated depreciation as at 31st March, 2018</b>	<b>-</b>	<b>3,221.25</b>	<b>94.12</b>	<b>24,665.66</b>	<b>36,038.93</b>	<b>4,287.34</b>	<b>411.09</b>	<b>287.16</b>	<b>497.25</b>	<b>306.10</b>	<b>69,808.90</b>	<b>-</b>
Depreciation charge during the year	-	391.23	2.89	1,435.38	3,937.86	22.97	46.45	20.09	55.54	11.84	5,924.25	-
Disposals	-	-	-	(71.10)	-	-	-	-	-	-	(71.10)	-
<b>Closing Accumulated depreciation as at 31st March, 2019</b>	<b>-</b>	<b>3,612.48</b>	<b>97.01</b>	<b>26,029.94</b>	<b>39,976.79</b>	<b>4,310.31</b>	<b>457.54</b>	<b>307.25</b>	<b>552.79</b>	<b>317.94</b>	<b>75,662.05</b>	<b>-</b>
<b>Net Carrying amount as at 31st March, 2018</b>	<b>734.73</b>	<b>8,952.52</b>	<b>14.13</b>	<b>10,674.46</b>	<b>45,858.98</b>	<b>328.29</b>	<b>101.32</b>	<b>76.17</b>	<b>90.82</b>	<b>42.62</b>	<b>66,874.04</b>	<b>1,346.50</b>
<b>Net Carrying amount as at 31st March, 2019</b>	<b>1,034.08</b>	<b>8,820.88</b>	<b>11.24</b>	<b>9,235.34</b>	<b>43,865.91</b>	<b>305.32</b>	<b>86.62</b>	<b>75.06</b>	<b>64.01</b>	<b>62.72</b>	<b>63,561.18</b>	<b>7,737.45</b>

<sup>1</sup>Title to property of 12.17 acres situated in Bellary amounting to Rs. 15.29 Lakhs acquired by the Company from Karnataka Industrial Area Development Board(KIADB) is in the process of being transferred in the Company's name.


**Notes to financial statements for the year ended 31st March, 2019**
**Note 4: Investment property**

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Gross carrying amount</b>		
Opening gross carrying amount	7.05	7.05
Additions	-	-
<b>Closing gross carrying amount</b>	<b>7.05</b>	<b>7.05</b>
<b>Accumulated depreciation</b>		
Opening accumulated depreciation	-	-
Depreciation charge	-	-
<b>Closing accumulated depreciation</b>	<b>-</b>	<b>-</b>
<b>Net carrying amount</b>	<b>7.05</b>	<b>7.05</b>
<b>Fair value</b>	<b>As at 31st March, 2019</b>	<b>As at 31st March, 2018</b>
Investment properties	52.15	52.15

**Estimation of fair value**

The Company obtains independent valuations for its investment properties at least annually. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the Company considers information from a variety of sources including:

Current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences

The main input used is the price per square metre as per state government's registration and stamps department rate for the property. All resulting fair value estimates for investment properties are included in level 2

**Note 5: Financial assets**
**5(a) Non-current Investments**

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Investment in Other Companies</b>		
<b>Investment in equity instruments at fair value through other comprehensive income (fully paid)</b>		
<b>Quoted</b>		
2,44,749(March 31, 2018: 2,44,749) equity shares of Sree Rayalaseema Hi-Strength Hypo Ltd	415.34	356.11
839(March 31, 2018: 839) equity shares of Indian Bank	2.33	2.52
<b>Unquoted</b>		
13,93,600 (March 31, 2018: 13,93,600) equity shares of Andhra Pradesh Gas Power Corporation Ltd (pledged with financial institutions)	561.93	557.69
NIL (March 31, 2018: 46,85,000) equity shares of NCS Sugars Ltd	-	485.38
<b>Total equity investments</b>	<b>979.60</b>	<b>1,401.70</b>



## TGV SRAAC LIMITED

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Notes to financial statements for the year ended 31st March, 2019

Investment in government securities carried at amortised cost

Unquoted

National Saving Certificates	1.90	1.90
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<b>Total non-current investments</b>	<b>981.50</b>	<b>1,403.60</b>
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Aggregate amount of quoted investments and market value thereof	417.67	358.63
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Aggregate amount of un-quoted investments	563.83	1,044.97
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Aggregate amount of impairment in the value of investments	-	-
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### 5(b) Other non-current financial assets

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Security Deposits with Power Distribution Corporation Ltd	2,345.47	2,495.66
Bank Deposits with more than 12 Months Maturity	43.09	829.85
Rent advance	7.17	7.17
<b>Total</b>	<b>2,395.73</b>	<b>3,332.68</b>

### Note 6: Other non-current assets

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Capital Advances	556.80	639.11
Amount paid under protest	6.10	1,969.41
Advances to related parties	118.17	196.17
<b>Total</b>	<b>681.07</b>	<b>2,804.69</b>

### Note 7: Inventories

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Raw Materials	1,378.47	1,135.88
Work-in-progress	543.04	499.02
Finished Goods	1,070.91	1,160.43
Stores and spares, Chemicals, fuel and packing materials	5,325.14	2,272.08
Scrap and other disposals	12.24	12.65
Goods in transit		
- Raw Materials	540.72	1,274.04
- Stores and spares	119.96	149.64
<b>Total</b>	<b>8,990.48</b>	<b>6,503.74</b>

**Notes to financial statements for the year ended 31st, March 2019****Note 8(a): Trade receivables**

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Unsecured and considered good*	9,900.87	10,619.77
Unsecured and considered doubtful	97.00	97.00
	<b>9,997.87</b>	<b>10,716.77</b>
<b>Impairment Allowance (allowance for bad and doubtful debts)**</b>	(97.00)	(97.00)
<b>Total trade receivables</b>	<b>9,900.87</b>	<b>10,619.77</b>

(\*Refer note 29(b) for related party trade receivables).

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person.

No interest is charged on Trade Receivables for delay in payment beyond credit period from the due date of the Invoice.

The Company has used a practical expedient by computing the expected credit loss allowance for Trade Receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates are given in the provision matrix. The provision matrix at the end of the reporting period is as follows :

Aging:	Expected credit loss
	As at 31st March, 2019
With in credit period	0.25%
Upto 60 days past due	0.50%
61-90 days past due	1.00%
91-180 days past due	5.00%
more than 180 days past due	10.00%

**Aging of receivables**

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
With in credit period	7,428.64	7,504.01
Upto 60 days past due	1,600.70	1,622.56
61-90 days past due	574.55	871.08
91-180 days past due	344.23	217.92
more than 180 days past due	49.75	501.20
<b>Total trade receivables (before impairment allowance)</b>	<b>9,997.87</b>	<b>10,716.77</b>

**Movement in Expected Credit Loss Allowance (ECL) :**

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Balance at the beginning of the year</b>	<b>97.00</b>	<b>40.00</b>
Movement in Expected Credit Loss Allowance on trade receivables calculated at lifetime expected credit losses	-	57.00
<b>Balance at the end of the year</b>	<b>97.00</b>	<b>97.00</b>

\*\* The allowance for expected credit losses for the year includes additional provision of Rs.42.49 lakhs for doubtful debts apart from provision made based on above matrix.

# TGV SRAAC LIMITED

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## Notes to financial statements for the year ended 31st March, 2019

### Note 8(b): Cash and cash equivalents

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Balances with banks		
in Current Account	263.56	435.82
Deposits with original maturity of less than three months	453.09	48.40
Cash on hand	3.08	1.74
<b>Total</b>	<b>719.73</b>	<b>485.96</b>

### Note 8(c): Bank balances other than Cash and cash equivalents

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Deposits with maturity of more than three months but less than 12 months	2,035.05	3,985.43
Margin money with banks	1,078.71	824.02
LC-Margin deposit with bank	-	4.08
<b>Total</b>	<b>3,113.76</b>	<b>4,813.53</b>

### Note 8(d): Other financial assets

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Tender/Security/Telephone Deposits	283.39	322.65
Sales tax, Power and export Incentives Receivable	8,824.53	8,917.38
Interest receivable on deposits	100.24	145.22
Advances to related parties	207.75	128.18
<b>Total</b>	<b>9,415.91</b>	<b>9,513.43</b>

### Note 9: Other current assets

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Advances to related parties	166.43	1.94
Advance to suppliers	1,229.51	810.68
Advance to employees	124.21	91.52
Advance to contractors & transporters	50.80	50.34
Prepaid insurance and other expenses	319.01	253.71
Advance Excise Duties/CENVAT/VAT/Service tax	101.75	127.51
Other advances	47.35	10.60
<b>Total</b>	<b>2,039.06</b>	<b>1,346.30</b>




**Notes to financial statements for the year ended 31st March, 2019**
**Break up of financial assets carried at amortised cost and at fair value through other comprehensive income**

(₹ in lakhs)

Particulars	Non-Current		Current	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
<b>Financial assets carried at amortised cost</b>				
- Trade receivables	-	-	9,900.87	10,619.77
- Cash and cash equivalents	-	-	719.73	485.96
- Bank balances other than Cash and cash equivalents	-	-	3,113.76	4,813.53
- Investments in government securities	1.90	1.90	-	-
- Other financial assets	9,415.91	9,513.43	2,395.73	3,332.68
<b>(A)</b>	<b>9,417.81</b>	<b>9,515.33</b>	<b>16,130.09</b>	<b>19,251.94</b>
<b>Financial assets carried at fair value through other comprehensive income</b>				
- Investments	979.60	1,401.70	-	-
<b>(B)</b>	<b>979.60</b>	<b>1,401.70</b>	<b>-</b>	<b>-</b>
<b>Total financial assets</b> <span style="float: right;"><b>(A+B)</b></span>	<b>10,397.41</b>	<b>10,917.03</b>	<b>16,130.09</b>	<b>19,251.94</b>

**Note 10: Equity share capital and other equity**
**10(a) Equity share capital**

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>(a) Authorised Share Capital :</b>		
11,10,00,000 Equity shares of Rs. 10/- each (as at 31st march 2018 9,50,00,000 Equity Shares of Rs.10/- each)	11,100.00	9,500.00
1,90,00,000 Cumulative Redeemable Preference Shares of Rs.10/- (as at 31st march 2018 1,90,00,000 Equity Shares of Rs.10/- each)	1,900.00	1,900.00
<b>(b) Issued:</b>		
9,68,28,631 Equity shares of Rs.10/- each issued (as at 31st march 2018 9,19,96,204 Equity Shares of Rs.10/- each)	9,682.86	9,199.62
<b>(c) Subscribed and fully paid</b>		
9,66,48,545 Equity shares of Rs.10/- each fully paid (as at 31st march 2018 9,18,16,118 Equity Shares of Rs.10/- each)	9,664.85	9,181.61
<b>(d) Subscribed &amp; not fully paid (forefeited)</b>		
1,80,086 Equity shares of Rs.10/- each (as at 31st march 2018 1,80,086 Equity shares of Rs.10/- each)	4.28	4.28
<b>Total</b>	<b>9,669.13</b>	<b>9,185.89</b>

**Reconciliation of the number of equity shares outstanding**

(Shares in Numbers)

Particulars	As at 31st March, 2019	As at 31st March, 2018
At the beginning of the year	9,18,16,118	8,72,25,313
Add: Issued during the year	48,32,427	45,90,805
Less: Bought back during the year	-	-
<b>At the end of the year</b>	<b>9,66,48,545</b>	<b>9,18,16,118</b>



# TGV SRAAC LIMITED

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## Notes to financial statements for the year ended 31st March, 2019

### Terms/ rights attached to equity shares

The company has only one class of equity shares having par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### Note 10(a): Equity share capital

#### Details of shareholders holding more than 5% shares in the company

Name of the shareholder	As at 31st March, 2019		As at 31st March, 2018	
	No. of shares	% of holding	No. of shares	% of holding
Sree Rayalaseema Hi-Strength Hypo Limited	2,05,44,496	21.26%	2,05,44,496	22.38%
TGV Projects & Investments Private Limited	1,16,94,248	12.10%	1,16,94,248	12.74%
Brilliant Industries Private Limited	2,11,59,740	21.89%	1,63,27,313	17.78%
<b>Total</b>	<b>5,33,98,484</b>	<b>55.25%</b>	<b>4,85,66,057</b>	<b>52.90%</b>

As per records of the Company including its register of share holders/members and other declarations received from share holders regarding beneficial interest, the above share holding represents legal ownership of shares as at balance sheet date.

Out of Equity shares issued, subscribed and fully paid up 2,86,10,955 number of equity shares of Rs.10/-each allotted on preferential allotment to Financial Institutions IDBI/IFCI by conversion of 15% Rupee/F.C loans and Debentures on 8th March, 2005. The company has allotted 1,45,80,000 number of equity shares of Rs.10/- each on 8th March, 2005 and 54,20,000 on 25th April, 2006 to promoters group on preferential allotment by conversion of 2,00,00,000 fully paid share warrants issued on 8th March, 2005.

The Company has allotted 39,36,042 number of equity shares of Rs.10/- each on 5th April, 2014 and 37,39,240 number of Equity shares on 27th April, 2013 and 35,52,278 number of Equity Share on 10th Dec, 2012 to promoters group by conversion of 1,12,27,560 ShareWarrants allotted on 19th Nov, 2012 on preferential basis.

The Company has allotted 45,90,805 equity shares of Rs.10/- each on 8th July, 2017, 43,61,265 number of equity share of Rs.10/- on 27th Jan, 2017 and 41,43,202 number of equity share of Rs.10/-each on 29th Jan, 2016 at a premium of Rs.7.02 to promoters group by conversion of 1,30,95,272 share warrants allotted on 13th Jan, 2016 on preferential basis

During the year the Company has allotted 48,32,427 equity shares of Rs.10/- each on 14th March, 2019 at a premium of Rs.27.01 to promoters group by conversion out of 1,52,73,682 share warrants allotted on 27th January, 2019 on preferential basis.

### 10(b): Other Equity

(₹ in lakhs)

Particulars	As at 31st	As at 31st
	March, 2019	March, 2018
(i) Share premium	4,513.04	3,207.80
(ii) Capital Redemption Reserve	-	2,000.00
(iii) Other reserve	23,500.07	18,000.07
(iv) Retained earnings	8,446.10	5,094.43
(v) Reserve for other comprehensive income items	810.31	747.03
(vi) Money received against share warrants	966.08	-
<b>Total</b>	<b>38,235.60</b>	<b>29,049.33</b>

**Notes to financial statements for the year ended 31st March, 2019****Reserves and Surplus****(i) Share premium** (₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Opening balance	3,207.80	2,885.53
Issue of equity shares by exercise of share warrants	1,305.24	322.27
<b>Closing balance</b>	<b>4,513.04</b>	<b>3,207.80</b>

**(ii) Capital Redemption Reserve** (₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Opening balance	2,000.00	2,000.00
Less: Transfer to General Reserve	(2,000.00)	-
<b>Closing balance</b>	<b>-</b>	<b>2,000.00</b>

**(iii) Other reserves****Equity portion of preference shares** (₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Opening balance	1,542.71	1,542.71
Less: Transfer to General Reserve	1,542.71	-
<b>Closing balance</b>	<b>-</b>	<b>1,542.71</b>

**General Reserve** (₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Opening balance	16,457.36	14,957.36
Add: Transfer from Surplus in Statement of Profit & Loss	3,500.00	1,500.00
Add: Transfer from Capital Redemption Reserve	2,000.00	-
Add: Transfer from Preference shares	1,542.71	-
<b>Closing balance</b>	<b>23,500.07</b>	<b>16,457.36</b>

**(iv) Retained earnings** (₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Opening balance	5,094.43	3,673.94
Net profit for the period	6,840.11	2,961.13
Less: Transfer to General Reserve	(3,500.00)	(1,500.00)
Add / (Less) Transfer from Reserve for other comprehensive income	11.56	(40.64)
<b>Closing balance</b>	<b>8,446.10</b>	<b>5,094.43</b>



# TGV SRAAC LIMITED

(formerly known as Sree Rayalaseema Alkalies and Allied Chemicals Limited)

## Notes to financial statements for the year ended 31st March, 2019

### (v) Reserve for items of Other Comprehensive income

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Change in fair value of FVTOCI - equity instruments (Net of taxes)</b>		
- Opening balance	747.03	693.01
- Net gains/(losses) on FVTOCI equity securities during the year	63.28	54.02
- Closing balance	810.31	747.03
<b>Other Comprehensive income arising from actuarial gain/loss on defined benefit obligation (Net of taxes)</b>		
- Opening balance	-	-
- Gains/(losses) on arising from actuarial gain/loss on gratuity	11.56	(40.64)
- Transfer to retained earnings	(11.56)	40.64
- Closing balance	-	-
<b>Total Closing balance</b>	<b>810.31</b>	<b>747.03</b>

### (vi) Money received against share warrants

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Opening balance	-	195.34
Share warrant application money received	2,754.56	-
Shares issued during the year	(1,788.48)	(195.34)
<b>Closing balance</b>	<b>966.08</b>	<b>-</b>

### Nature and purpose of other reserves

#### Securities Premium Reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

#### Capital Redemption Reserve

Cumulative Redeemable Preference shares issued, subscribed and fully paid up 1,88,82,332 of Rs.10/- each having a coupon rate of 0.01% from April, 2002 were allotted on sub-division and consolidation of 50% holding of equity shares and are redeemable after 15 year in 4 quarterly instalments commencing from 1.04.2018.

As per section 55, of companies act, 2013 where such shares are proposed to be redeemed out of the profits of the company, there shall, out of such profits, be transferred, a sum equal to the nominal amount of the shares to be redeemed, to a reserve, to be called the Capital Redemption Reserve Account.

During the year the preference shares have been redeemed in 4 quarterly instalments. The balance in Capital Redemption Reserve account has been closed by transferring the amount to general reserve.

#### Other Reserve

Mandatory redeemable preference shares are treated as financial liability and are measured at amortised cost using effective rate of interest which is equivalent market rate of interest. The difference between fair value arrived using amortised cost and the actual issue value of preference shares is treated as other reserve.

During the year the preference shares have been redeemed in 4 quarterly instalments. The balance in the account has been closed by transferring the amount to general reserve.

#### Fair value of Equity Instruments through Other Comprehensive Income (FVTOCI)

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within other equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

#### General Reserve

The General Reserve is used from time to time to transfer profits from Retained Earnings for appropriation purpose. As General Reserve is created by a transfer from one component of Equity to another and is not an item of other comprehensive income, items included in the General reserve will not be reclassified subsequently to profit or loss.

**Notes to financial statements for the year ended 31st March, 2019****Note 11(a): Long Term Borrowings**

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Non-current borrowings</b>		
<b>Secured</b>		
<b>Term Loans</b>		
From institutions		
IFCI Ltd*	3,111.86	6,720.30
<b>Working capital Term Loans</b>		
From banks**	4,185.46	5,780.43
<b>Letters of Credit issued by Banks to Creditors***</b>	4,439.89	-
	<b>11,737.21</b>	<b>12,500.73</b>
<b>UnSecured</b>		
Deferred Payment liabilities		
(Sales Tax deferrment/loan sanctioned as per State Incentive Schemes)	500.43	598.02
(Repayable from the year 2018-19 to 2023-24)		
Loan taken from related party payable on demand	-	152.00
	<b>500.43</b>	<b>750.02</b>
<b>Total</b>	<b>12,237.64</b>	<b>13,250.75</b>

There is no default as at 31st March, 2019, 31st March 2018, in repayment of loans and interest payments on Term Loans

**Terms of repayment**

\*IFCI Ltd. Corporate Term Loan (Rs. 10,000 lakhs Loan is repayable in 48 monthly Instalments from Oct, 2016 and Rs. 4,500 lakhs loan is repayable in 48 monthly Instalments from December, 2017 and both carries interest rate of Base rate + 1.50%p.a).

\*\*Repayment of Working Capital term loans availed from IDBI Bank Ltd. (Rs. 629 lakhs repayable in 36 monthly instalments from April, 2015 and Rs.1,571 lakhs loan repayable in 20 Quarterly instalments from October, 2015 and both carries interest rate of Base rate + 3.80%p.a),

United Bank of India (Rs. 479 lakhs repayable in 36 monthly instalments from July, 2015 and Rs. 1198 lakhs repayable in 20 quarterly instalments from January, 2016 and both carries interest rate of Base rate + 4.50%p.a),

The South Indian Bank Ltd. (Rs 215 lakhs repayable in 35 monthly instalments from August, 2015 and Rs. 539 lakhs repayable in 9 Quarterly instalments from April, 2016 and both carries interest rate of Base rate + 3.80%p.a),

The Federal Bank Ltd. (Rs. 122 lakhs repayable in 36 monthly instalments from August, 2015 and Rs. 305 lakhs repayable in 20 quarterly instalments from April, 2016 and both carries interest rate of Base rate + 3.80%p.a) and

The Indian Bank (Rs. 5000 lakhs repayable in 60 monthly instalments from February, 2019 at interest rate of MCLR 1year + Spread 3.15%p.a).

\*\*\* Repayment of letters of credit(LC's) availed from Indian Bank will be made as per the respective due dates of the LC's.

**Security****Term loans**

The above Corporate Term Loan from IFCI Ltd is secured by first pari passu charge on immovable / movable assets of the company both present and future (excluding the project assets of Chloromethanes Project which are exclusively charged to Banks) and further guaranteed by the Chairman Shri.T.G.Venkatesh.

**Working capital loans**

The above Working capital term loans from banks by IDBI Bank Ltd., The South Indian Bank, The Federal Bank Ltd. and United Bank of India are secured by first pari passu charge on current assets i.e., specific lien on incentives and first pari passu charge on entire fixed assets of the company excluding assets pertaining to Chloromethanes Project, Fatty Acid & Potassium Hydroxide Plant and personal guarantee of Chairman Shri. T.G.Venkatesh.

For Indian Bank working capital term loan pari passu first charge on existing fixed assets of the Company and specific lien on government incentives receivable and personal guarantee of Chairman Shri. T.G.Venkatesh.

**Letter of Credit**

Letters of credit for capital goods secured by exclusive charge on specific asset procured and guaranteed by the Chairman Shri T.G.Venkatesh.



# TGV SRAAC LIMITED

(formerly known as Sree Rayalaseema Alkalies and Allied Chemicals Limited)

## Notes to financial statements for the year ended 31st March, 2019

### Note 11(b): Other Non-Current Financial Liabilities

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Trade Deposits from Dealers/customers	603.50	1,388.90
Liabilities for future outcome of disputed dues considering present obligation and probable future outflows:		
Customs duty payable recognised as Exceptional item	1,097.12	-
Fuel surcharge adjustment(FSA) and Electricity duty payable	2,142.83	1,591.39
Surcharges/Interest payable on power charges,excise duty, Sales tax and other dues	2,010.47	366.14
<b>Total</b>	<b>5,853.92</b>	<b>3,346.43</b>

### Note 11(c): Current borrowings

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Secured</b>		
<b>From banks</b>		
Working capital demand loans	544.49	546.18
Cash Credits	1,356.41	1,183.27
Bill Discounting	326.79	934.63
Letters of Credit issued by Banks to Creditors (Payable to Banks on due dates of Letters of Credit)	11,531.53	19,685.30
<b>From Others</b>		
Sale/Purchase Bills Discounted with Can Bank Factors Ltd (Payable on due dates of Bills/factors)	1,384.87	1,326.00
<b>Total</b>	<b>15,144.09</b>	<b>23,675.38</b>

There is no default as at 31st March, 2019, 31st March 2018, in repayment of loans and interest payments on Working capital Loans, Letters of Credit issued and Bills discounted with Banks and others.

### Security

#### a) Short Term Loans from Banks:

The above Working Capital Demand Loans and Cash Credits are with various banks at interest rate of MCLR plus Spread. Spread varies from 2.30% to 4.95%.

The Working Capital Demand Loans, Cash Credits and Bills discounted by Banks are secured by 1st pari passu charge by way of hypothecation of inventories and receivable of the Company and further secured by 2nd pari passu charge on land, building and Plant and machinery and guaranteed by the Chairman Shri T.G.Venkatesh.

#### b) Letters of Credit from Banks:

The above Letter of credit facility availed from Banks were secured by 1st pari passu by way of hypothecation of inventories and receivable of the Company and further secured by 2nd pari passu charge on land, building and Plant and machinery and Letters of credit for capital goods secured by exclusive charge on specific asset procured and guaranteed by the Chairman Shri T.G.Venkatesh.

#### c) Bills discounted with Can Bank Factors Ltd:

The above Sale Bill discounting facility from Can Bank Factors Ltd is secured by second charge on respective fixed assets of the Company ranking pari passu with charges already created/ to be created by the Company and further guaranteed by the and Chairman Shri T.G.Venkatesh and purchase bill discounting facility sanctioned by Can Bank Factors Ltd are secured by 2nd pari passu charge on fixed assets of the company.

### Note 11(d): Trade payables

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
For Suppliers*	3,116.05	3,730.10
For Services*	1,657.86	2,159.75
<b>Total</b>	<b>4,773.91</b>	<b>5,889.85</b>

\* (Refer Notes 35 for details of Dues to Micro, Small & Medium Enterprises as required under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act"))

(Refer Note 30 for related party trade payables).


**Notes to financial statements for the year ended 31st March, 2019**
**Note 11(e): Other Current Financial Liabilities**

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Current maturities of long term debt*</b>		
<b>Secured</b>		
Term Loans from IFCI	3,625.00	3,625.00
Term Loans from Banks	1,475.23	1,693.56
Interest accrued but not due on term loans	38.67	53.22
<b>UnSecured</b>		
Deferred Payment liabilities* (Sales Tax deferralment/loan sanctioned as per State Incentive Schemes)	163.38	24.04
Preference share liability	-	1,678.48
Un-claimed Preference shares redemption warrants	138.41	-
<b>Others</b>		
Dues to Banks (Cheques issued in current accounts)	-	11.97
Employees Salaries, Bonus and P F/ ESI recoveries and contributions to Superannuation Fund	476.35	441.78
Payable for capital goods	1,297.86	331.55
Power charges and other expenses payable	1,773.94	2,770.61
<b>Total</b>	<b>8,988.84</b>	<b>10,630.21</b>

There were no current maturities of Finance Lease Obligations, Interest accrued and due on borrowings, unpaid Dividends, unpaid matured Debentures or Deposits and interest accrued thereon, Income received in advance and Application money received for allotment of securities and due for refund.

\*Represents repayments falling due in next twelve months.

**Note 12: Deferred tax liability**

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
The balance comprises temporary differences attributable to:		
<b>Deferred tax liabilities</b>		
Property, plant and equipment	10,177.91	9,802.61
<b>Less:</b>		
<b>Deferred tax assets</b>		
Unabsorbed depreciation/losses and expenses allowable U/s 43B of IT Act	(635.97)	(776.29)
Borrowing costs measured at amortised cost	(19.34)	(33.02)
Provision for Expected Credit Loss (ECL)	(33.57)	(33.57)
Employee benefits - Gratuity	(15.30)	(21.51)
<b>Net deferred tax liability</b>	<b>9,473.73</b>	<b>8,938.22</b>

**Reconciliation of net deferred tax liabilities**

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Opening balance as at the beginning of the year	8,938.22	7,829.64
Recognised in statement of profit and loss during the period	529.30	1,130.09
Recognised in other comprehensive income (OCI) during the period	6.21	(21.51)
<b>Closing balance as at end of the year</b>	<b>9,473.73</b>	<b>8,938.22</b>

# TGV SRAAC LIMITED

(formerly known as Sree Rayalaseema Alkalies and Allied Chemicals Limited)



Notes to financial statements for the year ended 31st March, 2019

## Note 13: Government grants

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Deferred sales tax loan	87.71	132.05
Capital subsidy	8.87	11.11
<b>Closing balance</b>	<b>96.58</b>	<b>143.16</b>

## Note 14: Other current liabilities

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Statutory Dues towards Excise duty, Service tax, VAT, TDS etc.	2,463.48	1,681.07
Advances from customers	1,244.44	2,644.37
<b>Total</b>	<b>3,707.92</b>	<b>4,325.44</b>

## Note 15: Provisions

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Provision for Leave obligations	15.59	16.69
Provision for Gratuity	45.78	48.89
<b>Total</b>	<b>61.37</b>	<b>65.28</b>

## Note 16: Current tax liability (Net)

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Current tax liability</b>		
Provision for income tax	2,070.14	1,125.00
<b>Current tax asset</b>		
Tax deducted at source	44.08	67.65
Advance tax	725.00	506.00
<b>Closing balance</b>	<b>1,301.06</b>	<b>551.35</b>

## Break up of financial liabilities carried at amortised cost.

(₹ in lakhs)

Particulars	Non-Current		Current	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
<b>Financial liabilities carried at amortised cost</b>				
- Borrowings	12,237.64	13,250.75	15,144.09	23,675.38
- Trade and other payables	-	-	4,773.91	5,889.85
- Other financial liabilities	5,853.92	3,346.43	8,988.84	10,630.21
<b>Total financial liabilities</b>	<b>18,091.56</b>	<b>16,597.18</b>	<b>28,906.84</b>	<b>40,195.44</b>



**Notes to financial statements for the year ended 31st March, 2019****Note 17: Revenue from operations**

(₹ in lakhs)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Sale of products	119,845.58	104,126.73
Excise duty	-	2,588.00
Other operating revenue		
Process charges	214.77	243.80
Export Incentives	277.13	202.05
Freight/handling charges receipts	73.40	-
Amortisation of sales tax loan	46.58	47.88
<b>Total</b>	<b>120,457.46</b>	<b>107,208.46</b>

**Note 18: Other income**

(₹ in lakhs)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Interest on Bank and other deposits and customers	384.12	560.71
Dividend Income	4.89	3.72
Rent Receipts	10.17	13.11
Creditors written back and bad debts collections	83.02	64.52
Other Receipts	33.08	48.29
<b>Total</b>	<b>515.28</b>	<b>690.35</b>

**Note 19(a): Cost of materials consumed**

(₹ in lakhs)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Consumption of raw materials	26,122.31	26,527.59
Consumption of chemicals	2,575.39	2,229.11
Consumption of packing materials	943.36	984.92
<b>Total</b>	<b>29,641.06</b>	<b>29,741.62</b>

**Note 19(b): Changes in inventories of finished goods, work-in-progress and stock-in-trade**

(₹ in lakhs)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
<b>Opening Stock</b>		
Finished Goods	1,160.43	1,317.92
Stock-in-process	499.02	550.20
Scrap & Disposables	12.65	11.99
<b>Total Opening Stock</b>	<b>1,672.10</b>	<b>1,880.11</b>
<b>Closing Stock</b>		
Finished goods	1,070.91	1,160.43
Stock-in-process	543.04	499.02
Scrap & Disposables	12.24	12.65
<b>Total Closing Stock</b>	<b>1,626.19</b>	<b>1,672.10</b>
<b>Total changes in inventories of work-in-progress, stock-in-trade and finished goods</b>	<b>45.91</b>	<b>208.01</b>



# TGV SRAAC LIMITED

(formerly known as Sree Rayalaseema Alkalies and Allied Chemicals Limited)

Notes to financial statements for the year ended 31st March, 2019

## Note 20: Employee Benefit Expense

(₹ in lakhs)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Salaries, Wages, Bonus and Allowances	4,177.45	3,565.15
Contribution to ESI & Provident Fund	134.13	148.08
Contribution to Gratuity & Superannuation Schemes	84.19	46.17
Staff Welfare expenses	521.62	390.96
<b>Total</b>	<b>4,917.39</b>	<b>4,150.36</b>

## Note 21: Finance cost

(₹ in lakhs)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Interest expenses		
On Term loans	1,931.28	2,135.78
On Working capital Loans/Cash credits	239.04	280.90
On Purchase/ Sale bills discounting	1,208.95	1,334.85
Interest on Trade Deposits	97.39	91.48
Interest/Surcharge payable to DISCOMS	1,246.28	-
On Others	1,425.95	1,162.77
Amortised cost of interest on preference shares	-	0.54
Other borrowing cost		
Working capital renewal and loan processing charges	150.46	169.62
<b>Total</b>	<b>6,299.35</b>	<b>5,175.94</b>

## Note 22 (a) : Other Expenses

(₹ in lakhs)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Consumption of stores and spares	2,456.47	1,210.38
Rent including lease rents	574.01	443.88
Insurance	107.84	96.61
Repairs & Maintenance		
a) Buildings	323.96	163.59
b) Plant & Machinery	2,772.76	1,967.25
c) Others	399.85	227.71
Rates & Taxes	100.30	11.52
Excise duty on captive consumption/Stocks	-	(129.58)
Processing charges	21.31	27.82
Travelling and conveyance	422.76	383.76
Printing and stationery	43.70	33.97
Postage and Telephones	44.41	37.85
Directors sitting fee	2.59	2.49
Directors Travelling	20.89	42.94
Audit -Fee	16.00	12.00
Cost Audit Fee	1.50	1.50
Freight Inward & Material handling charges	936.13	852.18
Freight outward & Ocean freight	3,211.93	2,464.35
Other Selling expenses	1,968.10	1,800.88
Advertisement	21.84	12.50
Fee and Expenses	92.65	71.34
Bank charges	781.96	628.95
Service charges	780.56	481.00
Legal Expenses	74.56	33.86
Research and Development /Lab Expenses	18.29	23.00
Water charges	51.50	48.27
Provision for Bad Debts/Expected credit loss	-	57.00
Bad debts Written off	477.94	51.06
Net Loss on Exchange fluctuations	158.29	111.69
Other Expenses	500.04	447.40
Corporate Social Responsibility expenses	86.89	68.83
Donations	27.23	8.65
Amounts charge off	24.15	7.40
<b>Total</b>	<b>16,520.41</b>	<b>11,702.05</b>


**Notes to financial statements for the year ended 31st March, 2019**
**Note 22 (b) : Exceptional Items**

(₹ in lakhs)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Future outcome of disputed Customs duty, considering present obligation and probable future outflows recognised as exceptional item	1,161.16	-
<b>Total</b>	<b>1,161.16</b>	<b>-</b>

**Note 23: Tax Expenses**

(₹ in lakhs)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
<b>a) Income tax expense</b>		
Current tax on profits for the year	2,070.00	1,125.00
Adjustments for current tax of prior periods	89.49	63.52
<b>Total current tax expenses</b>	<b>2,159.49</b>	<b>1,188.52</b>
<b>Deferred tax</b>		
Decrease/(Increase) in deferred tax assets	154.00	506.24
(Decrease)/Increase in deferred tax liabilities	375.30	623.84
<b>Total Deferred tax expense/(benefit)</b>	<b>529.30</b>	<b>1,130.08</b>
<b>Income tax expenses</b>	<b>2,688.79</b>	<b>2,318.60</b>

**The income tax expense for the year can be reconciled to the accounting profit as follows :**

(₹ in lakhs)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Profit/(loss) before tax from continuing operations	10,515.46	7,349.17
Profit/(loss) before tax from a discontinued operation	(986.56)	(2,069.45)
<b>Total profit/(loss) before taxes</b>	<b>9,528.90</b>	<b>5,279.72</b>
<b>Increase/decrease in net profit before taxes on account of:</b>		
Exempt income	(4.89)	(3.72)
Depreciation as per books	5,924.25	9,680.48
Depreciation as per income tax act, 1961	(6,763.11)	(8,639.07)
Expenses not allowed under income tax act, 1961	113.53	137.29
Expenses that are allowed on payment basis as per Sec.43B	1,819.97	-
Ind AS adjustments	58.56	56.89
Investment allowance as per income tax act, 1961	-	(927.08)
<b>Profit/(Loss) under income from business</b>	<b>10,677.20</b>	<b>5,584.51</b>
<b>Brought forward allowance loss</b>	<b>(1,689.73)</b>	<b>(7,719.11)</b>
Applicable tax rate under normal Provisions	34.94%	34.61%
Tax under normal Provisions of Income tax act, 1961	3,140.58	-
<b>MAT Credit availed</b>	<b>(1,070.58)</b>	<b>-</b>
<b>Tax payable normal Provisions of Income tax act, 1961</b>	<b>2,070.00</b>	<b>-</b>

During the previous year, there was no Tax Liability under normal provisions of the Income Tax Act, 1961 as computed above, but Tax Liability under MAT provisions of Income Tax Act, 1961 was applicable. During the current year the Company had carried forward MAT credit which has been availed to the extent of difference between tax under normal provision of income tax and tax under MAT provisions.

# TGV SRAAC LIMITED

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## Notes to financial statements for the year ended 31st March, 2019

(₹ in lakhs)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Profit before tax from continuing operations	10,515.46	7,349.17
Profit before tax from a discontinued operation	(986.56)	(2,069.45)
<b>Total profit before taxes</b>	<b>9,528.90</b>	<b>5,279.72</b>
Applicable tax rate under MAT Provisions	21.55%	21.34%
Tax payable under MAT Provisions as per applicable tax rate	2053.48	1125.79
<b>Increase/(decrease) in tax on account of</b>		
Exempt income	(1.05)	(0.79)
Ind AS adjustments	9.80	-
Provision for Interest on MAT	7.77	-
<b>Tax table under MAT Provisions</b>	<b>2,070.00</b>	<b>1,125.00</b>
Earlier Year tax liability	89.49	63.52
<b>Income tax expenses recognised in statement of profit and loss at effective tax rate of 22.67% (March, 2018:22.51%)</b>	<b>2,159.49</b>	<b>1,188.52</b>

### Note 24: Other Comprehensive Income (OCI)

(₹ in lakhs)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Re-measurement gains/(losses) on defined benefit plan	17.77	(62.15)
Tax effect on gains/(losses) on defined benefit plan	(6.21)	21.51
Net gains/(losses) on FVTOCI equity securities	63.28	54.02
<b>Total</b>	<b>74.84</b>	<b>13.38</b>

### Note 25: Earning per share (EPS)

(₹ in lakhs)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
<b>EPS from continuing operations</b>		
Net Profit After Tax available for Equity Shareholders	7,826.67	5,030.57
Weighted Average Number of Equity Shares of Rs.10/- each	9,20,54,429	9,05,83,518
Basic Earning per Share	8.50	5.55
Diluted Earning per Share	8.45	5.55
<b>EPS from discontinuing operations</b>		
Net Profit After Tax available for Equity Shareholders	(986.56)	(2,069.45)
Weighted Average Number of Equity Shares of Rs.10/- each	9,20,54,429	9,05,83,518
Basic Earning per Share	(1.07)	(2.28)
Diluted Earning per Share	(1.07)	(2.28)
<b>EPS from continuing &amp; discontinuing operations</b>		
Net Profit After Tax available for Equity Shareholders	6,840.11	2,961.12
Weighted Average Number of Equity Shares of Rs.10/- each	9,20,54,429	9,05,83,518
Basic Earning per Share	7.43	3.27
Diluted Earning per Share	7.38	3.27


**Notes to financial statements for the year ended 31st March, 2019**
**Note 26 : Employee Benefits:**
**A) Defined Contribution Plans**

The Company makes Provident Fund and Superannuation Fund contributions which are defined contribution plans, for eligible employees. Under the Scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognized Rs.107.10 Lakhs (Previous year Rs.99.12 Lakhs) for Provident Fund contributions and Rs.39.19 Lakhs (Previous year Rs.34.51 Lakhs) for Superannuation Fund contributions in the Statement of Profit and Loss. The contribution payable to these plans by the Company is at rates specified in the rules of the schemes.

**B) Defined Benefit Plan**

The Company's obligation towards the Gratuity Fund is a defined benefit plan and is funded with Life Insurance Corporation of India. The following table sets out the funded status of the defined benefits scheme and the amount recognized in financial statement as per Actuarial Valuation:

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>1. Changes in present value of Obligations</b>		
Present value at the beginning of the year	548.78	455.80
Interest cost	42.53	35.32
Current Service Cost	40.65	39.64
Benefits paid	(27.49)	(38.97)
Actuarial (gain)/loss on obligations	(16.64)	56.97
Present value at the end of the year	587.83	548.78
<b>2. Changes in fair value of plan assets</b>		
Fair value of plan assets at the beginning of the year	500.19	466.22
Expected return on plan assets	39.89	30.95
Contributions	29.46	41.98
Benefits paid	(27.49)	(38.97)
Fair value of plan assets at the end of the year	542.04	500.19
<b>3. Amount recognized in the balance sheet</b>		
Present value of obligations as at the end of year	587.83	548.78
Fair value of plan assets as at the end of year	542.04	500.19
Net asset/(liability) recognized in balance sheet	(45.78)	(48.59)
<b>4. Expenses recognized in Statement of Profit and Loss</b>		
Current service cost	40.65	39.64
Interest cost	42.53	35.32
Expected return on plan assets	(38.76)	(36.13)
Expenses recognized in statement of profit and loss.	44.42	38.83
<b>5. Amount recognized in Other Comprehensive Income</b>		
Actuarial (gain)/ loss on obligations	(16.63)	56.97
Actuarial (gain)/loss – plan assets	(1.12)	5.18
Actuarial (gain)/loss recognized in the year	(17.77)	62.15
<b>6. Assumptions</b>		
Discount rate	7.75%	7.75%
Salary escalation	7.00%	7.00%
Expected rate of return	7.75%	7.75%

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## Notes to financial statements for the year ended 31st March, 2019

### Sensitivity Analysis:

Significant actuarial assumptions for determination of the defined benefit obligation are discount rate and expected salary increase rate. Effect of change in mortality rate is negligible. Please note that the sensitivity analysis presented below may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated. The results of sensitivity analysis are given below:

Period	As at 31st March, 2019	As at 31st March, 2018
<b>Defined benefit obligation (base)</b>	<b>5,87,82,875 @ Salary increase rate: 7% and Discount rate: 7.75%</b>	<b>5,48,77,891 @ Salary increase rate: 7% and Discount rate: 7.75%</b>
Liability with x% increase in discount rate	549.74; x=1%	505.98; x=1%
Liability with x% decrease in discount rate	630.54; x=1%	597.50; x=1%
Liability with x% increase in salary growth rate	630.43; x=1%	597.39; x=1%
Liability with x% decrease in salary growth rate	549.15; x=1%	505.32; x=1%
Liability with x% increase in withdrawal rate	589.09; x=1%	550.55; x=1%
Liability with x% decrease in withdrawal rate	586.40; x=1%	546.80; x=1%

### Note 27: Contingent Liabilities and Commitments: (to the extent not provided for)

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
a) Cheques / Bills Discounted with Banks	407.11	344.61
b) Unexpired Letter of Credits/Bank guarantees (net of margin money paid)	2,487.72	499.01
c) <b>Capital Commitments:</b> Estimated amount of Contracts remaining to be executed on Capital Account (Net of advances)	10,740.79	7,354.96
d) Claims against the company not acknowledged as debts and not provided being disputed and pending in appeals/ Assessments in respect of:		
i) Central excise matters regarding Cenvat credit availed on input consumables and on service tax payments on input services like freight, telephone, and courier etc., pending before CESTAT (Paid under protest Rs. 4.43 lakhs; previous year Rs. 11.90 lakhs;)	27.45	136.76


**Notes to financial statements for the year ended 31st March, 2019**

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
ii) The Fuel Surcharge Adjustment (FSA) charges for the year 2008-09 and 2009-10 payable to APCPDCL was contested by the Industrial units including the company before Hon'ble High Court of AP and obtained favourable order for 2008-09 and the matter was referred to Supreme Court and the same is pending	1,523.80	1,523.80
iii) Claim of entry tax demand by Government of Andhra Pradesh Commercial Department on Machinery items – Electrical equipment and excel oven sacks etc., is not acknowledged as debt and filed writ petition before High Court of AP to grant stay order to stop all further proceedings.	85.02	-
iv) 1) Differential Customs duty on classification of goods disputed (Lauric Acid) pending before CESTAT, Customs, (paid under protest Rs.1.07 lakhs)	0.00	9.63
2) Imposition of Anti-Dumping Duty on inputs during December 2010 pending before JC, Customs	0.00	32.69
3) Customs duty levied on import of material during the year 2006-07 pending in appeal before CESTAT – won the case for Rs. 9.01 Lakhs and pending for Rs. 7.05 lakhs.	0.00	16.06
4) Differential Customs duty on classification of Lauric Acid pending before Asst. Commissioner of Customs, Chennai	0.00	10.51
5) Differential duty on procurement of raw material as per orders issued by the Customs Authorities is contested before CESTAT, Chennai and for which no provision is considered as there will be no liability on the company as per legal opinion obtained (paid under Protest Rs. 125.00 lakhs)	0.00	1,036.16
v) Sales tax matters regarding Input tax credit availed on fuels used for steam generation disallowed by the Department and levied penalty and interest; Case is pending before Hon'ble High Court of AP (Previous Year: Paid under Protest)	0.00 (0.00)	53.91 (53.91)
vi) Claim of entry tax & interest on Entry Tax payable on Machinery items is pending before Assessing Officer DC(CT), Bellary (50% Paid) (paid under protest Rs. 2.10 lakhs)	0.00	1.78
vii) Sales tax matters regarding liability of interest on delay in payment of deferred sales tax liability for the years 2005-06 and 2006-07. Stay petition filed and stay granted by Hon'ble High Court of AP. (Paid under protest Rs. 196.85 lakhs)	0.00	154.29
viii) Levy of delay charges on late payment of Provident Fund pending before EPF Appellate Tribunal, New Delhi.	0.00	15.34
ix) 1) Wheeling Charges levied by APCPDCL pending in Supreme Court	0.00	24.21
2) Wheeling charges levied on APGAS power supplies covered by Bank guarantee Rs.69.30 lakhs pending in Supreme Court	Nil	Nil
x) Fuel Surcharge Adjustment charges and interest levied by APCPDCL for the period May & June 2010 and from October, 2011 to March, 2012 during the year 2014-15 contested and obtained Stay Order from Honorable Supreme Court of India to the extent of net amount after creation of liability in the Books of Account for Rs. 1299.18 lakhs. The present balance represents only interest claimed by the APCPDCL.	0.00	598.17

# TGV SRAAC LIMITED

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## Notes to financial statements for the year ended 31st March, 2019

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
xi) Writ petition filed before Hon'ble High Court against the demand for additional consumption deposit and interest by APSPDCL. Stay for the demand is granted till the disposal of writ petition.	0.00	1,284.75
xii) Interest levied by APCPDCL in regular monthly bills towards on disputed court cases not provided, being the cases are pending in courts.	0.00	648.11
e) Demand raised by Power Distribution Companies (DISCOMS) for the differential tax on account of change in Income Tax rates / tax holiday as per terms of PPA was contested by the Company before the Electricity Regulatory Commission and the liability has been reduced to Rs. 500 lakhs. The DISCOMS have recovered the same from monthly bills. The company contested before the Supreme Court for refund of the recovered amount and it is pending. (Recovered amount is shown under loans and advances)	0.00 0.00	500.00 (500.00)
f) Electricity Duty Demand by The Director of Electrical Safety and Electrical Inspector to Government of AP on Captive consumption at 25 paise per unit is pending with Supreme Court; (Previous year: Paid under protest Rs. 827.16 lakhs)	0.00	551.44

*Note: Amounts shown in the above table are net off amounts paid under protest.*

### Note 28: Lease Commitments:

**Operating lease:** The Company has taken DG set, JCB loaders, Ambulance and Tractor on lease not later than 5 years under operating lease arrangements. There is no sublease. Lease rents paid for the year and the total future minimum lease payments under non-cancelable operating leases are as under:

- The company has paid Lease Rents during current year of Rs. 53.55 lakhs (previous year Rs. 48.10 lakhs)
- The total future commitments on Lease Rents for the said equipment are detailed hereunder:

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
(i) Not later than one year	55.20	52.20
(ii) Later than one year and not later than five years	175.30	132.22
(iii) Later than five years	Nil	Nil




**Notes to financial statements for the year ended 31st March, 2019**
**Note 29: Segment Reporting:**

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Segment Revenue</b>		
a) Chemicals	1,12,258	92,521
b) Oils & Fats	10,250	16,677
<b>TOTAL</b>	<b>1,22,508</b>	<b>1,09,198</b>
Less: Inter segment revenue	(2,050)	(1,990)
<b>Net Sales/Income from Operations</b>	<b>1,20,458</b>	<b>1,07,208</b>
<b>Segment Results Profit/(Loss) Before tax and interest:</b>		
a) Chemicals	18,135	13,094
b) Oils & Fats	(1,704)	(1,130)
<b>TOTAL</b>	<b>16,431</b>	<b>11,964</b>
Less: I) a) Interest Expenses	6,299	5,176
b) Interest Income	(384)	(561)
II) Loss from discontinuing operations of power Plant	(987)	(2,069)
<b>Total Profit before Tax</b>	<b>9,529</b>	<b>5,280</b>
<b>Segment Assets</b>		
a) Chemicals	96,818	91,763
b) Oils & Fats	7,703	11,154
c) Others	4,064	4,179
d) Discontinuing operations of Power Plant	959	1,955
<b>TOTAL</b>	<b>1,09,544</b>	<b>1,09,051</b>
<b>Segment Liabilities</b>		
a) Chemicals	54,749	61,649
b) Oils & Fats	4,290	6,776
c) Others	2,600	2,391
<b>TOTAL</b>	<b>61,639</b>	<b>70,816</b>
<b>Depreciation and amortisation expense</b>		
a) Chemicals	4,767	7,162
b) Oils & Fats	1,046	494
<b>TOTAL</b>	<b>5,813</b>	<b>7,656</b>
<b>Additional information by geographics</b>		
<b>Revenue by Geographical Market</b>	<b>Year ended 31st March, 2019</b>	<b>Year ended 31st March, 2018</b>
India	1,09,376.53	98,891.27
Outside India	11,081.47	8,316.73
<b>Total</b>	<b>1,20,458.00</b>	<b>1,07,208.00</b>

**Revenue from major customers**

The Group is not reliant on revenues from transactions with any single external customer and does not receive 10% or more of its revenues from transactions with any single external customer.



## TGV SRAAC LIMITED

(formerly known as Sree Rayalaseema Alkalies and Allied Chemicals Limited)

Notes to financial statements for the year ended 31st March, 2019

### Note 30: Related Party Disclosures:

a) Names of related parties and description of relationship:

Description of relationship	Name of related party
Enterprises where significant influence of key managerial personnel or their relatives exists & with whom transactions have taken place	Sree Rayalaseema Hi-Strength Hypo Limited TGV Projects and Investments Private Limited Brilliant Bio Pharma Private Limited Sree Maruthi Marine Industries Limited Sree Maruthi Agro Tech Private Limited Gowri Gopal Hospitals Private Limited Sree Rayalaseema Galaxy Projects Private Limited Nectar Laboratories Private Limited S.K.Salts Private Limited M.V. Salts & Chemicals Private Limited Brilliant Industries Private Limited Sree Rayalaseema Dutch Kassenbouw Private Limited Roopa Industries Limited TGV Securities Private Limited JSM International Limited The Mourya Inn
Key Management Personnel	Shri. T.G. Venkatesh – Chairman Shri. K.Karunakar Rao – C.E.O. & E.D. (F&C) Shri. N.Jesvanth Reddy – E.D. (Tech.,) Shri. Gopal Krishan – E.D. (Tech.,) Shri. C.Rajesh Khanna – C.F.O. Shri. V.Radha Krishna Murthy – Company Secretary
Directors	Shri. T. G. Venkatesh, Non-whole time Director Shri. K.Karunakar Rao, Executive Director Shri. N.Jesvanth Reddy, Executive Director Shri. Gopal Krishan, Executive Director Shri. G Krishna Murthy, Independent Director Shri. P N Vedanarayanan, Independent Director Shri. J Nagabhushanam, Independent Director Smt. M Asha Reddy, Independent Woman Director Shri. Rangaraj K Rao, Nominee Director Smt. V Surekha, Woman Director
Relatives of key managerial personnel and directors	Smt. T.G. Rajya Lakshmi Smt. O. Sarada Reddy Shri. Rahul Agarwal


**Notes to financial statements for the year ended 31st March, 2019**

b) Summary of transactions with the above related parties is as follows:

(₹ in lakhs)

Name of the party	Nature of Transaction	For the year ended 31.03.19	For the year ended 31.03.18	Balance Outstanding as on 31.03.19	Balance Outstanding as on 31.03.18
<b>Enterprises where significant influence of key managerial personnel or their relatives exists:</b>					
Sree Royalaseema Hi- Strength Hypo Limited	Sales	12,649.20	10,964.85	509.51 (Cr)	532.56 (Cr)
Gowri Gopal Hospitals Private Limited	Sales	0.29	0.30	-	-
TGV Projects and Investments Private Limited	Sales	-	0.39	-	-
Roopa Industries Limited	Sales	69.90	28.12	6.73 (Dr)	-
Sree Royalaseema Galaxy Projects Private Limited	Sales	14.60	9.37	-	51.48 (Cr)
Sree Royalaseema Hi- Strength Hypo Limited	Purchases	6,135.80	5,215.02	-	-
Gowri Gopal Hospitals Private Limited	Purchases	2.74	4.26	-	-
Sree Royalaseema Galaxy Projects Private Limited	Purchases	77.92	29.09	-	-
Sree Maruthi Marine Industries Limited	Purchases	284.12	213.92	66.74 (Cr)	-
Sree Maruthi Agro Tech Private Limited	Purchases	52.17	35.36	89.11 (Dr)	9.93 (Cr)
M.V. Salts & Chemicals Private Limited	Purchases	41.83	-	36.47 (Dr)	-
Sree Maruthi Agro Tech Private Limited	Land purchase	123.66	-	-	111.00 (Dr)
Sree Maruthi Marine Industries Limited	Land purchase	166.69	-	118.17 (Dr)	85.17 (Dr)
TGV Projects and Investments Private Limited	Lease Rentals Paid	284.65	146.72	-	26.36 (Cr)
Brilliant Industries Private Limited	Lease Rentals paid	2.36	1.75	-	-
Sree Royalaseema Hi- Strength Hypo Limited	Rents Received	5.69	4.69	-	-
TGV Projects and Investments Private Limited	Rent deposit refund	27.43	52.06	100.75 (Dr)	128.18 (Dr)
The Mourya Inn	Hospitality Services availed	154.35	144.67	-	-
Gowri Gopal Hospitals Private Limited	Health care Services availed	44.24	20.24	30.26 (Cr)	17.39 (Cr)
Sree Royalaseema Hi- Strength Hypo Limited	Services availed	96.46	164.93	-	-
Nector Laboratories Private Limited	Services availed	13.86	30.58	-	-
Brilliant Bio Pharma Private Limited	Services availed	-	-	39.38 (Dr)	-
Roopa Industries Limited	Services availed	-	86.41	-	-
Brilliant Industries Private Limited	Share Warrants Application Money Received	2,283.91	586.02	495.43 (Cr)	-
Brilliant Industries Private Limited	Equity Shares allotted	1,788.48	781.36	-	-
Sree Royalaseema Hi- Strength Hypo Limited	Investment in Equity & Dividend received	4.89	3.67	24.48 (Dr)	24.48 (Dr)
Shri K. Karunakar Rao ED (F&C)	Remuneration	24.00	24.00	-	-
Shri. N. Jesvanth Reddy, ED (Tech)	Remuneration	24.00	24.00	-	-
Shri. Gopal Krishan, ED (Tech)	Remuneration	24.93	24.84	-	-
Shri. V. Radha Krishna Murthy, Company Secretary	Remuneration	9.75	9.46	-	-
Shri. C. Rajesh Khanna, CFO	Remuneration	14.30	12.95	1.47 (Dr)	1.94 (Dr)

# TGV SRAAC LIMITED

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## Notes to financial statements for the year ended 31st March, 2019

b) Summary of transactions with the above related parties is as follows:

(₹ in lakhs)

Name of the party	Nature of Transaction	For the year ended 31.03.19	For the year ended 31.03.18	Balance Outstanding as on 31.03.19	Balance Outstanding as on 31.03.18
Shri T.G. Venkatesh	Rent advance paid	107.00	-	107.00 (Dr)	-
Shri T.G. Venkatesh	Share Application Money Received	470.65	-	470.65 (Cr.)	-
<b>Relatives to Key Management Personnel</b>					
Smt. O Sarada Reddy	Interest & Consultancy	23.22	24.83	-	-
	Principle repayment	152.00	-	-	152.00 (Cr)
Smt. T.G. Rajya Lakshmi	Rent Paid	1.69	1.54	-	-
Shri. Rahul Agarwal	Services	6.26	5.33	1.43(Cr)	0.40(Cr.)

Note: Cr indicates Credit balance either payable or amount received & Dr. indicates Debit balance either receivable or amounts paid

### Note 31: Fair value measurements

a) **Financial instruments by category**

The carrying value of financial instruments by categories as of March 31, 2019 is as follows :

(₹ in lakhs)

Particulars	FVTPL	FVTOCI	Amortised cost	Total
<b>Financial assets</b>				
<b>Investments</b>				
Equity instruments	-	979.60	-	979.60
Government securities	-	-	1.90	1.90
Trade receivables	-	-	9,900.87	9,900.87
Cash and cash equivalents	-	-	719.73	719.73
Bank balances other than Cash and cash equivalents	-	-	3,113.76	3,113.76
Other financial assets	-	-	11,811.64	11,811.64
<b>Total Financial assets</b>	-	<b>979.60</b>	<b>25,547.90</b>	<b>26,527.51</b>
<b>Financial liabilities</b>				
Borrowings	-	-	27,381.73	27,381.73
Trade and other payables	-	-	4,773.91	4,773.91
Other financial liabilities	-	-	14,842.76	14,842.76
<b>Total Financial liabilities</b>	-	-	<b>46,998.40</b>	<b>46,998.40</b>

The carrying value of financial instruments by categories as of March 31, 2018 is as follows :

(₹ in lakhs)

Particulars	FVTPL	FVTOCI	Amortised cost	Total
<b>Financial as sets</b>				
<b>Investments</b>				
Equity instruments	-	1,401.70	-	1,401.70
Government securities	-	-	1.90	1.90
Trade receivables	-	-	10,619.77	10,619.77
Cash and cash equivalents	-	-	485.96	485.96
Bank balances other than Cash and cash equivalents	-	-	4,813.53	4,813.53
Other financial assets	-	-	12,846.11	12,846.11
<b>Total Financial assets</b>	-	<b>1,401.70</b>	<b>28,767.27</b>	<b>30,168.98</b>
<b>Financial liabilities</b>				
Borrowings	-	-	36,926.13	36,926.13
Trade and other payables	-	-	5,889.85	5,889.85
Other financial liabilities	-	-	13,976.64	13,976.64
<b>Total Financial liabilities</b>	-	-	<b>56,792.62</b>	<b>56,792.62</b>


**Notes to financial statements for the year ended 31st March, 2019**
**b) Fair value hierarchy**

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities. Quantitative disclosures fair value measurement hierarchy for assets as at 31st March 2019:

Particulars	Fair value measurement using			Total
	Level 1	Level 2	Level 3	
(₹ in lakhs)				
<b>Financial assets</b>				
<i>Financial instruments at FVTOCI</i>				
<i>Investments in Quoted equity instruments</i>				
equity shares of Sree Royalaseema Hi-Strength Hypo Ltd	415.34	-	-	415.34
equity shares of Indian Bank	2.33	-	-	2.33
<i>Investments in Un-Quoted equity instruments</i>				
equity shares of Andhra Pradesh Gas Power Corporation Ltd*	-	-	561.93	561.93
<b>Total Financial assets</b>	<b>417.67</b>	<b>-</b>	<b>561.93</b>	<b>979.60</b>

\*the percentage of shareholding of the Company in Andhra Pradesh Gas Power Corporation Ltd companies is low and hence, it has not been provided with future projections including projected profit and loss account. Hence, the valuation exercise carried out by the Company with the help of available historical annual reports and other information in the public domain.

Quantitative disclosures fair value measurement hierarchy for assets as at 31st March 2018:

Particulars	Fair value measurement using			Total
	Level 1	Level 2	Level 3	
(₹ in lakhs)				
<b>Financial assets</b>				
<i>Financial instruments at FVTOCI</i>				
<i>Investments in Quoted equity instruments</i>				
equity shares of Sree Royalaseema Hi-Strength Hypo Ltd	356.11	-	-	356.11
equity shares of Indian Bank	2.52	-	-	2.52
<i>Investments in Un-Quoted equity instruments</i>				
equity shares of Andhra Pradesh Gas Power Corporation Ltd	-	-	557.69	557.69
equity shares of NCS Sugars Ltd	-	-	485.38	485.38
<b>Total Financial assets</b>	<b>358.63</b>	<b>-</b>	<b>1,043.077</b>	<b>1,401.70</b>

**Reconciliation of Level 3 fair value measurements**
**Investment in unquoted shares irrevocably designated as FVTOCI**

Particulars	As at 31st March, 2019		As at 31st March, 2018	
(₹ in lakhs)				
Opening balance		1,043.07		557.69
Purchases		-		485.38
Total gains/losses in other comprehensive income		4.24		-
<b>Closing balance</b>		<b>561.93</b>		<b>1,043.07</b>

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

Note: There are no transfers between levels 1 and 2 during the year.

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## Notes to financial statements for the year ended 31st March, 2019

### Note 32: Discontinued Operations

#### Description:

The Power Purchase Agreement with Karnataka Electricity Board (Power Distribution Companies) pertaining to Bellary power plant was expired on 31.08.2012 and the agreement was not renewed and generation of power was stopped from September, 2012. The company has discontinued the operations of this segment from the year 2013-14 and exploring the possibilities for disposal of its Plant.

The results of discontinued operations are presented below

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Profit on sale of Assets	41.26	-
Expenses	917.16	44.51
Depreciation	110.65	2024.94
Loss from discontinued operations for the year before tax	986.55	2069.45
Tax (expense)/income	-	-
<b>Loss from discontinued operations for the year after tax</b>	<b>986.55</b>	<b>2069.45</b>
<b>Assets</b>		
Fixed Assets	939.70	1011.58
Current Assets including claims receivable	18.76	943.44
<b>Total Assets</b>	<b>958.46</b>	<b>1955.02</b>
<b>Liabilities</b>	<b>-</b>	<b>-</b>
<b>Net Assets</b>	<b>958.46</b>	<b>1955.02</b>
<b>Cash flow incurred is as follows</b>		
Operating activities		
Sale of fixed assets	45.00	-
Expenses	(917.16)	(44.51)
Change in working capital:		
Write off of claims receivables	924.68	(43.80)
<b>Net cash (outflow)</b>	<b>52.52</b>	<b>(88.31)</b>

### Note 33 : Capital Management & Risk Management

#### Capital Management

The Company being in a capital intensive industry, its objective is to maintain a strong credit rating healthy capital ratios and establish a capital structure that would maximise the return to stakeholders through optimum mix of debt and equity.

The Company's capital requirement is mainly to fund its capacity expansion, repayment of principal and interest on its borrowings. The principal source of funding of the Company has been, and is expected to continue to be, cash generated from its operations supplemented by funding from bank borrowings.

The Company regularly considers other financing and refinancing opportunities to diversify its debt profile, reduce interest cost and align maturity profile of its debt commensurate with life of the assets, and closely monitors its judicious allocation amongst competing capital expansion projects and strategic acquisitions, to capture market opportunities at minimum risk.

#### Gearing Ratio

The Company monitors its capital using gearing ratio, The Company's strategy is to maintain gearing ratio below 1, which is total debt divided to total equity as given below:

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Total Debt*</b>	<b>16,837.44</b>	<b>17,819.28</b>
Equity share capital	9,669.13	9,185.89
Other equity	38,235.60	29,049.33
Cumulative redeemable preference shares	-	1,678.48
<b>Total equity</b>	<b>47,904.73</b>	<b>39,913.70</b>
<b>Total debt to Total equity ratio</b>	<b>0.35</b>	<b>0.45</b>

**Notes to financial statements for the year ended 31st March, 2019**

\* Total Debt is defined as secured long-term including current maturities of borrowings excluding cumulative redeemable preference shares

**Financial risk management and objectives and policies**

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact in the financial statements.

A Special Team with Senior Executives having exposure in various fields has been formed to assist Executive Director and CEO in

- (a) Overseeing and approving the Company's enterprise wide risk management framework, and
- (b) Overseeing that all the risks that the organisation faces such as market risk (including currency risk, interest rate risk and other price risk), Credit risk and liquidity risk have been identified and assessed and there is an adequate risk management infrastructure in place capable of addressing those risks.

The Executive Director and CEO, monitors and reports on the principal risks and uncertainties that can impact the company and its ability to achieve strategic objectives. The Company's management systems, organisational structures, processes, standards, code of conduct and behaviors together form the Management and business of the Company.

**A. Market risk**

The Company is exposed to market risk through changes in foreign currency exchange rates and changes in interest rates. Financial assets/liabilities affected by this risk are borrowings, letter of credits and trade receivables.

The Company's investments in listed and non-listed equity securities are susceptible to price risk arising from uncertainties about future value of the investment securities. The Company's non-current investment in equity shares are strategic investments and hence are considered as Fair Value through Other Comprehensive Income. The company's Board of Directors reviews and approves all equity investment decisions

**Foreign Currency risk management**

The Company operates internationally and is exposed to foreign currency risk arising from foreign currency transactions, primarily with respect to the US\$, EUR, JPY. Foreign exchange risk arises from import as well as exports of goods. The risk is measured through a forecast of highly probable foreign currency cash flows.

The special team as mentioned above analysis the options for hedging. Based on the analysis the management takes decision regarding hedging of foreign currency exposures. Currently, the Company has hedged certain foreign currency transactions of imports and balance transactions relating to imports are not hedged in the view of the natural hedging. The natural hedging is sufficient to manage the current foreign currency risk management.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities are restated at the end of each quarter. The same at the end of the reporting period are as follows :

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Currency Amount in FC (in lacs)		Currency Amount in FC (in lacs)	
Receivables for export	USD	0.96	USD	7.34
Payables for imports				
LC's issued to creditors	USD	14.22	USD	43.40
LC's issued to creditors	EURO	1.13	EURO	3.10
LC's issued to creditors	JPY	-	JPY	3,745.48

**Foreign Currency Sensitivity Analysis**

The Company is mainly exposed to US Dollar, EURO, JPY.

The following tables demonstrate the sensitivity to a reasonably possible change in USD, EURO, JPY exchange rates, with all other variables held constant. The Company's exposure to foreign currency changes for all other currencies is not material.

# TGV SRAAC LIMITED

(formerly known as Sree Rayalaseema Alkalies and Allied Chemicals Limited)



Notes to financial statements for the year ended 31st March, 2019

(₹ in lakhs)

	As at 31st March, 2019	As at 31st March, 2018
	Impact on profit before tax	
<b>USD Sensitivity</b>		
Impact due to increase by 5%	(45.86)	(117.27)
Impact due to decrease by 5%	45.86	117.27
<b>EURO Sensitivity</b>		
Impact due to increase by 5%	(4.38)	(12.48)
Impact due to decrease by 5%	4.38	12.48
<b>JPY Sensitivity</b>		
Impact due to increase by 5%	-	(115.25)
Impact due to decrease by 5%	-	115.25

## Interest Rate Risk Management

Interest rate risk is the risk that the fair value or future cash flows of a financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's borrowings with floating base interest rates. Based on the interest rate sensitivity the Company decides on the management of interest rate risk.

## Interest Rate Sensitivity:

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating base rate borrowings, as follows:

	As at 31st March, 2019	As at 31st March, 2018
	Impact on profit before tax	
Increase / Decrease in base points		
50 base points higher	(62.26)	(78.98)
50 base points lower	62.26	78.98

## B. Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is operating through network of dealers based at different locations. Regular monitoring of the receivables is undertaken by the marketing department and in case the limits are exceeded, steps will be taken by the marketing departments and after discussing with the management the Company will decide whether to stop or not further supplies to the concerned dealer till the amount outstanding is recovered. For the export made by the Company, the sales are backed by ECGC Coverage or advance receipts. The internal risk management committee of the Company meets regularly to discuss the dealers and credit risks, measures taken to address them and the status and level of risk after the measures taken.

Export sales are fully secured through ECGC Coverage or against advance receipts. (refer Note No.8(a) for Trade Receivables outstanding).

## C. Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company maintains flexibility in funding by maintaining availability under committed credit lines.

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.




**Notes to financial statements for the year ended 31st March, 2019**
**(i) Financing arrangements**

The table below provides details regarding the remaining contractual maturities of financial liabilities as at reporting date (₹ in lakhs)

Particulars	On demand	< 1 year	1 - 5 years	5 + years	Total
<b>As at 31st March, 2019</b>					
Bank borrowings	-	-	11,737.21	-	11,737.21
Deferred sales tax loan	-	-	500.43	-	500.43
Provided for disputed dues	5,250.42	-	-	-	5,250.42
Trade Deposits from Dealers/customers	603.50	-	-	-	603.50
<b>Total non-current financial liabilities</b>	<b>5,853.92</b>	-	<b>12,237.64</b>	-	<b>18,091.56</b>
Current borrowings	15,144.09	-	-	-	15,144.09
Trade payables	4,773.91	-	-	-	4,773.91
Other current financial liabilities	8,988.84	-	-	-	8,988.84
<b>Total current financial liabilities</b>	<b>28,906.84</b>	-	-	-	<b>28,906.84</b>
<b>Total</b>	<b>34,760.76</b>	-	<b>12,237.64</b>	-	<b>46,998.40</b>
<b>As at 31st March, 2018</b>					
Bank borrowings	-	-	12,500.73	-	12,500.73
Deferred sales tax loan	-	-	598.02	-	598.02
Loan from related party	152.00	-	-	-	152.00
Provided for disputed dues	1,957.53	-	-	-	1,957.53
Trade deposits from dealers / customers	1,388.90	-	-	-	1,388.90
<b>Total non-current financial liabilities</b>	<b>3,498.43</b>	-	<b>13,098.75</b>	-	<b>16,597.18</b>
Current borrowings	23,675.38	-	-	-	23,675.38
Trade payables	5,889.85	-	-	-	5,889.85
Other current financial liabilities	10,630.21	-	-	-	10,630.21
<b>Total current financial liabilities</b>	<b>40,195.44</b>	-	-	-	<b>40,195.44</b>
<b>Total</b>	<b>43,693.87</b>	-	<b>13,098.75</b>	-	<b>56,792.62</b>

The following table shows summary of the sources of risk which the entity is exposed to and how the entity manages the risk and the impact in the financial statements:

Exposure arising from	Risk	Measurement	Management
Foreign currency transactions	Market risk - foreign	Cash flow forecasting	Natural hedging
Borrowings with floating interest rates	Market risk - interest rate	Sensitivity analysis	Credit ratings
Cash and cash equivalents, trade receivables, financial instruments, financial assets measured at amortised cost.	Credit risk	Aging analysis credit ratings	Diversification of bank deposits, credit limits and letters of credit
Borrowings and Financial liabilities	Liquidity risk	Rolling cash flow forecasts	Availability of committed credit

**Note 34: Income and expenditure in foreign currency and Foreign Currency Exposures**
**Earnings in Foreign Currency**

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
i) FOB value of exports	9,203.20	7,042.16
ii) Others	1.87	1.99

**Expenditure in Foreign Currency**

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
i) Traveling	10.24	12.08
ii) Fees and charges	3.81	2.14
iii) Commission Paid	26.85	10.33
iv) Interest & Bank charges	91.96	71.76
v) Technical service charges	4.01	61.18
vi) Others	-	3.95



# TGV SRAAC LIMITED

(formerly known as Sree Rayalaseema Alkalies and Allied Chemicals Limited)

Notes to financial statements for the year ended 31st March, 2019

## Foreign Currency Exposures

(₹ in lakhs)

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Recognised amount (Rs.)	Amount in FC	Recognised amount (Rs.)	Amount in FC
Receivables for export	66.49	\$ 0.96	477.45	\$ 7.34
Payables for imports towards LC's:	983.71	\$ 14.22	2,822.93	\$ 43.40
	87.63	EUR 1.13	249.70	EUR 3.10
	-	-	2,304.97	JPY3,745.48

## Value of Imports (Calculated on C.I.F basis)

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
i) Raw Materials	6,442.75	4,240.43
ii) Coal	777.00	693.67
iii) Chemicals & Spares & Stores	1,080.14	279.84
iv) Capital Goods / Services	5,114.73	2,385.65

## Note 35: MICRO SMALL AND MEDIUM ENTERPRISES DISCLOSURE

Under the Micro, Small and Medium Enterprises Development Act, 2006 and in accordance with the notification issued by the Ministry of Corporate Affairs, certain disclosures are required to be made relating to Micro, Small and Medium Enterprises as defined in the said Act. The company is in the process of compiling the relevant information from its suppliers about their coverage under the said Act and hence required disclosures made to the extent available.

The following are outstanding balances as at 31.03.2019:

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
i) principal amount remaining unpaid to any supplier as at the end of the accounting year (all are within agreed credit period and not due for payment)	1,516.14	1,035.39
ii) the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	NIL	NIL
iii) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	NIL	NIL
iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	7.66	NIL
v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	NIL	NIL


**Notes to financial statements for the year ended 31st March, 2019**
**Note 36: Contingent assets:**

Legal cases filed by the company for recovery of dues/advances and pending in Courts for disposal:

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Against Debtors, Contractors and Suppliers	678.83	563.47

**Note 37: Revenue from contracts with Customers:**

The Company is producer of Chlor-Alkali products, Chloromethane and also manufactures Castor Derivatives and Fatty Acids.

Revenue is recognized upon transfer of control of agreed products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

Revenue from sale of goods is recognized when control of the products being sold is transferred to a customer and when there are no longer any unfulfilled obligations.

The Performance Obligations in our contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms.

Income from services rendered is recognized based on agreements/arrangements with the customers as the service is performed and there are no unfulfilled obligations.

Interest income is recognized using the effective interest rate (EIR) method.

Dividend income on investments is recognized when the right to receive dividend is established.

(₹ in lakhs)

Sl. No.	Revenue by offerings	As at 31st March, 2019	As at 31st March, 2018
<b>A</b>	<b>MANUFACTURED GOODS</b>		
1	Caustic Soda Lye / Flakes	81,022.93	70,136.95
2	Liquid Chlorine	3,821.48	2,578.66
3	Hydrochloric Acid	2,178.89	1,011.13
4	Hydrogen Gas	1,123.18	1,114.04
5	Bleach Liquor	1,979.13	1,352.37
6	Caustic Potash Lye/Flakes	14,302.31	8,692.20
7	Potassium Carbonate	1,114.19	691.85
8	Hydrogenated Castor Oil	715.13	1,269.25
9	12 Hydroxy Stearic Acid	1,653.81	3,218.00
10	Refined Glycerine	363.86	498.86
11	Stearic Acid	3,713.68	2,881.35
12	Soap Noodles.	3,432.87	8,440.58
13	Toilet Soaps	277.42	539.54
14	Methylene Chloride	15,097.26	11,665.07
15	Chloroform	5,669.65	4,157.27
16	Others less than 1% of Total Turnover (Balancing figure)	3,212.12	2,702.68
	<b>TOTAL</b>	<b>1,39,677.91</b>	<b>1,20,949.80</b>
	<b>Less: Indirect taxes</b>	<b>19,832.34</b>	<b>16,823.07</b>
	<b>Net Revenue from products</b>	<b>1,19,845.58</b>	<b>1,04,126.73</b>

The Company represents revenue net of indirect taxes in its Statement of Profit and Loss

# TGV SRAAC LIMITED

(formerly known as Sree Rayalaseema Alkalies and Allied Chemicals Limited)



Notes to financial statements for the year ended 31st March, 2019

## A. Disaggregate Revenue Information

The disaggregated revenue from contracts with the customers for the year ended March 31, 2019 by offerings and contract type. (₹ in lakhs)

Sl. No.	Revenue by contract type	As at 31st March, 2019	As at 31st March, 2018
1	Fixed timeframe	1,19,845.58	1,04,126.73
2	Time and material	611.89	493.73

## B. Remaining Performance Obligations

The remaining performance obligation disclosure provides the aggregate amount of transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue.

Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligations related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of entity's performance completed to date.

The aggregate amount of transaction price allocated to remaining performance obligations as per the requirements of Ind AS 115 is Rs. 8446.84 Lakhs out of which, approximately 99.85% is expected to be recognized as revenues within one year and the balance beyond one year.

## Note 38: Cost of Raw Materials Consumed:

(₹ in lakhs)

Sl. No.	Description of Material	As at 31st March, 2019	As at 31st March, 2018
1	SALT	7,500.82	6,498.76
2	CASTOR OIL	2,557.46	4,368.23
3	ACID OILS & OTHER OILS	4,862.58	7,657.85
4	POTASSIUM CHLORIDE	6,285.03	3,758.98
5	RAW MATERIALS-SOAPS	23.61	26.93
6	HYDROCHLORIC ACID NORMAL GRADE	77.14	0.44
7	METHANOL	4,815.67	4,216.40
	<b>TOTAL</b>	<b>26,122.31</b>	<b>26,527.59</b>



Notes to financial statements for the year ended 31st March, 2019

Note 39: Raw material consumed

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019			As at 31 <sup>st</sup> March, 2018		
	Qty MT/KL	Rs. in lakhs	%	Qty MT/KL	Rs. in lakhs	%
i) Salt						
- Imported	-	-	-	-	-	-
- Indigenous	3,04,364	7,500.81	100	279,011	6,498.76	100
ii) Potassium chloride						
- Imported	27,480	6,285.03	100	19,521	3,758.98	100
- Indigenous	-	-	-	-	-	-
iii) Castor Oil						
- Imported	-	-	-	-	-	-
- Indigenous	2,634	2,557.46	100	4,763	4,368.23	100
iv) Lauric Acid						
- Imported	68	49.12	73	-	-	-
- Indigenous	25	19.31	27	-	-	-
v) Palm fatty acid distillate						
- Imported	-	-	-	-	-	-
- Indigenous	10,743	3,977.64	100	12,007	5,346.34	100
vi) Palm Kernel oil/ Distilled fatty acid						
- Imported	401	251.07	53.54	1394	1,035.52	70.68
- Indigenous	348	224.15	44.46	554.48	429.50	29.32
vii) Crude Glycerine						
- Imported	525	159.27	64.25	1,425	401.10	79.40
- Indigenous	128	88.63	35.75	142	104.06	20.60
viii) RBD Palm Stearine						
- Imported	-	-	-	-	-	-
- Indigenous	-	-	-	716	341.34	100
ix) Methanol						
- Imported	14,065	4,815.67	100	14,208	4,216.40	100
- Indigenous	-	-	-	-	-	-
x) Other Raw Materials						
- Imported	193	93.41	48.11	-	-	-
- Indigenous	11,479	100.75	51.89	-	27.36	100
Total:						
- Imported	-	14,468.75	55.39	-	9,412.00	45.52
- Indigenous	-	11,653.57	44.61	-	17,115.59	54.48
		<b>26,122.32</b>	<b>100.00</b>		<b>26,527.59</b>	



## TGV SRAAC LIMITED

(formerly known as Sree Royalaseema Alkalies and Allied Chemicals Limited)

Notes to financial statements for the year ended 31st March, 2019

Note 40: Value of Chemicals, Packing and Stores consumed (other than used for repairs) (₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019		As at 31 <sup>st</sup> March, 2018	
	Rs in lakhs	%	Rs in lakhs	%
a) Imported	507.23	8.49	160.46	3.63
b) Indigenous	5,467.98	91.51	4,263.94	96.37
<b>Total</b>	<b>5,975.21</b>	<b>100.00</b>	<b>4,424.40</b>	<b>100.00</b>

Note 41: Figures have been rounded off to the nearest decimal of lakhs as required under Schedule III.

Note 42: Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our attached report of even date

for **K S Rao & Co.,**

Chartered Accountants

Firm's Regn. No. 003109S

Sd/-

**(CA P. GOVARDHANA REDDY)**

Partner

Membership No. 029193

Place : Hyderabad

Date : 15<sup>th</sup> May, 2019

For and on behalf of the Board

Sd/-

**CA K. KARUNAKAR RAO**

Executive Director (Fin. & Comml.) & CEO

Sd/-

**N. JESVANTH REDDY**

Executive Director (Technical)

Sd/-

**CS V. RADHAKRISHNA MURTHY**

Company Secretary

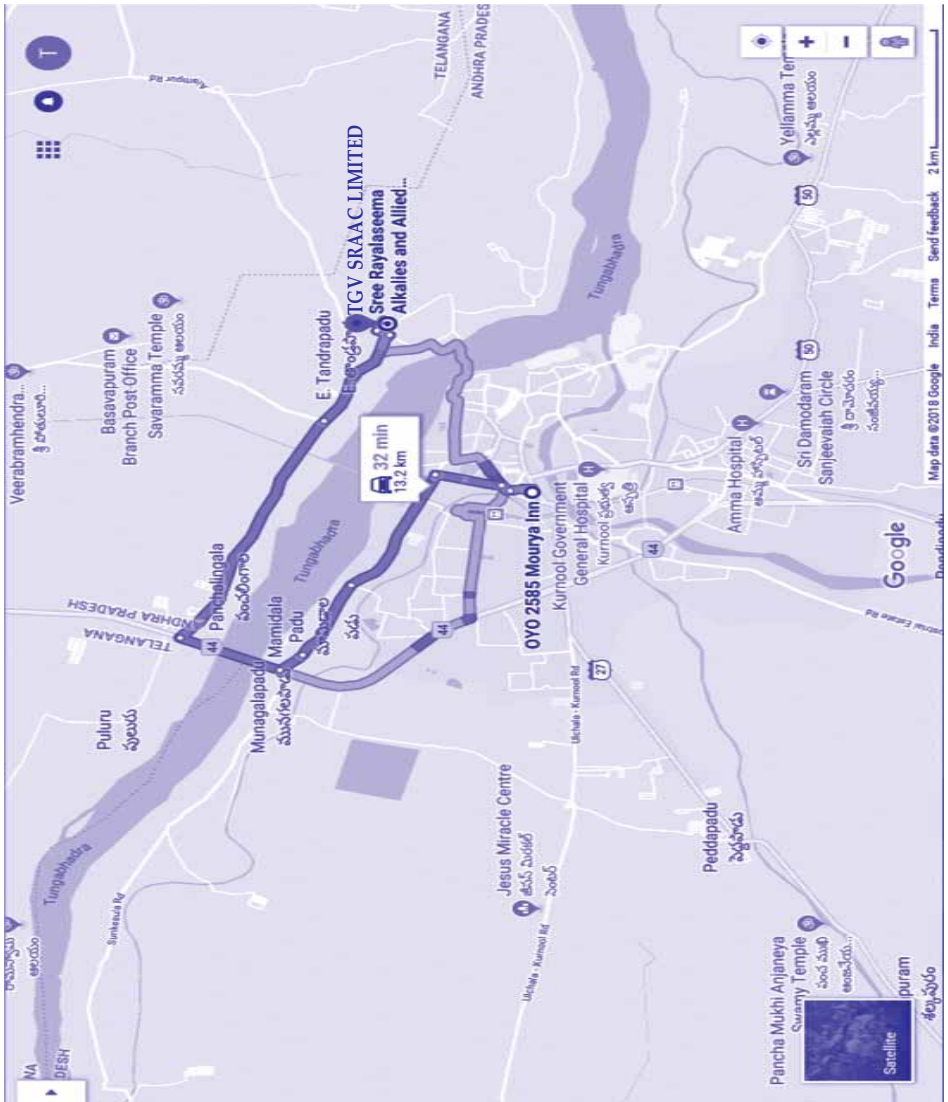
Sd/-

**CA C. RAJESH KHANNA**

Chief Financial Officer



ROUTE MAP FROM KURNOOL TO REGD. OFFICE GONDIPARLA





# TGV SRAAC LIMITED

(formerly known as Sree Rayalaseema Alkalies and Allied Chemicals Limited)

CIN: L24110AP1981PLC003077

Regd. Office : Gondiparla, Kurnool - 518 004 (A.P.)

## Form No. MGT-11

### Proxy Form

(Pursuant to section 105 (6) of the Companies Act 2013 read with Rule 19 (3) of the Companies (Management and Administration) Rules, 2014)

Client ID No.: \_\_\_\_\_

Regd. Folio No. : \_\_\_\_\_

DP ID \_\_\_\_\_

No. of Shares held : \_\_\_\_\_

I/We .....of ..... in the District of ..... being Member/ Members of the above named Company, hereby appoint..... of ..... in the District of ..... as my /our proxy to attend and vote for me /us on my /our behalf at the 37<sup>th</sup> ANNUAL GENERAL MEETING of the Company to be held at Regd. Office of the Company : Gondiparla, Kurnool-518004, A.P. on Monday, 30<sup>th</sup> September, 2019 at 4.00 P.M. or at any adjournment thereof.

Signed this .....Day of September, 2019.

Affix a  
Re.1/-  
Revenue  
Stamp

Signature of the Shareholder

#### Note:

1. The Proxy form duly completed should be deposited at the Registered Office of the Company not later than 48 hours before the time for holding the aforesaid meeting.



# TGV SRAAC LIMITED

(formerly known as Sree Rayalaseema Alkalies and Allied Chemicals Limited)

CIN: L24110AP1981PLC003077

Regd. Office : Gondiparla, Kurnool - 518 004 (A.P.)

## ATTENDANCE SLIP

Client ID No.: \_\_\_\_\_

Regd. Folio No. : \_\_\_\_\_

DP ID \_\_\_\_\_

No. of Shares held : \_\_\_\_\_

Name of the Shareholder : \_\_\_\_\_

Name of the Proxy : \_\_\_\_\_

Signature of Member / Proxy : \_\_\_\_\_

I, hereby record my presence at the 37<sup>th</sup> ANNUAL GENERAL MEETING of the Company to be held at Regd. Office of the Company : Gondiparla, Kurnool-518004, A.P. on Monday, 30<sup>th</sup> September, 2019 at 4.00 P.M.

**NOTE : To be signed and handed over at the meeting venue.**

Signature of Member / Proxy







## PRINTED MATTER

If undelivered, please return to :

**TGV SRAAC LIMITED**

(formerly known as Sree Rayalaseema Alkalies and Allied Chemicals Limited)

**(CIN : L24110AP1981PLC003077)**

6-2-1012, 2<sup>nd</sup> Floor, TGV Mansion, Above ICICI Bank,

Khairatabad, Hyderabad - 500 004. (Telangana State)

Ph. No. 040-23313842