



TGV SRAAC LIMITED

CIN : L24110AP1981PLC003077

(Formerly Sree Rayalaseema Alkalies and Allied Chemicals Ltd.)

6-2-1012, 2nd Floor, TGV Mansion, Khairatabad, Hyderabad - 500004, India.

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http://www.tgvgroup.com



REF:TGVSL:SECL:BSE:2018-19:

28th December, 2018

To

M/s.BSE LIMITED,
PHIROZE JEEJEEBHAY TOWERS,
25th FLOOR, DALAL STREET,
M U M B A I - 400 001.

Kind Attn: DCS - CRD

Dear Sir,

Sub: Submission of Soft Copy of Annual Report for the year 2017-18 of M/s. TGV SRAAC LIMITED (formerly Sree Rayalaseema Alkalies and Allied Chemicals Limited).

Ref: (1) Regulation 34 of SEBI (LODR) Regulations, 2015.
(2) Scrip Code : 507753 & 700102.

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In compliance of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are herewith uploading Annual Report soft copy for your kind information and reference.

It may kindly be noted that the Annual General Meeting (AGM) was held on 26-12-2018 successfully and all the Resolutions approved by the Shareholders with requisite majority.

This is for your kind information and record.

Thanking you,

Yours faithfully,
For TGV SRAAC Limited


(V. Radhakrishna Murthy)
Chief General Manager &
Company Secretary

Encl : As above.



TGV SRAAC LIMITED

(Formerly Sree Rayalaseema Alkalies and Allied Chemicals Ltd.)



**36th Annual Report
2017-18**



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 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

CGM & COMPANY SECRETARY

Sri V. Radhakrishna Murthy

CGM & 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

Mrs. Aruna Prasad
Plot No. 802, 64th Street
10th 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, 2nd Floor, Krishna Jyothsna Complex
Bhagyanagar
Kurnool - 518 004 (A.P.)

REGISTRAR & SHARE TRANSFER AGENT

Aarthi 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
aarthiconsultants@gmail.com

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TGV SRAAC LIMITED

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

NOTICE

NOTICE is hereby given that the 36th Annual General Meeting of the Members of **TGV SRAAC LIMITED (formerly Known as Sree Rayalaseema 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 **Wednesday, the 26th December, 2018 at 4.00 P.M.** to transact the following business :

ORDINARY BUSINESS:

- 1) To receive, consider and adopt the Balance Sheet as at 31st March, 2018 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 Gopal Krishan (DIN: 05342348), who retires by rotation and being eligible offers himself for re-appointment.
- 3) To appoint a Director in place of Smt V. Surekha (DIN: 06953161), who retires by rotation and being eligible offers herself for re-appointment.
- 4) **To take note and ratify the payment of two years outstanding dividend on Cumulative Redeemable Preference Shares (CRPS).**

“RESOLVED THAT the members hereby taken note of payment of 2 years outstanding dividend on Cumulative Redeemable Preference Shares (CRPS) @ 0.01 % per year for two years by the Company on declaration of the same by the Board in its meeting held on 06-06-2018 on consideration of Board Audit Committee recommendation and ratify the action taken by the Company for payment of CRPS dividend to CRP Shareholders before due date along with Second Redemption Installment.”

SPECIAL BUSINESS:

- 5) **Increase in Authorized Capital.**

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

“RESOLVED THAT pursuant to Section 13, 61 and other applicable provisions, if any, of the Companies Act, 2013, the Authorized Share Capital of the Company be and is hereby increased from the existing

Rs.114,00,00,000/- (Rupees One Hundred and Fourteen Crores only) divided into 9,50,00,000 (Nine Crore Fifty Lacs) of Equity Shares of Rs.10/- (Rupees Ten only) and 1,90,00,000 (One Crore Ninety lacs) of Preference Shares of Rs. 10/- (Rupees Ten only) to Rs.130,00,00,000/- (Rupees One Hundred and Thirty Crores only) divided into 11,10,00,000 (Eleven Crore Ten Lacs) of Equity Shares of Rs.10/- (Rupees Ten only) and 1,90,00,000 (One Crore Ninety lacs) of Preference Shares of Rs.10/- (Rupees Ten only) each, ranking pari passu with the existing Equity Shares of the Company.”

- 6) **Alteration of Capital Clause of Memorandum of Association.**

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 13 and other applicable provisions, if any, of the Companies Act, 2013 Proviso i) Sub-clause (a) of Clause V of the Memorandum of Association of the company be hereafter substituted by the following Proviso i) Sub-Clause (a) of Clause V.

- V. a) The Authorized Share Capital of the Company is Rs.130,00,00,000/- (Rupees One Hundred and Thirty Crores only) comprising of:
 - i) Equity Share Capital of the Company is Rs.111,00,00,000/- (Rupees One Hundred and Eleven Crore only) divided into 11,10,00,000 (Eleven Crore Ten Lacs) Equity Shares of Rs.10/- (Rupees Ten only) each.

- 7) **Alteration of Articles of Association.**

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

“RESOLVED THAT pursuant to Section 14 and other applicable provisions, if any, of the Companies Act, 2013, the existing Articles of Association of the Company, be altered by substituting the following proviso (I) of Article 7.

Article 7 :

The Authorized Share Capital of the Company is Rs.130,00,00,000/- (Rupees One Hundred and Thirty Crores only) comprising of:

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TGV SRAAC LIMITED

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- i) Equity Share Capital of the Company is Rs.111,00,00,000/- (One Hundred and Eleven Crores only) divided into 11,10,00,000 (Eleven Crore Ten Lacs) Equity Shares of Rs.10/- (Rupees Ten only) each.

8) 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 05-05-2018 [upon the recommendation of Audit Committee in its meeting held on 05-05-18] 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, 2019, 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."

9) Re-appointment of Dr. M. Asha Reddy as Independent Director for second term of 3 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, Dr. M. Asha Reddy in respect of whom the Company has received a Notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing her candidature for the office of Director, be

and is hereby re-appointed as an Independent Director of the Company to hold office for 3 (Three) consecutive years term from 27.09.2018."

10) Re-appointment of Sri J. Nagabushanam as Independent Director for second term of 3 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 J.Nagabushanam 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 an Independent Director of the Company to hold office for 3 (Three) consecutive years term from 16.09.2018."

11) 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 196, 197 and 198 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) on the following remuneration for a period of one year i.e., from 07.11.2017 to 06.11.2018 in its meeting held on 13.11.2017, upon the recommendation of Nomination and Remuneration Committee Meeting held on 13.11.2017 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. However, the following will not be included in the above perquisites limit.

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| <p>a) Company's contribution to Provident Fund, Pension and Superannuation Fund will not be included in computation of the ceiling or perquisites to the extent of these either singly or put together are not taxable under the Income Tax Act.</p> <p>b) Use of Company Car for Official purpose and phone at residence/Cell phone for official purpose (including payment of local and long distance calls).</p> <p>c) Earned/privileged leave – on full pay and allowance as per Rules of Company. Leave accumulated and not availed during the tenure may be encashed as per Rules of the Company.</p> | <p>a) Company's contribution to Provident Fund, Pension and Superannuation Fund will not be included in computation of the ceiling or perquisites to the extent of these either singly or put together are not taxable under the Income Tax Act.</p> <p>b) Use of Company Car for Official purpose and phone at residence/Cell phone for official purpose (including payment of local and long distance calls).</p> <p>c) Earned/privileged leave – on full pay and allowance as per Rules of Company. Leave accumulated and not availed during the tenure may be encashed as per Rules of the Company.</p> |
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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."

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."

12) Re-appointment of Sri K. Karunakar Rao as Executive Director (Finance & Commercial) and Payment 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 196, 197 and 198 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 K. Karunakar Rao (DIN:02031367) as Executive Director (F&C) on the following remuneration for a period of two years i.e., from 11.05.2018 to 10.05.2020 in its meeting held on 05-05-2018, upon the recommendation of Nomination and Remuneration Committee Meeting held on 05-05-2018 on the following remuneration.

RESOLVED FURTHER THAT Sri K. Karunakar Rao 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. However, the following will not be included in the above perquisites limit.

13) Re-appointment of Sri N. Jesvanth Reddy as Executive Director (Technical) and Payment 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 196, 197 and 198 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 N. Jesvanth Reddy (DIN:03074131) as Executive Director (Technical) on the following remuneration for a period of two years i.e., from 11.05.2018 to 10.05.2020 in its meeting held on 05-05-2018 upon the recommendation of Nomination and Remuneration Committee Meeting held on 05-05-2018 on the following remuneration.

RESOLVED FURTHER THAT Sri N. Jesvanth Reddy 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. However, the following will not be included in the above perquisites limit.



- a) Company's contribution to Provident Fund, Pension and Superannuation Fund will not be included in computation of the ceiling or perquisites to the extent of these either singly or put together are not taxable under the Income Tax Act.
- b) Use of Company Car for Official purpose and phone at residence/Cell phone for official purpose (including payment of local and long distance calls).
- c) Earned/privileged leave – on full pay and allowance as per Rules of Company. Leave accumulated and not availed during the tenure may be encashed as per Rules of the Company.

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."

14) Continuation of Directorship by Sri P.N. Vedanarayanan as Non-Executive Independent Director for remaining period of existing term.

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

"RESOLVED THAT pursuant to the Sub-Regulation 1A of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 vide Notification No. SEBI/LAD-NRO/GN/2018/10 dated 9th May, 2018, Sri P.N. Vedanarayanan, Non-Executive Independent Director (DIN:00982697) aged 85 years old be and hereby continue his Directorship for previously approved tenure of 5 (Five) consecutive years for a term up to the conclusion of the 37th Annual General Meeting of the Company to be held in Calendar Year 2019 or 24th Sept' 2019 whichever is later."

15) Continuation of Directorship by Sri G. Krishna Murthy as Non-Executive Independent Director for remaining period of existing term.

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

"RESOLVED THAT pursuant to the Sub-Regulation 1A of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 vide Notification No. SEBI/LAD-NRO/GN/2018/10 dated 9th May, 2018, Sri G. Krishna Murthy, Non-Executive Independent Director (DIN:00134828) aged 77 years old be and hereby continue his Directorship for previously approved tenure of 5 (Five) consecutive years for a term up to the conclusion of the 37th Annual General Meeting of the Company to be held in Calendar Year 2019 or 24th Sept' 2019 whichever is later."

16) Creation of Security in favour of Indian Bank for Rs. 50.00 Cr. Term Loan.

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 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 Indian Bank for creation of pari passu first charge basis as under.

ON PARI PASSU FIRST CHARGE BASIS	(Rs. in Crs)
Indian Bank – Term Loan	50.00

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."

17) Creation of Security in favour of Indian Bank for Rs.40.00 Cr. L.C. Facility.

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 /specific charge by the Board of Directors of the Company on the



imported capital goods (brought by availing the specific LC facility) 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 Indian Bank for creation of Specific charge basis as under.

SPECIFIC CHARGE ON IMPORTED CAPITAL GOODS	(Rs. in Crs)
Indian Bank – Specific L.C.	40.00

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 financial assistance.”

18) Creation of Security in favour of Indian Bank for Rs.100.00 Cr. Specific L.C. Facility.

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 / specific charge by the Board of Directors of the Company on the imported capital goods (brought by availing the specific LC facility) 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 Indian Bank for creation of Specific charge basis as under.

SPECIFIC CHARGE ON SPECIFIC LC	(Rs. in Crs)
Indian Bank – Specific L.C.	100.00

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 financial assistance.”

19) Creation of additional Security in favour of Banks and Financial Institutions for providing existing financial assistance to the Company.

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 accorded to the Company in terms of Section 180 (1) (a) and other applicable provisions, if any, of the Companies Act, 2013 to mortgage and / charge by the Board of Directors of the Company of all the movable and immovable properties of the Company with respect to Wind Mills at Village Ramagiri and Polepalli, Anantapur Dist. (A.P) 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 following for creation of first pari passu charge and second pari passu charge in favour of the following Banks and financial Institutions with respect to the existing financial assistance as mentioned in explanatory statement 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 (Indian Bank, South Indian Bank and United Bank of India) under their Loan agreements in respect of the said term loans.

“**RESOLVED FURTHER THAT** above security are provided pursuant to sanction letter of respective Banks.

20) 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."

21) Preferential Allotment of Convertible Share Warrants to Promoters/Promoter Group Companies.

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 Sections 42 and 62 and all other applicable provisions, if any, of the Companies Act 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and in accordance with enabling provisions of the Memorandum and Articles of Association of the Company and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and in accordance with the provisions of Guidelines for Preferential issues contained in Chapter V of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (referred as "SEBI (ICDR) Regulations, 2018) and other applicable provisions of SEBI including any amendment(s) to or re-enactment thereof and subject to the approvals, consents, permissions and/or sanctions, as may be required from any appropriate authority, institution or body (hereinafter collectively referred to as "the appropriate authorities") and subject to such terms, conditions, alterations, corrections, changes, variations and/or modifications, if any as may be prescribed by any one or more or all of them in granting such approvals, consents, permissions and/or sanctions (hereinafter referred to as "the requisite approvals") and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall

be deemed to include any Committee duly constituted by the Board) or any Committee which the Board may have constituted or hereafter constitute, to exercise one or more of its powers including the powers conferred on the Board by this resolution), the consent of the Company be and is hereby accorded to the Board/ Committee to offer, issue and allot 1,52,73,682 Convertible share warrants of face value of Rs.10/- each at an issue of price of Rs.37.01 per convertible share warrant (including a premium of Rs.27.01 per warrant) as computed in accordance with SEBI (ICDR) Regulations, 2018 to (i) M/s. Brilliant Industries Pvt. Ltd., - 1,01,86,917 (4832427+5354490) convertible share warrants (ii) Sri T.G.Venkatesh – 50,86,765 convertible Share Warrants being Promoter/ Promoter Group Company on preferential basis and convertible in equal number of equity shares in Three (3) Tranches within a period not exceeding 18 months from the date of allotment of convertible share warrants.

RESOLVED FURTHER THAT each of the aforesaid share warrants be converted at the option of the holder at anytime within 18 months from the date of issue, into one fully paid-up Equity Share at an issue price of Rs.37.01 divided into Rs.10/- for Capital and Rs. 27.01 for premium per share, determined in accordance with the prevailing regulation for Preferential issue contained in Chapter V of the SEBI (Issue of Capital and Disclosure Requirements), Regulation, 2018.

RESOLVED FURTHER THAT the "Relevant Date" for above mentioned preferential issue as per Rule 161 of SEBI (ICDR) Regulations, 2018 for the determination of applicable price for Equity Shares is November 26, 2018 being the date 30 days prior to the date of passing of this Special Resolution.

RESOLVED FURTHER THAT the Equity Shares to be issued on conversion of convertible share warrants and allotted in terms of this resolution shall rank pari passu in all respects (including dividend) with the existing equity shares of the Company and be listed on stock exchange where the equity shares of the Company are listed.

RESOLVED FURTHER THAT the Company do apply for listing of the new Equity Shares to be issued upon conversion of share warrants (in the ratio of 1:1) with BSE Ltd.



RESOLVED FURTHER THAT the Company do make an application to the Depositories (NSDL and CDSL) for admission of new Equity Shares.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board (including its committee) be and is hereby authorised on behalf of the Company to take all actions and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient for the issue of Share warrants, conversion of warrants into Equity shares, allotment of aforesaid Equity shares and listing thereof with the Stock Exchanges as appropriate and to resolve and settle all questions and matters that may arise in the proposed issue, offer and allotment of the securities, utilisation of the issue proceeds and to do all acts, deeds, matters and things in connection therewith and incidental thereto as the Board / Committee, in its absolute discretion, may deem necessary expedient, proper or desirable and to settle all questions, difficulties or doubts that may arise in this regard for the purpose of giving effect to the resolution in the interest of the company at any stage without requiring the Board to seek any further consent or approval of the Members.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or any other Director(s) or the Company Secretary or executive(s) / officer(s) of the Company to do all such acts, deeds, matters and things and also to execute such documents, writings etc. as may be necessary to give effect to the aforesaid resolution."

By order of the Board

Sd/-

Place : Kurnool

CS V.RADHAKRISHNA MURTHY

Date : 26th November, 2018

COMPANY SECRETARY

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 20-12-2018 to 26-12-2018 (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. Business Envelop cover will be sent along with Annual Report to enable the Shareholders to send Postal Ballot Form for AGM.
 - (a) 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.
 - (b) Members are hereby requested to note SEBI Notification dtd.08.06.2018 and BSE Circular LIST/COMP/15/2018-19 dt.05.07.2018 instructing Listed Companies to **"reject transfer of shares in physical form to be effective from 05-12-2018."** In view of this members are requested to dematerialize their shares by opening a demat account with a Depository Participant (DP) for dematerializing Company's shares.



7. 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 36th Annual General Meeting of the Company dated 26th December, 2018. 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 19th September, 2018. The instructions for Members for voting electronically are as under:

- (i) The voting period begins on 22-12-2018 at 9.00 A.M. and ends on 25-12-2018 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 19-12-2018 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.
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
 - a. For CDSL : 16 digits beneficiary ID.
 - b. For NSDL : 8 Character DP ID followed by 8 digits Client ID.
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below :

For Members holding shares in Demat Form and Physical Form

PAN* 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 field.

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

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 your 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 are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- 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, under help section or write an email to helpdesk@cdslindia.com.

By order of the Board

Sd/-

Place : Kurnool

CS V. RADHAKRISHNA MURTHY

Date : 26th November, 2018

COMPANY SECRETARY

EXPLANATORY STATEMENT

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

ITEM NO. 5, 6 & 7 :

Alteration of Capital Clause of Memorandum of Association and Articles of Association.

The Company has proposed to increase the Authorised Share Capital from the existing Rs.114,00,00,000 (Rupees One Hundred and Fourteen Crores only) to Rs.130,00,00,000 (One hundred and Thirty Crores only) by increasing Equity Share Capital of the Company by Rs.16,00,00,000 divided into 1,60,00,000 Equity Shares with a face value of Rs.10/- each. There is no change in the Preference Share Capital.

This will facilitate the company to issue Equity Shares under preferential issue to the promoters after fulfillment of formalities for conversion of Share Warrants into Equity. This proposal requires alterations in the Memorandum of Association and Articles of Association as set out in item Nos. 5, 6 & 7 of the agenda accompanying the notice.

The related provisions of the Companies Act, 2013 require the Company to seek approval of the Members for increase in the Authorized Share Capital and for alteration of Capital Clause of Memorandum of Association and Articles of Association of the Company.

The Memorandum and Articles of Association of the company together with the proposed amendments are available for inspection by the Members at the Registered Office of the Company on any working day between 11.00 a.m. and 1.00 p.m. prior to the date of the Annual General meeting.

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.5, 6, & 7 of the Notice.

The Board of Directors accordingly commend the Special Resolutions as set out in Item No.5, 6 & 7 for your approval.

ITEM NO. 8

The Board of Directors after taking into account the recommendation of Audit Committee in its meeting held on 05-05-2018 has appointed M/s.Aruna Prasad & Co. (Regn.No.100883) Proprietrix: Aruna Prasad as Cost Auditor for the Financial year 2018-19 on a remuneration of Rs.1,50,000/- plus GST and reimbursement of out of pocket expenses in its meeting held on 05-05-2018 to conduct Cost Audit of cost records of the Company in compliance of MCA

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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.8 of the Notice.

The Board of Directors placed the Resolution set forth in Item No.8 for your approval / ratification.

ITEM NO. 9

Dr M. Asha Reddy was appointed as INDEPENDENT DIRECTOR by the members in the AGM held on 27.09.2016 for a term of two 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 Dr. M. Asha Reddy for the office of Independent Director for a second term of three consecutive years to be effective from 27.09.2018 of the Company. The company has received from Dr M. Asha Reddy (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), Dr M. Asha Reddy, 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 she is independent of the management.

No Director, Key Managerial Personnel (KMP) or their relatives, except Dr M. Asha Reddy, to whom the resolution relates, are interested or concerned in the resolution.

Your Directors commend the Special Resolution set forth in item no.9 for your approval.

ITEM NO. 10

Sri J. Nagabhushanam was appointed as INDEPENDENT DIRECTOR by the members in the AGM held on 16.09.2015 for a term of three consecutive years.

The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member proposing the candidature of Sri J. Nagabhushanam

for the office of Independent Director for a term of 3 consecutive years to be effective from 27.09.2018. The Company has received from Sri J. Nagabhushanam (i) consent in writing to act as Director in Form DIR-2 (ii) intimation in Form DIR-8 to the effect that he is not disqualified under Sub-section (2) 164 of the Companies Act, 2013, and (iii) a declaration to the effect that he 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 proposed candidate) Sri J. Nagabhushanam, the Independent Director proposed to be appointed for 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 J. Nagabhushanam, to whom the Resolution relates, are interested or concerned in the Resolution.

The Board recommends the Special Resolution set forth in Item no.10 for the approval of the Members.

ITEM NO. 11

Shareholders may be aware that earlier approval for appointment of Sri Gopal Krishan (DIN: 05342348) as Executive Director (Technical) in the Annual General Meeting held on 16.09.2015 has expired on 07.11.2017. In view of the increased operations of the Company and implementation of future plans, and on consideration of Nomination and Remuneration Committee recommendation dtd. 13.11.2017, the Board has re-appointed Sri Gopal Krishan as Executive Director (Technical) for one year to be effective from 07.11.2017 in its meeting held on 13.11.2017 subject to Shareholders' ratification in the Annual General Meeting.

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

Your Directors commend the Special Resolution set forth in Item No.11 for your approval and ratification.

ITEM NO. 12

Shareholders may be aware that earlier approval for Re-appointment of Sri K. Karunakar Rao as Executive Director (Fin. & Coml.) in the Annual General Meeting held on 27.09.2016 has expired on 10.05.2018. In view of the increased operations of the Company and implementation of future plans, and on consideration of Nomination and



Remuneration Committee recommendation, dated 05-05-2018, the Board has re-appointed Sri K. Karunakar Rao as Executive Director (Fin. & Comml.) in its meeting held on 05.05.2018 for two years to be effective from 11.05.2018 subject to Shareholders' approval in the Annual General Meeting on remuneration as explained in the Resolution.

None of the Directors/Key Managerial Personnel (KMP)/ their relatives except Sri K. Karunakar Rao interested or concerned in this special Resolution.

Your Directors commend the Special Resolution set forth in Item No.12 for your approval and ratification.

ITEM NO. 13

Share holders may be aware that earlier approval for Re-appointment of Sri N. Jesvanth Reddy as Executive Director (Technical) in the Annual General Meeting held on 27.09.2016 has expired on 10.05.2018. In view of the increased operations of the Company and implementation of future plans and on consideration of Nomination and Remuneration Committee recommendation dated 05-05-2018, the Board has re-appointed Sri N. Jesvanth Reddy as Executive Director (Technical) in its meeting held on 05-05-2018 for two years to be effective from 11.05.2018 subject to Shareholders' approvals in the Annual General Meeting on remuneration as explained in the Resolution.

None of the Directors/Key Managerial Personnel (KMP)/ their relatives except Sri N. Jesvanth Reddy interested or concerned in this special Resolution.

Your Directors commend the Special Resolution set forth in Item No.13 for your approval and ratification.

ITEM NO. 14

Members of the company in the AGM held on 25.09.2014 has given approval for appointment of Sri P.N. Vedanarayanan as Independent Director for a period of 5 consecutive years. Pursuant to recently notified sub-regulation 1A of Regulation 17 of SEBI (LODR) Regulations, 2015 (notified Ref.No.SEBI/LAD-NRO/GN/2018/10 dtd.09.05.2018), members approval by way of Special Resolution is required in case where the age of existing non-executive director crossed 75 years of age on 01.04.2019. Considering long association of the Director with the company his qualifications and his contributions to the company's performance and growth, the Board has recommended the Special Resolution for your approval for his continuation in the existing position after 01.04.2018 upto the end of the term.

None of the Directors/Key Managerial Personnel (KMP)/ their relatives except Sri P.N. Vedanarayanan interested in the special resolution.

Your Directors commend the Special Resolution set forth in Item No.14 for your approval and ratification.

ITEM NO. 15

Members of the company in the AGM held on 25.09.2014 has given approval for appointment of Sri G. Krishna Murthy as Independent Director for a period of 5 consecutive years. Pursuant to recently notified sub-regulation 1A of Regulation 17 of SEBI (LODR) Regulations, 2015 (notified Ref.No.SEBI/LAD-NRO/GN/2018/10 dtd.09.05.2018), members approval by way of Special Resolution is required in case where the age of existing non-executive director crossed 75 years of age on 01.04.2019. Considering long association of the Director with the company his qualifications and his contributions to the company's performance and growth, the Board has recommended the Special Resolution for your approval for his continuation in the existing position after 01.04.2018 upto the end of the term.

None of the Directors/Key Managerial Personnel (KMP)/ their relatives except Sri G. Krishna Murthy interested in the special resolution.

Your Directors commend the Special Resolution set forth in Item No.15 for your approval and ratification.

ITEM NO. 16

The company has availed term Loan financial assistance of Rs.50.00 Crores sanctioned by M/s. Indian Bank vide their sanction letter Ref.No. CO/CDN/G2/2433/2017-18 dtd.12.01.2018 with the Board approval dt.23.08.2017. In terms of the said sanction letter the company has to create collateral security of "Pari passu First Charge on the existing fixed assets of the Company" for which appropriate special resolution is placed seeking members approval to comply with terms and conditions of sanction letter of the Bank.

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.

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ITEM NO. 17

The company has availed Specific LC financial assistance of Rs.40.00 Crores sanctioned by M/s. Indian Bank vide their sanction letter Ref.No.CO/CDN/G2/2433/2017-18 dtd.12.01.2018 with the Board approval dt.23.08.2017. In terms of the said sanction letter the company has to create collateral security of "Specific charge on imported capital goods (brought by availing the said financial assistance) of the Company" for which appropriate resolution is placed seeking members approval to comply with terms and conditions of sanction letter of the Bank.

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. 18

The company has availed Specific LC financial assistance of Rs.100.00 Crores sanctioned by M/s. Indian Bank vide their sanction letter dtd.23.10.2018 with the Board approval dt.27.10.2018. In terms of the said sanction letter the company has to create collateral security of "Specific charge on imported capital goods (brought by availing the said financial assistance) of the Company" for which appropriate resolution is placed seeking members approval to comply with terms and conditions of sanction letter of the Bank.

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. 19

As per the sanction letter of Financial Institutions and Banks with respect to existing term loan and other financial assistance the company has to extent security of First/Second pari passu charge basis on the Wind Mill Assets of the Company (which were earlier charged exclusively in favour of IREDA. After payment of loans with respect to Wind Mill the said assets have been released by IREDA and the title deeds have been deposited with IDBI Bank the lead Institution. For ceding charge on these assets in favour of existing lenders for following financial assistance, shareholders approval by way of Special Resolution is required.

secure due repayment, discharge and redemption by the Company :

I.	<u>ON FIRST CHARGE BASIS TO:</u>	Amount
A)	IDBI of its: 1. Working Capital Term Loan (WCTL)	Rs.22,00,00,000/-
B)	IFCI of its: 1. Corporate Term Loan 2. Corporate Term Loan	Rs.100 Crore Rs.45 crore
C)	Federal Bank of its 1. Term Loan 1 & 2	Rs.122 lakhs & Rs.305 lakhs
D)	South Indian Bank of its 1. Corporate Term Loan 1 & 2	Rs.215 lakhs & Rs.539 Lakhs
E)	United Bank of India 1. United Bank of India of its Soft Loan 1 & 2 aggregating to	Rs.479 lakhs & Rs. 1198 Lakhs
F)	Indian Bank for the Soft Loan	Rs 5000 lakhs



II.	ON SECOND CHARGE BASIS TO:-	Amount
1.	Indian Bank of its working capital facilities totally aggregating to	Rs.7588 lakh
2.	United Bank of India of its working capital facilities totally aggregating to	Rs.4331 lakh
3.	The South Indian Bank Ltd of its working capital facilities totally aggregating to	Rs.1947 lakh
4.	Canbank Factors Ltd. of its working capital facilities totally aggregating to	Rs.1350 lakh
5.	The Federal Bank Ltd. of its working capital facilities totally aggregating to	Rs.1154 lakhs
6.	IDBI Bank Ltd. of its working capital facilities totally aggregating to	Rs.3055 Lakh
7.	Indian Bank of its Term Loans for Chloromethanes Project aggregating to (Since Paid)	Rs. 3600 lakhs
8.	United Bank of India of its Term Loans for Chloromethanes Project aggregating to (Since Paid)	Rs. 3100 lakhs
9.	Indian Bank of its Additional Term Loan for Chloromethane Project aggregating to (Since Paid)	Rs.2446 lakhs
10.	South Indian Bank of its Additional Term Loan for Chloromethane Project aggregating to (Since Paid)	Rs.340 lakhs
11.	Indian Bank of its additional Working Capital Facilities totally aggregating to	Rs.1247 lakh
12.	Indian Bank of its Letter of credit facilities (III) for procurement of capital goods totally aggregating to	Rs. 3000 lakhs
13.	Indian Bank of its Letter of credit facilities (IV) for procurement of capital goods totally aggregating to	Rs. 3000 lakhs

None of the Directors are deemed to be interested in the Resolution.

Your Directors commend the Special Resolution for your approval.

ITEM NO. 20

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 2017-18, total Related Party transactions value comes to Rs.171.28 Cr whereas 10% of previous year audited turnover comes to Rs.100.51 Cr. Shareholders approval in the previous AGM held on 27.09.2017 for estimated related party transactions is for 157.00 Crores. This means total value of Related Party transactions is excess by Rs.14.28 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 2018-19 will be around Rs.200.00 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 2017-18 (audited).

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

(Rs. In Crs.)

S No.	Name of the Related Party	For the financial year 2017-18 (Actual)					For the year 2018-19 (Estimated)
		Sales	Purchases	Services Availed / Rendered	Lease Rent Paid/ Received & Others	Total	
1	Sree Rayalaseema Hi-Strength Hypo Ltd (SRHHL)	109.65	52.15	1.65	0.05	163.50	190.00
2	Other Related Parties	0.38	2.83	2.86	1.71	5.78	10.00
	TOTAL	110.03	54.98	4.51	1.76	171.28	200.00

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.20 of this Notice for your approval.

ITEM NO. 21

As per the disclosure norms contained in Part III of Chapter V of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (referred as 'SEBI (ICDR) Regulations, 2018'), the following disclosures were made for the purpose of passing of the said Special Resolution by the Shareholders at the ensuing Annual General Meeting.

1. Objects of the preferential issue and Board approval :

The main purpose and objective of the proposed preferential issue is to meet the working capital requirements and capital expenditure requirements of the Company. The Board in its meeting held on 26-11-2018 has given required approval for the private placement of warrants to Promoters.

2. Proposal of the Promoters / Promoters Group to subscribe :

The preferential issue of share warrants would be made to (i) M/s. Brilliant Industries Pvt. Ltd., Promoter Group Company (ii) Sri T.G. Venkatesh being the main promoter through issue of Share warrants convertible into Equity Shares at the price to be computed in accordance with Regulation 164(1) of SEBI (ICDR) Regulations, 2018 at an issue price of Rs.37.01 per Convertible Share Warrant, the share warrants are convertible into equal number of Equity Shares of Rs.10/- each fully paid up with a premium of Rs. 27.01 per share at a price at which warrants are issued and conversion shall be made in tranches within overall period of 18 (Eighteen) months from the date of issue of warrants. The proposal is to issue 1,52,73,682 Share Warrants convertible into equity shares with a premium of Rs. 27.01 per share in three tranches within 18 months from the date of issue of warrants during three financial years i.e., 2018-19, 2019-20 and 2020-21 subject to a maximum of 5% of the post-issue capital per financial year as per stipulation in Regulation 11(2) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. The above allottee(s) proposed have given letter dt. 22-11-2018 undertaking to subscribe to the preferential issue of Convertible Share Warrants and to comply with other conditions stipulated in SEBI (ICDR) Regulations, 2018 including applicable lock-in of their pre-preferential holdings of equity shares and proposed preferential allotment of Equity shares with a premium of Rs.27.01 per share upon conversion of share warrants.

3. The shareholding Pattern of the Company before and after the Preferential issue in three tranches is as under:

The shareholding pattern of the company before the preferential issue of Convertible Share Warrants and post conversion of warrants into equity shares after each of the three tranches are given below :



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Category	Pre-Issue	
	No. of Shares	% of holding
Promoters Group		
Individuals		
Sri T.G. Venkatesh	303848	0.33
Others	558289	0.61
Bodies Corporate		
M/s. Brilliant Industries Private Ltd.	16327313	17.78
Others	35194040	38.33
Sub-total (A)	52383490	57.05
Non-Promoters		
Mutual Funds / UTI	17887	0.02
NRIs	1356128	1.48
Bodies Corporate	3236717	3.53
Financial Institutions / Banks	850	0.00
Insurance Companies	563985	0.61
General Public / Others	34257061	37.31
Sub-total (B)	39432628	42.95
Total (A + B)	91816118	100.00

Note: The above table has been prepared on the basis of the shareholding pattern as on 02.11.2018.

Category	Post-issue Shareholdings					
	After 1 st Tranche of Conversion on or before 31 st March, 2019		After 2 nd Tranche of Conversion on or before 31 st March, 2020		After 3 rd Tranche of Conversion on or before 31 st March, 2021	
	(I Year)		(II Year)		(III Year)	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Promoters' Group						
Individuals						
Sri T.G. Venkatesh	303848	0.31	5390613	5.30	5390613	5.03
Others	558289	0.58	558289	0.55	558289	0.52
Bodies Corporate						
M/s. Brilliant Industries Private Ltd.	21159740	21.89	21159740	20.80	26514230	24.76
Others	35194040	36.41	35194040	34.59	35194040	32.86
Sub-total (A)	57215917	59.20	62302682	61.24	67657172	63.18
Non-Promoters						
Mutual Funds / UTI	17887	0.02	17887	0.02	17887	0.02
NRIs	1356128	1.40	1356128	1.33	1356128	1.27
Bodies Corporate	3236717	3.35	3236717	3.18	3236717	3.02
Financial Institutions / Banks	850	0.00	850	0.00	850	0.00
Insurance Companies	563985	0.58	563985	0.55	563985	0.53
General Public / Others	34257061	35.44	34257061	33.67	34257061	31.99
Sub-total (B)	39432628	40.80	39432628	38.76	39432628	36.82
Grand Total (A + B)	96648545	100.00	101735310	100.00	107089800	100.00

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on account of proposed preferential issue and allotment of 1,52,73,682 Convertible Share Warrants at Rs.37.01 per share warrant of the company to the proposed allottee(s) as set out in the resolution, and upon conversion of share warrants into equal number of shares with a premium of Rs.27.01 per share, the shareholding of the proposed allottee(s) (i) M/s. Brilliant Industries Private Ltd., and (ii) Sri T.G. Venkatesh are as per following details:

Particulars (Promoter/Promoter Group)	Pre-Preferential Issue Capital		Post-Preferential Issue Capital	
	Shares	%	Shares	%
M/s. Brilliant Industries Private Ltd	16327313	17.78	26514230	24.76
Sri T.G. Venkatesh	303848	0.33	5390613	5.03
Total	16631161	18.11	31904843	29.79

4. Proposed time within which the preferential allotment shall be completed :

The allotment of share warrants shall be completed within a period of 15 days from the date of passing of resolution by the shareholders as per SEBI (ICDR) Regulations, 2018. Where the allotment is pending on account of pendency of any approvals from any regulatory authority or the Central Government, the allotment shall be completed by the company within a period of 15 days from the date of such approvals. An amount, as may be decided by the Board of Directors, not being less than 25% of the issue price shall be payable on the date of allotment of the share warrants. The warrants would be allotted on the following terms.

- The holder of warrants will have an option to apply for and be allotted 1 (one) equity share with a premium of Rs.27.01 per share of the Company per warrant, any time after the date of allotment but on or before the expiry of 18 months from the date of allotment in one or more tranches.
- Upon receipt of the payment from allottees into convertible warrants as mentioned above, and also upon exercising the option by the allottees within 18 months, the Board/Committee shall allot one equity share (with a premium of Rs.27.01 per share) per Warrant by appropriating Rs.10/- towards equity share capital.
- If the entitlement against the warrants to apply for the equity shares is not exercised within the period specified, the entitlement of the warrant holder to apply for Equity shares of the company along with the rights attached thereto shall expire and any amount paid on such warrants shall stand forfeited.
- The warrant holder shall also be entitled to any future bonus/rights issue(s) of equity shares or other securities convertible into equity shares by the company, in the same proportion and manner as any other shareholders of the company for the time being.

- The warrants by itself do not give to the holders thereof any rights of the shareholders of the Company.
- The maximum no. of convertible share warrants to be issued under this preferential issue to promoters are 1,52,73,682. These warrants will be converted into Equity shares in the ratio of 1:1 in 18 months from the date of allotment.

5. The identity of the proposed allottee(s) and the percentage of post preferential issue capital change in control consequent to the issue:

Identity of the proposed allottee(s) :

The shareholding of the acquirers (i) M/s. Brilliant Industries Pvt. Ltd. would increase from 16327313 Equity Shares to 26514230 Equity Shares and (ii) Sri T.G. Venkatesh would increase from 303848 Equity Shares to 5390613 Equity Shares in 3 Financial Years and that of the total Promoters Group holding will increase from 52383490 to 67657172 Equity shares and percentage from 57.05 % to 63.18 %.

Further identity of the proposed allottees is furnished hereunder:

S.No.	Name of the Allottee(s)	Nature of Business
1.	M/s. Brilliant Industries Private Ltd. (CIN:U55101TG1988PTC008262) Regd. Off : 6-2-1012, 5 th Floor TGV Mansion, Khairatabad Hyderabad - 500 004 (T.S)	Real Estate & Infrastructure
2.	Sri T.G. Venkatesh H.No. 43/262, New Sankalbagh N.R. Peta Kurnool - 518 004 (A.P)	Industrialist



It may kindly be noted that Sri T.G.Venkatesh, main Promoter is the ultimate beneficial and natural person behind the proposed corporate allottee M/s.Brilliant Industries Pvt Ltd. (Regulation 163 (1) (f) of SEBI (Issue of Capital Disclosure Requirements) Regulations, 2018.

- 5A The provision relating to disclosure of particulars of will full defaulters as mentioned in Regulation 163 (1) (i) read with regulation 2 (1) (iii) of SEBI (ICDR) Regulation, 2018 are not applicable to the company, its promoters and Directors since they are not will full defaulters as defined under regulation or by RBI.

None of the promoter or Director of the Company (Issuer) is a fugitive economic offender as defined under Regulation 2 (1) (P) of SEBI (ICDR) Regulation, 2018.

The proposed preferential allotment of resultant equity shares upon conversion of convertible share warrants to the proposed allottees would not result in change in control and management of the company. Voting right shall change according to the change in shareholding pattern as mentioned above.

6. Undertaking to Recompute the Issue Price :

The Board of Directors of the target company had recommended the Preferential Issue of equity shares under section 42 and 62 of the Companies Act, 2013 and seek the approval of the shareholders by means of a Special Resolution at their ensuing Annual General Meeting for the proposed allotment of 1,52,73,682 convertible Share warrants of the target company at a price worked out as per the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018. In the event where it is required to do so in terms of the SEBI (ICDR) Regulations, 2018, the company has undertaken that the issue price would be recomputed for the proposed preferential issue.

7. Undertaking to pay the amount due on recomputation of price :

An Undertaking was executed by the Promoters (Proposed allottees) i.e. (i) M/s. Brilliant Industries Private Ltd., and (ii) Sri T.G. Venkatesh to effect that if the amount payable on account of the re-computation of price of the preferential issue was not paid in time as stipulated in the SEBI (ICDR) Regulations, 2018, the Equity shares and convertible share warrants allotted to the said Promoter shall continue to be locked in till the time such amount was paid by the Promoters.

8. Certificate of Statutory Auditors :

The Certificate from M/s. K S Rao & Co., Chartered Accountants, Statutory Auditors of the Company as to pricing of the issue and that this preferential issue of shares is being made in accordance with the requirements of SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2018. The Auditors' certificate will be available for inspection at the Registered office of the company by members during 11.00 AM to 1.00 PM on all working days upto the date of Annual General Meeting and will be placed before the Meeting.

9. Pricing of Equity Shares :

The issue price of Convertible Share Warrants shall be at a price not less than higher of the following:

- (a) The average of the weekly high and low of (volume weighted average price) the Company's shares quoted on the Stock Exchanges (BSE Ltd) during six months preceding the "Relevant date."
- (b) The average of the weekly high and low of (volume weighted average price) the Company's shares quoted on the Stock Exchange (BSE Ltd) during the two weeks preceding the "Relevant date".

10. Lock-in period of shares :

In accordance with the Regulation 167(1) of the SEBI (ICDR) Regulations, 2018, the new Equity Shares to be allotted on preferential basis to the Promoters viz. (i) M/s. Brilliant Industries Private Ltd., and (ii) Sri T.G. Venkatesh shall be subject to a lock in period of three years from the date of the trading approval given by M/s. BSE Limited. In the event of price re-computation and additional price payable by the allottees and delay in payment of additional price, the lock-in of Equity shares allotted under preferential issue shall continue till payment of additional price.

11. Approvals :

Section 42 and 62 of the Companies Act, 2013 provides inter alia, that when it is proposed to increase the issued capital of a Company by allotment of further shares, etc., such further shares shall be offered to the existing shareholders of the company in the manner laid down in Section 42 and 62 unless the shareholders in general meeting decide otherwise by passing a special resolution.

Hence, consent of the shareholders by way of Special Resolution is being sought pursuant to the provisions of Sections 42 and 62 and all other applicable provisions of the Companies Act, 2013, and in terms of the provisions

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of the SEBI (Issue of Capital and Disclosure Requirements), Regulations, 2018; SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and BSE Ltd., where company's shares are listed.

The company is taking necessary steps to obtain the required approvals from the stock exchanges, or any other regulatory agency as may be applicable for the proposed preferential issue of convertible share warrants and allotment of equity shares upon conversion of the share warrants.

The promoters of the company are allowed to increase their stake/holding by 5% of post issue capital every year to a certain limit. If allottee as part of Promoters increases its holding by more than 5% of post-issue capital in a year, then provisions of Regulation 11 of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 will become applicable.

12. Other conditions :

- The entire shareholding of the proposed allottees in the Company are held in dematerialized form.
- The entire pre-preferential shareholdings of such allottees shall be under lock-in from the relevant date upto a period of six months from the date of trading approval with respect to the equity shares issued on conversion of convertible share warrants.
- The proposed allottees have complied with all conditions to be eligible for the preferential allotment.

13. Documents :

The relevant documents will be available for inspection at the Registered Office of the company by members during 11.00 A.M. to 1.00 P.M. on all working days upto the date of Annual General Meeting and during the Meeting.

14. Interest of Directors :

None of the Directors except Sri T.G. Venkatesh, Chairman is concerned or interested in the Resolution.

Your Directors commend the Special Resolution as set out in Item No.21 for approval of the members in pursuance to Sec. 42 and 62 of the Companies Act, 2013.

REQUEST TO THE MEMBERS :

- 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.
- 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@tgvmal.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 Gopal Krishan	Smt V.Surekha
1.	Date of Birth	February 01, 1950	April 16, 1970
2.	Date of Appointment	November 07, 2014	September 25, 2014
3.	Experience in Specific areas	More than 43 years of experience in fields of chlor-Alkali, Petro Chemicals, Power Plants & Allied Chemicals.	More than 20 years experience as Company Secretary of listed companies. At present she is working as Company Secretary of M/s. Sree Rayalaseema Hi-Strength Hypo Ltd., (SRHHL)
4.	Qualifications	B.E. (Technical)	B.Com., A.C.S
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



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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 at 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 K. Karunakar Rao	Sri N. Jesvanth Reddy
1.	Date of Birth	June 14, 1950	June 11, 1954
2.	Date of Appointment	May 11, 2010	May 11, 2010
3.	Experience in Specific areas	More than 43 experience years in the field of Finance in Chemical Industries.	More than 38 years experience in Paper and Chemical Industries
4.	Qualifications	B.Com., ACA	B.E. (Mech)
5.	Shareholding in the Company	50 Equity Shares	Nil
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: Kurnool

Date : 26th November, 2018

CS V. RADHAKRISHNA MURTHY
COMPANY SECRETARY

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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 31st March, 2018.

Change in the name of the Company

In pursuance to shareholder's approval in the Annual General meeting (AGM) dt.27.09.2017 and on completion of all required formalities MCA vide letter dt.14.10.2017 and BSE Limited vide its letter Ref.No.20171107-11 dt.07.11.2017 given their approval to change the name of the company from "SREE RAYALASEEMA ALKALIES AND ALLIED CHEMICALS LIMITED" to "TGV SRAAC LIMITED (CIN:L24110AP1981PLC003077)."

Operations

The turnover (Gross) for the year under review is Rs.120950 Lakhs as compared to Rs.98767 Lakhs in the previous year. The 22% increase is on account of the following changes in respective Divisions performance.

Division / Segment Wise Operations

The Caustic unit has produced 171658 MTs of Caustic Soda as against 144675 MTs for the previous year representing an increase of 19%. As against net sales of Rs. 45345 Lakhs for previous year, the current year sales comes to Rs. 66063 Lakhs representing an increase of 46%.

For the current year the Potassium plant has produced 13573 MTs of Potassium Hydroxide as against 15273 MTs for the previous year representing a decrease of 11%. As against net sales of Rs. 9868 Lakhs for previous year, the current sales comes to Rs. 8160 Lakhs representing decrease of 17%. The product mix of Caustic Soda and Caustic Potash is depended upon marketing requirements of the two products.

Chloromethanes Plant has produced 39620 MT of Chloromethanes for the current year as against previous year production of 28840 MT representing an increase of 37%. The current year net sales for Chloromethanes is at Rs. 13976 Lakhs. Previous year net sales are at Rs.8627 lakhs representing an increase of 62%.

The Castor Oil Plant has processed 4763 MTs of oil for the current year as against 7760 MTs processed for the previous year representing a decrease of 39%. As against net sales of Rs. 7187 lakhs for the previous year, the current year sales stood at Rs. 5186 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 14672 MTs for the current year as against 21874 MTs for the previous year representing decrease of 33%. The net sales of this division has decreased from Rs.15585 Lakhs to Rs.10741 Lakhs representing a decrease of 31%. The difference is mainly attributed to the rapid fluctuations in raw materials and finished product prices.

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 26.61 Lakh/KWH power in the current year as against previous year generated of 28.01 Lakh/KWH representing a marginal decrease of 5% 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.

Outlook for the Current Year

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

FINANCIAL RESULTS

(Rs. In lakhs)

	31.03.2018	31.03.2017
Profit before Finance Costs & depreciation	20180.65	13899.20
Less: Finance Cost	5175.94	5273.88
Profit before Depreciation	15004.71	8625.32
Less: Depreciation	7655.54	4659.91
Profit (Loss) before Exceptional items and Tax	7349.17	3965.41
Less: Exceptional items		
Profit/Loss Before Tax	7349.17	3965.41
Tax Expense:		
Less:- Current Tax	1188.52	860.19
- Deferred Tax	1130.08	912.29
Profit for the period from continuing operations	5030.57	2192.93
Less: Loss from discontinued operations	2069.45	535.19
Profit for the period	2961.12	1657.74
Add: Balance Carried from Previous year	3673.94	3516.20
Profit available for Appropriation	6635.06	5173.94
Less: Transfer to General Reserve	1500.00	1500.00
Less: Transfer from OCI	40.64	-
Surplus carried to Balance Sheet	5094.42	3673.94



Profit after tax for the Current year is Rs. 5030.57 Lakhs where as previous year Profit before tax is Rs. 3965.41 Lakhs. The increase in profit is mainly on account of better performance of the company.

Dividend

In pursuance to the Court Order dt.11.11.2004 the Board in its meeting held on 06-06-2018 has given approval for declaration and payment of two years outstanding dividend on Cumulative Redeemable Preference Shares (CRPS) @ 0.01% per year for two years (2016-17 & 2017-18) and appropriate resolution placed in the notice of AGM for ratification by members.

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

Capital Expenditure

During the year the Company has incurred an amount of Rs.67.14 Crs on Capital Expenditure which is mainly towards normal capital expenditure. The funds required for the above is met from Banks and internal accruals.

The Company has expended its caustic soda capacity by 1,02,200 TPA and after such addition the present capacity stands at 2,59,150 TPA. The capacity increase has been declared during Sept' 2018.

Safety and Environment Protection

Your Company believes that pollution free environment is the fundamental right for all. All necessary steps being taken to ensure top most priority to ensure Pollution Free Environment in the vicinity of the factory where manufacturing activities of the Company taken place. The greenery around the Factory is the real testimony for company's efforts towards this end. As for as safety is concerned the Company is complying all relevant statutory requirements. The safety department was headed by a Senior most officer who was ably 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.

Listing Fees

The Company has paid Listing Fee for the year 2018-19 to Bombay Stock Exchange vide its letter dated 27.04.2018.

Insurance

Assets of the Company are adequately insured.

Fixed Deposits

The Company has not accepted any fixed deposits during the year and there are no fixed deposits outstanding as on 31.3.2018.

Directors and Key Managerial Personnel

Sri Gopal Krishan (DIN : 05342348) and Smt V. Surekha (DIN : 06953161) are retiring by rotation at the ensuing Annual General Meeting (AGM) being eligible for re-election, they have given their consent for re-election. Appropriate resolution is being placed in the notice of Annual General Meeting for members approval.

Sri Gopal Krishan has been re-appointed as Executive Director (Technical) by the Board in its meeting held on 13.11.2017 (on consideration of recommendation of Nomination and Remuneration Committee Meeting dt.13.11.17) for a period of one year to be effective from 07.11.2017 subject to members ratification at the ensuing AGM. Appropriate resolution is placed in the notice of AGM for members ratification is placed.

Sri K. Karunakar Rao has been re-appointed as Executive Director (Finance & Commercial) by the Board in its meeting held on 05.05.2018 (on consideration of recommendation of Nomination and Remuneration Committee Meeting dt.05.05.18) for a period of two years to be effective from 11.05.2018 subject to members approval at the ensuing AGM. Appropriate resolution placed in the notice of AGM for members ratification is placed.

Sri N. Jesvanth Reddy has been re-appointed as Executive Director (Technical) by the Board in its meeting held on 05.05.2018 (on consideration of recommendation of Nomination and Remuneration Committee Meeting dt.05.05.18) for a period of two years to be effective from 11.05.2018 subject to members approval at the ensuing AGM. Appropriate resolution placed in the notice of AGM for members ratification is placed.

The Board in its meeting held on 13.07.2018 [on consideration of Nomination and Remuneration Committee Meeting dt.13.07.2018 and appropriate nomination by one of the shareholder (member)] has recommended the proposal for re-appointment of Sri J. Nagabhushanam as INDEPENDENT DIRECTOR for a second term of 3 years for members approval. Appropriate resolution is placed in the notice of AGM for members approval.

The Board in its meeting held on 13.07.2018 [on consideration of Nomination and Remuneration Committee Meeting dt.13.07.2018 and appropriate nomination by one

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of the shareholder (member)] has recommended the proposal for re-appointment of Dr M. Asha Reddy as INDEPENDENT DIRECTOR for a second term of 3 years for members approval. Appropriate resolution is placed in the notice of AGM for members approval.

M/s. IDBI Bank Ltd., vide the letter Ref. No. IDBI/GHY/263 dt. 08-10-2018 has intimated the company regarding withdrawal of their Nominee Director Sri Subhashish Roy from the Board of the Company to be effective from 15-10-2018, the Board in its meeting held on 27-10-2018 has taken on record its appreciation for the contribution made by the Director.

Industrial Relations

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

Directors' Responsibility Statement

As required by the provisions of Section 134 of the Companies Act, 2013, Directors' Responsibility Statement is attached as "Annexure – AA".

Corporate Governance – Reg.27 (2) of SEBI (LODR) Regulations, 2015

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

Management Discussion and Analysis Report

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

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. In the AGM held on 27.09.2017 members have ratified the same. Pursuant to recent amendment vide MCA Notification dt. 07.05.2018 to Sec. 143 of Companies Act, 2013 members ratification at every AGM is discontinued/not required.

Applicability of IND AS

MCA notification regarding applicability of Indian Accounting Standards (IND AS) read with Companies (IND AS) Rules 2015, IND AS are applicable to your company from 01.07.2017 as the company falls under the Phase II of MCA Notification dtd.16.02.2018. Accordingly financial statements and related annexures thereto have been prepared in compliance of IND AS.

Redemption of Cumulative Redeemable Preference Shares (CRPS)

In pursuance to the Hon'ble High Court of A.P. Order dt.11.11.2004 and Board approval dt.12.01.2018 and 06.06.2018 the process of redemption of CRPS in four quarterly installments @ Rs.2.50 per CRPS starting from 01.04.2018 has been initiated. The Second Redemption Installment was paid on 01.07.18. In view of compliance with statutory formalities NRI-CRPS were redeemed on 01.04.18 in single installment. Your company has taken all necessary steps to honour Third and Fourth Redemption Installment of CRPS on due dates.

Listing approval from BSE Limited for Third Tranche Warrants converted into Equity

After completion of required formalities, BSE Limited vide their letter Ref.No. DCS/PREF/ST/PRE/2080/2017-18 dt.25.07.2017 has given Listing Approval for listing of 45,90,805 Equity Shares (which were allotted on 08.07.2017) 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.7.02 per Share). These shares are subject to lock-in provision upto 29-09-2020.

Cost Audit

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.G58881939 dt.28.10.2017 with MCA portal for the financial year 2016-17.

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 27.10.2018 with the following members namely Sri G.Krishna Murthy and Dr. M. Asha Reddy as members with Sri P.N. Vedanarayanan as Chairman of the Audit Committee.



Material changes and commitment if any, affecting the financial position of the Company occurred between the end of the financial year to which this 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.

Financials for the period April 2018 to September 2018.

In the Board meeting held on 27-10-2018 un-audited financial result for the second quarter / half year ending 30-09-2018 has been declared and the same were intimated to BSE and placed on Company website. For the period of Six months the Company achieved a turnover the Rs.600.89 Cr and operating profit of Rs.66.27 Cr as against Rs.496.68 Cr and Rs.42.33 Cr for the previous half year ending showing satisfactory performance. Your Directors are confident of same trend in future.

Statement concerning development and implementation of Risk Management Policy of the Company

Appropriate Committee with 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.

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

The Company is indulging in CSR activities right from inception of the company as it recognizes the importance for

the sustained growth of the company depends to a large extent on society development. This is main motto of the company. 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 re-approved by the Board in its meeting held on 26.05.2014. For the financial year ending 31.03.2018, the Company has to spend Rs.67.37 lakhs as against this the Company has spent Rs. 68.83 lakhs. The CSR activities of the company are continuous and never ending process as far as the Company is concerned 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 under the name "Corporate Social Responsibility Committee 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 – G".

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

- Not applicable -

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, Indian Accounting Standard and SEBI (LODR) regulations, 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 and Board. Further details to be furnished in Form AOC-2 has been given as "Annexure-E" to this report to comply with statutory provisions of Sec.188.

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, have not made any adverse comments on the activities of the Company for the financial year 2017-18.



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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.

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.

Secretarial Auditor

The Board in its meeting held on 12.01.2018 has appointed Sri N. Ramaswamy as Secretarial Auditor for the year 2017-18. Secretarial Audit Report for the year ending 31.03.2018 has been Annexed to the Directors' Report as "Annexure - I" 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.

Annual Return in Form MGT-9 format

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

Subsidiaries, Joint Ventures and Associate Companies

The Company is not having any Subsidiaries and Joint Ventures. The details of Associate Company M/s. NCS Sugars Limited given in "Annexure-D".

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.

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.

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.

The Company has no such cases of sexual harassment at workplace.

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>.

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.



TGV SRAAC LIMITED

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Investor Protection and Education Fund (IPEF) :

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/amount would become eligible to be transferred to the IEPF on the dates mentioned below :

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 31.03.2018	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	33,646	04-11-2023
Financial Year	Fractional Shares entitlement	Date of payment/ declaration	Last date for claiming unpaid amount	Unclaimed Amount (Rs.) as on 31.03.2018	Due date for transfer to IEPF Account
2016-2017	Rs. 39/- per share	27.01.2017	04.03.2024	26,325	05.03.2024

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 : Kurnool

Date : 26th November, 2018

ANNEXURE 'AA' 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 : Kurnool

Date : 26th November, 2018

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

The Management of TGV SRAAC Limited 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 2017-18. The Corporate Governance compliance details are furnished hereunder:

1. Company's Philosophy :

Your company is sincerely committed to attain the objective of effective Corporate Governance by practicing transparency in every activity it does. 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 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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.

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 for 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.

6. Board Procedure :

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

**7. Board of Directors :**

The Composition of the Board is in compliance with the guidelines given in SEBI (LODR) Regulations, 2015. 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. The details of Directors attending the Meetings and Date of the Meetings are further furnished hereunder :

S. No.	Name of Director	Category	F.Y. 2017*18 attendance at		As on 31 st March, 2018		
			BM	Last AGM	No. of Directorship	Committee Positions	
						Chairman	Member
1.	Sri T.G. Venkatesh	Chairman	4	Yes	-	-	-
2.	Sri Subhasish Roy	Director (IDBI Nominee)	3	No	-	-	1
3.	Sri P.N. Vedanarayanan	Director (Independent)	3	No	-	2	-
4.	Sri G. Krishna Murthy	Director	4	No	-	5	1
5.	Sri K. Karunakar Rao	E.D (F & C)	5	Yes	1	-	3
6.	Sri N. Jesvanth Reddy	E.D. (Technical)	5	Yes	-	-	2
7.	Sri Gopal Krishan	E.D. (Technical)	5	Yes	-	-	1
8.	Sri J. Nagabhushanam	Director (Independent)	5	No	-	-	2
9.	Smt. V. Surekha	Director	5	Yes	-	-	-
10.	Dr. M. Asha Reddy	Director	5	Yes	-	-	3

During the financial year ended 31st March, 2018, Five Board Meetings were held on (1) 29.04.2017 (2) 23.08.2017 (3) 13.11.2017 (4) 12.01.2018 and (5) 24.03.2018 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.

TGV SRAAC LIMITED

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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 Institutions viz., IDBI. The Audit Committee was reconstituted by the Board in its meeting held on 27.01.2017 with the following Directors as its members (1) Sri P. N. Vedanarayanan, Chairman (2) Sri Subhasish Roy, Member (3) Sri G. Krishna Murthy, Member (4) Dr. M. Asha Reddy, Member.

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

During the financial year ended 31st March, 2018, Four Board Audit Committee Meetings were held on (1) 29.04.2017 (2) 23.08.2017 (3) 13.11.2017 and (4) 12.01.2018 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.

During the year the Committee met on 13-11-2017. 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 one time i.e. on 13.11.2017. All the members attended the meeting.

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 31st March, 2018, Four Stakeholders Relationship committee and Shareholders' / Investors Grievance Committee Meetings were held on (1) 10.04.2017 (2) 10.07.2017 (3) 11.10.2017 and (4) 08.01.2018 respectively.

The Committee is vested with the requisite powers and authorities to specifically look into redressal of shareholder and investor grievances. The details of complaints are as follows:



No. of Investor Queries/complaints received in the year 2017-18	Pending at the end of the year	No. of pending Share Transfers
14	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
2014-15	Wednesday, 16.09.2015	4.00 P.M.	Regd. Office : Gondiparla, Kurnool
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

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 27.09.2017 and it was attended by Sri T.G. Venkatesh, Chairman besides other Directors viz. 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) 2014-15

1. Increase in Authorised Capital.
2. Alteration of Capital Clause of Memorandum of Association.
3. Alteration of Articles of Association.
4. Appointment of Sri Gopal Krishnan as Rotational Director to pass the following as on Ordinary Resolution.
5. Appointment of Sri.J.Nagabhushanam as an Independent Director.
6. Payment of Remuneration to Sri Gopal Krishnan, Executive Director (Technical).
7. Upward Revision of Remuneration to (1) Sri K. Karunakar Rao, Executive Director (F&C) & CEO and (2) Sri N. Jesvanth Reddy, Executive Director (Technical).
8. Proposal for allotment of Convertible Share Warrants to Brilliant Industries Private Ltd on Preferential basis.
9. Creation of Security in favour of Bank and Financial Institutions.
10. Creation of Security in favour of Bank and Financial Institutions for providing financial assistance to Chloromethanes Project.
11. To provide security in favour of M/s. IFCI Limited.
12. Appointment and Remuneration of Cost Auditor.

(b) 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

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(C) 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. United Bank of India.
5. Creation of Security in favour of M/s. IDBI Bank Ltd.
6. Approval for Related Party Transactions

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 Form No. AOC-2 and Notes to Accounts to comply with Indian Accounting Standard 24. 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.

14. General Shareholder Information :

- | | |
|---|--|
| a) AGM Date, time and Venue | : Wednesday, the 26 th December, 2018 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 st April, 2018 to 31 st March, 2019 |
| Un-Audited Financial results for | : First Quarter - July / August, 2018
Second Quarter - October / November, 2018
Third quarter - January / February, 2019
Fourth quarter - April / May, 2019 |
| c) Book Closure period | : From 20.12.2018 to 26.12.2018 (both days inclusive) |
| d) Dividend payment date | : NA |
| e) The Shares of the Company is listed on | : Bombay Stock Exchange Limited, Mumbai. |

ISIN No : INE 284B01028, SCRIP CODE : 507753 for EQUITY SHARES

Cumulative Redeemable Preference Shares (CRPS) : CRPS started on 01.04.2018 and will be completed in 4 quarterly installments.

**TGV SRAAC LIMITED****(formerly known as Sree Royalaseema Alkalies and Allied Chemicals Limited)****f) Market Price Data: The Monthly High and Low of Stock Quotations during the Financial Year 2017-18.**

MONTH & YEAR	EQUITY SHARES		C.R.P.S	
	HIGH (Rs.)	LOW (Rs.)	HIGH (Rs.)	LOW (Rs.)
April, 2017	28.30	22.15	9.26	7.07
May, 2017	27.60	21.85	8.99	6.60
June, 2017	28.60	22.50	8.83	7.36
July, 2017	33.15	24.05	8.70	7.31
August, 2017	36.00	25.15	8.90	7.06
September, 2017	43.65	33.45	8.96	6.95
October, 2017	59.50	39.65	9.28	6.72
November, 2017	77.95	52.10	9.00	7.20
December, 2017	74.40	58.25	9.00	7.24
January, 2018	89.95	62.20	9.89	7.06
February, 2018	68.10	51.00	8.42	7.44
March, 2018	58.15	49.95	8.50	7.46

g) Distribution of Shareholding pattern for Equity Shares and CRPS as on 31st March, 2018.

S. No.	CATEGORY	EQUITY SHARES		C R P S (*)	
		SHARES	%	SHARES	%
1.	Promoters	52383490	57.05	8448145	44.74
2.	Mutual Funds and UTI	17887	0.02	17887	0.09
3.	Banks & Financial Institutions	850	0.00	1808809	9.58
4.	Insurance Companies	563985	0.61	615935	3.26
5.	Bodies Corporate	4445513	4.84	1654469	8.76
6.	Indian Public	32924037	35.86	5837846	30.92
7.	NRIs / OCB	1480356	1.61	499241	2.64
	TOTAL	91816118	100.00	18882332	100.00

(*) CRPS Cumulative Redeemable Preference Shares**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 transfer (Physical) or dematerialise their shares are requested to send their shares along with supporting documents to the above Share Transfer Agent (STA).

i) Dematerialisation of Shares and Liquidity :

As on 31st March, 2018, out of 91816118 Equity Shares 90271846 No. of Shares were dematerialised (98.32 %). Out of 18882332 No. of 0.01% CRP Shares 18720247 (99.14 %) CRPS 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-

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TGV SRAAC LIMITED

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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 31.03.2018

On behalf of the Board of Directors

Place : Kurnool

Date : 26th November, 2018

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@aarthiconsultants.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 : Kurnool

Date : 26th November, 2018

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 "B" 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, 2018 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 : Kurnool
Date : 26th November, 2018

**ANNEXURE "C" TO THE DIRECTORS' REPORT****MANAGEMENT DISCUSSION AND ANALYSIS :****Economy**

India has emerged as the fastest growing economy in the World and is expected to be one of the top three economies in the World in over a decade time from now. The GDP which was at 6.7% during 2017-18 is expected to grow to 7.3% in 2018-19. Now, India has become a base for start-ups in the World backed by technology. Foreign exchange resources were at USD 400.49 Billion based on a data of RBI. The Union Budget presented for 2018-19 has focused on uplifting the Rural economy and strengthening of Agricultural Sector, Health Care and improvement in quality of education in the country. Government is committed towards doubling the farmer income by 2022. The Government under "MAKE IN INDIA"¹ initiative is trying to boost the manufacturing sector contribution and aims to take it upto 25% of the GDP from current 17%. The GDP is expected to reach USD 6 trillion by FY 2027 owing to Government of India's measures to strengthen the infrastructure and reforms, India's focus now is on renewable sources of power generation and planning to achieve 40% of its energy requirement from non-fossil sources by 2030. This is the fastest growing part of Indian economy.

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 2017-18 of Rs.109198 lakhs, Chemicals Division share is Rs.92521 lakhs i.e.85 % and balance Rs.16677 lakhs revenue of 15 % is from Oils & Fats Division.

During the FY 2017-18, the Company has produced 171658 M.Ts of Caustic Soda compared to previous year 144675 M.Ts. The modernization carried by the Company helped to have this higher production.

During the second part of FY 2017-18, the Caustic Soda market has witnessed spurt. The Europe prohibition against mercury cell production and China's anti-pollution initiatives, leading to closure of some plants are some of the causes for better realization for the product.



TGV SRAAC LIMITED

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

The Company has produced 13573 M.Ts of Caustic Potash during FY 2017-18 compare to 15273 M.Ts of previous year. Company has flexibility in having product mix between Caustic Soda and Caustic Potash to meet its marketing needs.

Recently added Chloromethanes Unit also did well during the year of the Report. Company produced 39620 M.Ts against previous year quantity of 28840 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.

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.

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 31st March, 2018 the employee strength (on permanent rolls) of the Company was 1050.

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

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

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

Place : Kurnool
Date : 26th November, 2018

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TGV SRAAC LIMITED

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ANNEXURE "D" 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	31.03.2017
2. Shares of Associate held by the company on the year end No.	46,85,840
Amount of Investment in Associates	Rs. 485.36 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.
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 2017-18

(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 | : One |
| 3. Subsidiaries and associate companies ceased | : NA |

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 : Kurnool

Date : 26th November, 2018

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TGV SRAAC LIMITED

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

ANNEXURE "E" 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.	(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 Rayalaseema Hi-Strength Hypo Ltd (SRHHL)	Sales Purchases Rent Received Services availed	Annual Contracts/ Arrangements	10964.85 5215.02 4.69 164.93	29.04.2017	-N.A-
2	TGV Projects & Investments Private Ltd (TGVPIPL)	Rent Paid Sales	Annual Contracts/ Arrangements	146.72 0.39	29.04.2017	128.18
3	Sree Rayalaseema Galaxy Projects Private Ltd (SRGPCL)	Sales Purchases	Annual Contracts/ Arrangements	9.37 29.09	29.04.2017	-N.A-
4	Gowri Gopal Hospitals Private Ltd (GGHPL)	Sales Services availed Purchases	Annual Contracts/ Arrangements	0.30 4.26 20.24	29.04.2017	-N.A-
5	The Mourya Inn	Services availed/ Rendered	Annual Contracts/ Arrangements	144.67	29.04.2017	-N.A-
6	Brilliant Industries Private Ltd (BIPL)	Rent Paid	Annual Contracts/ Arrangements	1.75	29.04.2017	-N.A-
7	Sree Maruthi Marine Industries Limited (SMMIL)	Purchases	Annual Contracts/ Arrangements	213.92	29.04.2017	85.17
8	Sree Maruthi Agro Tech Private Ltd (SMATPL)	Purchases	Annual Contracts/ Arrangements	35.36	29.04.2017	111.00
9	Nectar Laboratories Private Ltd (NLPL)	Services availed	Annual Contracts/ Arrangements	30.58	29.04.2017	-N.A-
10	Roopa Industries Limited (RIL)	Sales Services availed	Annual Contracts/ Arrangements	28.12 86.41	29.04.2017	-N.A-
11	Other Related Parties	Rent & Others	Annual Contracts/ Arrangements	26.37	29.04.2017	-N.A-

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 : Kurnool
Date : 26th November, 2018

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TGV SRAAC LIMITED

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ANNEXURE "F" TO DIRECTORS' REPORT

FORM NO. MGT - 9

EXTRACT OF ANNUAL RETURN

as on the Financial Year Ended on 31.03.2018

(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. Aarthi Consultants Private Limited Regd.Office: 1-2-285, Domalguda, Hyderabad - 500 029 (Telangana State) Contact Nos.040-27638111 / 27634445 Fax: 040-27632184 email: info@arthiconsultants.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/services	NIC Code of the Product/Service	% To total turn over the company
1	Caustic Soda Lye / Flakes	28151110 / 28151200	58%
2	Methylene Chloride	29031200	10%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No	Name and Address of the Company	CIN	Holding/Subsidiary/ Associates	% of Shares	Applicable
1.	M/s. NCS Sugars Limited 405, Minar Apartments, Deccan Towers, Basheerbagh, Hyderabad - 500001. (TG)	U15421TG2002PLC039085	Associate	23.43	Sec. 2(6)



IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) as on 31-3-2018.

i) Category - wise Shareholding

Sl. No.	Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2017)				No. of Shares held at the end of the year (31.03.2018)				% of Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. 1	Promoters Indian									
a)	Individual/ HUF	862137	0	862137	0.99	862137	0	862137	0.94	-0.05
b)	Central Govt.	0	0	0	0	0	0	0	0	
c)	State Govt (s)	0	0	0	0	0	0	0	0	
d)	Bodies Corporates	46930548	0	46930548	53.80	51521353	0	51521353	56.11	2.31
e)	Banks/Fls	0	0	0	0	0	0	0	0	
f)	Any Other...	0	0	0	0	0	0	0	0	
	Sub Total (A) (1) :	47792685	0	47792685	54.79	52383490	0	52383490	57.05	2.26
2	Foreign									
a)	NRIs - Individuals	0	0	0	0	0	0	0	0	
b)	Other- Individuals	0	0	0	0	0	0	0	0	
c)	Bodies Corporates	0	0	0	0	0	0	0	0	
d)	Banks/Fls	0	0	0	0	0	0	0	0	
e)	Any Other...	0	0	0	0	0	0	0	0	
	Sub Total (A) (2) :	0	0	0	0	0	0	0	0	
	Total Shareholding of Promoter (A)=(A) (1) + (A) (2)	47792685	0	47792685	54.79	52383490	0	52383490	57.05	2.26
B 1	Public Shareholding Institutions									
a)	Mutual Funds	8937	8950	17887	0.02	8937	8950	17887	0.02	0.00
b)	Bank/Fls	0	850	850	0	0	850	850	0.00	0.00
c)	Central Govt.	0	0	0	0	0	0	0	0	
d)	State Govt (s)	0	0	0	0	0	0	0	0	
e)	Venture Capital Funds	0	0	0	0	0	0	0	0	
f)	Insurance Companies	615885	0	615885	0.71	563985	0	563985	0.61	-0.09
g)	Fls	0	0	0	0	0	0	0	0	
h)	Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	
i)	Others (specify)	0	0	0	0	0	0	0	0	
	Sub Total (B) (1) :	624822	9800	634622	0.73	572922	9800	582722	0.63	-0.09
2	Non-Institutions									
a)	Bodies Corporates	5555570	42363	5597933	7.16	4403150	42363	4445513	4.84	-2.32
i)	Indian	0	0	0	0	0	0	0	0	
ii)	Overseas	0	0	0	0	0	0	0	0	
b)	Individuals									
i)	Individual Shareholders holding nominal share capital upto Rs.2 Lakh	17617296	1316516	18933812	21.71	19715595	1262307	20977902	22.85	1.14
ii)	Individual Shareholders holding nominal share capital in excess of Rs.2 Lakh	13194814	33300	13228114	15.17	11946135	0	11946135	13.01	-2.15
c)	Others (specify) NRIs	802070	236077	1038147	1.19	1250554	229802	1480356	1.61	0.42
	Sub-total (B) (2):	37169750	1628256	38798006	44.48	37315434	1534472	38849906	42.31	-2.17
	Total Public Shareholding (B)=(B)(1)+(B)(2)	37794572	1638056	39432628	45.21	37888356	1544272	39432628	42.95	-2.26
C	Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	
	Grand Total (A+B+C)	85587257	1638056	87225313	100.00	90271846	1544272	91816118	100.00	0

TGV SRAAC LIMITED

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



ii) Shareholding of Promoters as on 31-03-2018

Sl. No.	Name of the shareholder	No of Shares at the beginning the year (01.04.2017)			Share holding at the end of the year (31.03.2018)			
		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 Royalaseema Hi-Strength Hypo Limited	20544496	23.55	0.02	20544496	22.38	0.02	-1.18
2	M/s. TGV Projects and Investments Private Limited	11694248	13.41	0	11694248	13.41	0	0.00
3	M/s. Sree Royalaseema Dutch Kassenbouw Private Ltd.	1881109	2.16	0	1881109	2.05	0	-0.11
4	M/s. Gowri Gopal Hospitals Private Limited	1005375	1.15	0	1005375	1.09	0	-0.06
5	M/s. Sree Royalaseema 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	0.02	0	0.00
7	M/s. Brilliant Industries Private Limited	11736508	13.46	0.20	16327313	17.78	0.19	4.33
8	Sri. T.G. Venkatesh	303848	0.35	0.35	303848	0.33	0.33	-0.02
9	Smt. T.G. Rajyalakshmi	322384	0.37	0.37	322384	0.35	0.35	-0.02
10	Sri. T.G. Bharath	129744	0.15	0.15	129744	0.14	0.14	-0.01
11	Smt. Jyothsna S Mysore	13361	0.02	0.02	13361	0.02	0.02	0.00
12	Smt. Boda Mourya	92800	0.11	0.11	92800	0.11	0.11	-0.01
	Total	47792685	54.79	1.21	52383490	57.05	1.15	2.26

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 01.04.17 to 31.03.18	% of total shares of the Company
		No. of Share at the beginning of the year 01.04.17 / end of the year 31.03.18	% of total shares of the Company				No. of shares	
1	Brilliant Industries Private Limited	11736508	13.46	08.07.17	4590805	Preferential Allotment	16327313	17.78
	Total						16327313	17.78

**TGV SRAAC LIMITED****(formerly known as Sree Royalaseema Alkalies and Allied Chemicals Limited)**

iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs) as on 31-3-2018.

S. No.	Name of the Shareholder	Shareholding				Cumulative shareholding during the year (01.04.17) to (31.03.18)	% of total shares of the Company
		No. of Share at the beginning of the year 01.04.17 / end of the year 31.03.18	% of total shares of the Company	Increase / Decrease in Shareholding (during the year 01.04.17 to 31.03.18)	Reason	No. of shares	
1	Life Insurance Corporation of India	537885 537885	0.62 0.59		No Change	537885	0.59
2	Ashok Kumar Giriraj Bansal	0.00 525000	0.00 0.57		Purchase	525000	0.57
3	Sadhna Mehrotra	473972 420000	0.54 0.46	53972	Sale	420000	0.46
4	Heena Biren Gandhi	445000 405000	0.51 0.44	40000	Sale	405000	0.44
5	Bharti Chetan Cholera	345778 345778	0.40 0.38		No Change	345778	0.38
6	Lal Tolani	339834 339834	0.39 0.37		No Change	339834	0.37
7	Anju Bang	0 300000	0 0.33		Purchase	300000	0.33
8	Mindset Securities Private Limited	0 300000	0.00 0.33		Purchase	300000	0.33
9	Shilpa Stock Broker Private Limited	0 275570	0.00 0.30		Purchase	275570	0.30
10	Kashmira Investment and Leasing Private Ltd.	66000 246500	0.76 0.27	413500	Sale	246500	0.27
11	Rajasthan Global Securities Private Ltd	846808 23000	0.97 0.03	823808	Sale	23000	0.03
12	Pallavi Y Dani	353500 0	0.41 0.00	353500	Sale	0	0.00
13	Mukta Bansal	320000 0	0.37 0.00	320000	Sale	0	0
14	Devika Anand	300283 200000	0.34 0.22	100283	Sale	200000	0.22
15	Ajay Kumar Bansal	100439 139574	0.12 0.15	39135	Purchase	139574	0.15
Total						4058141	4.42

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 01.04.17 to 31.03.18	Reason	Cumulative shareholding during the year 01.04.17 to 31.03.18	% of total shares of the Company
		No. of Shares at the beginning of the year 01.04.17 / end of the year 31.03.18	% of total shares of the Company			No. of shares	
1.	Sri T.G. Venkatesh	303848	0.35	0	No Change	303848	0.33
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
	At the end of the Year	306756	0.35	0	-	306756	0.33

V. INDEBTEDNESS

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

(Rs. 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	45028.50	890.12	0	45918.62
(ii)	Interest due but not paid	0	0	0	0
(iii)	Interest accrued but not due	75.86	0	0	75.86
	Total (i+ii+iii)	45104.36	890.12	0	45994.48
	Change in Indebtedness during the financial year				
*	Addition	5000.00	15.99	0	5015.99
*	Reduction	8556.47	0	0	8556.47
	Indebtedness at the end 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
	Total (i+ii+iii)	41547.89	906.11	0	42454.00



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 (F&C)	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	1981620	1882020	2400000	6263640
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	104598	45456	128000	278054
	(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				-
	Total Ceiling as per the Act (*)	2086218	1927476	2528000	6541694

(*) Rs.527.97 lakhs (being 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 01.04.2017 to 31.03.2018	Names of the Directors	Fee for attending Board / Committee Meetings	Commission	* Others (Please Specify)	Total Amount (in Rs.)
1	Independent Directors	Sri G. Krishna Murthy	63500	-	-	63500
		Sri P.N. Vedanarayanan	34500	-	-	34500
		Dr M. Asha Reddy	52500	-	-	52500
		Sri J. Nagabhushanam	43000	-	-	43000
	Total (1)		193500			193500
2	Other Non-Executive Directors	Sri Subhasish Roy (IDBI)	30000	-	-	30000
		Smt V. Surekha	25000	-	-	25000
	Total (2)		55000			55000
	Total (B) = (1+2)		248500	-	-	248500
	Total Managerial Remuneration		-	-	-	-
	Overall Ceiling as per the Act		-	-	-	(*)

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

(*) Rs.52.79 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	1000593	672893	1673486
	(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	-	-	-
	Total	1038993	711293	1750286

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)
A.COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B.DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C.OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

**ANNEXURE "G" 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. 3368.80 Lakhs
3. Prescribed CSR Expenditure (two per cent of the amount as in item 2 above)	Rs. 67.37 Lakhs
4. Details of CSR spent for the financial year	Rs. 68.83 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	21,03,140	21,03,140	21,03,140	21,03,140
2	Education to Nearby pupil	Provision of Education	Local area	7,19,070	7,19,070	7,19,070	7,19,070
3	Village development	Social Project	Local area	6,19,429	6,19,429	6,19,429	6,19,429
4	Pollution control	Environmental Stability	Local area	14,97,500	14,97,500	14,97,500	14,97,500
5	Old age pensions	Eradication of poverty	Local area	2,16,650	2,16,650	2,16,650	2,16,650
6	Sports and Development	Sports Education	Local area	2,08,619	2,08,619	2,08,619	2,08,619
7	Community Welfare and devopement	Social Project	Local area	15,19,000	15,19,000	15,19,000	15,19,000
	Total Rs.			68,83,408	68,83,408	68,83,408	68,83,408

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 : Kurnool
 Date : 26th November, 2018

TGV SRAAC LIMITED

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



ANNEXURE "H" 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 2017-18	Rs. 26,730
The percentage increase in the median remuneration of employees in the Financial year 2017-18	18 %
The number of permanent employees on the rolls of the Company as on 31 st March, 2018	1050

Name of Director	Ratio of remuneration to median remuneration of all employees
Non-Executive Directors	
Smt. V. Surekha	0.08
Independent Directors	
Sri G. Krishna Murthy	0.20
Sri P.N. Vedanarayanan	0.11
Dr M. Asha Reddy	0.16
Executive Directors	
Sri K. Karunakar Rao	6.50
Sri N. Jesvanth Reddy	6.01
Sri Gopal Krishan	7.88
Key Managerial Personnel	
Sri V. Radhakrishna Murthy	2.22
Sri C. Rajesh Khanna	3.24

Note: 1. The ratio of remuneration to median remuneration is based on remuneration paid during the period 1st April, 2017 to 31st March, 2018.

- (3) 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.

- (4) 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 : Kurnool

Date : 26th November, 2018



**ANNEXURE "I" TO THE DIRECTORS' REPORT
FORM NO. MR-3**

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018**

[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 Rayalaseema 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 Known as Sree Rayalaseema 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 31st March, 2018, 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 31st March, 2018 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 14th May, 2015) and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 2015 (Effective from 15th 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;
 - 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;
 - (1) 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 &

TGV SRAAC LIMITED

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



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 1st 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) The Third Tranche of Share Warrants of 45,90,805 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.7.02 per share after fulfillment of all formalities by the Board.

For N. Ramaswamy & Associates
Company Secretaries

Sd/-

N. Ramaswamy

Practicing Company Secretary

(Sole Proprietor)

PCS No. 5052

Place : Hyderabad
Date : 5th May, 2018

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

Sree Rayalaseema Alkalies and Allied Chemicals Limited,

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)

PCS No. 5052

Place : Hyderabad
Date : 5th May, 2018

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of TGV SRAAC LIMITED ("the Company"), which comprise the Balance Sheet as at March 31 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS 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 Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under and the Order issued under section 143(11) of the Act.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

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



Opinion

In our opinion and to the best of our information and according to the explanations given to us, the afore said Ind AS financial statements give the information required by the 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 2018, and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Other Matters

The comparative financial information of the Company for the year ended 31st March, 2017 and the transition date opening balance sheet as at 1st April 2016 included in these Ind AS financial statements, are based on the previously issued Ind AS financial statements for the years ended 31st March, 2017 and 31st March, 2016 have been audited by the predecessor auditor on which they have expressed an unmodified opinion. We have restated the comparative financial information to comply with Ind AS adjustments made to the said financial information to comply with Ind AS have been audited by us.

Our opinion on the Ind AS financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. 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 Ind AS 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, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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 A". 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 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 Ind AS 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.
2. 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 B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

for **K S RAO & Co.,**
Chartered Accountants
Firm's Regn. No.029195

Sd/-
P. GOVARDHANA REDDY
Partner

Place : Hyderabad
Date : 5th May, 2018

Membership No.029193

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

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

Report on the Internal Financial Controls with reference to 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 with reference to financial statements of TGV SRAAC LIMITED (“the Company”) as of March 31, 2018 in conjunction with our audit of the Ind AS 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 Companies Act, 2013.

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 Companies Act, 2013, 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 Ind AS 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 Ind AS 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 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 Ind AS 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.

TGV SRAAC LIMITED

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



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, 2018, 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. 0031095

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

Place : Hyderabad
Date : 5th May, 2018

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)

- 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 immovable properties are held in the name of the Company.
- 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 Companies Act, 2013 ('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, 2018 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 Companies Act, 2013. 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 Companies Act, 2013, 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), Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues to 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), Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable;



- c. details of dues of Sales Tax, Excise Duty and Value Added Tax which have not been deposited as at March 31, 2018 on account of dispute are given below:

Sl. No.	Name of the Statute	Nature of dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where dispute is pending
1.	The Central Excise Act, 1944	CENVAT Credit disallowed on input services	9.82 31.53*	March, 2007 to Feb, 2008 March, 2008 to Sept. 2015	Customs, Excise and Service Tax Appellate Tribunal, Hyderabad.
2	The Central Excise Act, 1944	CENVAT Credit availed against manufacture of exempted goods disallowed	95.41	2008-09	Customs, Excise and Service Tax Appellate Tribunal, Hyderabad.
3.	AP VAT Act, 2005	Interest on delay payment of deferred sales tax	154.29*	2005-06 and 2006-07	High Court Jurisdiction at Hyderanad
4.	KERALA VAT Act, 2005	Vat on stock transfer price (paid Rs. 1.81 Lakhs)	0.71	2010-11	Sales Tax Appellate Tribunal, Ernakulam
5.	KERALA VAT Act, 2005	Disallowance of input tax on sales returns (paid Rs. 8.14 Lakhs) Disallowance of input tax on sales returns	8.14 2.68	2009-10 2009-10	High Court of Kerala Ernakulam Deputy Commissioner (Appeals) Palakkad
6.	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	Deputy Commissioner of Commercial Taxes, Bellary.
7.	Indian Customs Act, 1962	Customs duty claimed on raw material purchases	1036.14*	2000 -2006	Customs, Excise and Service Tax Appellate Tribunal, Chennai
8.	Indian Customs Act, 1962	Finalisation of assessed bill of entries pertaining to KCL	16.06	2006-07	Customs, Excise and Service Tax Appellate Tribunal, Mumbai
9.	Indian Customs Act, 1962	Anti-dumping duty on import of Barium Carbonate	32.69	2010-11	Joint Commissioner of Customs, Chennai
10.	Indian Customs Act, 1962	Differential duty on classification of goods disputed (Lauric Acid)	9.63* 10.51	2014-15 2014-15	Customs, Excise and Service Tax Appellate Tribunal, Chennai Asst. Commissioner of Customs, Chennai
11.	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, New Delhi.

TGV SRAAC LIMITED

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



Sl. No.	Name of the Statute	Nature of dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where dispute is pending
12.	The Electricity Act, 2003.	Fuel Surcharge Adjustment (FSA) charges Levy of interest by APCPDCL on FSA Charges	871.93 651.87	2008-09 2009-10 May & June 2010 and October, 2011 to March, 2012	Supreme Court of India High Court Jurisdiction at Hyderabad
13	The Electricity Act, 2003.	Interest on amount pending in Court Cases	648.11	From 2014-15 to March, 2018	High Court Jurisdiction at Hyderabad
14.	The Electricity Act, 2003.	Electricity Duty Demand Additional Consumption Deposit and interest thereon	551.44* 1284.75	July, 2003 to May, 2013 2016-17	Supreme Court of India High Court Jurisdiction at Hyderabad

* 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, the Company has paid or provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013;
- 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 Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Ind AS 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 Companies Act, 2013 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 Companies Act, 2013 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 : 5th May, 2018

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**TGV SRAAC LIMITED****(formerly known as Sree Rayalaseema Alkalies and Allied Chemicals Limited)****Balance Sheet As At 31st March, 2018**

(₹ in lakhs)

Particulars	Note No	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
ASSETS				
Non-current assets				
Property, Plant and Equipment	3	66,874.04	69,840.05	66,002.26
Capital work-in-progress	3	1,346.50	-	-
Investment properties	4	7.05	7.05	7.05
Financial assets				
- Investments	5(a)	1,403.60	864.20	616.61
- Other financial assets	5(b)	3,657.03	3,086.74	2,556.74
Other non-current assets	6	2,608.52	2,635.96	1,594.96
Total Non-current assets		75,896.74	76,434.00	70,777.62
Current assets				
Inventories	7	6,503.74	6,576.08	6,977.14
Financial assets				
- Trade receivables	8(a)	10,619.77	7,536.08	6,497.77
- Cash and cash equivalents	8(b)	485.96	312.40	336.61
- Bank balances other than Cash and cash equivalents	8(c)	4,813.53	5,696.74	3,787.08
- Other financial assets	8(d)	9,385.25	9,658.55	7,385.04
Other current assets	9	1,346.30	1,597.82	1,377.18
Total Current assets		33,154.55	31,377.67	26,360.82
TOTAL ASSETS		109,051.29	107,811.67	97,138.44
EQUITY AND LIABILITIES				
Equity				
Equity Share capital	10(a)	9,185.89	8,726.81	8,290.69
Other equity	10(b)	29,049.33	25,947.89	24,448.78
Total Equity		38,235.22	34,674.70	32,739.47
Liabilities				
Non-current liabilities				
Financial liabilities				
- Borrowings	11(a)	13,250.75	15,708.48	17,244.75
Deferred tax liabilities (Net)	12	8,938.22	7,829.64	6,917.35
Deferred Government grants	13	143.16	191.04	239.37
Total Non-current liabilities		22,332.13	23,729.16	24,401.47
Current liabilities				
Financial liabilities				
- Borrowings	11(a)	23,675.38	25,757.33	22,467.43
- Trade payables	11(b)	5,889.85	8,200.28	5,841.50
- Other financial liabilities	11(c)	13,610.50	10,870.76	8,780.91
Other current liabilities	14	4,691.58	3,990.72	2,618.75
Provisions	15	65.28	41.78	20.72
Current tax liability (Net)	16	551.35	546.94	268.19
Total Current liabilities		48,483.94	49,407.81	39,997.50
TOTAL LIABILITIES		70,816.07	73,136.97	64,398.97
TOTAL EQUITY AND LIABILITIES		1,09,051.29	107,811.67	97,138.44

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 : 5th May, 2018

Sd/-

CA K. KARUNAKAR RAO

Executive Director (Fin. & Comm.) & CEO

Sd/-

N. JESVANTH REDDY

Executive Director (Technical)

Sd/-

CS V. RADHAKRISHNA MURTHY

Company Secretary

Sd/-

CA C. RAJESH KHANNA

C.G.M. (Fin & Accts) & CFO

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TGV SRAAC LIMITED

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



Statement of Profit and Loss for the year ended 31st March, 2018

(₹ in lakhs)

Particulars	Note No	For the year ended March 31, 2018	For the year ended March 31, 2017
I Revenue from operations	17	107,208.46	100,496.66
II Other income	18	690.35	864.95
III Total Income (I + II)		107,898.81	101,361.61
IV Expenses			
Cost of materials consumed	19(a)	29,741.62	33,521.19
Purchase of stock-in-trade		-	-
Changes in inventories of finished goods, work in progress and stock-in-trade	19(b)	208.01	337.97
Excise duty on sale of goods		2,588.00	9,756.00
Employee benefit expense	20	4,150.36	3,799.92
Finance costs	21	5,175.94	5,273.88
Depreciation and amortisation expense	3	7,655.54	4,659.91
Power and fuel		39,328.12	31,917.90
Other expenses	22	11,702.05	8,129.43
Total expenses (IV)		100,549.64	97,396.20
V Profit/ (loss) before exceptional items and tax (III-IV)		7,349.17	3,965.41
VI Exceptional items		-	-
VII Profit/ (loss) before tax (V-VI)		7,349.17	3,965.41
Current tax	23	1,188.52	860.19
Deferred tax	23	1,130.08	912.29
VIII Tax expense		2,318.60	1,772.48
IX Profit/ (loss) for the period from continuing operations (VII-VIII)		5,030.57	2,192.93
X Profit/ (loss) from discontinued operations	30	(2,069.45)	(535.19)
XI Tax expense of discontinued operations		-	-
XII Profit/ (loss) from discontinued operations (after tax) (X-XI)		(2,069.45)	(535.19)
XIII Profit/ (loss) for the period (IX+XII)		2,961.12	1,657.74
XIV Other comprehensive income	24		
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains/ (losses) on defined benefit plans		(62.15)	-
Tax effect		21.51	-
Net gains/(losses) on FVTOCI equity securities		54.02	247.60
XV Total comprehensive income for the period (XIII+XIV)		2,974.50	1,905.34
XVI Earnings per equity share (for continuing operations)	25		
a) Basic		5.55	2.62
b) Diluted		5.55	2.62
XVII Earnings per equity share (for discontinued operations)			
a) Basic		(2.28)	(0.64)
b) Diluted		(2.28)	(0.64)
XVIII Earnings per equity share (for discontinued & continuing operations)			
a) Basic		3.27	1.98
b) Diluted		3.27	1.98
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 : 5th May, 2018

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

C.G.M. (Fin & Accts) & CFO

***** 57 *****

**TGV SRAAC LIMITED****(formerly known as Sree Rayalaseema Alkalies and Allied Chemicals Limited)****Cash Flow Statement for the year ended March 31, 2018****(₹ in lakhs)**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Cash flow from operating activities		
Profit before tax from continuing operations	7,349.17	3,965.41
Profit/(loss) before tax from discontinued operations	(2,069.45)	(535.19)
Profit before exceptional items and tax	5,279.72	3,430.22
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortisation expenses	9,680.48	5,147.08
Interest income	(560.71)	(479.60)
Allowance for expected credit loss on trade receivables	57.00	40.00
Unrealized foreign exchange (gain)/loss	175.30	(198.23)
Dividend income on investments made	(3.72)	(3.68)
Interest expenses	5,126.41	4,977.69
Interest expense due to amortisation of financial liability & deferred sales tax recognised	49.54	296.18
Income due to deferred sales tax recognised & capital subsidy recognised	(47.88)	(48.32)
Operating profit before working capital changes	19,756.13	13,161.34
Working capital adjustments:		
(Decrease)/Increase in trade payables	(2,310.42)	2,358.78
(Decrease)/Increase in other current liabilities	1,738.08	3,461.82
(Decrease)/Increase in short term provisions	(38.65)	21.05
(Increase)/Decrease in trade receivables	(3,131.06)	(1,078.73)
(Increase)/Decrease in inventories	72.33	401.06
(Increase)/Decrease in other current assets	481.31	(3,202.96)
(Increase)/Decrease in financial assets	(129.62)	(350.39)
Cash generated from operating activities	16,438.09	14,771.97
Direct taxes paid (net)	(1,184.11)	(581.44)
Net cash flow from operating activities (A)	15,253.98	14,190.53
Cash flows from investing activities		
Purchase of fixed assets, including CWIP	(8,060.96)	(8,984.87)
Purchase of investment	(485.38)	-
Interest received	604.22	368.05
Dividend received	3.72	3.68
Deposits matured/(placed) during the year	250.21	(1,503.11)
Redemption/(Investment) of margin money deposit	219.77	(806.80)
Net cash flow from/ (used in) investing activities (B)	(7,468.42)	(10,923.04)
Cash flows from financing activities		
Proceeds from equity	586.02	29.90
Repayment of preference shares	(210.42)	-
Interest paid	(5,126.41)	(4,977.69)
Dividend paid	-	(2.34)
(Repayment)/Proceeds of long term borrowings	(594.31)	(1,830.11)
(Repayment)/Proceeds from short term borrowings	(2,266.87)	3,488.55
Net cash flow from/ (used in) in financing activities (C)	(7,612.00)	(3,291.69)
Net increase/(decrease) in cash and cash equivalents (A + B + C)	173.56	(24.20)
Cash and cash equivalents at the beginning of the year	312.40	336.61
Cash and cash equivalents at the end of the year	485.96	312.40
Components of cash and cash equivalents		
Cash on hand	1.74	2.68
Balances with banks		
- in Current Account	435.82	247.92
Deposits with original maturity of less than three months	48.40	61.80
Total cash and cash equivalents (Note 8(b))	485.96	312.40

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 P. GOVARDHANA REDDY)

Partner

Membership No. 029193

Place : Hyderabad

Date : 5th May, 2018

Sd/-

CA K. KARUNAKAR RAO

Executive Director (Fin. & Comm.) & CEO

Sd/-

N. JESVANTH REDDY

Executive Director (Technical)

Sd/-

CS V. RADHAKRISHNA MURTHY

Company Secretary

Sd/-

CA C. RAJESH KHANNA

C.G.M. (Fin & Accts) & CFO

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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 1st Apr 2016		8,290.69
Changes in equity share capital during the year	10(a)	436.12
As at 31st Mar 2017		8,726.81
Changes in equity share capital during the year	10(a)	459.08
As at 31st Mar 2018		9,185.89

(₹ in lakhs)

b. Other Equity		Reserves and Surplus				Items of Other Comprehensive income		Money	
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	Total other equity
Balance at 1st April, 2016	10(b)	2,579.37	3,516.20	2,000.00	15,000.07	445.41	-	907.73	24,448.78
Changes in equity for the period ended 31st March, 2017									
Exercise of share warrants	10(b)(i),(vi)	306.16	-	-	-	-	-	(712.39)	(406.23)
Transfer to general reserve	10(b)(iii)	-	(1,500.00)	-	-	-	-	-	(1,500.00)
Transfer from retained earnings	10(b)(vi)	-	-	-	1,500.00	-	-	-	1,500.00
Equity instruments through other comprehensive income	10(b)(v)	-	-	-	-	247.60	-	-	247.60
Profit for the year	10(b)(iv)	-	1,657.74	-	-	-	-	-	1,657.74
Balance at 31st March, 2017		2,885.53	3,673.94	2,000.00	16,500.07	693.01	-	195.34	25,947.89
Changes in equity for the period ended 31st March, 2018									
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
Balance at 31st March, 2018		3,207.80	5,094.43	2,000.00	18,000.07	747.03	-	-	29,049.33

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 : 5th May, 2018

For and on behalf of the Board

Sd/-

CA K. KARUNAKAR RAO

Executive Director (Fin. & Comm.) & CEO

Sd/-

N. JESVANTH REDDY

Executive Director (Technical)

Sd/-

CS V. RADHAKRISHNA MURTHY

Company Secretary

Sd/-

CA C. RAJESH KHANNA

C.G.M. (Fin & Accts) & CFO

**Notes to financial statements for the year ended 31st March, 2018****Note 1: General Information**

TGV SRAAC LIMITED (formerly known as Sree Rayalaseema Alkalies and Allied Chemicals Limited) incorporated on 24th June, 1981 is the flagship company of the TGV Group. It is the leading producer of Chlor-Alkali products 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 Limited (BSE).

The financial statements are approved for issue by the Company's Board of Director's on 5th May, 2018.

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 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and Companies (Indian Accounting Standards) Amendment Rules, 2017.

Upto the year ended March 31, 2017 the Company prepared its financial statements in accordance with the requirements of the Standards notified under the Companies (Accounting Standards) Rules, 2014. These are the Company's first Ind AS adopted financial statements. The date of transition to Ind AS is April 1, 2016. Refer Note 43 for the details of first-time adoption exemptions availed by the Company. In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, the Company has presented a reconciliation in Note 43 from the presentation of financial statements under earlier Accounting Standards notified under the Companies (Accounting Standards) amendment Rules, 2016 and the Companies (Accounting Standards) amendment Rules, 2017 ("Previous GAAP") to Ind AS of Shareholders' equity as at March 31, 2017 and April 1, 2016 and of the comprehensive net income for the year ended March 31, 2017 and April 1, 2016.

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.

TGV SRAAC LIMITED

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



Notes to financial statements for the year ended 31st March, 2018

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.

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).

Change in accounting estimates

During the current year the Company's technical team have reviewed the useful life of the plant and machinery and revised the useful life of the plant and machinery due to technical or commercial obsolescence and wear and tear that result in the diminution of the economic benefits that might have been obtained from the asset. The revision in the useful life's have been certified by Chartered Engineer. The change in estimate of useful life of plant and machinery is detailed in Note 2 (F).

Had the Company continued to use the earlier estimate of useful life of plant and machinery the financial statements for the year would have been impacted as below:

Depreciation would have been lowered by Rs.3992 lakhs profit for the year would have been higher by Rs.3992 lakhs and property plant and equipment would have been higher by Rs.3992 lakhs.

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.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of 1st April 2016 (transition date) measured as per the previous GAAP and considered that carrying value as its deemed cost as of the transition date.

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.

**Notes to financial statements for the year ended 31st March, 2018**

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.:

- ★ Thermal power plant – 13 years
- ★ Chlorine cylinders – 5 years
- ★ Membranes – 5 years
- ★ Soap plant – 15 years

G. Investment properties

Since there is no change in the functional currency, the Company has elected to continue with the carrying value for all of its investment property as recognised in its Indian GAAP financial statements as deemed cost at the transition date April 1, 2016.

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.

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.



TGV SRAAC LIMITED

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

Notes to financial statements for the year ended 31st March, 2018

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 30. 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.

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.

**Notes to financial statements for the year ended 31st March, 2018**

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.

Equity of 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.



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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.

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.

**Notes to financial statements for the year ended 31st March, 2018****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.

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.



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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.
- 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

I. Sale of Goods:

Revenue from the sale of Goods is recognised when the goods are delivered and titles have been passed, at which time all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Sales are net of discounts, sales tax and value added tax but includes handling charges and packing charges. The Sales figure is grossed up to include Excise duty collected on sales.

II. Dividend and interest income:

Dividend income from investments is recognised when the shareholder's right to receive the payment has been established. Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on time basis, by reference to the principal outstanding and at the effective interest rate applicable.

III. Other Operating Income and Other Income:

Revenue with respect to Other Operating Income and Other Income including incentives are recognised when a reasonable certainty as to its realisation exists.

**Notes to financial statements for the year ended 31st March, 2018****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).

(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.



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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.

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.

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.

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.



Notes to financial statements for the year ended 31st March, 2018

X. Recent accounting pronouncements

★ **Standards issued but not yet effective:**

In convergence with IFRS, the Ministry of Corporate Affairs(MCA) issued Ind AS 115, Revenue from Contracts with Customers on 28 March 2018.

Revenue from Contracts with Customers('Ind AS 115'). Ind AS 115 is effective from accounting period beginning on or after 1 April, 2018 and

- Replaces Ind AS 18, Revenue and Ind AS 11, Construction Contracts
- Establishes a new control-based revenue recognition model
- Provides more guidance for deciding whether revenue is recognised at a point in time or over time
- Provides new and more detailed guidance on specific topics such as multiple element arrangements, variable consideration, rights of return, warranties, principal versus agent considerations, consignment arrangements, bill-and hold arrangements and licensing
- Expands and improves disclosures about revenue.

Ind AS 115 at a glance

Who is affected?	<ul style="list-style-type: none"> ● All entities that enter into contracts with customers with few exceptions
What is the impact?	<ul style="list-style-type: none"> ● The new revenue recognition standard requires management to use judgment to (1) determine whether contracts with one customer (or related parties) should be combined and treated as a single contract, (2) identify the performance obligations in a contract (i.e., the unit of account), and (3) determine the transaction price. ● Variable consideration that may be created by sales incentives, such as volume discounts or customer rebates, will need to be estimated and may be constrained. ● Revenue from contracts for customised parts that an entity creates by providing a "service" to a customer (i.e., the parts have no alternative use to the entity and the entity has a right to payment for performance to date) will need to be recognised over time as the parts are constructed. ● An entity will need to determine whether contract costs should be capitalised and amortised as goods and services are transferred to the customer or whether such costs should be expensed as incurred.

Entities are required to apply the new revenue standard either:

- Retrospectively to each prior period presented in accordance with Ind AS 8, subject to some practical expedients mentioned in the standard or
- Retrospectively with the cumulative effect of initial application recognised at the date of initial application.

An entity that chooses to restate only the current period is required to provide the following additional disclosures in the initial year of adoption:

- By financial statement line item, the current year impact of applying the new revenue standard
- an explanation of the reasons behind the significant impacts.

The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On March 28, 2018, the Ministry of Corporate Affairs ('the MCA') notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from April 1, 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.

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Notes to financial statements for the year ended 31st March, 2018

Note 3: Property, Plant and Equipment

(₹ in lakhs)

Particulars	Freehold land	Leasehold land	Freehold buildings, roads & fencing	Furniture, fittings and equipment	Thermal Power Plants	Plant and machinery process	Other Plant & Machinery	Office & Telephone Equipments	Lab, Workshop & Other Equipment	Computers	Vehicles	Total	Capital Work in-progress
Carrying amount													
Gross carrying amount													
Deemed cost as at													
1st April, 2016	714.36	15.29	10,989.44	104.28	33,868.84	69,089.21	4,604.53	442.73	357.83	462.69	334.40	120,983.60	-
Additions	2.88	-	741.60	1.50	1,116.17	6,983.25	11.10	31.80	1.48	95.09	-	8,984.87	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing gross carrying amount													
as at 31st March, 2017	717.24	15.29	11,731.04	105.78	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	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing gross carrying amount													
as at 31st March, 2018	719.44	15.29	12,173.77	108.25	35,340.12	81,897.91	4,615.63	512.41	363.33	588.07	348.72	136,682.94	1,346.50
Accumulated depreciation													
As at 1st April, 2016	-	-	2,497.50	86.72	18,542.18	29,460.09	3,196.53	322.78	231.10	355.61	288.83	54,981.34	-
Depreciation charge during the year	-	-	340.44	4.08	1,398.75	3,045.68	202.99	49.59	32.61	62.50	10.44	5,147.08	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing Accumulated depreciation													
as at 31st March, 2017	-	-	2,837.94	90.80	19,940.93	32,505.77	3,399.52	372.37	263.71	418.11	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	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing Accumulated depreciation													
as at 31st March, 2018	-	-	3,221.25	94.12	24,665.66	36,038.93	4,287.34	411.09	287.16	497.25	306.10	69,808.90	-
Net Carrying amount as at 31st March, 2016	714.36	15.29	8,491.94	17.56	15,326.66	39,629.12	1,408.00	119.95	126.73	107.08	45.57	66,002.26	-
Net Carrying amount as at 31st March, 2017	717.24	15.29	8,893.10	14.98	15,044.08	43,566.69	1,216.11	102.16	95.60	139.67	35.13	69,840.05	-
Net Carrying amount as at 31st March, 2018	719.44	15.29	8,952.52	14.13	10,674.46	45,858.98	328.29	101.32	76.17	90.82	42.62	66,874.04	1,346.50



Notes to financial statements for the year ended 31st March, 2018

Note 4: Investment property

(₹ in lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 31st April, 2016
Gross carrying amount			
Opening gross carrying amount	7.05	7.05	7.05
Additions	-	-	-
Closing gross carrying amount	7.05	7.05	7.05
Accumulated depreciation			
Opening accumulated depreciation	-	-	-
Depreciation charge	-	-	-
Closing accumulated depreciation	-	-	-
Net carrying amount	7.05	7.05	7.05
Fair value	As at 31st March, 2018	As at 31st March, 2017	As at 31st April, 2016
Investment properties	19.47	18.71	18.71

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, 2018	As at 31st March, 2017	As at 31st April, 2016
Investment in Other Companies			
Investment in equity instruments at fair value through other comprehensive income (fully paid)			
Quoted			
2,44,749(March 31, 2017: 2,44,749 1st April, 2016: 2,44,749) equity shares of Sree Royalaseema Hi-Strength Hypo Ltd	356.11	302.26	168.39
839(March 31, 2017: 839 1st April, 2016: 839) equity shares of Indian Bank	2.52	2.35	0.87
Unquoted			
13,93,600 (March 31, 2017: 13,93,600 1st April, 2016: 13,93,600) equity shares of Andhra Pradesh Gas Power Corporation Ltd (pledged with financial institutions)	557.69	557.69	445.45
46,85,840 (March 31, 2017: NIL 1st April, 2016: NIL)			
*equity shares of Rs. 10/- each of NCS Sugars Ltd	485.38	-	-
Total equity investments	1,401.70	862.30	614.71

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Notes to financial statements for the year ended 31st March, 2018

Investment in government securities carried at amortised cost

Unquoted

National Saving Certificates	1.90	1.90	1.90
Total non-current investments	1,403.60	864.20	616.61
Aggregate amount of quoted investments and market value thereof	358.63	304.61	169.26
Aggregate amount of un-quoted investments	1,044.97	559.59	447.35
Aggregate amount of impairment in the value of investments	-	-	-

* The Company has invested 23.43% in equity share capital of M/s. NCS Sugars Ltd, for procurement of power under power purchase agreement. It is clearly demonstrated by an agreement that there will not be any participation by TGV SRAAC Ltd for voting in any policy-making/decision making processes of NCS Sugars Ltd and also there is no representation on the board of directors or equivalent governing body of the NCS Sugars Ltd. As evidenced by such understandings, the Company does not exercise any control or have significant influence over the NCS Sugars Ltd. Hence investment in NCS Sugars Ltd., is not considered as an associate of the Company for accounting investment under equity method under Ind-AS 28 "Investments in Associates and Joint Ventures".

5(b) Other non-current financial assets

(₹ in lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Security Deposits with Power Distribution Corporation Ltd	2,495.66	2,495.66	2,395.60
Bank Deposits with more than 12 Months Maturity	829.85	416.63	16.38
Advances to related parties	324.35	166.58	137.13
Rent advance	7.17	7.87	7.63
Total	3,657.03	3,086.74	2,556.74

Note 6: Other non-current assets

(₹ in lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Capital Advances	639.11	666.55	557.17
Amount paid under protest	1,969.41	1,969.41	1,037.79
Total	2,608.52	2,635.96	1,594.96

Note 7: Inventories

(₹ in lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Raw Materials	1,135.88	1,562.70	1,200.33
Work-in-progress	499.02	550.20	687.60
Finished Goods	1,160.43	1,317.92	1,519.60
Stores and spares, Chemicals, fuel and packing materials	2,272.08	2,221.46	2,285.74
Scrap and other disposals	12.65	11.99	10.88
Goods in transit			
Raw Materials	1,274.04	492.76	1,178.28
Stores and spares	149.64	419.05	94.71
Total	6,503.74	6,576.08	6,977.14



Notes to financial statements for the year ended 31st, March 2018

Note 8(a): Trade receivables

(₹ in lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Unsecured and considered good*	10,619.77	7,536.08	6,497.77
Unsecured and considered doubtful	97.00	40.00	64.00
	10,716.77	7,576.08	6,561.77
Impairment Allowance (allowance for bad and doubtful debts)	(97.00)	(40.00)	(64.00)
Total trade receivables	10,619.77	7,536.08	6,497.77

(*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 :

Expected credit loss	
Aging:	As at 31st March, 2018
With 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%

Ageing of receivables

(₹ in lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
With credit period	7,504.01	5,604.86	4,018.63
Upto 60 days past due	1,622.56	1,147.05	993.48
61-90 days past due	871.08	615.80	833.35
91-180 days past due	217.92	135.36	630.86
more than 180 days past due	501.20	73.01	85.45
Total trade receivables (before impairment allowance)	10,716.77	7,576.08	6,561.77

Movement in Expected Credit Loss Allowance :

(₹ in lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Balance at the beginning of the year	40.00	64.00
Movement in Expected Credit Loss Allowance on trade receivables calculated at lifetime expected credit losses	57.00	(24.00)
Balance at the end of the year	97.00	40.00

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Notes to financial statements for the year ended 31st March, 2018

Note 8(b): Cash and cash equivalents

(₹ in lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Balances with banks			
in Current Account	435.82	247.92	205.31
Deposits with original maturity of less than three months	48.40	61.80	11.91
Cheques on hand	-	-	100.00
Cash on hand	1.74	2.68	19.39
Total	485.96	312.40	336.61

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

(₹ in lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Deposits with maturity of more than three months but less than 12 months	3,985.43	4,648.87	3,546.00
Margin money with banks	824.02	1,042.26	236.84
LC-Margin deposit with bank	4.08	5.61	4.24
Total	4,813.53	5,696.74	3,787.08

Note 8(d): Other financial assets

(₹ in lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Tender/Security/Telephone Deposits	322.65	317.07	175.12
Sales tax, Power and export Incentives Receivable	8,917.38	9,152.75	7,132.75
Interest receivable on deposits	145.22	188.73	77.17
Total	9,385.25	9,658.55	7,385.04

Note 9: Other current assets

(₹ in lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Advances to related parties	-	12.77	127.53
Advance to Suppliers	810.68	603.28	367.15
Advance to Employees	89.48	101.80	90.10
Advance to Contractors & Transporters	50.34	112.44	50.46
Prepaid Insurance and other Expenses	253.71	325.97	275.15
Advance Excise Duties/CENVAT/VAT/Service tax	127.51	429.56	390.39
Other Advances	14.58	12.00	76.40
Total	1,346.30	1,597.82	1,377.18



Notes to financial statements for the year ended 31st March, 2018

Break up of financial assets carried at amortised cost and at fair value through other comprehensive income

Particulars	Non-Current			Current		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Financial assets carried at amortised cost						
- Trade receivables	-	-	-	10,619.77	7,536.08	6,497.77
- Cash and cash equivalents	-	-	-	485.96	312.40	336.61
- Bank balances other than Cash and cash equivalents	-	-	-	4,813.53	5,696.74	3,787.08
- Investments in government securities	1.90	1.90	1.90	-	-	-
- Other financial assets	3,657.03	3,086.74	2,556.74	9,385.25	9,658.55	7,385.04
(A)	3,658.93	3,088.64	2,558.64	25,304.51	23,203.77	18,006.50
Financial assets carried at fair value through other comprehensive income						
- Investments	1,401.70	862.30	614.71	-	-	-
(B)	1,401.70	862.30	614.71	-	-	-
Total financial assets (A+B)	5,060.63	3,950.94	3,173.35	25,304.51	23,203.77	18,006.50

Note 10: Equity share capital and other equity

10(a) Equity share capital

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(a) Authorised Share Capital :			
9,50,00,000 Equity Shares of Rs. 10/- each	9,500.00	9,500.00	9,500.00
(as at 31st march 2017; 9,50,00,000 Equity Shares of Rs.10/- each)			
(as at 1st april 2016; 9,50,00,000 Equity Shares of Rs.10/- each)			
(b) Issued:			
9,19,96,204 Equity shares of Rs.10/- each issued	9,199.62	8,740.54	8,304.41
(as at 31st march 2017; 8,74,05,399 Equity Shares of Rs.10/- each)			
(as at 1st april 2016; 8,30,44,134 Equity Shares of Rs.10/- each)			
(c) Subscribed and fully paid			
9,18,16,118 Equity shares of Rs.10/- each fully paid	9,181.61	8,722.53	8,286.41
(as at 31st march 2017; 8,72,25,313 Equity Shares of Rs.10/- each)			
(as at 1st april 2016; 8,28,64,048 Equity shares of Rs.10/- each)			
(d) Subscribed & Not Fully Paid (forefeited)			
1,80,086 Equity shares of Rs.10/- each	4.28	4.28	4.28
(as at 31st march 2017; 1,80,086 Equity shares of Rs.10/- each)			
(as at 1st april 2016; 1,80,086 Equity shares of Rs.10/- each)			
Total	9,185.89	8,726.81	8,290.69

Reconciliation of the number of equity shares outstanding

(Shares in Numbers)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
At the beginning of the year	8,72,25,313	8,28,64,048	7,87,20,846
Add: Issued during the year	45,90,805	43,61,265	41,43,202
Less:Bought back during the year	-	-	-
At the end of the year	9,18,16,118	8,72,25,313	8,28,64,048

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Notes to financial statements for the year ended 31st March, 2018

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, 2018		As at 31st March, 2017		As at 1st April, 2016	
	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding
Sree Rayalaseema Hi-Strength Hypo Limited	2,05,44,496	22.38%	2,05,44,496	23.55%	2,05,44,496	24.79%
TGV Projects & Investments Private Limited	1,16,94,248	12.74%	1,16,94,248	13.41%	1,16,94,248	14.11%
Brilliant Industries Private Limited	1,63,27,313	17.78%	1,17,36,508	13.46%	73,75,243	8.90%
	4,85,66,057	52.90%	4,39,75,252	50.42%	3,96,13,987	47.80%

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 No. 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 Share Warrants allotted on 19th Nov, 2012 on preferential basis.

During the year 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.

10(b) Other Equity

(₹ in lakhs)

Particulars	As at 31st	As at 31st	As at 1st
	March, 2018	March, 2017	April, 2016
(i) Share premium	3,207.80	2,885.53	2,579.37
(ii) Capital Redemption Reserve	2,000.00	2,000.00	2,000.00
(iii) Other reserve	18,000.07	16,500.07	15,000.07
(iv) Retained earnings	5,094.43	3,673.94	3,516.20
(v) Reserve for other comprehensive income items	747.03	693.01	445.41
(vi) Money received against share warrants	-	195.34	907.73
Total	29,049.33	25,947.89	24,448.78



Notes to financial statements for the year ended 31st March, 2018

Reserves and Surplus

(i) Share premium

(₹ in lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Opening balance	2,885.53	2,579.37
Issue of equity shares by exercise of share warrants	322.27	306.16
Closing balance	3,207.80	2,885.53

(ii) Capital Redemption Reserve

(₹ in lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Opening balance	2,000.00	2,000.00
Add: Transfer from Surplus in Statement of Profit & Loss	-	-
Closing balance	2,000.00	2,000.00

(iii) Other reserves

(₹ in lakhs)

Equity portion of preference shares

Particulars	As at 31st March, 2018	As at 31st March, 2017
Opening balance	1,542.71	1,542.71
Add: Transfer to retained earnings	-	-
Closing balance	1,542.71	1,542.71

General Reserve

(₹ in lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Opening balance	14,957.36	13,457.36
Add: Transfer from Surplus in Statement of Profit & Loss	1,500.00	1,500.00
Closing balance	16,457.36	14,957.36

(iv) Retained earnings

(₹ in lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Opening balance	3,673.94	3,516.20
Net profit for the period	2,961.13	1,657.74
Transfer to General Reserve	(1,500.00)	(1,500.00)
Transfer from Reserve for other comprehensive income	(40.64)	-
Closing balance	5,094.43	3,673.94

(v) Reserve for items of Other Comprehensive income

(₹ in lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Change in fair value of FVTOCI - equity instruments (Net of taxes)		
- Opening balance	693.01	445.41
- Net gains/(losses) on FVTOCI equity securities during the year	54.02	247.60
- Closing balance	747.03	693.01
Other Comprehensive income arising from actuarial gain/loss on defined benefit obligation (Net of taxes)		
- Opening balance	-	-
- Gains/(losses) on arising from actuarial gain/loss on gratuity	(40.64)	-
- Transfer to retained earnings	40.64	-
- Closing balance	-	-
Total Closing balance	747.03	693.01

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Notes to financial statements for the year ended 31st March, 2018

(vi) Money received against share warrants

(₹ in lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Opening balance	195.34	907.73
Shares issued during the year	(195.34)	(712.39)
Closing balance	-	195.34

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.

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.

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 FVTOCI equity investments reserve within 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.

Note 11(a): Long Term Borrowings

(₹ in lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Non-current borrowings			
Secured			
Term Loans			
From banks*	-	1,142.20	3,356.61
From institutions			
IFCI Ltd**	6,720.30	10,225.63	8,484.17
Working capital Term Loans			
From banks***	5,780.43	1,739.67	3,058.48
	12,500.73	13,107.50	14,899.26
UnSecured			
Deferred Payment liabilities			
(Sales Tax deferment/loan sanctioned as per State Incentive Schemes)	598.02	560.42	504.88
(Repayable from the year 2018-19 to 2023-24 & amortised)			
Loan taken from related party payable on demand	152.00	152.00	152.00
Preference shares Liability			
1,88,82,332 of Rs.10/- each having a coupon rate of 0.01%	-	1,888.56	1,688.61
	750.02	2,600.98	2,345.49
Total	13,250.75	15,708.48	17,244.75

**Notes to financial statements for the year ended 31st March, 2018**

There is no default as at 31st March, 2018, 31st March 2017, 31st March 2016 in repayment of loans and interest payments on Term Loans.

Terms of repayment

*Repayment of Term Loans from Banks in respect of Chloromethanes project availed from Indian Bank (repayable in 45 monthly instalments from Jan 2015 at interest rate of Base rate + 2.80%p.a and additional term loan repayable in 39 monthly instalments from July, 2015 at interest rate of Base rate + 3.30%p.a), United Bank of India (repayable in 72 monthly instalments from Oct, 2012 at interest rate of Base rate + 4.50%p.a) and The South Indian Bank Ltd (repayable in 72 monthly instalments from April, 2012 at interest rate of Base rate + 4.80%p.a and additional term loan repayable in 36 monthly instalments from April, 2016 at interest rate of Base rate + 3.80%p.a).

**IFCI Ltd. Corporate Term Loan (Rs. 100 Cr. Loan is repayable in 48 monthly Instalments from Oct, 2016 and Rs. 45 Cr. 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.1571 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).

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

Preference shares Liability

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 years in 4 quarterly instalments commencing from 1st April, 2018 and are amortised using effective interest rate of 12%.

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 Sri.T.G.Venkatesh.

The above Term loans from Banks are secured by first pari passu charge on fixed assets of Chloromethanes Project, and 2nd pari - passu charge on other existing fixed assets and on the current assets and personal guarantee of Chairman Sri 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 (agreed by company for modifying 2nd charge on fixed assets to 1st pari passu charge similar to other banks) 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 Sri. 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 Sri. T.G.Venkatesh.

Note 11 (a) Current borrowings

(₹ in lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016
Secured			
From banks			
Working capital demand loans	546.18	545.86	548.36
Cash Credits	1,183.27	1,934.44	1,017.38
Bill Discounting	934.63	580.61	693.48
Letters of Credit issued by Banks to Creditors (Payable to Banks on due dates of Letters of Credit)	19,685.30	21,158.32	18,497.27
Loan on fixed deposits	-	240.50	200.00
From Others			
Sale/Purchase Bills Discounted with Can Bank Factors Ltd (Payable on due dates of Bills/factors)	1,326.00	1,297.60	1,510.94
Total	23,675.38	25,757.33	22,467.43

There is no default as at 31st March, 2018, 31st March, 2017, 31st March, 2016 in repayment of loans and interest payments on Working capital Loans, Letters of Credit issued and Bills discounted with Banks and others.

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Notes to financial statements for the year ended 31st March, 2018

Terms of payment and 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 2.41% to 4.70%.

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 Sri 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 Sri T.G.Venkatesh.

c) Bills discounted with Canbank Factors Ltd:

The above Sale Bill discounting facility from Canbank 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 Sri T.G.Venkatesh and purchase bill discounting facility sanctioned by Canbank Factors Ltd are secured by 2nd pari passu charge on fixed assets of the company.

Note 11(b): Trade payables

(₹ in lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Trade payables*	5,889.85	8,200.28	5,841.50
Total	5,889.85	8,200.28	5,841.50

*(Refer Notes 34 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 29(b) for related party trade payables).

Note 11(c): Other financial liabilities

(₹ in lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Current maturities of long term debt*			
Secured			
Term Loans from IFCI	3,625.00	2,968.75	1,458.33
Term Loans from Banks	1,693.56	3,194.92	3,244.37
Interest accrued but not due on term loans	53.22	75.86	33.09
UnSecured			
Deferred Payment liabilities*			
(Sales Tax deferment/loan sanctioned as per State Incentive Schemes)	24.04	-	-
Preference shares Liability*			
(1,88,82,332 of Rs.10/- each having a coupon rate of 0.01%)	1,678.48	-	-
Others			
Trade Deposits from Dealers/customers payable on demand	1,388.90	681.50	8.50
Dues to Banks (Cheques issued in current accounts)	11.97	183.68	144.55
Employees Salaries,Bonus and P F/ ESI recoveries and contributions to Superannuation Fund	441.78	415.70	477.76
Payable for capital goods	331.55	470.33	696.15
Power charges and other expenses payable	4,362.00	2,880.02	2,718.16
Total	13,610.50	10,870.76	8,780.91

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.



Notes to financial statements for the year ended 31st March, 2018

Note 12: Deferred tax liability

(₹ in lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
The balance comprises temporary differences attributable to:			
Deferred tax liabilities			
Property, plant and equipment	9,802.61	9,178.76	8,256.94
Deferred tax assets			
Unabsorbed depreciation/losses and expenses allowable U/s 43B of IT Act.	(776.29)	(1,306.57)	(1,297.61)
Borrowing costs measured at amortised cost	(33.02)	(28.71)	(41.98)
Provision for Expected Credit Loss (ECL)	(33.57)	(13.84)	-
Employee benefits - Gratuity	(21.51)	-	-
Net deferred tax liability	8,938.22	7,829.64	6,917.35

Reconciliation of net deferred tax liabilities

(₹ in lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Opening balance as at the beginning of the year	7,829.64	6,917.35
Recognised in statement of profit and loss during the period	1,130.09	912.29
Recognised in other comprehensive income (OCI) during the period	(21.51)	-
Closing balance as at end of the year	8,938.22	7,829.64

Note 13: Government grants

(₹ in lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Deferred sales tax loan	132.05	177.71	223.38
Capital subsidy	11.11	13.33	15.99
Closing balance	143.16	191.04	239.37

Note 14: Other current liabilities

(₹ in lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Statutory Dues towards Excise duty, Service tax, VAT, TDS etc.	2,047.21	1,294.88	999.44
Advances from customers	2,644.37	2,695.84	1,619.31
Total	4,691.58	3,990.72	2,618.75

Note 15: Provisions

(₹ in lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Provision for Leave obligations	16.69	13.56	20.72
Provision for Gratuity	48.59	28.22	-
Total	65.28	41.78	20.72

TGV SRAAC LIMITED

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



Notes to financial statements for the year ended 31st March, 2018

Note 16: Current tax liability (Net)

(₹ in lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Current tax liability			
Provision for income tax	1,125.00	804.62	705.13
Current tax asset			
Tax deducted at source	67.65	57.68	59.79
Advance tax	506.00	200.00	377.15
Closing balance	551.35	546.94	268.19

Break up of financial liabilities carried at amortised cost.

	Non-Current			Current		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Financial liabilities carried at amortised cost						
- Borrowings	13,250.75	15,708.48	17,244.75	23,675.38	25,757.33	22,467.43
- Trade and other payables	-	-	-	5,889.85	8,200.28	5,841.50
- Other financial liabilities	-	-	-	13,610.50	10,870.76	8,780.91
Total financial liabilities	13,250.75	15,708.48	17,244.75	43,175.73	44,828.37	37,089.84

Note 17: Revenue from operations

(₹ in lakhs)

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Sale of products	104,126.73	86,612.36
Excise duty	2,588.00	9,756.00
Other operating revenue		
Process charges	243.80	332.75
Export Incentives	202.05	156.63
Sales Tax and Power Incentives	-	3,590.59
Amortisation of sales tax loan	47.88	48.33
Total	107,208.46	100,496.66

Note 18: Other income

(₹ in lakhs)

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Interest on Bank and other deposits and customers	560.71	479.60
Dividend Income	3.72	3.68
Net gain on Foreign exchange	-	209.87
Rent Receipts	13.11	10.08
Creditors written back and bad debts collections	64.52	107.24
Other Receipts	48.29	54.48
Total	690.35	864.95



TGV SRAAC LIMITED

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Notes to financial statements for the year ended 31st March, 2018

Note 19(a): Cost of materials consumed

(₹ in lakhs)

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Consumption of raw materials	26,527.59	30,129.83
Consumption of chemicals	2,229.11	2,283.45
Consumption of packing materials	984.92	1,107.91
Total	29,741.62	33,521.19

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

(₹ in lakhs)

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Opening Stock		
Finished Goods	1,317.92	1,519.60
Stock-in-process	550.20	687.60
Scrap & Disposables	11.99	10.88
Total Opening Stock	1,880.11	2,218.08
Closing Stock		
Finished goods	1,160.43	1,317.92
Stock-in-process	499.02	550.20
Scrap & Disposables	12.65	11.99
Total Closing Stock	1,672.10	1,880.11
Total changes in inventories of work-in-progress, stock-in-trade and finished goods	208.01	337.97

Note 20: Employee Benefit Expense

(₹ in lakhs)

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Salaries, Wages, Bonus and Allowances	3,565.15	3,244.45
Contribution to ESI & Provident Fund	148.08	135.62
Contribution to Gratuity & Superannuation Schemes	46.17	66.11
Staff Welfare expenses	390.96	353.74
Total	4,150.36	3,799.92

Note 21: Finance cost

(₹ in lakhs)

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Interest expenses		
On Term loans	2,135.78	2,616.59
On Working capital Loans/Cash credits	280.90	238.46
On Purchase/ Sale bills discounting	1,334.85	1,337.76
Interest on Trade Deposits/ICDS	91.48	57.54
On Others	1,162.77	725.94
Amortised cost of interest on preference shares	0.54	202.31
Other borrowing cost		
Working capital renewal and processing fees	169.62	95.28
Total	5,175.94	5,273.88

TGV SRAAC LIMITED

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Notes to financial statements for the year ended 31st March, 2018

Note 22: Other Expenses

(₹ in lakhs)

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Consumption of stores and spares	1,210.38	929.73
Rent including Lease Rents	443.88	363.89
Insurance	96.61	93.28
Repairs & Maintenance		
a) Buildings	163.59	98.21
b) Plant & Machinery	1,967.25	922.57
c) Others	227.71	183.75
Rates & Taxes	11.52	9.12
Excise duty on captive consumption/Stocks	(129.58)	(12.20)
Processing Charges	27.82	39.99
Travelling and conveyance	383.76	398.05
Printing and stationery	33.97	41.71
Postage Telegrams and Telephones	37.85	44.55
Managing Director Remuneration	-	11.00
Directors sitting fee	2.49	2.93
Directors Travelling	42.94	20.11
Remuneration to Auditors		
Audit Fee	12.00	12.00
Tax Audit Fee	-	1.25
Cost Audit Fee	1.50	1.25
Freight Inward & Material handling charges	852.18	720.95
Freight outward & Ocean freight	2,464.35	1,438.87
Commission on sales	1,520.78	649.14
Other Selling expenses	280.10	230.92
Advertisement	12.50	25.56
Fee and Expenses	71.34	71.70
Bank Charges	628.95	692.67
Service Charges	481.00	484.29
Legal Expenses	33.86	29.36
Research and Development /Lab Expenses	23.00	36.14
Water Charges	48.27	20.54
Provision for Bad Debts/Expected credit loss	57.00	40.00
Bad debts Written off	51.06	-
Net Loss on Exchange fluctuations	111.69	-
Other Expenses	447.40	392.40
Corporate Social Responsibility expenses	68.83	52.16
Donations	8.65	55.20
Amounts charge off	7.40	28.34
Total	11,702.05	8,129.43

Note 23: Tax Expenses

(₹ in lakhs)

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
a) Income tax expense		
Current tax on profits for the year	1,125.00	800.19
Adjustments for current tax of prior periods	63.52	60.00
Total current tax expenses	1,188.52	860.19
Deferred tax		
Decrease/(Increase) in deferred tax assets	506.24	(9.53)
(Decrease)/Increase in deferred tax liabilities	623.84	921.82
Total Deferred tax expense/(benefit)	1,130.08	912.29
Income tax expenses	2,318.60	1,772.48



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Notes to financial statements for the year ended 31st March, 2018

The income tax expense for the year can be reconciled to the accounting profit as follows :

(₹ in lakhs)

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Profit/(loss) before tax from continuing operations	7,349.17	3,965.41
Profit/(loss) before tax from a discontinued operation	(2,069.45)	(535.19)
Total Profit/(loss) before tax	5,279.72	3,430.22
Increase/(decrease) in net profit before taxes on account of:		
Exempt income	(3.72)	(3.68)
Depreciation as per books	9,680.48	5,147.08
Depreciation as per income tax act, 1961	(8,639.07)	(10,147.36)
Expenses not allowed under income tax act, 1961	137.29	142.59
Expenses that are allowed under Sec.43B	-	22.07
Ind AS adjustments	56.89	286.45
Investment allowance as per income tax act, 1961	(927.08)	(2,425.78)
Profit/(Loss) under income from business	5,584.51	(3,548.41)
Brought forward allowance loss	(7,719.11)	(4,170.70)
Carried forward allowance loss	(2,134.60)	(7,719.11)

During the Current Year and during previous year, there is 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 is applicable. Hence, the Company is required to pay the tax under MAT Provisions of Income Tax Act, 1961 as computed below:

(₹ in lakhs)

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Profit/(loss) before tax from a continuing operations	7,349.17	3,965.41
Profit/(loss) before tax from a discontinued operation	(2,069.45)	(535.19)
Total Profit/(loss) before tax	5,279.72	3,430.22
Applicable tax rate under MAT Provisions	21.34%	21.34%
Tax payable under MAT Provisions as per applicable rate	1,125.79	732.01
Increase/(decrease) in tax on account of:		
Exempt income	(0.79)	(0.79)
Ind AS adjustments	-	61.13
Tax table under MAT provisions	1,125.00	792.35
Earlier Year tax liability	63.52	60.19
Interest on MAT provided	-	7.65
Income tax expense recognised in statement of profit and loss at effective tax rate of 22.51% (March, 2017: 25.08%)	1,188.52	860.19

Note 24: Other Comprehensive Income (OCI)

(₹ in lakhs)

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Re-measurement gains/(losses) on defined benefit plan	(62.15)	-
Tax effect on gains/(losses) on defined benefit plan	21.51	-
Net gains/(losses) on FVTOCI equity securities	54.02	247.60
Total	13.38	247.60

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Notes to financial statements for the year ended 31st March, 2018

Note 25: Earning Per Share (EPS)

(₹ in lakhs)

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
EPS from continuing operations		
Net Profit After Tax available for Equity Shareholders	5,030.57	2,192.93
Weighted Average Number of Equity Shares of Rs.10/- each	9,05,83,518	8,36,28,763
Basic Earning per Share	5.55	2.62
Diluted Earning per Share	5.55	2.62
EPS from discontinued operations		
Net Profit After Tax available for Equity Shareholders	(2,069.45)	(535.19)
Weighted Average Number of Equity Shares of Rs.10/- each	9,05,83,518	8,36,28,763
Basic Earning per Share	(2.28)	(0.64)
Diluted Earning per Share	(2.28)	(0.64)
EPS from continuing & discontinued operations		
Net Profit After Tax available for Equity Shareholders	29,61.12	1,657.74
Weighted Average Number of Equity Shares of Rs.10/- each	9,05,83,518	8,36,28,763
Basic Earning per Share	3.27	1.98
Diluted Earning per Share	3.27	1.98

26. Employee Benefits:

A) Defined Contribution Plans

The Company makes Provident Fund and superannuation Fund contributions which are defined contribution plans, for qualifying 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.99.12 Lakhs (Previous year Rs.94.16 Lakhs) for Provident Fund contributions and Rs.34.51 Lakhs (Previous year Rs.26.31 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 recognised in financial statement as per Actuarial Valuation:

(₹ in lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
1. Changes in present value of Obligations			
Present value at the beginning of the year	455.80	410.18	365.89
Interest cost	35.32	32.81	29.27
Current Service Cost	39.64	28.56	26.17
Benefits paid	(38.97)	(30.31)	(25.41)
Actuarial (gain)/loss on obligations	56.97	14.56	14.26
Present value at the end of the year	548.78	455.80	410.18
2. Changes in fair value of planned assets			
Fair value of plan assets at the beginning of the year	466.22	453.81	438.89
Expected return on plan assets	30.95	36.13	35.74
Contributions	41.98	6.60	4.59
Benefits paid	(38.97)	(30.31)	(25.41)
Fair value of plan assets at the end of the year	500.19	466.22	453.81
3. Amount recognized in the balance sheet*			
Present value of obligations as at the end of year	548.78	455.80	410.18
Fair value of plan assets as at the end of year	500.19	466.22	453.81
Net asset/(liability) recognized in balance sheet	(48.59)	10.42	43.63



Notes to financial statements for the year ended 31st March, 2018

(₹ in lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
4. Expenses recognized in Statement of Profit and Loss			
Current service cost	39.64	28.57	26.17
Interest cost	35.32	32.81	29.27
Expected return on plan assets	(36.13)	(36.13)	(35.74)
Expenses recognized in statement of profit and loss.	38.83	25.26	19.70
5. Amount recognised in Other Comprehensive Income*			
Actuarial (gain)/ loss on obligations	56.97		
Actuarial (gain)/loss - plan assets	5.18		
Actuarial (gain)/loss recognized in the year	62.15	-	-
6. Assumptions			
Discount rate	7.75%	8%	8%
Salary escalation	7.00%	7%	7%
Expected rate of return	7.75%	8%	8%

*Net asset is not recognized in the balance sheet as at 31st March 2017, 31st March, 2016 as defined benefit scheme has been over funded, hence no amount has been recognized in other comprehensive income.

27. Contingent Liabilities and Commitments:

(to the extent not provided for)

(₹ in lakhs)

Particulars	As at 31 st March, 2018	As at 31 st March, 2017	As at 1 st April, 2016
a) Cheques / Bills Discounted with Banks	344.61	216.73	139.92
b) Unexpired Letter of Credits/Bank guarantees (net of margin money paid)	499.01	487.12	503.09
c) Capital Commitments:			
Estimated amount of Contracts remaining to be executed on Capital Account (Net of advances)	7354.96	2671.91	4307.96
d) Claims against the company not acknowledged as debts, 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. 11.90 lakhs; previous year Rs. 13.08 lakhs)	136.76	333.97	454.86

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Notes to financial statements for the year ended 31st March, 2018

(₹ in lakhs)

Particulars	As at 31 st March, 2018	As at 31 st March, 2017	As at 1 st April, 2016
ii) 1] Differential Customs duty on classification of goods disputed (Lauric Acid) pending before CESTAT, Customs, (paid under protest Rs.1.07 lakhs)	9.63	9.63	9.63
2] Imposition of Anti-Dumping Duty on inputs during December 2010 pending before JC, Customs, Chennai	32.69	32.69	32.69
3] Customs duty levied on import of material during the year 2006-07 pending in appeal before CESTAT	16.06	16.06	16.06
4] Differential Customs duty on classification of Lauric Acid pending before Asst. Commissioner of Customs, Chennai	10.51	10.51	-
5] Customs matters regarding dispute on classification of goods pending before High Court(dismissed the case filed by Department during 2017)	-	-	9.90
6] 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)	1036.14	1036.14	1036.14
iii) 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(Paid under Protest)	53.91 (53.91)	53.91 (53.91)	53.91 (53.91)
iv) Claims of Vat regarding dispute of Turnover, input tax credit on sales returns and stock transfer value treated as sale on account of non-acceptance of form F are pending in appeal before Appellate Asst. Commissioner (CT) Palakkad and Sales Tax Tribunal, Ernakulam (Paid under protest Rs. 9.95 lakhs) Previous Years Rs. 15.08 lakhs	11.53	31.63	31.63
v) 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)	1.78	1.78	1.78
vi) 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)	154.29	154.29	282.10
vii) Levy of delay charges on late payment of Provident Fund pending before EPF Appellate Tribunal, New Delhi	15.34	15.34	15.34
viii) 1) Wheeling Charges levied by APCPDCL pending in Supreme Court	24.21	24.21	24.21
2) Wheeling charges levied on APGAS power supplies covered by Bank guarantee Rs.69.30 lakhs pending in Supreme Court	NIL	NIL	NIL
ix) 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.	1523.80	1523.80	1523.80



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Notes to financial statements for the year ended 31st March, 2018

(₹ in lakhs)

Particulars	As at 31 st March, 2018	As at 31 st March, 2017	As at 1 st April, 2016
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.	598.17	1897.35	1299.18
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.	1284.75	1656.12	-
xii) Interest levied by APCPDCL in regular monthly bills towards on disputed court cases not provided, being the cases are pending in courts.	648.11	294.30	268.05
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).	500.00 (500.00)	500.00 (500.00)	500.00 (500.00)
f) Claims made by M/s Singareni Collieries towards Dist. Mineral Foundation Cess at 30% on Royalty charges of Coal supplies for the period from 12.01.2015 to 19.01.2016 not accepted by the company and obtained Stay Order from AP High Court. As per Supreme court judgement during the current year the claim is reduced to Rs. 18.01 lakhs and same is paid.	0.00	68.68	68.68
g) 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; (Paid under protest Rs. 827.16 lakhs).	551.44	551.44	-

Note: Amounts shown in the above table are net off amounts paid under protest.

Lease Commitments:

Operating lease: The Company has taken DG set, JCB loaders, Fork Lifters, 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. 48.10 lakhs (previous year Rs. 29.80 lakhs)
- The total future commitments on Lease Rents for the said equipments are detailed hereunder:

(₹ in lakhs)

Particulars	As at 31 st March, 2018	As at 31 st March, 2017	As at 1 st April, 2016
(i) Not later than one year	52.20	31.20	22.20
(ii) Later than one year and not later than five years	132.22	120.95	49.00
(iii) Later than five years	Nil	Nil	Nil



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Notes to financial statements for the year ended 31st March, 2018

28. Segment Reporting:

Particulars	As at 31 st March, 2018	As at 31 st March, 2017
Segment Revenue		
a) Chemicals	92521	76957
b) Oils & Fats	16677	25748
TOTAL	109198	102705
Less: Inter segment revenue	1990	2208
Net Sales/Income from Operations	107208	100497
Segment Results Profit/(Loss) Before tax and interest:		
a) Chemicals	13094	9481
b) Oils & Fats	(1130)	(722)
TOTAL	11964	8759
Less: I) a) Interest Expenses	5176	5274
b) Interest Income	(561)	(480)
II) Loss from discontinuing operations of power Plant	2069	535
Total Profit before Tax	5280	3430
Segment Assets		
a) Chemicals	91763	86942
b) Oils & Fats	11154	12978
c) Others	4179	3956
d) Discontinuing operations of Power Plant	1955	3936
TOTAL	109051	107812
Segment Liabilities		
a) Chemicals	61649	59413
b) Oils & Fats	6776	10793
c) Others	2391	2931
TOTAL	70816	73137

29. 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 Brilliant Industries Private Limited Sree Rayalaseema Dutch Kassenbouw Private Limited Roopa Industries Limited
Key Management Personnel	T.G. VENKATESH K. KARUNAKAR RAO N. JESVANTH REDDY GOPAL KRISHAN C. RAJESH KHANNA V. RADHA KRISHNA MURTHY
Close member of key managerial personnel's family	Smt. T.G. Rajya Lakshmi Smt. O. Sarada Reddy



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Notes to financial statements for the year ended 31st March, 2018

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 31.03.18	For the year ended 31.03.17	For the year ended 31.03.16	Balance Outstanding as on 31.03.18	Balance Outstanding as on 31.03.17	Balance Outstanding as on 31.03.16
Enterprises where significant influence of key managerial personnel or their relatives exists:							
Sree Rayalaseema Hi-Strength Hypo Limited	Sales	10964.85	7846.61	6899.27	532.56 (Cr)	902.40(Cr)	140.80(Dr)
Gowri Gopal Hospitals Private Limited	Sales	0.30	0.44	0.64	-	-	-
TGV Projects and Investments Private Limited	Sales	0.39	-	-	-	-	-
Roopa Industries Limited	Sales	28.12	27.77	1.92	-	17.50(Dr)	0.01(Cr)
Sree Rayalaseema Galaxy Projects Limited	Sales	9.37	9.85	7.84	51.48 (Cr)	-	-
Sree Rayalaseema Hi-Strength Hypo Limited	Purchases	5215.02	2548.03	564.02	-	-	-
Gowri Gopal Hospitals Private Limited	Purchases	4.26	3.08	2.61	-	-	-
Sree Rayalaseema Galaxy Projects Private Limited	Purchases	29.09	28.76	13.11	-	29.59(Cr)	5.95(Cr)
Sree Maruthi Marine Industries Limited	Purchases	213.92	121.93	70.35	-	20.21(Cr)	127.52(Dr)
Sree Maruthi Agro Tech Private Limited	Purchases	35.36	-	-	9.93 (Cr)	-	-
M.V. Salts & Chemicals Private Limited	Purchases	-	1.91	53.31	-	12.76(Dr)	-
Sree Maruthi Agro Tech Private Limited	Land purchase	-	-	-	111.00 (Dr)	90.46 (Dr)	-
Sree Maruthi Marine Industries Limited	Land purchase	-	-	-	85.17(Dr)	-	-
TGV Projects and Investments Private Limited	Lease Rentals	146.72	141.19	139.69	26.36 (Cr)	-	- \
Brilliant Industries Private Limited	Lease Rentals	1.75	1.55	1.55	-	-	-
JSM International Limited	Rents paid	-	1.80	1.80	-	-	-
Sree Rayalaseema Hi-Strength Hypo Limited	Rents Received	4.69	3.90	3.86	-	-	-
TGV Projects and Investments Private Limited	Rents Received	-	-	1.02	-	-	-
TGV Projects and Investments Private Limited	Rent deposit paid	52.06	-	-	128.18 (Dr)	76.12 (Dr)	137.13 (Dr)
The Mourya Inn	Services availed	144.67	137.51	161.59	-	-	-
Gowri Gopal Hospitals Private Limited	Services availed	20.24	11.58	12.33	17.39 (Cr)	21.58(Cr)	31.12(Cr)
Sree Rayalaseema Hi-Strength Hypo Limited	Services availed	164.93	-	-	-	-	-
Nector Laboratories Private Limited	Services availed	30.58	-	-	-	-	-
Brilliant Bio Pharma Private Limited	Services availed	-	-	-	-	46.09(Cr)	-
Roopa Industries Limited	Services availed	86.41	-	-	-	-	-
Brilliant Industries Private Limited	Share Warrants Application Money Received	586.02	29.90	907.73	-	195.34 (Cr)	907.73 (Cr)
Brilliant Industries Private Limited	Equity Shares allotted	781.36	742.29	705.17	-	-	-
Brilliant Industries Private Limited	Unsecured loans received/Adjusted	-	-	1612.90	-	-	-

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Notes to financial statements for the year ended 31st March, 2018

(₹ in lakhs)

Name of the party	Nature of Transaction	For the year ended 31.03.18	For the year ended 31.03.17	For the year ended 31.03.16	Balance Outstanding as on 31.03.18	Balance Outstanding as on 31.03.17	Balance Outstanding as on 31.03.16
Sree Rayalaseema Hi-Strength Hypo Limited	Investment in Equity	-	-	-	24.48 (Dr)	24.48 (Dr)	24.48 (Dr)
Sri. T.G. VENKATESH, Chairman and Managing Director	Remuneration	-	11.00	182.43	-	-	-
Sri K.Karunakar Rao ED (F&C)	Remuneration	24.00	24.00	23.16	-	-	-
Sri. N. Jesvath Reddy, ED (Tech)	Remuneration	24.00	24.00	22.56	-	-	-
Sri. Gopal Krishan, ED (Tech)	Remuneration	24.84	24.84	24.84	-	-	-
Sri. V. Radha Krishna Murthy, Co. Secretary	Remuneration	9.46	9.58	8.49	-	-	-
Sri. C.Rajesh Khanna, CFO	Remuneration	12.95	12.78	11.63	1.94 (Dr)	-	-
Sri. T.G. Venkatesh	Loan repaid	-	-	72.50 (Dr)	-	-	-
Relatives to Key Management Personnel							
Smt. O. Saradha Reddy	Interest & Consultancy/ Loan	24.83	27.97	-	152.00 (Cr)	152.00 (Cr)	152.00 (Cr)
Smt. T.G. Rajya Lakshmi	Rent Paid	1.54	1.38	1.27	-	-	-

Note: Cr indicates Credit balance & Dr. indicates Debit balance

30. 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, 2018	As at 31st March, 2017	As at 1st April, 2016
Revenue	-	-	-
Expenses	44.51	48.02	92.06
Depreciation	2024.94	487.17	487.17
Loss from discontinued operations for the year before tax	2069.45	535.19	579.23
Tax (expense)/income	-	-	-
Loss from discontinued operations for the year after tax	2069.45	535.19	579.23
The major classes of assets and liabilities is as follows:			
Assets			
Fixed Assets	1011.58	3036.52	3523.69
Current Assets including claims receivable	943.44	899.64	921.77
Total Assets	1955.02	3936.16	4445.46
Liabilities			
Term Loans from IFCI LTD	-	-	-
Current Liabilities	-	-	0.61
Net Assets	1955.02	3936.16	4444.85
Cash flow incurred is as follows			
Operating activities			
Expenses	(44.51)	(48.02)	(92.06)
Change in working capital	(43.80)	21.52	(523.87)
Net cash (outflow)	(88.31)	(26.50)	(615.93)



Notes to financial statements for the year ended 31st March, 2018

Note 31: Fair value measurements

a) Financial instruments by category

The carrying value of financial instruments by categories as of March 31, 2018 is as follows : (₹ in lakhs)

Particulars	FVTPL	FVTOCI	Amortised cost	Total
Financial assets				
Investments				
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	-	-	13,042.28	13,042.28
Total Financial assets	-	1,401.70	28,963.44	30,365.14

Financial liabilities				
Borrowings	-	-	36,926.13	36,926.13
Trade and other payables	-	-	5,889.85	5,889.85
Other financial liabilities	-	-	13,610.50	13,610.50
Total Financial liabilities	-	-	56,426.48	56,426.48

The carrying value of financial instruments by categories as of March 31, 2017 is as follows : (₹ in lakhs)

Particulars	FVTPL	FVTOCI	Amortised cost	Total
Financial assets				
Investments				
Equity instruments	-	862.30	-	862.30
Government securities	-	-	1.90	1.90
Trade receivables	-	-	7,536.08	7,536.08
Cash and cash equivalents	-	-	312.40	312.40
Bank balances other than Cash and cash equivalents	-	-	5,696.74	5,696.74
Other financial assets	-	-	12,745.29	12,745.29
Total Financial assets	-	862.30	26,292.41	27,154.71

Financial liabilities				
Borrowings	-	-	41,465.81	41,465.81
Trade and other payables	-	-	8,200.28	8,200.28
Other financial liabilities	-	-	10,870.76	10,870.76
Total Financial liabilities	-	-	60,536.85	60,536.85

The carrying value of financial instruments by categories as of 1st April, 2016 is as follows : (₹ in lakhs)

Particulars	FVTPL	FVTOCI	Amortised cost	Total
Financial assets				
Investments				
Equity instruments	-	614.71	-	614.71
Government securities	-	-	1.90	1.90
Trade receivables	-	-	6,497.77	6,497.77
Cash and cash equivalents	-	-	336.61	336.61
Bank balances other than Cash and cash equivalents	-	-	3,787.08	3,787.08
Other financial assets	-	-	9,941.78	9,941.78
Total Financial assets	-	614.71	20,565.14	21,179.85

Financial liabilities				
Borrowings	-	-	39,712.18	39,712.18
Trade and other payables	-	-	5,841.50	5,841.50
Other financial liabilities	-	-	8,780.91	8,780.91
Total Financial liabilities	-	-	54,334.59	54,334.59

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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 2018:

Fair value measurement using				(₹ in lakhs)
Particulars	Level 1	Level 2	Level 3	Total
Financial assets				
<i>Financial instruments at FVTOCI</i>				
<i>Investments in Quoted equity instruments</i>				
equity shares of Sree Rayalaseema 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
Total Financial assets	358.63	-	1,043.07	1,401.70

*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.

**NCS Sugars Ltd has not provided with future projections including projected profit and loss account by for the Company to use valuation techniques. 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 2017:

Fair value measurement using				(₹ in lakhs)
Particulars	Level 1	Level 2	Level 3	Total
Financial assets				
<i>Financial instruments at FVTOCI</i>				
<i>Investments in Quoted equity instruments</i>				
equity shares of Sree Rayalaseema Hi-Strength Hypo Ltd	302.26	-	-	302.26
equity shares of Indian Bank	2.35	-	-	2.35
<i>Investments in Un-Quoted equity instruments</i>				
equity shares of Andhra Pradesh Gas Power Corporation Ltd	-	-	557.69	557.69
Total Financial assets	304.61	-	557.69	862.30

Quantitative disclosures fair value measurement hierarchy for assets as at 1st April 2016:

Fair value measurement using				(₹ in lakhs)
Particulars	Level 1	Level 2	Level 3	Total
Financial assets				
<i>Financial instruments at FVTOCI</i>				
<i>Investments in Quoted equity instruments</i>				
equity shares of Sree Rayalaseema Hi-Strength Hypo Ltd	168.39	-	-	168.39
equity shares of Indian Bank	0.87	-	-	0.87
<i>Investments in Un-Quoted equity instruments</i>				
equity shares of Andhra Pradesh Gas Power Corporation Ltd	-	-	445.45	445.45
Total Financial assets	169.26	-	445.45	614.71

Reconciliation of Level 3 fair value measurements

Investment in unquoted shares irrevocably designated as FVTOCI

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Opening balance	557.69	445.45	144.05
Purchases	485.38	-	-
Total gains/losses in other comprehensive income	-	112.24	301.40
Closing balance	1,043.07	557.69	445.45



Notes to financial statements for the year ended 31st March, 2018

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.

32. Income and expenditure in foreign currency and Foreign Currency Exposures

(₹ in lakhs)

Earnings in Foreign Currency

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
i) FOB value of exports	7042.16	4593.05	5798.79
ii) Others	1.99	34.16	Nil

Expenditure in Foreign Currency

(₹ in lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 31st April, 2016
i) Traveling	12.08	-	15.26
ii) Fees and charges	2.14	5.00	4.62
iii) Commission Paid	10.33	21.20	134.99
iv) Raw Materials & Chemicals	2297.57	6365.32	5378.48
v) Coal	693.67	-	-
vi) Stores & Spares	269.10	149.92	139.44
vii) Purchase of Capital Goods & payment of advances	2467.37	929.63	2647.69
viii) Refundable security deposit	-	-	26.56
ix) Interest payment	71.76	84.40	31.19
x) Technical service charges	61.18	72.73	366.94
xi) Others	3.95	-	-

Foreign Currency Exposures

(₹ in lakhs)

Particulars	As at 31 st March, 2018		As at 31 st March, 2017		As at 1 st April, 2016	
	Recognised amount (Rs.)	Amount in FC	Recognised amount (Rs.)	Amount in FC	Recognised amount (Rs.)	Amount in FC
Receivables for export	477.45	\$ 7.34	131.41	\$ 2.03	294.02	\$ 4.43
Payables for imports towards LC's:	2822.93	\$ 43.40	3868.56	\$ 59.66	4469.47	\$ 67.38
	249.70	EUR 3.10	275.44	EUR 3.98	370.42	EUR 4.93
	2304.97	JPY 3,745.48	2311.20	JPY 3,987.58	2108.44	JPY 3,570.00

Value of Imports (Calculated on C.I.F basis):

(₹ in lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 31st April, 2016
i) Raw Materials	4240.43	9409.04	7536.23
ii) Coal	4827.94	1280.22	64.56
iii) Chemicals & Spares & Stores	279.84	247.27	315.64
iv) Capital Goods / Services	2385.65	850.27	2668.02

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 to capture market opportunities at minimum risk.

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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, 2018	As at 31st March, 2017	As at 1st April, 2016
Total Debt*	17,819.28	19,271.17	19,601.97
Equity share capital	9,185.89	8,726.81	8,290.69
Other equity	29,049.33	25,947.89	24,448.78
Cummulative redeemable preference shares	1,678.48	1,888.56	1,688.61
Total equity	39,913.70	36,563.26	34,428.07
Total debt to Total equity ratio	0.45	0.53	0.57

*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

- Overseeing and approving the Company's enterprise wide risk management framework, and
- 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 analyses the options for hedging. Based on the analysis the management takes decision regarding hedging of foreign currency exposures. Currently, the Company has not hedged any of the foreign currency transactions 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 : (₹ in lakhs)

Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Currency	Amount in FC (in lacs)	Currency	Amount in FC(in lacs)	Currency	Amount in FC (in lacs)
Receivables for export	USD	7.34	USD	2.03	USD	4.43
Payables for imports						
LC's issued to creditors	USD	43.40	USD	59.66	USD	67.38
LC's issued to creditors	EURO	3.10	EURO	3.98	EURO	4.93
LC's issued to creditors	JPY	3,745.48	JPY	3,987.58	JPY	3,570.00



Notes to financial statements for the year ended 31st March, 2018

Foreign Currency Sensitivity Analysis

The Company is mainly exposed to US Dollar, EUR, JPY.

The following tables demonstrate the sensitivity to a reasonably possible change in USD, EUR, JPY exchange rates, with all other variables held constant. The Company's exposure to foreign currency changes for all other currencies is not material.

(₹ in lakhs)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Impact on profit before tax			
USD Sensitivity			
Impact due to increase by 5%	(117.27)	(186.86)	(208.77)
Impact due to decrease by 5%	117.27	186.86	208.77
EURO Sensitivity			
Impact due to increase by 5%	(12.48)	(13.77)	(18.52)
Impact due to decrease by 5%	12.48	13.77	18.52
JPY Sensitivity			
Impact due to increase by 5%	(115.25)	(115.56)	(105.42)
Impact due to decrease by 5%	115.25	115.56	105.42

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:

(₹ in lakhs)

	As at 31st March, 2018	As at 31st March, 2017
Impact on profit before tax		
Increase/decrease in base points		
50 base points higher	(78.98)	(65.50)
50 base points lower	78.98	65.50

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. 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 secured through ECGC Coverage (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.

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(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
As at 31st March, 2018					
Bank borrowings	-	-	12,500.73	-	12,500.73
Deferred sales tax loan	-	-	598.02	-	598.02
Loan from related party	152.00	-	-	-	152.00
Total non-current financial liabilities	152.00	-	13,098.75	-	13,250.75
Current borrowings	-	23,675.38	-	-	23,675.38
Trade payables	-	5,889.85	-	-	5,889.85
Other current financial liabilities	-	13,610.50	-	-	13,610.50
Total current financial liabilities	-	43,175.73	-	-	43,175.74
Total	152.00	43,175.73	13,098.75	-	56,426.48
As at 31st March, 2017					
Bank borrowings	-	-	13,107.50	-	13,107.50
Deferred sales tax loan	-	-	367.63	192.78	560.41
Loan from related party	152.00	-	-	-	152.00
Preference shares Liability	-	-	1,888.57	-	1,888.57
Total non-current financial liabilities	152.00	-	15,363.70	192.78	15,708.48
Current borrowings	-	25,757.33	-	-	25,757.33
Trade payables	-	8,200.28	-	-	8,200.28
Other current financial liabilities	-	10,870.76	-	-	10,870.76
Total current financial liabilities	-	44,828.37	-	-	44,828.37
Total	152.00	44,828.37	15,363.70	192.78	60,536.85
As at 1st April, 2016					
Bank borrowings	-	-	14,899.26	-	14,899.26
Deferred sales tax loan	-	-	218.11	286.77	504.88
Loan from related party	152.00	-	-	-	152.00
Preference shares Liability	-	-	1,688.62	-	1,688.62
Total non-current financial liabilities	152.00	-	16,805.99	286.77	17,244.76
Current borrowings	-	22,467.43	-	-	22,467.43
Trade payables	-	5,841.50	-	-	5,841.50
Other current financial liabilities	-	8,780.91	-	-	8,780.91
Total current financial liabilities	-	37,089.84	-	-	37,089.84
Total	152.00	37,089.84	16,805.99	286.77	54,334.60

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 lines and borrowing facilities

**Notes to financial statements for the year ended 31st March, 2018**

34. 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. This has been relied upon by the Auditors.

The following are outstanding balances:

(₹ in lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Principal amount remaining unpaid to any supplier as at the end of the accounting year	1035.39	2726.64	1850.12

The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

35. **Other disclosures:**

Legal cases filed by the company for recovery of dues/advances and pending in Courts for disposal:

(₹ in lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Against Debtors, Contractors and Suppliers	563.47	80.42	142.61

36. **REVENUE FROM OPERATIONS OR SALE OF GOODS:**

(₹ in lakhs)

Sl. No.	Description of Products	As at 31st March, 2018	As at 31st March, 2017
A	MANUFACTURED GOODS		
1	Caustic Soda Lye / Flakes	70136.95	45520.74
2	Liquid Chlorine	2578.66	2693.54
3	Hydrochloric Acid	1011.13	1272.97
4	Hydrogen Gas	1114.04	1067.67
5	Bleach Liquor	1352.37	1019.04
6	Caustic Potash Lye/Flakes	8692.20	10137.11
7	Potassium Carbonate	691.85	783.07
8	Hydrogenated Castor Oil	1269.25	1346.19
9	12 Hydroxy Stearic Acid	3218.00	5131.68
10	Refined Glycerine	498.86	448.30
11	Stearic Acid	2881.35	3597.16
12	Soap Noodles.	8440.58	12720.21
13	Toilet Soaps	539.54	663.26
14	Methylene Chloride	11665.07	6938.53
15	Chloroform	4157.27	2595.57
16	Others less than 1% of Total Turnover	2702.68	2831.79
	TOTAL GROSS SALES	120949.80	98766.83
	Less: VAT / GST	14235.07	2398.47
	Excise Duty	2588.00	9756.00
	TOTAL NET SALES	104126.73	86612.36
B	TRADED GOODS	NIL	NIL

37. **COST OF RAW MATERIALS CONSUMED:**

(₹ in lakhs)

Sl. No.	Description of Products	As at 31st March, 2018	As at 31st March, 2017
1	SALT	6498.76	5492.58
2	CASTOR OIL	4368.23	5785.66
3	ACID OILS & OTHER OILS	7657.85	11494.56
4	POTASSIUM CHLORIDE AND CARBONATE	3758.98	4741.86
5	RAW MATERIALS-SOAPS	26.93	36.56
6	HYDROCHLORIC ACID NORMAL GRADE	0.44	45.92
7	METHANOL	4216.40	2532.69
8	OTHERS	-	-
	TOTAL	26527.59	30129.83
9	PURCHASE OF TRADED GOODS	NIL	NIL

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Notes to financial statements for the year ended 31st March, 2018

38. Raw material consumed

(₹ in lakhs)

Particulars	As at 31 st March, 2018			As at 31 st March, 2017		
	Qty MT/KL	Rs. in lakhs	%	Qty MT/KL	Rs. in lakhs	%
i) Salt						
- Imported	-	-	-	-	-	-
- Indigenous	279011	6498.76	100	238565	5492.58	100
ii) Potassium chloride						
- Imported	19521	3758.98	100	22022	4741.86	100
- Indigenous	-	-	-	-	-	-
iii) Castor Oil						
- Imported	-	-	-	-	-	-
- Indigenous	4763	4368.23	100	7760	5785.66	100
iv) Lauric Acid						
- Imported	-	-	-	171	119.97	100
- Indigenous	-	-	-	-	-	-
v) Palm fatty acid distillate						
- Imported	-	-	-	499	230.78	3.01
- Indigenous	12007	5346.34	100	16394	7425.37	96.99
vi) Palm Kernel oil/ Distilled fatty acid						
- Imported	1394	1035.52	70.68	2707	1997.29	91.68
- Indigenous	554.48	429.50	29.32	192	181.30	8.32
vii) Crude Glycerine						
- Imported	1425	401.10	79.40	1564	325.28	89.32
- Indigenous	142	104.06	20.60	149	38.91	10.68
viii) RBD Palm Stearine						
- Imported	-	-	-	-	-	-
- Indigenous	716	341.34	100	1607	754.38	100
ix) Methanol						
- Imported	14208	4216.40	100	10662	2532.69	100
- Indigenous	-	-	-	-	-	-
x) Other Raw Materials						
- Imported	-	-	-	-	-	-
- Indigenous	-	27.36	100	-	503.76	100
Total:						
- Imported	-	9412.00	45.52	-	9947.87	26.52
- Indigenous	-	17115.59	54.48	-	20181.96	73.48
		26527.59			30129.83	

39. Value of Chemicals, Packing and Stores consumed (other than used for repairs) (₹ in lakhs)

Particulars	As at 31 st March, 2018		As at 31 st March, 2017	
	Rs in lakhs	%	Rs in lakhs	%
a) Imported	160.46	3.63	62.11	1.44
b) Indigenous	4263.94	96.37	4258.98	98.56
Total	4424.40	100	4321.09	100

40. Figures have been rounded off to the nearest decimal of lakhs as required under Schedule III.

41. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

***** 101 *****

**Notes to financial statements for the year ended 31st March, 2018****Note 42: First-time adoption of Ind AS****Transition to Ind AS:**

These are the Company's first financial statements prepared in accordance with Ind AS. The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 March, 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and in the preparation of an opening Ind AS balance sheet at 1 April, 2016 (date of transition). In preparing opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

Ind AS optional exemptions**Deemed cost**

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for investment property covered by Ind AS 40 Investment Properties. Accordingly, the Company has elected to measure all of its property, plant and equipment, intangible assets and investment property at their previous GAAP carrying value.

Designation of financial instruments

Ind AS 101 allows an entity to make an irrevocable option at initial recognition for investments in equity instrument not held for trading to measure at FVTOCI on the basis of the facts and circumstances at the date of transition to Ind AS. The Company has elected to apply this exemption for its investment in equity instruments.

Leases

Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material. The Company has elected to apply this exemption for such contracts/arrangements.

Ind AS mandatory exemptions**Estimates**

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:- Investment in equity instruments carried at FVOCI; and- Impairment of financial assets based on expected credit loss model.

De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions. The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

TGV SRAAC LIMITED

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



Notes to financial statements for the year ended 31st March, 2018

Note 43: First Time Ind AS Adoption Reconciliations

The following reconciliations provide the effect of transition to Ind AS from Indian GAAP in accordance with Ind AS 101.

(₹ in lakhs)

Reconciliation		Balance Sheet as at 31st March, 2017			
Particulars	Foot Notes	Indian GAAP	Ind AS Reclassifications	Ind AS Adjustments	Ind AS
I ASSETS					
(1) Non-current assets					
Property, Plant and Equipment	1,5	69,872.40	(7.05)	(25.30)	69,840.05
Capital work in progress		-	-	-	-
Investment property	1	-	7.05	-	7.05
Financial Assets					
Investments	2	171.19	-	693.01	864.20
Long-term loans and advances		5,306.07	(5,306.07)	-	-
Other financial assets			3,086.74	-	3,086.74
Other non-current assets			2,635.96	-	2,635.96
		75,349.66	416.63	667.71	76,434.00
(2) Current assets					
Inventories		6,576.08	-	-	6,576.08
Financial Assets					
Trade Receivables	3	7,576.08	-	(40.00)	7,536.08
Cash and cash equivalents		6,614.50	(6,302.10)	-	312.40
Bank balances other than Cash and cash equivalents			5,696.74	-	5,696.74
Short term loans and advances		2,172.57	(2,172.57)	-	-
Others financial assets			9,658.55	-	9,658.55
Other current assets		9,152.74	(7,554.92)	-	1,597.82
		32,091.97	(674.30)	(40.00)	31,377.67
Total Assets		107,441.63	(257.68)	627.71	107,811.67
II EQUITY AND LIABILITIES					
(1) Equity					
Equity Share capital	4	10,615.04	(1,888.23)	-	8,726.81
Other Equity	1 to 9	25,113.77	-	834.12	25,947.89
Total Equity		35,728.81	(1,888.23)	834.12	34,674.70
LIABILITIES					
(1) Non-current liabilities					
Financial Liabilities					
Borrowings	5	14,174.81	1,888.57	(354.90)	15,708.48
Deferred tax liabilities (Net)	8	7,872.19	-	(42.55)	7,829.64
Deferred Government grants	6	-	-	191.04	191.04
		22,047.00	1,888.57	(206.41)	23,729.16
(2) Current liabilities					
Financial Liabilities					
Borrowings		25,757.32	-	-	25,757.33
Trade and other payables		8,670.61	(470.33)	-	8,200.28
Other financial liabilities			10,870.76	-	10,870.76
Other current liabilities	5	14,391.16	(10,400.44)	-	3,990.72
Provisions	7	846.73	(804.95)	-	41.78
Current tax liabilities (Net)		-	546.94	-	546.94
		49,665.82	(258.02)	-	49,407.81
Total Equity and Liabilities		107,441.63	(257.68)	627.71	107,811.67



Notes to financial statements for the year ended 31st March, 2018

Note 43: First Time Ind AS Adoption Reconciliations

The following reconciliations provide the effect of transition to Ind AS from Indian GAAP in accordance with Ind AS 101.

(₹ in lakhs)

Reconciliation		Balance Sheet as at 31st March, 2016				
Particulars		Foot Notes	Indian GAAP	Ind AS Reclassifications	Ind AS Adjustments	Ind AS
I	ASSETS					
(1)	Non-current assets					
	Property, Plant and Equipment	1,5	66,036.03	(7.05)	(26.72)	66,002.26
	Capital work in progress		-	-	-	-
	Investment property	1	-	7.05	-	7.05
	Financial Assets					
	Investments	2	171.19	-	445.42	616.61
	Long-term loans and advances		4,135.31	(4,135.31)	-	-
	Other financial assets		-	2,556.74	-	2,556.74
	Other non-current assets		-	1,594.96	-	1,594.96
			70,342.53	16.39	418.70	70,777.62
(2)	Current assets					
	Inventories		6,977.14	-	-	6,977.14
	Financial Assets		-	-		
	Trade Receivables	3	6,497.77	-	-	6,497.77
	Cash and cash equivalents		4,217.25	(3,880.64)	-	336.61
	Bank balances other than Cash and cash equivalents			3,787.08	-	3,787.08
	Short term loans and advances		1,989.24	(1,989.24)	-	-
	Others financial assets		-	7,385.04	-	7,385.04
	Other current assets		7,132.75	(5,755.57)	-	1,377.18
			26,814.15	(453.33)	-	26,360.82
	Total Assets		97,156.68	(436.94)	418.70	97,138.44
II	EQUITY AND LIABILITIES					
(1)	Equity					
	Equity Share capital	4	10,178.92	(1,888.24)	-	8,290.69
	Other Equity	1 to 9	23,576.37	199.61	672.81	24,448.78
	Total Equity		33,755.29	(1,688.63)	672.81	32,739.47
	LIABILITIES					
(1)	Non-current liabilities					
	Financial Liabilities					
	Borrowings	5	16,004.93	1,688.61	(448.79)	17,244.75
	Deferred tax liabilities (Net)	8	6,959.33	-	(41.98)	6,917.35
	Deferred Government grants	6	-	-	239.37	239.37
			22,964.26	1,688.61	(251.40)	24,401.47
(2)	Current liabilities					
	Financial Liabilities					
	Borrowings		22,467.43			22,467.43
	Trade and other payables		6,537.65	(696.15)	-	5,841.50
	Other financial liabilities		-	8,780.91	-	8,780.91
	Other current liabilities	5	10,703.51	(8,084.76)	-	2,618.75
	Provisions	7	728.54	(705.11)	(2.71)	20.72
	Current tax liabilities (Net)		-	268.19	-	268.19
			40,437.13	(436.92)	(2.71)	39,997.50
	Total Equity and Liabilities		97,156.68	(436.94)	418.70	97,138.44

TGV SRAAC LIMITED

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



Notes to financial statements for the year ended 31st March, 2018

Note 43: First Time Ind AS Adoption Reconciliations

(₹ in lakhs)

The following reconciliations provide the effect of transition to Ind AS from Indian GAAP in accordance with Ind AS 101.

Reconciliation		Statement of Profit and Loss for the year ended 31st March, 2017				
Particulars		Foot Notes	Indian GAAP	Ind AS Reclassifications	Ind AS Adjustments	Ind AS
I	Revenue from operations	6	90,692.33	9,756.00	48.33	100,496.66
II	Other income		864.95	-	-	864.95
III	Total revenue (I + II)		91,557.28	9,756.00	48.33	101,361.61
IV	Expenses					
	Cost of materials consumed		33,521.19	-		33,521.19
	Purchase of stock-in-trade		-	-		-
	Changes in inventories of finished goods, work in progress and stock-in-trade		337.97	-		337.97
	Excise duty on sale of goods		-	9,756.00		9,756.00
	Employee benefit expense		3,799.92	-		3,799.92
	Finance cost	5	4,977.69	-	296.19	5,273.88
	Depreciation and amortisation expense	5	4,661.32	-	(1.41)	4,659.91
	Power and fuel		31,917.90	-	-	31,917.90
	Other expense	3	8,089.43	-	40.00	8,129.43
	Total expenses (IV)		87,305.42	9,756.00	334.78	97,396.20
V	Profit/ (loss) before exceptional items and tax (III-IV)		4,251.86			3,965.41
VI	Exceptional items		-	-	-	-
VII	Profit/ (loss) before tax (V-VI)		4,251.86			3,965.41
	Current tax		860.19			860.19
	Deferred tax	8	912.86		(0.57)	912.29
VIII	Tax expense		1,773.05		(0.57)	1,772.48
IX	Profit/ (loss) for the period from continuing operations (VII-VIII)		2,478.81			2,192.93
X	Profit/ (loss) from discontinued operations		(535.19)			(535.19)
XI	Tax expense of discontinued operations		-			-
XII	Profit/ (loss) from discounting operations (after tax) (X-XI)		(535.19)			(535.19)
XIII	Profit/ (loss) for the period (IX+XII)		1,943.62			1,657.74
XIV	Other comprehensive income	10				
	reclassified to profit or loss in subsequent periods:					
	Net gains/(losses) on FVTOCI equity securities	2	-		247.60	247.60
	Tax effect	8	-		-	-
XV	Total comprehensive income for the period (XIII+XIV)		1,943.62			1,905.34

**Notes to financial statements for the year ended 31st March, 2018****Footnotes to the reconciliation of equity as at April 1st, 2016 and March 31, 2017 and total comprehensive income for the year ended March 31, 2017:****1 Investment property:**

Ind AS 40 Investment property defines property (i.e land or a building—or part of a building—or both) held by the owner or by the lessee under a finance lease to earn rentals or for capital appreciation or both as Investment property. Such properties identified by the Company are classified as Investment property in the balance sheet. The Investment properties are measured at cost and any incidental expenses have been added to the investment property.

2 Fair valuation of investments:

Under IGAAP Long-term Investments are usually carried at cost. Whereas under Ind AS 109 Financial Instruments, the equity instruments not held for trading, an entity can make an irrevocable option at initial recognition and measure the same at fair value and resulting fair value changes are recognised through Other Comprehensive Income (OCI). The Company has measured the equity instruments at fair value through OCI and gains/losses if any has been recognised through OCI.

3 Trade receivables

As per Ind AS 109 Financial Instruments, the Company is required to apply expected credit loss model for recognising the allowance for doubtful debts. Impairment loss allowance is made in financial statements after considering “Expected Credit Loss model”. Where as under IGAAP provisions for trade receivables are provided based on the best judgement of management after analysing the facts and circumstances.

4 Preference share capital

Under IGAAP Cumulative Redeemable Preference shares are treated as Share Capital. Whereas, under Ind AS 109 Financial Instruments the same is recognised as Financial Liability since it provides mandatory redemption by the issuer and it is measured at amortised cost using effective interest rate.

5 Borrowings

Ind AS 109 Financial Instruments, requires transaction costs to be deducted from the carrying amount of borrowings on initial recognition. These costs are then capitalised or recognised in the Statement of Profit or Loss over the tenure of borrowings as part of the interest expense by applying the effective interest method. The corresponding adjustments have been recognised in retained earnings and to fixed assets as at the date of transition and subsequently in the Statement of Profit or Loss.

6 Government Grants

Under IGAAP Deferred sales tax loan is shown under long-term borrowings and Capital investment subsidy is shown under Capital reserve. Whereas, under Ind AS Deferred sales tax loan is classified as Government grants and amount proportionate to the notional interest cost is recognised in the Statement of Profit or Loss. Capital investment subsidy is also classified as Government grant and amortised to the Statement of Profit or Loss over the remaining useful life of assets.

TGV SRAAC LIMITED

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7 Re-measurement of post-employment benefit plans

Under IGAAP remeasurement gains and losses relating to post employment benefits based on actuarial valuation were forming part of the Statement of Profit and Loss. Whereas under Ind AS these measurements are recognised through Other Comprehensive Income (OCI).

8 Deferred tax

IGAAP requires deferred tax accounting using income statement approach i.e recognising tax effect on timing difference between the accounting income and taxable income for the period. Under Ind AS, deferred taxes are recognised using balance sheet approach i.e tax effect on temporary differences between carrying amount and tax base. Also deferred taxes are recognised on account of the above mentioned changes.

9 Retained earnings

Retained earnings as at April 1, 2016 have been adjusted consequent to the above Ind AS transition adjustments.

10 Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans, fair value gains or (losses) on FVOCI equity instruments. The concept of other comprehensive income did not exist under previous GAAP.

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 : 5th May, 2018

For and on behalf of the Board

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

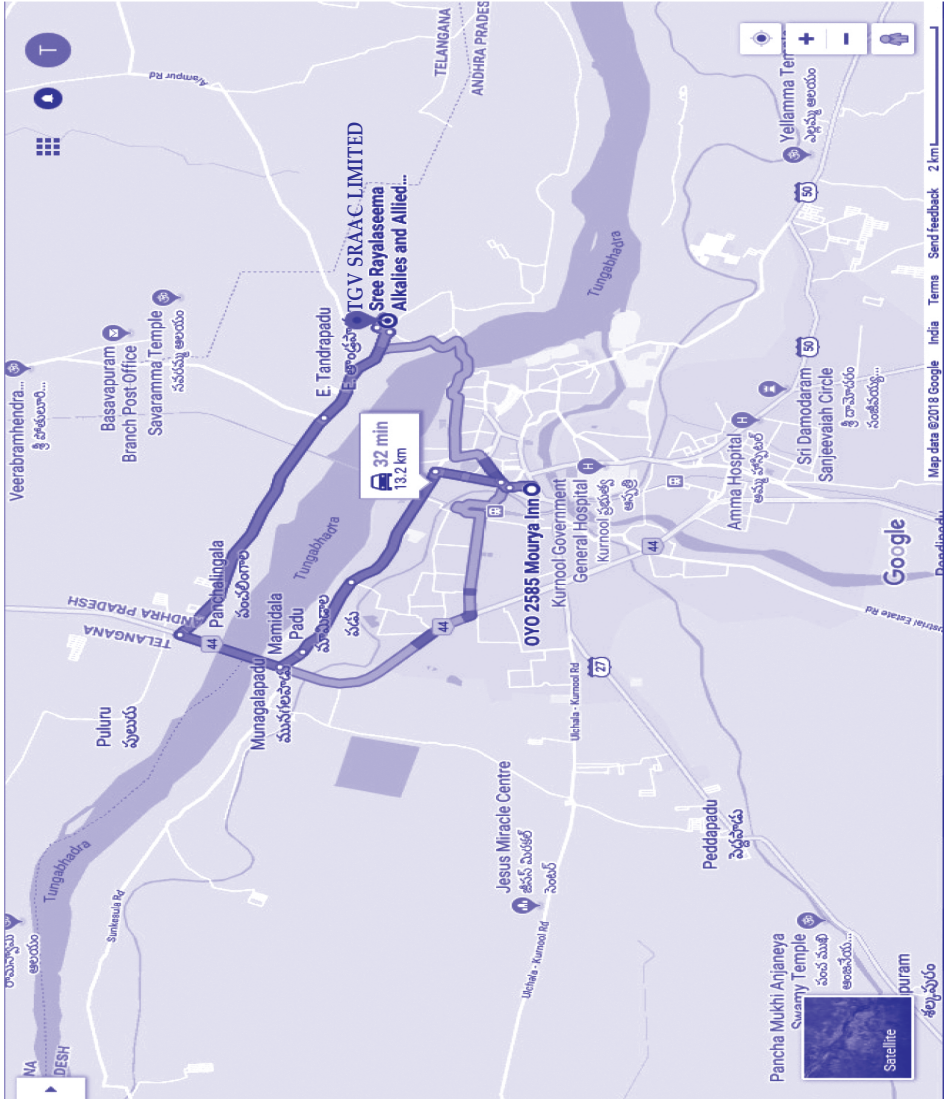
Sd/-
N. JESVANTH REDDY
Executive Director (Technical)

Sd/-
CS V. RADHAKRISHNA MURTHY
Company Secretary

Sd/-
CA C. RAJESH KHANNA
C.G.M. (Fin & Accts) & CFO



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

Equity Shareholders

(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. : Equity : _____

DP ID _____

No. of Shares held : Equity : _____

I/Weof 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 36th ANNUAL GENERAL MEETING of the Company to be held at Regd. Office of the Company : Gondiparla, Kurnool,
A.P. on Wednesday, 26th December, 2018 at 4.00 P.M. or at any adjournment thereof.

Signed thisDay of, 2018.

Signature of the Shareholder

Affix a
Re.1/-
Revenue
Stamp

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

Equity Shareholders

Client ID No.: _____

Regd. Folio No. : Equity : _____

DP ID _____

No. of Shares held : Equity : _____

Name of the Shareholder : _____

Name of the Proxy : _____

Signature of Member / Proxy : _____

I, hereby record my presence at the 36th ANNUAL GENERAL MEETING of the Company to be held at Regd. Office of the Company : Gondiparla, Kurnool, A.P. on Wednesday, 26th December, 2018 at 4.00 P.M.

NOTE : To be signed and handed over at the meeting venue.

Signature of Member / Proxy



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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, 2nd Floor, TGV Mansion, Above ICICI Bank,
Khairatabad, Hyderabad - 500 004. (Telangana State)

Ph. No. 040-23313842