



# TGV SRAAC LIMITED

(Formerly Sree Rayalaseema Alkalies and Allied Chemicals Limited)  
6-2-1012, 2<sup>nd</sup> Floor, TGV Mansion, Khairatabad, Hyderabad – 500 004,  
Telangana, INDIA.

☎ 040-23313842, Fax : 040- 23313875 Email: [sralkalies@tgvmail.net](mailto:sralkalies@tgvmail.net)  
CIN : L24110AP1981PLC003077



REF:TGVSL:SECL:BSE:2020-21:

September 3, 2020

The Secretary (DCS - CRD)  
M/s. BSE Limited,  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
MUMBAI - 400 001.

Dear Sir,

Sub: Annual Report for the financial year 2019-20 and Notice of Thirty-Eighth Annual General Meeting - Reg.

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

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Pursuant to Regulation 34 and other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed (attachment of soft copy) Annual Report for the financial year 2019-20 and notice of the Thirty-Eighth Annual General Meeting of TGV SRAAC Limited (the "Company") scheduled to be held on Monday, September 28, 2020, at 11.30 A.M (IST) through Video Conferencing ("VC")/Other Audio visual Means ("OAVM").

In compliance with the Ministry of Corporate Affairs ("MCA") circulars dtd. 08.04.2020, 13.04.2020 and 05.05.2020 (collectively referred as "MCA Circulars") and the SEBI Circular Dtd.12.05.2020, Annual Report for the financial year 2019-20 and notice of the Thirty-Eighth Annual General Meeting are being sent to the Members through electronic mode.

The Annual Report for the financial year 2019-20 and notice of the Thirty-Eighth Annual General Meeting are available and can be accessed from the Investor relations section of the Company's Website viz., [www.tgvgroup.com](http://www.tgvgroup.com).

This is for your kind information and record.

Thanking you,

Yours faithfully,  
For TGV SRAAC Limited

CS V. Radhakrishna Murthy  
Company Secretary

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**Regd. Off. & factory :** Gondiparla, KURNOOL – 518 004. (A.P) INDIA. ☎ + 91 8518 280006, 7, 8 ☎ Fax : 08518-280098  
**Corporate Off :** 40-304, 2<sup>nd</sup> Floor, K.J. Complex, Bhagya Nagar, KURNOOL – 518 004. (A.P) INDIA. ☎ 08518-221933, 221939 ☎ Fax: 08518-226973  
**Bellary Power Plant :** P.D.Halli (Post), T Budehal Dist. Pin 583 138, ☎ (0839) 265239, 265085, ☎ Fax: 0839-265240  
**Chennai Off :** New No. 100(old No.74) 1st Floor, Greenways Road, Extn. R.A.Puram, Chennai-600 028. ☎ 044-24611932, 11940 ☎ Fax : 044-24612553  
**Bangalore Off :** 25, 1st Floor, Shankara Park Road, Shankarapuram, Bangalore – 560 004. ☎ 080 – 26520493, 5120493, ☎ Fax : 080 – 266523655  
**Mumbai Off :** 302, Rishikesh Apt. 3rd Floor, Above Sapna Hotel, Opp: N.L. College, S.V. Road, Malad(west)Mumbai-400 064 Tele Fax : 022-28084481/82  
**Delhi Off :** 72/75, 2nd Floor, Amnt Chamber, Scindia House, Janpat, Connaught Place, New Delhi-110 001 ☎ Tele Fax : +91-11-51513233



# TGV SRAAC LIMITED

(Formerly Sree Rayalaseema Alkalies and Allied Chemicals Ltd.)



**38<sup>th</sup>**

**S R**

**Annual Report**  
**2019-20**



[www.tgvgroup.com](http://www.tgvgroup.com)



## **TGV SRAAC LIMITED**

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

### **BOARD OF DIRECTORS**

Sri T.G. Venkatesh  
Chairman (upto 15.05.2020)  
Sri P. N. Vedanarayanan  
Sri Rangaraj K Rao  
(Nominee of IDBI upto 17.12.2019)  
Sri G. Krishna Murthy  
Sri K. Karunakar Rao  
Executive Director & CEO  
Sri N. Jesvanth Reddy  
Executive Director (Technical)  
Sri Gopal Krishan  
Executive Director (Technical)  
Sri J. Nagabhushanam  
Smt. V. Surekha (upto 28.01.2020)  
Dr M. Asha Reddy

### **COMPANY SECRETARY**

Sri V. Radhakrishna Murthy

### **VICE PRESIDENT (F&A) & CFO**

Sri C. Rajesh Khanna

### **BANKERS**

Indian Bank  
Punjab National 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, Sartaa Villa Apartment  
3-6-159, Urdu Hall Lane  
Himayat Nagar  
Hyderabad - 500 029 (T.S)

### **COST AUDITOR**

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

### **STATUTORY AUDITORS**

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

### **REGISTERED OFFICE & FACTORY**

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

### **CORPORATE IDENTITY NUMBER (CIN)**

L24110AP1981PLC003077

### **CORPORATE OFFICE**

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

### **REGISTRAR & SHARE TRANSFER AGENT**

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

### **CONTENTS**

|                               |    |
|-------------------------------|----|
| Notice                        | 1  |
| Directors' Report             | 12 |
| Independent Auditors' Report  | 48 |
| Balance Sheet                 | 58 |
| Statement of Profit & Loss    | 59 |
| Cash Flow Statement           | 60 |
| Notes to Financial Statements | 61 |

## TGV SRAAC LIMITED

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



### NOTICE

NOTICE is hereby given that the **38<sup>th</sup> Annual General Meeting** of the Members of **TGV SRAAC LIMITED** (formerly known as Sree Rayalaseema Alkalies and Allied Chemicals Limited (CIN : L24110AP19851PLC003077) will be held through (Video Conference) VC / OAVM (Other Audio Visual Means) Mode on **Monday, the 28<sup>th</sup> September, 2020 at 11.30 A.M** to transact the following business :

### ORDINARY BUSINESS :

- 1) To receive, consider and adopt the Balance Sheet as at 31<sup>st</sup> March, 2020 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 N. Jesvanth Reddy (DIN:03074131) who retires by rotation and being eligible offers himself for re-appointment.
- 3) To appoint a Director in place of Sri Gopal Krishan (DIN:05342348) who retires by rotation and being eligible offers himself for re-appointment.

### SPECIAL BUSINESS :

- 4) **Re-classification of Authorised Share Capital and Consequent alteration of Memorandum of Association and Articles of Association.**

To consider and if thought fit, to pass with or without modification(s), the following Resolution for re-classification of authorised capital of the company as a **Special Resolution**.

**“RESOLVED THAT** pursuant to Section 13, 14, 61 and all other applicable provisions, if any, under the Companies Act, 2013, the

existing Authorised Share Capital of the Company of Rs.130,00,00,000/- (Rupees One Hundred and Thirty Crores only) divided into

- 1) 11,10,00,000 (Eleven Crore Ten Lacs) Equity Shares of Rs.10/- (Rupees Ten only) each and
- 2) 1,90,00,000 (One Crore Ninety Lakhs) of Cumulative Redeemable Preference Shares (CRPS).

Be and is hereby reclassified as under:

13,00,00,000 (Thirteen Crores) Equity Shares of Rs.10/- (Rupees Ten Only) each aggregating to Rs.130,00,00,000/- (Rupees One Hundred and Thirty Crores only).

Total aggregating to Rs.130,00,00,000/- (Rupees One Hundred and Thirty Crores only).

**RESOLVED FURTHER THAT** the Memorandum of Association of the Company be and is hereby altered by substituting the existing Clause -V (a) thereof by the following new Clause-V is as under:

V. The Authorised Share Capital of the Company is Rs.130,00,00,000/- ((Rupees One Hundred and Thirty Crores only) divided into 13,00,00,000 (Thirteen Crores) Equity Shares of Rs.10/- each.

With the power of the Company to increase or reduce the said Capital in accordance with the applicable provisions of the Companies Act, 2013 and to issue any part of its Capital, Original or issued with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions and so that unless the conditions of issue shall otherwise expressly declare, every issue of shares whether expressed to be preference or



otherwise, shall be subject to the power, herein before contained by the regulations of the Company.

**RESOLVED FURTHER THAT** consequent upon the re-classification in the Share Capital, the Articles of Association stands Amended as per Clause-V of the Memorandum of Association."

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, any of the Directors of the Company or the Company Secretary be and is hereby authorised severally to take all such steps and actions and give such directions as they may in their absolute discretion deem necessary and to settle any question that may arise in this regard, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by authority of this resolution."

**5) Ratification of 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 : Mrs. Aruna Prasad as Cost Auditors of the Company by the Board of Directors of the Company in its meeting held on 30.06.2020 (upon the recommendation of Audit Committee in its meeting held on 30.06.2020) 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, 2021, be and is hereby ratified.

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

**6) Approval for Material Related Party Transactions.**

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 188 and other applicable provisions of the Companies Act, 2013 ("the Act") read with the Companies (Meetings of the Board and its Powers) Rules, 2014 and Regulation 23 of the Securities of 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 with related parties to the aggregate value of Rs.223 Crores (Estimated) for the year 2020-21 (including any modifications, alterations or amendments

## TGV SRAAC LIMITED

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



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 of 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."

### 7) Alteration of Articles of Association of the Company.

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

**"RESOLVED THAT** pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013, read with Rules thereunder (including any statutory modifications or re-enactment or modifications thereof, for the time being in force), consent of the members be and is hereby accorded for alteration of the Articles of Association of the Company by replacing the existing set of Articles of Association of the Company, with a new set of Articles of Association."

### 8) Creation of Security in favour of Indian Bank.

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 by way of ratification and (or) approval 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 for creation / to be created of mortgage and / specific charge by the Board of Directors of the Company on the 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 / to be created of security on specific charge basis as under.

| <b>Bank Particulars</b>                      | <b>Rs. in Crores</b> |
|----------------------------------------------|----------------------|
| Indian Bank – Specific LC                    | 10.00                |
| Indian Bank – Specific LC<br>(to be created) | 20.00                |

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."

By order of the Board  
Sd/-

Place : Hyderabad  
Date : 10<sup>th</sup> August, 2020

**CSV. RADHAKRISHNA MURTHY**  
**COMPANY SECRETARY**

**NOTES :**

- 1) The Board in its meeting held on 10.08.2020 has approved the company's proposal to conduct 38<sup>th</sup> Annual General Meeting through (Video Conference) VC / OAVM (Other Audio Visual Means) instead of physical Annual General Meeting in compliance of General Circular No.14/2020, Dt.04.08.2020 No.17/2020 Dt.13.04.2020 and 05.05.2020 issued by Ministry of Corporate Affairs (MCA) and SEBI Circular Dt.12.05.2020.

- 2) Further, it has been decided that physical copies of Annual Reports will not be sent by post to Members and instead only soft copy of Annual Report (including Notice of AGM) will be sent to Registered email\_ids of shareholders in pursuance of MCA Circular Dt.05.05.2020 and SEBI Circular No.SEBI/HO/CFDI/CIR/P/2020/79 Dt.12.05.2020. Shareholders can view soft copy of the Annual Report on company's website [www.tgvgroup.com](http://www.tgvgroup.com) and BSE Website and also on RTA Website.

Since the company has opted for convening Annual General Meeting through VC/OAVM, there will not be any provision for physical ballot voting. Members who have participated in Annual General Meeting through VC/OAVM mode can cast their vote through e-voting at the time of Annual General Meeting (provided that he has not cast his vote through remote e-voting).

- 3) 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 22.09.2020 to 28.09.2020 (both days inclusive).
- 4) 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.

Shareholders who have not registered their email\_ids are requested to register / update immediately to enable the company to send soft copy of Annual Report of the ensuing Annual General Meeting and for future communication.

**E-Voting:**

The Company is pleased to provide E-Voting facility through Central Depository Services (India) Limited (CDSL) for all members of the Company to enable them to cast their votes electronically on the resolutions mentioned in the notice of 38<sup>th</sup> Annual General Meeting of the Company dated 28<sup>th</sup> September, 2020. 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 and completing the E-voting counting process in a fair and transparent manner.

The E-voting rights of the Shareholders / beneficial owners shall be reckoned on the equity shares held by them as on 21<sup>st</sup> September, 2020. The instructions for Members for voting electronically are as under:

**CDSL e-Voting System – For Remote e-voting and e-voting during AGM / EGM**

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM/EGM will thus be held



## TGV SRAAC LIMITED

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



- through video conferencing (VC) or Other Audio Visual Means (OAVM). Hence, Members can attend and participate in the ensuing AGM/EGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM/EGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the EGM/AGM will be provided by CDSL.
  3. The Members can join the EGM/AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.
  4. The attendance of the Members attending the AGM/EGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
  5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM/EGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM/EGM through VC/OAVM and cast their votes through e-voting.
  6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM/EGM has been uploaded on the website of the Company at [www.tgvgroup.com](http://www.tgvgroup.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM/EGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/EGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
  7. The AGM/EGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
- THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:**
- (i) The voting period begins on 24.09.2020 at 9.00 AM and ends on 27.09.2020 at 5.00 PM. 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 21.09.2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.





(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).

(iv) Click on “Shareholders” module.

(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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's **EASI/EASIEST** e-services, you can log-in at <https://www.cdslindia.com> from **Login - Myeasi** using your login credentials. Once you successfully log-in to CDSL's **EASI/EASIEST** e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.

(vi) Next enter the Image Verification as displayed and Click on Login.

(vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-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 Shareholders holding shares in Demat Form and Physical Form :

|                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                   |
|--------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| PAN                                                                      | <p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>               |
| <p>Dividend Bank Details</p> <p><b>OR</b></p> <p>Date of Birth (DOB)</p> | <p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>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).</li> </ul> |

(ix) After entering these details appropriately, click on “SUBMIT” tab.

(x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

## TGV SRAAC LIMITED

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



- (xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiii) 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.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) 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.
- (xix) Shareholders can also cast their vote using CDSL’s mobile app “**m-Voting**”. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

### PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR

### OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to **Company/RTA email id**.

### INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:

1. Shareholder will be provided with a facility to attend the EGM/AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable



## TGV SRAAC LIMITED

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

Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

### INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM/EGM ARE AS UNDER :

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the

EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.

#### (xx) 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](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [sralkalies@tgvmail.net](mailto:sralkalies@tgvmail.net), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

By order of the Board  
Sd/-

Place : Hyderabad  
Date : 10<sup>th</sup> August, 2020

**CSV.RADHAKRISHNA MURTHY**  
**COMPANY SECRETARY**

## TGV SRAAC LIMITED

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



### EXPLANATORY STATEMENT

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

The following Statement, as required under Section 102 of the Companies Act, 2013, sets out all material facts relating to the items of Special Business mentioned in the accompanying Notice.

#### ITEM NO. 4

The Authorised Share Capital of the Company is Rs.130,00,00,000 (Rupees One Hundred and Thirty Crores) divided into

- 1) 11,10,00,000 (Eleven Crore Ten Lacs) Equity Shares of Rs.10/- (Rupees Ten only) each and
- 2) 1,90,00,000 (One Crore Ninety Lakhs) of Cumulative Redeemable Preference Shares (CRPS) will be re-classified as under :

13,00,00,000 (Thirteen Crores) Equity Shares of Rs.10/- (Rupees Ten Only) each aggregating to Rs.130,00,00,000/- (Rupees One Hundred and Thirty Crores only).

Total aggregating to Rs.130,00,00,000/- ((Rupees One Hundred and Thirty Crores only).

The resolution set out in Item No.4 seeks to replace/alter the capital clause of Memorandum of Association and Articles of Association in order to re-classify the existing Authorised Share Capital. The reclassification is required after redemption of Cumulative Redeemable Preference Shares (CRPS) by the company.

The Directors accordingly recommend the resolution as set out in Item No.4 for your approval as a Special Resolution.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives are in any way concerned or interested, financially or otherwise, in the resolution.

A copy of the Memorandum of Association of the Company together with the proposed alteration is available for inspection at Regd. Office of the Company between 11.00 AM and 5.30 PM on all working days upto the date of the Annual General Meeting.

#### ITEM NO. 5

The Board of Directors after taking into account the recommendation of Audit Committee in its meeting held on 30.06.2020 has appointed M/s. Aruna Prasad & Co. (Regn.No.100883) Proprietrix: Mrs. Aruna Prasad as Cost Auditor for the Financial year 2020-21 on a remuneration of Rs.1,50,000 plus GST and reimbursement of out of pocket expenses in its meeting held on 30.06.2020 to conduct Cost Audit of cost records of the Company in compliance of MCA Notification Ref. No.52/56/CAB-2010, Dated 06-11-2012. As per the provisions of Section 148 of the Act, payment of remuneration and appointment of Cost Auditors requires Members ratification for the action taken by the Board as explained above.

None of the Directors /Key Managerial Personnel (KMP) of the Company / their relatives are, in any way, concerned or interested in passing the Resolution set out in Item No.5 of the Notice.

The Board of Directors placed the Resolution set forth in Item No.5 for your approval / ratification.

#### ITEM NO. 6

Shareholders attention is brought to the 37<sup>th</sup> Annual General Meeting held on 30.09.2019 in which prior approval for Related Party Transactions (Sale and Purchase) to the



## TGV SRAAC LIMITED

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

aggregate value of Rs.243.50 Crs was given by the shareholders vide Item No.8 of the Notice of AGM. The approval limit is applicable for 2019-20. Whereas as 10% of the Audited Turnover (Net) for 2019-20 comes to Rs.119.85 Crs. The Actual Related Party Transactions (Sales and Purchase) which is material as per SEBI (LODR) Regulations, 2015 comes to Rs.201.71 Cr. (133.79 + 67.92) since it exceeds 10% of Turnover.

Pursuant to Sec.188 of the Companies Act, 2013, Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014 read with Reg.23 of SEBI (LODR) Regulations, 2015 requires shareholders approval for Material Related Party Transactions explained above. Eventhough shareholders in the

37<sup>th</sup> AGM has given prior approval for Rs.243.50 Crs, the actual details are furnished hereunder for information of the shareholders.

In compliance of the above statutory provisions apart from Audit Committee (Meeting Dt.30.06.2020) members prior approval for Material Related Party Transactions (Sales and Purchase estimated 2020-21) to the aggregate value of Rs.223 Crs as clearly explained in the table is required for which the resolution has been recommended in the Board Meeting Dt.10.08.2020 for your approval. The details of Actual (for 2019-20) and Estimated (2020-21) Related Party Transactions are furnished hereunder :

(₹ in Crores)

| Name of the Related Party                 | For the financial year 2019-20<br>(Actual) |              |               | For the year 2020-21<br>(Estimated) |              |               |
|-------------------------------------------|--------------------------------------------|--------------|---------------|-------------------------------------|--------------|---------------|
|                                           | Sales                                      | Purchases    | Total         | Sales                               | Purchases    | Total         |
| Sree Rayalaseema Hi-Strength Hypo Limited | 132.91                                     | 63.14        | 196.05        | 146.10                              | 62.80        | 208.90        |
| Other Related Parties                     | 0.88                                       | 4.78         | 5.66          | 5.37                                | 8.74         | 14.11         |
| <b>Total :</b>                            | <b>133.79</b>                              | <b>67.92</b> | <b>201.71</b> | <b>151.47</b>                       | <b>71.54</b> | <b>223.00</b> |

It may kindly be noted that all Related Party Transactions are having Omnibus approval of the Audit Committee and Board. Related Party Transactions are entered during the ordinary course of business and are at arms length. These transactions are subject to transfer price audit to comply with statutory provisions. 97% of Related Party Transactions are between two Listed Companies and these transactions are mutually beneficial.

Your Directors recommended the above resolution for your approval.

### ITEM NO. 7

The Articles of Association ('AOA') of the Company are based on the Companies Act, 1956 and several regulations in the existing AOA contain references to specific sections of the Companies Act, 1956. The AOA will be amended to bring the existing AOA in line with the Companies Act, 2013.

It is proposed to substitute the existing AOA of the Company by a new set of AOA to make them in conformity with the provisions of the Companies Act, 2013 including Table F of Schedule I thereto.

## TGV SRAAC LIMITED

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



The proposal requires the consent of the members. The Board of Directors recommends that the proposal to be approved by the shareholders by passing a Special Resolution.

The proposed new draft AOA will be available for inspection at the Regd. Office of the Company during working hours till the conclusion of the Annual General Meeting and will also be made available during the meeting.

None of the Directors / Key Managerial Personnel and their relatives are interested in this resolution.

### ITEM NO. 8

The company has availed Specific LC financial assistance of Rs.10 Cr and Rs.20 Cr sanctioned by M/s. Indian Bank vide their sanction letters dated.05.02.2020 and 14.05.2020 with the Board approvals dt.20.02.2020 and 15.05.2020. In terms of the said sanction letters the company has created security of "Specific charge on capital goods (brought by availing the said financial assistance) of the Company" in respect of Rs.10 Crore and in the process of creation in respect of Rs.20 Crore loan for which appropriate resolution is placed seeking members approval by way of ratification/approval to comply with terms and conditions of sanction letters 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.

#### 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 N. Jesvanth Reddy                                | Sri K. Gopal Krishan                                                                                          |
|--------|----------------------------------------------------|------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|
| 1.     | Date of Birth                                      | June 11, 1954                                        | February 01, 1950                                                                                             |
| 2.     | Date of Appointment                                | May 11, 2010                                         | November 07, 2014                                                                                             |
| 3.     | Experience in Specific areas                       | More than 40 years in paper and Chemical Industries. | More than 46 years of experience in fields of Chlor-Alkali, Petro Chemicals, Power Plants & Allied Chemicals. |
| 4.     | Qualifications                                     | B.E. (Mech)                                          | B.E. (Technical)                                                                                              |
| 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                                                                                                           |

By order of the Board  
Sd/-

Place:Hyderabad  
Date :10<sup>th</sup> August, 2020

**CS V. RADHAKRISHNA MURTHY**  
**COMPANY SECRETARY**

**DIRECTORS' REPORT****Dear Members,**

Your Directors' have pleasure in presenting the Annual Report and the Audited statements of Accounts of the Company for the year ended 31<sup>st</sup> March, 2020.

**1. Operations**

The turnover (Gross) for the year under review is Rs.120588 Lakhs as compared to Rs.139678 Lakhs in the previous year. The 14% decrease is on account of the following changes in respective Division's performance.

**2. Division / Segment Wise Operations**

The Caustic Division unit has produced 172017 MTs as against 190797 MTs for the previous year representing decrease by 10%. As against net sales of Rs.77843 Lakhs for previous year, the current year sales comes to Rs.59625 Lakhs representing decrease of 23% so as to curtail production to accommodate the implementation of the Divisions modernisation.

For the current year the Potassium plant has produced 24706 MTs of Potassium Hydroxide as against 19316 MTs for the previous year representing an increase of 28%. As against net sales of Rs.13528 Lakhs for previous year, the current sales comes to Rs.17668 Lakhs representing increase of 31%.

Chloromethanes Plant has produced 38134 MT of Chloromethanes for the current year as against previous year production of 38603 MT representing decrease by 1%. The current year net sales for Chloromethanes is at Rs.14744 Lakhs. Previous year net sales

are at Rs. 18518 lakhs decrease by 20%. The prices for the division witnessed a steep fall in prices during the year.

The Castor Oil Plant has processed 2590 MTs of oil for the current year as against 2634 MTs processed for the previous year representing decrease by 2%. As against net sales of Rs.3198 lakhs for the previous year, the current year sales stood at Rs.2951 Lakhs representing decrease by 8%. The difference is mainly attributed to the rapid fluctuations in raw materials and finished product prices.

The Fatty acid plant has processed 14446 MTs for the current year as against 11492 MTs for the previous year representing increase of 26%. The net sales of this division has increased from Rs.6762 Lakhs to Rs.8064 Lakhs representing an increase of 19%.

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 20.81 Lakh/KWH power in the current year as against previous year generated of 26.43 Lakh/KWH representing a marginal decrease of 2% when compared to previous year. The power generated is wheeled through State Grid to the Company for captive use.

**3. Outlook for the Current Year**

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



# TGV SRAAC LIMITED

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## FINANCIAL RESULTS

| Particulars                                        | (₹ in lakhs) |            |
|----------------------------------------------------|--------------|------------|
|                                                    | 31.03.2020   | 31.03.2019 |
| Profit before Finance                              |              |            |
| Costs & depreciation                               | 16012.99     | 23789.56   |
| Less: Finance Cost                                 | 3905.19      | 6299.35    |
| Profit before Depreciation                         | 12107.80     | 17490.21   |
| Less: Depreciation                                 | 5628.62      | 5813.59    |
| Profit (Loss) before                               |              |            |
| Exceptional items and Tax                          | 6479.18      | 11676.62   |
| Less: Exceptional items                            | -            | 1161.16    |
| Profit/Loss Before Tax                             | 6479.18      | 10515.46   |
| <b>Tax Expense:</b>                                |              |            |
| Less: - Current Tax                                | 1376.62      | 2159.49    |
| - Deferred Tax                                     | 299.41       | 529.30     |
| Profit for the period from continuing operations   | 4803.15      | 7826.67    |
| Less : Loss from discontinued operations           | 75.70        | 986.56     |
| Profit for the period                              | 4727.45      | 6840.11    |
| Add: Balance Carried from Previous year            | 8446.10      | 5094.43    |
| Profit available for Appropriation                 | 13173.55     | 11934.54   |
| Less: Transfer to General Reserve                  | (2500.00)    | (3500.00)  |
| Add/Less: Transfer from Other Comprehensive Income | (18.99)      | 11.56      |
| : Lease rentals liability as per Ind As 116        | (156.29)     | -          |
| Surplus carried to Balance Sheet                   | 10498.27     | 8446.10    |

Profit after tax for the Current year is Rs.4803.15 Lakhs where as previous year Profit after tax is Rs.7826.67 Lakhs representing a decrease of 38.63%. The decrease in profit is mainly on account of decreased prices for the products of the company due to recession.

## 4. Capital Expenditure

During the year the Company has incurred an amount of Rs.157.45 Cr towards modernization, Chloromethanes expansion

works and normal capital expenditure. The funds required for the above is met from Banks.

## 5. Dividend

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

## 6. COVID-19 Effect

A team of Senior executives, continuously monitoring the COVID-19 effects on the activities of the company. Even though the pandemic has affected badly certain sectors / industries, the proactive steps taken by the company has minimized adverse effects. There are no shut down of the plant for Covid-19 issues. The effects of COVID-19 pandemic was reported to BSE in SEBI Format (taken note by the Board in its meeting held Dt.30.06.2020). A team of officials are keeping close watch on the situation to be able to face any adverse conditions and to tackle them effectively. Company has taken stern steps for the employees good health, measures like good sanitization, social distance etc., measures both in factory and officers.

Risk Management policy has been continuously reviewed and update to take care of new risks and unknown risks in future which includes specific study of COVID-19 risks on the company activities and integration of effective steps and policy modifications required to contain the risk at minimum levels.

## 7. Safety and Environment Protection

Being a ISO 9002 14001 Certified Company well documented policies for implementation proper safety and environment preservation and protection are in practice. The company



management is taking all required steps for its implementation for desired results.

Safety Department headed by qualified General Manager Cadre Officer is working with the support of trained staff to ensure pro-active safety measures. As a matter of routine all the employees are regularly undergo safety training classes and mock drills were conducted to ensure safety at all times. All these efforts of the company have resulted in no accident year after year continuously.

Further, all required measures were implemented to ensure clean and green environment around the factory which has resulted in ISO 14001 Certification from reputed institution DNV which is testimony for compliance of required formalities towards maintenance of pollution free environment.

## **8. Listing Fees**

The Company has paid Listing Fee for the year 2020-21 to Bombay Stock Exchange vide our letter dated 09.06.2020.

## **9. Insurance**

Assets of the Company are adequately insured.

## **10. Fixed Deposits**

The Company has not accepted any fixed deposits during the year and there are no fixed deposits outstanding as on 31.3.2020.

## **11. Directors and Key Managerial Personnel (KMP)**

Sri T.G. Venkatesh (DIN:00108120) resigned as Chairman and Director of the Board / Company in view of his prior commitments and busy schedule vide his letter Dt.15.05.2020. The Board in its adjourned meeting Dt.16.05.2020 approved his

resignation to be effective from 15.05.2020. The Board taken on record with appreciation for the valuable contributions made during his tenure on the Board.

The Board in its meeting held on 28.01.2020 has approved the resignation submitted by Smt V. Surekha (DIN:06953161). The Board noted that due to pre-occupation with prior commitments and busy schedule she was opted to resign. The Board taken on record with appreciation for contributions made by her during her tenure on the Board and requested the Chairman to convey its appreciation to the Director.

In pursuance to Sec.110 of the Companies Act, 2013 read with Companies (Management and Administration), Rules, 2014 the members of the company has given their approvals by way of Special Resolutions through Postal Ballot for re-appointment of (1) Sri Gopal Krishan as Executive Director (Technical) (DIN:05342348) for two years effective from 01.02.2020 (2) Sri K. Karunakar Rao, Executive Director (F&C), (DIN:02031367) for two years from 11.05.2020 and (3) Sri N. Jesvanth Reddy, Executive Director (Technical), (DIN:03074131) for two years from 11.05.2020 on the recommendation of the Board and Nomination & Remuneration Committee Dt.20.02.2020 and 17.02.2020. Postal Ballot results were declared on 07.04.2020. Members approval by way of Special Resolution was accorded as Sri Gopal Krishan crossed 70 years of age on 01.02.2020 and Sri K. Karunakar Rao crossed 70 years of age on 14.06.2020 to comply with relevant provisions of Sec.197 of the Companies Act, 2013.

M/s. IDBI Bank Ltd., has withdrawn their Nominee Director Sri Rangaraj K Rao



(DIN:07727484) from the Board of the Company vide their Letter Dt.17.12.2019 to be effective from 17.12.2019. The Board in its meeting held on 28.01.2020 has taken note of the same and noted with appreciation his contribution during his tenure on the Board and requested the Chairman to convey its appreciation to the Nominee Director.

## **12. Industrial Relations**

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

## **13. Energy Conservation Technology Absorption and Foreign Exchange earnings and outgo**

Particulars required to be disclosed under Section 134 (3) of the Companies Act, 2013 read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 are forming part of the Directors' Report for the year ended 31<sup>st</sup> March, 2020 is annexed hereto as **"Annexure – A"** to this report.

## **14. Directors' Responsibility Statement**

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

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

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

**"Annexure C and D"** are attached to this report.

## **16. Management Discussion and Analysis Report**

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

## **17. Auditors**

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

## **18. Listing approval from BSE Limited for Second and Third Tranche Warrants converted (Face value of Rs.10/- each with Premium of Rs.27.01 per share) into Equity and issue of Trading approvals by BSE.**

### **II Tranche :**

In pursuance to members approval in the 36<sup>th</sup> Annual General Meeting held on 26.12.2018, 50,86,765 Fully paid Warrants (II Tranche) were converted into equity shares by the Board Allotment Committed in its meeting held on 14.03.2020 in the ratio of 1:1 after exercising the option for conversion by the Allottee Sri T.G. Venkatesh (Main Promoter). After completion of required formalities, BSE has issued Trading Approval vide their letter Ref.No. DCS/PREF/TP/SD/10383/2020-21 Dt.15.04.2020. It may be noted that these



shares are subject to lock in for a period of 3 years i.e. upto 14.05.2023.

**III Tranche :**

In pursuance to members approval in the 36<sup>th</sup> Annual General Meeting held on 26.12.2018, 53,54,490 III Tranche fully paid warrants were converted into equity shares (face value of Rs.10/- per share with Premium of Rs.27.01 per share) by the Board Allotment Committee in its meeting held on 20.05.2020 upon exercising the option for conversion by the Allottee M/s. Brilliant Industries Private Limited (B IPL).

M/s. BSE Limited has issued Trading Approval for these shares vide their letter Ref.No.DCS/PREF/TP/PB/10691/2020-21 Dt.17.07.2020 after fulfillment of all required formalities by the company. These shares are subject to lock-in provision for a period of three years i.e. upto 30.07.2023.

**19. Cost Audit**

Majority of the products manufactured by the Company are coming under Central Govt. order Letter Ref. No. 52/26/CAB-2010 dated 06.11.2012. To comply with statutory provisions, Cost Audit Report has been filed in Form CRA-4 in XBRL format vide SRN : R30085443 dt.13.01.2020 with MCA portal for the financial year 2018-19. The cost Audit report for the financial year ended 31st March, 2020 is being submitted in due course.

**20. Audit Committee**

The Audit Committee was constituted to comply with provisions of Regulation 18 of SEBI (LODR) Regulations, 2015 and other statutory provisions. The Audit Committee was reconstituted on 28.01.2020 with the following members namely Sri J.

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

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

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

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

A Committee comprising well qualified Senior Executives having exposure in various fields of risks related matters has been formed to assist Executive Director and CEO in (a) Overseeing and approving the Company's enterprise wide risk management framework, and (b) Overseeing that all the risks that the organisation faces such as strategic, financial, credit market, liquidity, security, property, IT, legal, regulatory, reputational and other risks have been identified and assessed and there is an adequate risk management infrastructure in place capable of addressing those risks. Special attention was given for steps taken to assess, monitor, evaluate and remedial measures taken to counter covid-19 pandemic effects on the company activities and compliance with statutory provisions.

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.

### **23. Details of Policy developed and implemented by the Company on its Corporate Social Responsibility (CSR) initiatives**

Your Company has involved in CSR activities right from beginning of the company. It recognizes the importance for the sustained growth of the company through society development. Appropriate steps are taken by the company to integrate CSR activities for the development of areas surrounding the Company in particulars and other areas in general. Since its inception, CSR Policy has been drafted by a Team of Senior Executives of the Company and the same was approved by the Board in its meeting held on 26.05.2014. For the financial year ending 31.03.2020, the Company has to spend Rs.123.56 Lakhs as against this the Company has spent Rs. 65.04 Lakhs. The unspent CSR obligation of Rs. 58.52 Lakhs has been transferred CSR fund account for being spent in next year i.e. 2020-21, and to comply with statutory provisions. The CSR activities of the company are continuous and the Team of Senior Executives taking all necessary steps for its implementation under the guidance of CSR Committee. A Board sub-committee has been formed by the Board on

26.05.2014 to monitor the implementation of C.S.R. activities. During the year there is no change in the constitution of the CSR Committee. The members of the Committee are (1) Sri G. Krishna Murthy, Chairman (2) Sri K. Karunakar Rao, Member and (3) Sri Gopal Krishan, Member.

Details of C.S.R. activities are given as **"Annexure – H"**.

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

Not applicable.

### **25. Particulars of Contracts or Arrangements made with Related Parties**

During the course of its business, the Company is dealing with the Group Companies which are Related Parties pursuant to the Section 188 of the Companies Act, 2013, Accounting Standard 18 and SEBI (LODR) 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 (omnibus approval) and Board. Further details to be furnished in Form AOC-2 has been given as **"Annexure-F"** to this report to comply with statutory provisions of Sec.188.

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

Statutory Auditors of the Company and the Practicing Company Secretary, who have conducted statutory audit and Secretarial Audit



respectively, have not made any adverse comments on the activities of the Company for the financial year 2019-20.

## **27. 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.

## **28. 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.

## **29. Secretarial Auditor**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 204, the Board in its meeting

held on 15.05.2019 has re-appointed Sri N. Ramaswamy as Secretarial Auditor for the year 2019-20. Secretarial Audit Report for the year ending 31.03.2020 has been Annexed to the Directors' Report as "**Annexure – J**" 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. Further, in compliance of Regulation 34 (3) read with Schedule V Para C Clause 10 (i) of SEBI (LODR) Regulations, 2015 certificate on "Non-Disqualification of Directors" issued by the Secretarial Auditor is enclosed as "**Annexure - K**" to this report.

## **30. Annual Return in Form MGT-9 format**

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

## **31. Subsidiaries, Joint Ventures and Associate Companies**

The Company is not having any Subsidiaries, Joint Ventures and Associate Companies as on 31.03.2020.

## **32. Declaration of Independent Directors**

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

## **33. 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.

## TGV SRAAC LIMITED

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



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.

### 34. 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.

### 35. 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>.

### 36. Investor Education and Protection Fund (IEPF) :

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

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

#### CRPS Dividend :

| Financial Year                      | CRPS Dividend Declared (%) | Date of declaration of Dividend on CRPS | Last date for claiming unpaid dividend/ amount | Unclaimed Dividend / Amount) as on 31.03.2020 (Rs.) | 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                                     | 33,624.00                                           | 04-11-2023                            |



**Fractional Shares Entitlement**

| Financial Year | Fractional Shares entitlement | Date of payment/ declaration | Last date for claiming unpaid amount | Unclaimed Amount (Rs.) as on 31.03.2020 | Due date for transfer to IEPF Account |
|----------------|-------------------------------|------------------------------|--------------------------------------|-----------------------------------------|---------------------------------------|
| 2016-17        | Rs. 39/- per share            | 27.01.2017                   | 04.03.2024                           | 23,946.00                               | 05.03.2024                            |

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

| Financial Year | Redemption Installments                      | Date of payment/ declaration | Last date for claiming unpaid amount | Unclaimed Amount as on 31.03.2020 (Rs.) | Due date for transfer to IEPF Account |
|----------------|----------------------------------------------|------------------------------|--------------------------------------|-----------------------------------------|---------------------------------------|
| 2018-19        | RI – First (*)                               | 01.04.2018                   | 08.06.2025                           | 31,98,240.00                            | 09.06.2025                            |
|                | NRI – Single (*)                             | 01.04.2018                   | 08.06.2025                           | 4,29,690.00                             | 09.06.2025                            |
|                | RI - Second including Dividend (2 years) (*) | 01.07.2018                   | 08.08.2025                           | 32,33,005.00                            | 09.08.2025                            |
|                | RI – Third (*)                               | 01.10.2018                   | 08.12.2025                           | 33,43,285.00                            | 09.12.2025                            |
|                | RI – Fourth (*)                              | 01.01.2019                   | 10.03.2026                           | 34,13,437.50                            | 11.03.2026                            |

(\*) RI means Resident Indian

(\*) NRI means Non-Resident Indian

**37. Acknowledgement**

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

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

On behalf of the Board of Directors

Place: Hyderabad  
Date : 10<sup>th</sup> August, 2020

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

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

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

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

**A. Conservation of energy**

- 1) 11 KV Double Bus – 28 Panels installed to meet with expansion of the Plant.
- 2) 4 Nos. of HT Capacitor Banks of 4416 KVAR each, are installed to improve Plant Power Factor to 0.999, which will improve the energy saving.
- 3) 50 MVA Power Transformer of 132 /11 KV, replaced in place of 31.5 MVA Power Transformer at GRID-2 location, to reduce Load losses.
- 4) About 800 Nos. of LED Light Fixtures (70 Watt & 90 Watt) are placed / replaced in place of HPMV Lamps for energy saving.
- 5) Recoating and remembraning activities carriedout to reduce overall power consumption.
- 6) Energy efficient chilled water units adopted to reduce Auxillary power consumption.
- 7) Energy efficient caustic evaporation unit installed to reduce steam consumption.

**B. Details of Technology development and research****1. Research and Development (R & D)**

Now, we are recovering entire sodium sulphate from sodium chloride brine in sulphate recovery plant. The generated brine sludge is free from barium sulphate. Studies are going on to utilize the brine sludge as economically viable material / product.

Studies are going on for removal of traces of CMS from 32% Hcl by any special resin to make good quality 32% Hcl from CMS plant.

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

The major, sludge disposal risk will get reduced. Some of the chemicals like calcium and magnesium present in brine sludge can be utilize as a micronutrients for plants.

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

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

**C. Foreign Exchange Earnings and Outgo**

- a) Activities relating to exports; initiatives taken to increase exports, development of new export markets for products and services, and export plans:
  - i) Exported Hydrogenated Castor Oil, 12 Hydroxy Stearic Acid, Caustic Potash and planning to enlarge exports by increasing export quantity and exploring export possibility for other products.

|                                           |      |                       |
|-------------------------------------------|------|-----------------------|
| b) Total Foreign Exchange earned and used |      | <b>(Rs. in lakhs)</b> |
| i) Foreign Exchange earned                | .... | 5644.16               |
| ii) Foreign Exchange used                 | .... | 7457.54               |

On behalf of the Board of Directors

Sd/-

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

Sd/-

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

Place: Hyderabad  
Date : 10<sup>th</sup> August, 2020

**ANNEXURE "B" TO THE DIRECTORS' REPORT****Directors' Responsibility Statement  
Yours Directors Further Confirm that**

- i. In the presentation of the Annual Accounts, applicable Accounting Standards have been followed.
- ii. 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.
- iii. 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.
- iv. The Directors had prepared the Annual Accounts on a going concern basis.

On behalf of the Board of Directors

Place: Hyderabad  
Date : 10<sup>th</sup> August, 2020

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

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

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

The Management of TGV SRAAC Ltd., hereby confirm and certify that the relevant provisions of SEBI (LODR) Regulations, 2015 dealing with "Corporate Governance" as amended from time to time by SEBI and BSE Ltd., have been complied for the year 2019-20. The Corporate Governance compliance details are furnished hereunder:

**1. Company's Philosophy :**

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

**2. Policies :**

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

**3. Related Party Transaction Policy :**

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

# TGV SRAAC LIMITED

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



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

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

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

## 5. Familiarisation Program for Independent Directors :

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

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

## 6. Board Procedure :

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

## 7. Board of Directors :

The Composition of the Board is in compliance with the guidelines given in SEBI (LODR) Regulations, 2015 and Companies Act, 2013. The Board comprises of Seven (7) Directors and majority Four (4) of Directors are independent Directors and balance are Three (3) are Non-Independent Executive Directors. The day-to-day management of the Company is conducted by one Executive Director & CEO and two Executive Directors (Technical) under the co-ordination of Chairman subject to the superintendence and control of the Board of Directors. During the year the Board was reconstituted one time on 28.01.2020 to give effect to the changes effected in IDBI Nominee Director. The details of Directors attending the Meetings and Date of the Meetings are further furnished hereunder :

| Sl. No. | Name of Director                   | Category                | F.Y. 2019-20 attendance at |          | As on 31 <sup>st</sup> March, 2020 |                     |        |
|---------|------------------------------------|-------------------------|----------------------------|----------|------------------------------------|---------------------|--------|
|         |                                    |                         | BM                         | Last AGM | No. of Directorship                | Committee Positions |        |
|         |                                    |                         |                            |          |                                    | Chairman            | Member |
| 1.      | Sri T.G. Venkatesh                 | Chairman                | 6                          | Yes      | -                                  | -                   | -      |
| 2.      | Sri Rangaraj K Rao (upto 17.12.19) | Director (IDBI Nominee) | 2                          | No       | -                                  | -                   | 1      |
| 3.      | Sri P.N. Vedanarayanan             | Director (Independent)  | 3                          | No       | -                                  | 2                   | -      |
| 4.      | Sri G. Krishna Murthy              | Director                | 4                          | Yes      | -                                  | 5                   | 1      |
| 5.      | Sri J. Nagabhushanam               | Director (Independent)  | 6                          | No       | -                                  | -                   | 2      |
| 6.      | Smt. V. Surekha (upto 28.01.2020)  | Director                | 4                          | No       | -                                  | -                   | -      |
| 7.      | Dr. M. Asha Reddy                  | Director                | 6                          | No       | -                                  | -                   | 3      |
| 8.      | Sri K. Karunakar Rao               | E.D (F & C)             | 6                          | No       | 1                                  | -                   | 3      |
| 9.      | Sri N. Jesvanth Reddy              | E.D. (Technical)        | 6                          | Yes      | -                                  | -                   | 2      |
| 10.     | Sri Gopal Krishan                  | E.D. (Technical)        | 6                          | Yes      | -                                  | -                   | 1      |



During the financial year ended 31<sup>st</sup> March, 2020, Six Board Meetings were held on (1) 05-04-2019 (2) 15-05-2019 (3) 27-07-2019 (4) 08-11-2019 (5) 28-01-2020 and (6) 20-02-2020 respectively.

#### **8. Audit Committee :**

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

1. Oversight of the Company's financial reporting process to ensure that the financial statement is correct, sufficient and credible in compliance with IND AS and Companies Act, 2013 and other relevant acts.
2. Recommending to the Board with regard to appointment, re-appointment, fixation of fees etc. of Statutory Auditors, Cost Auditors etc.
3. Reviewing with management the annual Financial Statement before submitting to the Board with particular reference to Directors Responsibility statement, Changes in Accounting Policies, major accounting entries involving estimates, compliance with other Listing Agreement, disclosure of other related party transactions.
4. Qualifications in draft Audit Report.
5. Reviewing with management quarterly financial statements.
6. The adequacy of internal audit functions.
7. Discussion with statutory auditors before the audit commences.
8. Reviewing the findings of any investigations by the internal auditors etc.
9. Appointment of CFO.
10. Omnibus approval to related party transaction at the beginning of the year and review of quarterly actual related party transactions and recommendation of the same to the Board for its approval.

In addition to quarterly and yearly Un-audited/Audited financial results the Committee deliberate upon the relevant matters mentioned in SEBI (LODR) Regulations, 2015, Companies Act and Cost Audit Report Rules etc. The Committee is headed by Sri P.N. Vedanarayanan, the Senior most independent Director. Majority of the committee members are independent Directors. Latest reconstitution of Audit Committee was reconstituted by the Board in its meeting held on 28.01.2020 with the following Directors as its members (1) Sri P. N. Vedanarayanan, Chairman (2) Dr M. Asha Reddy, Member (3) Sri J. Nagabhushanam, Member (4) Sri G. Krishna Murthy, Member.

| Sl. No. | Name of the Director                 | Designation | No. of Meetings |          |
|---------|--------------------------------------|-------------|-----------------|----------|
|         |                                      |             | Held            | Attended |
| 1.      | Sri P.N. Vedanarayanan               | Chairman    | 4               | 2        |
| 2.      | Sri G. Krishna Murthy                | Member      | 4               | 3        |
| 3.      | Sri Rangaraj K Rao (upto 17.12.19)   | Member      | 4               | 2        |
| 4.      | Dr. M. Asha Reddy                    | Member      | 4               | 4        |
| 5.      | Sri J. Nagabhushanam (from 28.01.20) | Member      | 1               | 1        |

## TGV SRAAC LIMITED

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



During the financial year ended 31<sup>st</sup> March, 2020, Four Board Audit Committee Meetings were held on (1) 15-05-2019 (2) 27-07-2019 (3) 08-11-2019 and (4) 28-01-2020 respectively.

### 9. Nomination and Remuneration Committee :

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

The Non-Executive Directors will be paid sitting fee of Rs.5,000/- per meeting of Board and Audit Committee and Rs.1,500/- for other Sub-committees of the Board. The Executive Directors will not be paid any sitting fee for attending the Board/ Committee meetings. During the year the Committee has met three times i.e. on 27.05.2019, 22.01.2020 and 17.02.2020. All the members attended the meetings.

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

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

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

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

During the financial year ended 31<sup>st</sup> March, 2020, Four Stakeholders Relationship committee and Shareholders' / Investors Grievance Committee Meetings were held on (1) 12.04.2019 (2) 08.07.2019 (3) 09.10.2019 and (4) 09.01.2020 respectively.

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

| No. of Investor Queries/complaints received in the year 2019-20 | Pending at the end of the year | No. of pending Share Transfers |
|-----------------------------------------------------------------|--------------------------------|--------------------------------|
| 10                                                              | 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                              |
|----------------|-----------------------|-----------|------------------------------------|
| 2016-17        | Wednesday, 27.09.2017 | 4.00 P.M. | Regd. Office : Gondiparla, Kurnool |
| 2017-18        | Wednesday, 26.12.2018 | 4.00 P.M. | Regd. Office : Gondiparla, Kurnool |
| 2018-19        | Monday, 30.09.2019    | 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 30.09.2019 and it was attended by Sri T.G. Venkatesh, Chairman besides other Directors viz. Si G. Krishna Murthy, 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) 2016-17**

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

**(B) 2017-18**

1. Increase in Authorised Capital.
2. Alteration of Capital Clause of Memorandum of Association.
3. Alteration of Articles of Association.
4. Appointment and remuneration of Cost Auditor.
5. Re-Appointment of Dr M. Asha Reddy as Independent Director for second term of 3 consecutive years.
6. Re-Appointment of Sri J. Nagabhushanam as Independent Director for second term of 3 consecutive years.
7. Re-appointment of Sri Gopal Krishan, Executive Director (Technical) and Fixation of Remuneration.
8. Re-appointment of Sri K. Karunakar Rao, Executive Director (Finance & Commercial) and Payment of Remuneration.
9. Re-appointment of Sri N. Jesvanth Reddy, Executive Director (Technical) and Payment of Remuneration.
10. Continuation of Directorship by Sri P.N. Vedanarayanan as Non-Executive Independent Director for remaining period of existing term.
11. Continuation of Directorship by Sri G. Krishna Murthy as Non-Executive Independent Director for remaining period of existing term.
12. Creation of security in favour of Indian Bank Rs.50.00 Cr Term Loan.
13. Creation of Security in favour of Indian Bank Rs.40.00 Cr L.C. Facility.
14. Creation of Security in favour of Indian Bank Rs.100.00 Cr Capex L.C. Facility



## TGV SRAAC LIMITED

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



15. Creation of additional security in favour of Banks and Financial Institutions for providing existing financial assistance to the Company.
16. Approval for Material Related Party Transactions.
17. Preferential Allotment of Convertible Share Warrants to Promoters/Promoters Group Companies.

### (C) 2018-19

1. Appointment and Remuneration of Cost Auditor.
2. Re-appointment of Sri P.N. Vedanarayanan as Independent Director for a term of 3 (three) consecutive years.
3. Re-appointment of Sri G. Krishna Murthy as Independent Director for a term of 3 (three) consecutive years.
4. Re-appointment of Sri Gopal Krishan as Executive Director (Technical) and fixation of remuneration.
5. Approval for material related party transactions.
6. Creation of security in favour of M/s. IFCI Limited for a Rupee Term Loan of Rs. 90 Crore.
7. Creation of security on company fixed assets including Wind Mill Assets (excluding Chloromethanes, Bellary Power Plant division assets) in favour of Banks.
8. Creation of security on company Chloromethanes Assets in favour of members of Banks Consortium.
9. Creation of security on company Bellary Power Plant Assets in favour of members of Banks Consortium.

### 12. Disclosures :

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

### 13. Means of Communication :

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

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


**14. General Shareholder Information :**

- a) **AGM Date, time and Venue** : Monday, the 28<sup>th</sup> September, 2020 at 11.30 A.M through Video Conference (VC)
- b) **Tentative Financial Calendar** : The next financial year covers the period from 1<sup>st</sup> April, 2020 to 31<sup>st</sup> March, 2021
- Un-Audited Financial results for** : First Quarter - July / August, 2020  
Second Quarter - October / November, 2020  
Third quarter - January / February, 2021  
Fourth quarter - April / May, 2021
- c) **Book Closure period** : From 22-09-2020 to 28-09-2020 (both days inclusive)
- d) **Dividend payment date** : Not Applicable
- e) **The Shares of the Company is listed on** : BSE Limited, P.J. Towers, Dalal Street, Mumbai.  
ISIN No : INE 284B01028, SCRIP CODE : 507753 for EQUITY SHARES
- f) **Market Price Data: The Monthly High and Low of Stock Quotations during the Financial Year 2019-20.**

| MONTH & YEAR    | EQUITY SHARES |           |
|-----------------|---------------|-----------|
|                 | HIGH (Rs.)    | LOW (Rs.) |
| April, 2019     | 43.75         | 39.00     |
| May, 2019       | 40.75         | 35.75     |
| June, 2019      | 37.20         | 28.10     |
| July, 2019      | 30.80         | 20.80     |
| August, 2019    | 24.80         | 20.00     |
| September, 2019 | 26.75         | 21.80     |
| October, 2019   | 23.95         | 19.80     |
| November, 2019  | 23.30         | 20.20     |
| December, 2019  | 25.00         | 20.05     |
| January, 2020   | 27.80         | 22.00     |
| February, 2020  | 23.40         | 19.45     |
| March, 2020     | 20.50         | 10.55     |

**g) Distribution of Shareholding pattern for Equity Shares as on 31<sup>st</sup> March, 2020.**

| SI.No. | CATEGORY                       | EQUITY SHARES    |               |
|--------|--------------------------------|------------------|---------------|
|        |                                | Shares           | %             |
| 1.     | Promoters                      | 62302682         | 61.24         |
| 2.     | Mutual Funds and UTI           | 17887            | 0.02          |
| 3.     | Banks & Financial Institutions | 850              | 0.00          |
| 4.     | Insurance Companies            | 536004           | 0.53          |
| 5.     | Bodies Corporate               | 2232952          | 2.19          |
| 6.     | Indian Public                  | 35429051         | 34.82         |
| 7.     | NRI's / OCB                    | 1215884          | 1.20          |
|        | <b>Total</b>                   | <b>101735310</b> | <b>100.00</b> |

# TGV SRAAC LIMITED

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



## 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 31<sup>st</sup> March, 2020, out of 101735310 Equity Shares 100338204 No. of Shares were dematerialised (98.63 %) were dematerialized. Since the company's shares are trading under compulsory De-mat mode shareholders are requested to take necessary steps to dematerialise their shares held in physical form.

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

Not Applicable.

## k) Code of Conduct :

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

### DECLARATION BY CEO

As provided in Regulation 17 Sub-Regulation 5 proviso a) or b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Directors and Senior Management personnel have confirmed compliance with code of conduct for the period ended 31.03.2020.

On behalf of the Board of Directors  
Sd/-

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

Place : Hyderabad

Date : 10<sup>th</sup> August, 2020

## l) Plant Location :

Gondiparla, Kurnool – 518 004 (A.P).

Bellary Power Plant : Tagginabudihalli, Bellary, Karnataka.

Wind Farm : Ramagiri, Anantapur Dist. (A.P)

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

(A) Registrar and Share Transfer Agent :

Aarthi Consultants Private Limited

Regd. Office : 1-2-285, Domalguda, Hyderabad – 500 029 (T.S)

Tel. No. : 040 – 27638111, 27634445, 27642217, 66611921 Fax No. : 040 – 27632184

E-mail : info@arthiconsultants.com

(B) TGV SRAAC Limited

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

(CIN: L24110AP1981PLC003077)

6-2-1012, II Floor, TGV Mansion,

Opp. Institute of Engineers, Khairatabad, Hyderabad – 500 004 (T.G)

Tel No. : 040 – 23313842 Fax No.: 040 - 23313875

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

On behalf of the Board of Directors

Sd/-

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

Sd/-

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

Place: Hyderabad

Date : 10<sup>th</sup> August, 2020

**ANNEXURE “D” TO THE DIRECTORS’ REPORT****Independent 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)**

1. We have examined the compliance of the conditions of corporate governance by TGV SRAAC Limited (the ‘Company’) for the year ended 31<sup>st</sup> March 2020, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C,D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ( “SEBI Listing Regulations”)

**Management’s Responsibility**

2. The compliance of conditions of corporate governance is the responsibility of the management. This responsibility includes the designing, implementing and maintaining operating effectiveness of internal control to ensure the compliance with the conditions of corporate governance as stipulated in the SEBI Listing Regulations.

**Auditors’ Responsibility**

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the company for ensuring the compliance with the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company.
4. We have examined the books of accounts and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company
5. We have examined the relevant records of the company in accordance with the applicable Generally Accepted Auditing Standards in India, the Guidance note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (the ‘ICAI’), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the standard on Quality Control (SQC) 1, Quality Control for Firms that performs Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

**Opinion**

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations during the year ended March 31, 2020.
8. We 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  
UDIN 20029193AAAHH3924

Place : Hyderabad  
Date : 30<sup>th</sup> June, 2020

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

The Indian economy is characterized as a developing market economy and is the world's fifth-largest one. FICCI, in its Economic Outlook Survey has projected the country's annual GDP growth for 2020-21 at (-) 4.5 per cent.

To redress the economy, Central Govt. and RBI rightly came forward with certain reliefs to corporates especially to MSMEs in the form of moratorium and additional financial assistance etc. The Govts. have announced and implemented many welfare activities to service the public in general who were affected due to the Pandemic.

The partial relaxations to lock down announced earlier is slowly bringing back the economy in the Country. Today the virus is at its peak with the life and economy moving with fear and anxiety.

**Financial performance**

During the year 2019-20 with the decreased price realisations for the products of the company which was a general phenomena witnessed by all Alkalie units in the Country. The company achieved a Gross turnover of Rs.1205.88 lakhs which is lower by Rs. 1396.78 lakhs compared to previous year. The drop in the turnover is mainly due to reduced realisations of the products.

**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.

**Performance of Divisions**

The product line of the company consists Caustic Soda, Chlorine, Hydrochloric Acid, Sodium Hypochlorite, Potassium Hydroxide, Castor Oil Derivatives, Fatty Acids, and Chloromethanes etc., products.

Caustic Soda Division operations are the main revenue earner for the company with revenue of Rs.695.49 Cr (contribution of 58%). The market share of Caustic Soda for the company accounts for 4.77 %. The looming recession prevailed during 2019-20, coupled with fears of pandemic has brought down the prices of the Divisions products substantially. During the year the company has completed modernisation to its Caustic Soda division and thereby strengthening and improving the manufacturing process. It also resulted in saving in power and steam consumption. Added company has purchased 2.11 MW equivalent shares in M/s. Andhra Pradesh Gas Power Corporation Ltd., (APGPCL) to avail cheaper power supply.

Caustic Potash, another division, contributed Rs.206.28 Cr (17% of revenue) is used in food preservation, pharmaceuticals, TV panel, oil exploration etc., applications. Raw material for this division being Potassium Chloride is an import product. The exchange fluctuations associated with the import is a concern.

Hydrogenated Castor Oil and 12-Hydroxy Stearic Acid are products of Castor Oil division with revenue contribution of Rs.31.56 Cr (3% revenue contribution). These products are used in lubricants, cosmetics, leather coating, rubber industry etc. The raw material, commercial grade castor oil, prices are highly fluctuating, and is a concern for this division. The end products of this division are mainly for export purposes.



## TGV SRAAC LIMITED

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

Fatty Acid Division consists of Stearic Acid, Soap Noodles and Glycerine. These products are used in rubber, tyres, lubricants, cosmetics, explosives etc., areas with revenue contribution of Rs. 95.09 Cr (8 % of revenue).

It is to state that the margins from oil segment (castor oil and fatty acid divisions) is thin compared to chemical operations.

Chloromethanes Division manufacturing Methyl Chloride, Methylene Chloride, Chloroform and Carbon Tetra Chloride. The revenue for this division is Rs.173.45 Cr (14% contribution). Chlorine, a joint product generated in Caustic soda manufacturing is one of the raw material.

Company is implementing an expansion of Chloromethanes capacity with 41250 MTs. This expansion will facilitate chlorine absorption internally, of the additional production from caustic soda modernisation.

The Power generating plant at Bellary continuous to be in-operative with completion of power purchase agreement period. The company is studying options before it either for sale or re-location.

The Company is continuously making efforts to eliminate effluents. The company has entered an agreement with a Environment Management company for management of liquid effluents in the factory to have further assurances in safeguarding the environment.

### Opportunities and Threats

In the prevailing Covid-19 constraints in the Country, the company is moving in a passive way, with curtailed demand and reduced prices for its products. This situation affects production and revenues.

### Outlook

As commented, the performance of the company like any other manufacturer would depend on the recovery of the economy, demand and pricing factors which are under stress because of Covid-19 conditions. The benefits of modernisation carried by the company would fully accrues only with normalisation of demand for the products from Covid-19 clutches.

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

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

### CREDIT RATING :

Your Company has been awarded with a Credit Rating of CARE "A-" (outlook:Negative) for Long Term Bank Facilities and CARE "A2+" for Short Term Bank Facilities by M/s. CARE Ratings Limited, Hyderabad.

### DETAILS OF KEY FINANCIAL RATIOS - WITH SIGNIFICANT VARIANCE :

- (i) Inventory Turnover ratio : Increased by 55%
- (ii) Operation Profit margin (%) : Decreased by 27%
- (iii) Net Profit margin (%) : Decreased by 25%
- (iv) Return on Net worth : Decreased by 42%

# TGV SRAAC LIMITED

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



## Reasons for Variance :

### Inventory turnover ratio

The surge in the ratio is on account of imposition of lock down on 23.03.2020 which has prohibited the transportation of goods. There was pile up of certain products marginally. The difference in value compared to previous year is marginally up by Rs. 3.34 Cr (difference by 55 %).

### Operating / Net profit / Return on Net worth margin

During the year the company's performance is affected because of the recessionary conditions followed by covid-19, due to which the prices for the products witnessed a sharp fall compared to previous year.

## 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 31<sup>st</sup> March, 2020 the employee strength (on permanent rolls) of the Company was 1073.

## CAUTIONARY STATEMENT :

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

On behalf of the Board of Directors

Place: Hyderabad  
Date : 10<sup>th</sup> August, 2020

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

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

**ANNEXURE "F" 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.188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

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

| S. No | (a)<br>Names(s) of the Related Party and Nature of Relationship | (b)<br>Nature of Contracts / Arrangements / Transactions                                          | (c)<br>Duration of the Contracts/ Arrangements/ Transactions | (d)<br>Salient terms of the Contracts or Transactions including the value, if any. (Rs. in lakhs) | (e)<br>Date(s) of approval by the Board, if any. | (f)<br>Amount Paid as advances, if any. |
|-------|-----------------------------------------------------------------|---------------------------------------------------------------------------------------------------|--------------------------------------------------------------|---------------------------------------------------------------------------------------------------|--------------------------------------------------|-----------------------------------------|
| 1     | Sree Rayalaseema Hi-Strength Hypo Limited                       | Sales Purchases<br>Rent Received<br>Services availed<br>Investment in Equity<br>Dividend received | Annual Contracts / Arrangements                              | 13291.21<br>6314.48<br>6.56<br>87.82<br>4.89                                                      | 15.05.2019                                       | 1154.27 (Cr)                            |
| 2     | TGV Projects & Investments Private Limited                      | Rent Paid<br>Rent deposit                                                                         | Annual Contracts / Arrangements                              | 298.88<br>-                                                                                       | 15.05.2019                                       | 19.65 (Cr)<br>100.75 (Dr)               |
| 3     | Sree Rayalaseema Galaxy Projects Private Limited                | Sales<br>Purchases                                                                                | Annual Contracts / Arrangements                              | 13.71<br>86.66                                                                                    | 15.05.2019                                       | 81.62 (Cr)                              |
| 4     | Gowri Gopal Hospitals Private Limited                           | Sales<br>Services availed<br>Purchases                                                            | Annual Contracts / Arrangements                              | 0.26<br>47.79<br>2.84                                                                             | 15.05.2019                                       | 31.72 (Cr)                              |
| 5     | Gowri Gopal Hospitals Private Limited                           | Services availed                                                                                  | Annual Contracts / Arrangements                              | 7.37                                                                                              | 15.05.2019                                       | 7.37 (Cr)                               |
| 6     | The Mourya Inn                                                  | Services availed / Rendered                                                                       | Annual Contracts / Arrangements                              | 192.21                                                                                            | 15.05.2019                                       | -N.A-                                   |
| 7     | Brilliant Industries Private Limited                            | Rent Paid<br>Share Warrant application<br>money received                                          | Annual Contracts / Arrangements                              | -                                                                                                 | 15.05.2019                                       | 495.43 (Cr)                             |
| 8     | Sree Maruthi Marine Industries Limited                          | Purchases<br>Land Purchase                                                                        | Annual Contracts / Arrangements                              | 276.64<br>131.67                                                                                  | 15.05.2019                                       | 11.92 (Cr)                              |
| 9     | Sree Maruthi Agro Tech Private Limited                          | Purchases<br>Land Purchase                                                                        | Annual Contracts / Arrangements                              | 63.03                                                                                             | 15.05.2019                                       | 26.00 (Dr)                              |
| 10    | Nectar Laboratories Private Limited                             | Services availed                                                                                  | Annual Contracts / Arrangements                              | -                                                                                                 | 15.05.2019                                       | 2.04 (Dr)                               |
| 11    | Roopa Industries Limited                                        | Sales                                                                                             | Annual Contracts / Arrangements                              | 73.11                                                                                             | 15.05.2019                                       | 14.00 (Dr)                              |
| 12    | M.V. Salts & Chemicals Private Limited                          | Purchases                                                                                         | Annual Contracts / Arrangements                              | 47.98                                                                                             | 15.05.2019                                       | 31.48 (Dr)                              |
| 13    | Other Related Parties                                           | Rent & Others<br>Rent advance paid                                                                | Annual Contracts / Arrangements                              | 80.12<br>-                                                                                        | 15.05.2019                                       | 4.82 (Cr)<br>107.00 (Dr)                |
| 14    | Key Managerial Personnel (KMP)                                  | Remuneration                                                                                      | Annual Contracts / Services                                  | 97.55                                                                                             | 15.05.2019                                       | 1.07 (Dr)                               |

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

On behalf of the Board of Directors

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

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

Place: Hyderabad  
Date : 10<sup>th</sup> August, 2020



# TGV SRAAC LIMITED

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



## ANNEXURE “G” TO DIRECTORS’ REPORT

FORM NO. MGT - 9

### EXTRACT OF ANNUAL RETURN

as on the Financial Year Ended on 31.03.2020

(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<br>(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 | Gondiparla, Kurnool - 518 004 (A.P)<br>(Tel: Nos.91-08518 280006, 280007, 280008)<br>Fax 08518-280098 Cell : 09848304999                                                                                              |
| Whether Listed Company                               | Yes                                                                                                                                                                                                                   |
| Name & Address of the Registrar and Transfer Agent   | M/s. Aarthi Consultants Private Limited<br>Regd.Office: 1-2-285, Domalguda,<br>Hyderabad - 500 029 (Telangana State)<br>Contact Nos.040-27638111 / 27634445<br>Fax: 040-27632184<br>email: info@aarthiconsultants.com |

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

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

| Sl. No             | Name and Address of the Company | CIN | Holding/Subsidiary/ Associates | % of Shares | Applicable |
|--------------------|---------------------------------|-----|--------------------------------|-------------|------------|
| - Not Applicable – |                                 |     |                                |             |            |



# TGV SRAAC LIMITED

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

## IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) as on 31-03-2020.

### i) Category - wise Shareholding

| Sl. No.     | Category of Shareholders                                                     | No. of Shares held at the beginning of the year (01.04.2019) |                |                 |                   | No. of Shares held at the end of the year (31.03.2020) |                |                  |                   | % of Change during the year |
|-------------|------------------------------------------------------------------------------|--------------------------------------------------------------|----------------|-----------------|-------------------|--------------------------------------------------------|----------------|------------------|-------------------|-----------------------------|
|             |                                                                              | Demat                                                        | Physical       | Total           | % of Total Shares | Demat                                                  | Physical       | Total            | % of Total Shares |                             |
| <b>A. 1</b> | <b>Promoters Indian</b>                                                      |                                                              |                |                 |                   |                                                        |                |                  |                   |                             |
|             | a) Individual/ HUF                                                           | 862137                                                       | 0              | 862137          | 0.89              | 862137                                                 | 0              | 5948902          | 5.85              | 4.96                        |
|             | h) Central Govt.                                                             | 0                                                            | 0              | 0               | 0                 | 0                                                      | 0              | 0                | 0                 |                             |
|             | c) State Govt (s)                                                            | 0                                                            | 0              | 0               | 0                 | 0                                                      | 0              | 0                | 0                 |                             |
|             | d) Bodies Corp.                                                              | 56353780                                                     | 0              | 56353780        | 58.31             | 56353780                                               | 0              | 56353780         | 55.39             | -2.92                       |
|             | e) Banks/ FI                                                                 | 0                                                            | 0              | 0               | 0                 | 0                                                      | 0              | 0                | 0                 |                             |
|             | f) Any Other...                                                              | 0                                                            | 0              | 0               | 0                 | 0                                                      | 0              | 0                | 0                 |                             |
|             | <b>Sub Total (A) (1) :</b>                                                   | <b>57215917</b>                                              | <b>0</b>       | <b>57215917</b> | <b>59.20</b>      | <b>62302682</b>                                        | <b>0</b>       | <b>62302682</b>  | <b>61.24</b>      | <b>2.04</b>                 |
| <b>2</b>    | <b>Foreign</b>                                                               |                                                              |                |                 |                   |                                                        |                |                  |                   |                             |
|             | a) NRIs - Individuals                                                        | 0                                                            | 0              | 0               | 0                 | 0                                                      | 0              | 0                | 0                 |                             |
|             | b) Other- Individuals                                                        | 0                                                            | 0              | 0               | 0                 | 0                                                      | 0              | 0                | 0                 |                             |
|             | c) Bodies Corp.                                                              | 0                                                            | 0              | 0               | 0                 | 0                                                      | 0              | 0                | 0                 |                             |
|             | d) Banks/ FI                                                                 | 0                                                            | 0              | 0               | 0                 | 0                                                      | 0              | 0                | 0                 |                             |
|             | e) Any Other...                                                              | 0                                                            | 0              | 0               | 0                 | 0                                                      | 0              | 0                | 0                 |                             |
|             | <b>Sub Total (A) (2) :</b>                                                   | <b>0</b>                                                     | <b>0</b>       | <b>0</b>        | <b>0</b>          | <b>0</b>                                               | <b>0</b>       | <b>0</b>         | <b>0</b>          |                             |
|             | <b>Total Shareholding of Promoter (A)=(A) (1) + (A) (2)</b>                  | <b>57215917</b>                                              | <b>0</b>       | <b>57215917</b> | <b>59.20</b>      | <b>62302682</b>                                        | <b>0</b>       | <b>62302682</b>  | <b>61.24</b>      | <b>2.04</b>                 |
| <b>B 1</b>  | <b>Public Shareholding Institutions</b>                                      |                                                              |                |                 |                   |                                                        |                |                  |                   |                             |
|             | a) Mutual Funds                                                              | 8937                                                         | 8950           | 17887           | 0.02              | 8937                                                   | 8950           | 17887            | 0.02              | 0.00                        |
|             | b) Bank/ FI                                                                  | 0                                                            | 850            | 850             | 0                 | 0                                                      | 850            | 850              | 0.00              | 0.00                        |
|             | c) Central Govt.                                                             | 0                                                            | 0              | 0               | 0                 | 0                                                      | 0              | 0                | 0                 |                             |
|             | 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                                                       | 563985                                                       | 0              | 563985          | 0.58              | 536004                                                 | 0              | 536004           | 0.53              | -0.06                       |
|             | g) FIs                                                                       | 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                 |                             |
|             | <b>Sub Total (B) (1) :</b>                                                   | <b>572922</b>                                                | <b>9800</b>    | <b>582722</b>   | <b>0.60</b>       | <b>544941</b>                                          | <b>9800</b>    | <b>554741</b>    | <b>0.55</b>       | <b>-0.06</b>                |
| <b>2</b>    | <b>Non-Institutions</b>                                                      |                                                              |                |                 |                   |                                                        |                |                  |                   |                             |
|             | a) Bodies Corp.                                                              | 2832424                                                      | 37213          | 2869637         | 2.97              | 2195801                                                | 37151          | 2232952          | 2.19              | -0.77                       |
|             | 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      | 19653824                                                     | 1167081        | 20820905        | 21.54             | 19518160                                               | 1135801        | 20653961         | 20.30             | -1.24                       |
|             | Individual Shareholders holding nominal share capital in excess of Rs.2 Lakh | 13895846                                                     | 0              | 13895846        | 14.38             | 14775090                                               | 0              | 14775090         | 14.52             | 0.15                        |
|             | c) Others (specify) NRIs                                                     | 1045317                                                      | 218201         | 1263518         | 1.31              | 1001530                                                | 214354         | 1215884          | 1.20              | -0.11                       |
|             | <b>Sub-total (B) (2):</b>                                                    | <b>37427411</b>                                              | <b>1422495</b> | <b>38849906</b> | <b>40.20</b>      | <b>37490581</b>                                        | <b>1387306</b> | <b>38877887</b>  | <b>38.21</b>      | <b>-1.98</b>                |
|             | <b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>                           | <b>37888356</b>                                              | <b>1544272</b> | <b>39432628</b> | <b>40.80</b>      | <b>38035522</b>                                        | <b>1397106</b> | <b>39432628</b>  | <b>38.76</b>      | <b>-2.04</b>                |
| <b>C)</b>   | <b>Shares held by Custodian for GDRs &amp; ADRs</b>                          | 0                                                            | 0              | 0               | 0                 | 0                                                      | 0              | 0                | 0                 |                             |
|             | <b>Grand Total (A+B+C)</b>                                                   | <b>95216250</b>                                              | <b>1432295</b> | <b>96648545</b> | <b>100.00</b>     | <b>100338204</b>                                       | <b>1397106</b> | <b>101735310</b> | <b>100.00</b>     | <b>0</b>                    |

# TGV SRAAC LIMITED

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



## ii) Shareholding of Promoters as on 31-03-2020

| Sl. No. | Name of the shareholder                            | No of Shares at the beginning the year (01.04.2019) |                                  |                                                 | Share holding at the end of the year (31.03.2020) |                                  |                                                 |                                             |
|---------|----------------------------------------------------|-----------------------------------------------------|----------------------------------|-------------------------------------------------|---------------------------------------------------|----------------------------------|-------------------------------------------------|---------------------------------------------|
|         |                                                    | 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 shareholding during the year |
| 1       | M/s. Sree Rayalaseema Hi-Strength Hypo Limited     | 20544496                                            | 21.26                            | 0.02                                            | 20544496                                          | 20.19                            | 0.01                                            | -1.06                                       |
| 2       | M/s. TGV Projects and Investments Private Ltd      | 11694248                                            | 12.10                            | 0                                               | 11694248                                          | 11.49                            | 0                                               | -0.60                                       |
| 3       | M/s. Sree Rayalaseema Dutch Kassenbouw Private Ltd | 1881109                                             | 1.95                             | 0                                               | 1881109                                           | 1.85                             | 0                                               | -0.10                                       |
| 4       | M/s. Gowri Gopal Hospitals Private Ltd             | 1005375                                             | 1.04                             | 0                                               | 1005375                                           | 0.99                             | 0                                               | -0.05                                       |
| 5       | M/s. Sree Rayalaseema Galaxy Projects Private Ltd  | 54662                                               | 0.06                             | 0                                               | 54662                                             | 0.05                             | 0                                               | 0.00                                        |
| 6       | M/s. TGV Securities Private Ltd                    | 14150                                               | 0.01                             | 0                                               | 14150                                             | 0.01                             | 0                                               | 0.00                                        |
| 7       | M/s. Brilliant Industries Private Ltd              | 21159740                                            | 21.89                            | 0.18                                            | 21159740                                          | 20.80                            | 0.17                                            | -1.09                                       |
| 8       | Sri. T G Venkatesh                                 | 303848                                              | 0.31                             | 0.31                                            | 5390613                                           | 5.30                             | 0.30                                            | 4.98                                        |
| 9       | Smt. T G Rajyalakshmi                              | 322384                                              | 0.33                             | 0.33                                            | 322384                                            | 0.32                             | 0.32                                            | -0.02                                       |
| 10      | Sri. T G Bharath                                   | 129744                                              | 0.13                             | 0.13                                            | 129744                                            | 0.13                             | 0.13                                            | -0.01                                       |
| 11      | Smt. Jyothsna S Mysore                             | 13361                                               | 0.01                             | 0.01                                            | 13361                                             | 0.01                             | 0.01                                            | 0.00                                        |
| 12.     | Smt. Boda Mourya                                   | 92800                                               | 0.10                             | 0.10                                            | 92800                                             | 0.09                             | 0.09                                            | 0.00                                        |
|         | <b>Total</b>                                       | <b>57215917</b>                                     | <b>59.20</b>                     | <b>1.09</b>                                     | <b>62302682</b>                                   | <b>61.24</b>                     | <b>1.04</b>                                     | <b>2.04</b>                                 |

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

| S. No. | Name of the Shareholder | Shareholding                                                                 |                                  | Date     | Increase in Share-holding | Reason                 | Cumulative shareholding during the year 01.04.19to 31.03.20 | % of total shares of the Company |
|--------|-------------------------|------------------------------------------------------------------------------|----------------------------------|----------|---------------------------|------------------------|-------------------------------------------------------------|----------------------------------|
|        |                         | No. of Share at the beginning of the year 01.04.19/ end of the year 31.03.20 | % of total shares of the Company |          |                           |                        | No. of shares                                               |                                  |
| 1      | Sri. T.G. Venkatesh     | 303848                                                                       | 0.31                             | 14.03.20 | 5086765                   | Preferential Allotment | 5390613                                                     | 5.30                             |
|        |                         |                                                                              |                                  |          |                           |                        | <b>5390613</b>                                              | <b>5.30</b>                      |


**iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs) as on 31-03-2020.**

| S. No. | Name of the Shareholder               | Shareholding                                                                 |                                  |                                                                            |           | Cumulative shareholding during the year (01.04.19 to (31.03.20) | % of total shares of the Company |
|--------|---------------------------------------|------------------------------------------------------------------------------|----------------------------------|----------------------------------------------------------------------------|-----------|-----------------------------------------------------------------|----------------------------------|
|        |                                       | No. of Share at the beginning of the year 01.04.19/ end of the year 31.03.20 | % of total shares of the Company | Increase / Decrease in Shareholding (during the year 01.04.19 to 31.03.20) | Reason    | No. of shares                                                   |                                  |
| 1      | Meherwan Adi Kotwal                   | 679183<br><b>756692</b>                                                      | 0.70<br><b>0.74</b>              | 77509                                                                      | Purchase  | 756692                                                          | 0.74                             |
| 2      | M Seethamma                           | 597867<br><b>636192</b>                                                      | 0.62<br><b>0.66</b>              | 38325                                                                      | Purchase  | 636192                                                          | 0.63                             |
| 3      | Life Insurance Corp- oration of India | 537885<br><b>509904</b>                                                      | 0.53<br><b>0.50</b>              | 27981                                                                      | Sale      | 509904                                                          | 0.50                             |
| 4      | Ashok Kumar Giriraj Bansal            | 525000<br><b>525000</b>                                                      | 0.54<br><b>0.52</b>              |                                                                            | No Change | 525000                                                          | 0.52                             |
| 5      | Sadhna Mehrotra                       | 396400<br><b>379400</b>                                                      | 0.41<br><b>0.37</b>              | 17000                                                                      | Sale      | 379400                                                          | 0.37                             |
| 6      | Bharti Chetan Cholera                 | 345778<br><b>45778</b>                                                       | 0.36<br><b>0.34</b>              |                                                                            | No Change | 345778                                                          | 0.34                             |
| 7      | Lal Tolani                            | <b>339834</b><br><b>347834</b>                                               | <b>0.37</b><br><b>0.34</b>       | 8000                                                                       | Purchase  | 347834                                                          | 0.34                             |
| 8      | Prem Nath Maini                       | <b>291569</b><br><b>313469</b>                                               | <b>0.30</b><br><b>0.31</b>       | 21900                                                                      | Purchase  | 313469                                                          | 0.31                             |
| 9      | Saurabh Vakil                         | <b>275050</b><br><b>275050</b>                                               | <b>0.28</b><br><b>0.27</b>       |                                                                            | No Change | 275050                                                          | 0.27                             |
| 10     | Satyabrata Mohanty                    | <b>269020</b><br><b>269020</b>                                               | <b>0.28</b><br><b>0.26</b>       |                                                                            | No Change | 269020                                                          | 0.26                             |
| 11     | Ajay Kumar Bansal                     | 237059<br><b>237059</b>                                                      | <b>0.25</b><br><b>0.23</b>       |                                                                            | No Change | 237059                                                          | 0.23                             |
| 12     | Heena Biren Gandhi                    | 300000<br><b>205000</b>                                                      | <b>0.31</b><br><b>0.20</b>       | 95000                                                                      | Sale      | 205000                                                          | 0.20                             |

# TGV SRAAC LIMITED

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



## 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 01.04.19 to 31.03.20 | Reason                 | Cumulative shareholding during the year 01.04.19 to 31.03.20 | % of total shares of the Company |
|--------|-----------------------------------|-------------------------------------------------------------------------------|----------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|--------------------------------------------------------------|----------------------------------|
|        |                                   | No. of Shares at the beginning of the year 01.04.19/ end of the year 31.03.20 | % of total shares of the Company |                                                                                                                                                                                |                        | No. of shares                                                |                                  |
| 1.     | Sri T.G. Venkatesh                | 303848                                                                        | 0.31                             | 5086765                                                                                                                                                                        | Preferential Allotment | 5390613                                                      | 5.30                             |
| 2      | Dr. M Asha Reddy                  | 2850                                                                          | 0.00                             | 0                                                                                                                                                                              | No Change              | 2850                                                         | 0.00                             |
| 3      | Sri.K Karunakar Rao               | 50                                                                            | 0.00                             | 500                                                                                                                                                                            | Purchase               | 550                                                          | 0.00                             |
| 4      | Sri.V Radhakrishna Murthy         | 8                                                                             | 0.00                             | 0                                                                                                                                                                              | No Change              | 8                                                            | 0.00                             |
|        | <b>At the end of the Year</b>     | <b>306756</b>                                                                 | <b>0.32</b>                      | <b>5087265</b>                                                                                                                                                                 |                        | <b>5394021</b>                                               | <b>5.30</b>                      |

## V. INDEBTEDNESS

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

(₹ in lakhs)

| S.No. | Description                                             | Secured Loans excluding deposits | Unsecured Loans | Deposit  | Total Indebtedness |
|-------|---------------------------------------------------------|----------------------------------|-----------------|----------|--------------------|
|       | Indebtedness at the beginning of the financial year     |                                  |                 |          |                    |
| (i)   | Principal Amount                                        | 31981.53                         | 751.52          | 0        | 32733.05           |
| (ii)  | Interest due but not paid                               | 0                                | 0               | 0        | 0                  |
| (iii) | Interest accrued but not due                            | 38.67                            | 0               | 0        | 38.67              |
|       | <b>Total (i+ii+iii)</b>                                 | <b>32020.20</b>                  | <b>751.52</b>   | <b>0</b> | <b>32771.72</b>    |
|       | <b>Change in Indebtedness during the financial year</b> |                                  |                 |          |                    |
| *     | Addition                                                | 0                                | 0               | 0        | 0                  |
| *     | Reduction                                               | 38902.25                         | 607.81          | 0        | 39510.06           |
|       | <b>Indebtedness at the end of the financial year</b>    |                                  |                 |          |                    |
| (i)   | Principal Amount                                        | 32744.73                         | 751.52          | 0        | 33496.25           |
| (ii)  | Interest due but not paid                               | 0                                | 0               | 0        | 0                  |
| (iii) | Interest accrued but not due                            | 13.62                            | 0               | 0        | 13.62              |
|       | <b>Total (i+ii+iii)</b>                                 | <b>38915.87</b>                  | <b>607.81</b>   | <b>0</b> | <b>39523.68</b>    |


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

| Sl.No. | Particulars of Remuneration                                                                         | Name of MD/WTD/Manager              |                                     |                                  | Total Amount Rs. |
|--------|-----------------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|----------------------------------|------------------|
|        |                                                                                                     | Sri K Karunakar Rao ED (Fin.&Comm.) | Sri N Jesvanth Reddy ED (Technical) | Sri Gopal Krishan ED (Technical) |                  |
| 1      | Gross Salary<br>(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                                             | 136227                              | 96245                               | 120000                           | 352472           |
|        | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961                              | -                                   | -                                   | -                                | -                |
| 2      | Stock Option                                                                                        |                                     |                                     |                                  | -                |
| 3      | Sweat Equity                                                                                        |                                     |                                     |                                  | -                |
| 4      | Commission - as % of Profit others, specify                                                         |                                     |                                     |                                  | -                |
| 5      | Others, please specify                                                                              |                                     |                                     |                                  | -                |
|        | <b>Total Ceiling as per the Act (*)</b>                                                             | <b>2117847</b>                      | <b>1978265</b>                      | <b>2520000</b>                   | <b>6616112</b>   |

(\*) Rs.956.24 lakhs (being 10% Profits of the Company as per Sec. 198 of the Companies Act, 2013.)

**B) Remuneration to Other Directors**

| Sl. No. | Particulars of Remuneration during the period 01.04.2019 to 31.03.2020 | Names of the Directors                                                                      | Fee for attending Board / Committee Meetings | Commission       | * Others (Please Specify) | Total Amount (in Rs.)            |
|---------|------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|----------------------------------------------|------------------|---------------------------|----------------------------------|
| 1       | <b>Independent Directors</b>                                           | Sri G. Krishna Murthy<br>Sri P.N. Vedanarayanan<br>Dr M. Asha Reddy<br>Sri J. Nagabhushanam | 68000<br>26000<br>59000<br>56000             | -<br>-<br>-<br>- | -<br>-<br>-<br>-          | 68000<br>26000<br>59000<br>56000 |
|         | <b>Total (1)</b>                                                       |                                                                                             | <b>209000</b>                                |                  |                           | <b>209000</b>                    |
| 2       | <b>Other Non-Executive Directors</b>                                   | Sri Rangaraj K Rao (IDBI) (upto 17.12.2019)<br>Smt V. Surekha (upto 28.01.2020)             | 20000<br>20000                               | -<br>-           | -<br>-                    | 20000<br>20000                   |
|         | <b>Total (2)</b>                                                       |                                                                                             | <b>40000</b>                                 |                  |                           | <b>40000</b>                     |
|         | <b>Total (B) = (1+2)</b>                                               |                                                                                             | <b>249000</b>                                | -                | -                         | <b>249000</b>                    |
|         | Total Managerial Remuneration                                          |                                                                                             | -                                            | -                | -                         | -                                |
|         | Overall Ceiling as per the Act                                         | -                                                                                           | -                                            | -                | -                         | (*)                              |

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

(\*) Rs. 95.62 Lakhs (being 1% of the net profit of the company calculated under Clause 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<br>Chief Financial Officer | Sri V. Radhakrishna Murthy<br>Company Secretary |                       |
| 1       | Gross Salary                                                                        | 1281200                                         | 632721                                          | 1913921               |
|         | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 38400                                           | 38400                                           | 76800                 |
|         | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | -                                               | -                                               | -                     |
|         | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961              | -                                               | -                                               | -                     |
| 2       | Stock Option                                                                        | -                                               | -                                               | -                     |
| 3       | Sweat Equity                                                                        | -                                               | -                                               | -                     |
| 4       | Commission                                                                          | -                                               | -                                               | -                     |
|         | - as % of Profit-others, specify                                                    | -                                               | -                                               | -                     |
| 5       | Others, please specify                                                              | -                                               | -                                               | -                     |
|         | <b>Total</b>                                                                        | <b>1319600</b>                                  | <b>671121</b>                                   | <b>1990721</b>        |

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

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


**ANNEXURE “H” TO THE DIRECTORS’ REPORT**

|                                                                               |                                                                             |
|-------------------------------------------------------------------------------|-----------------------------------------------------------------------------|
| 1. The Composition of the CSR Committee                                       | 1. Sri G. Krishna Murthy<br>2. Sri K. Karunakar Rao<br>3. Sri Gopal Krishan |
| 2. Average net profit of the Company for last three financial years           | Rs.6177.80 Lakhs                                                            |
| 3. Prescribed CSR Expenditure (two per cent of the amount as in item 2 above) | Rs. 123.56 Lakhs                                                            |
| 4. Details of CSR spent for the financial year                                | Rs. 65.04 Lakhs                                                             |
| a. Amount unspent, if any                                                     | Rs. 58.52 Lakhs                                                             |

| Sl. No. | CSR Project or activity identified                | Sector in which the Project is covered | Projects or programs<br>(1) Local area or<br>(2) Specify the State and District where projects or programs was undertaken | Amount outlay (Budget) project or programs wise (Rs. in lakhs) | Amount spent on the projects or programs Sub-heads: (1)Direct expenditure on projects or programs(2) Overheads (Rs. in lakhs) | Cumulative expenditure upto the reporting period (Rs. in lakhs) | Amount spent: Director or through implementing agency (Rs. in lakhs) |
|---------|---------------------------------------------------|----------------------------------------|---------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|----------------------------------------------------------------------|
| 1       | Drinking Water to people of nearby areas          | Provision of Drinking Water            | Local area                                                                                                                | 14.65                                                          | 14.65                                                                                                                         | 14.65                                                           | 14.65                                                                |
| 2       | Education to Nearby pupil                         | Provision of Education                 | Local area                                                                                                                | 19.52                                                          | 19.52                                                                                                                         | 19.52                                                           | 19.52                                                                |
| 3       | Community and village development                 | Social Project                         | Local area                                                                                                                | 15.00                                                          | 15.00                                                                                                                         | 15.00                                                           | 15.00                                                                |
| 4       | Pollution control                                 | Environmental Stability                | Local area                                                                                                                | 6.83                                                           | 6.83                                                                                                                          | 6.83                                                            | 6.83                                                                 |
| 5       | Old age pensions                                  | Eradication of poverty                 | Local area                                                                                                                | 1.07                                                           | 1.07                                                                                                                          | 1.07                                                            | 1.07                                                                 |
| 6       | Sports and Development                            | Sports Education                       | Local area                                                                                                                | 2.97                                                           | 2.97                                                                                                                          | 2.97                                                            | 2.97                                                                 |
| 7       | Construction of Women Police Station for security | Women security & Empowerment           | Local area                                                                                                                | 5.00                                                           | 5.00                                                                                                                          | 5.00                                                            | 5.00                                                                 |
|         | <b>Total</b>                                      |                                        |                                                                                                                           | <b>65.04</b>                                                   | <b>65.04</b>                                                                                                                  | <b>65.04</b>                                                    | <b>65.04</b>                                                         |

On behalf of the Board of Directors

Place: Hyderabad  
Date : 10<sup>th</sup> August, 2020

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

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



**ANNEXURE "I" 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 2019-20           | Rs. 28,855 |
| The percentage increase in the median remuneration of employees in the Financial year 2019-20    | 4.5 %      |
| The number of permanent employees on the rolls of the Company as on 31 <sup>st</sup> March, 2020 | 1073       |

| <b>Name of Director</b>         | <b>Ratio of remuneration to median remuneration of all employees</b> |
|---------------------------------|----------------------------------------------------------------------|
| <b>Non-Executive Directors</b>  |                                                                      |
| Smt. V. Surekha                 | 0.06                                                                 |
| <b>Independent Directors</b>    |                                                                      |
| Sri G. Krishna Murthy           | 0.20                                                                 |
| Sri P.N. Vedanarayanan          | 0.08                                                                 |
| Dr M. Asha Reddy                | 0.17                                                                 |
| Sri J. Nagabhushanam            | 0.16                                                                 |
| <b>Executive Directors</b>      |                                                                      |
| Sri K. Karunakar Rao            | 6.11                                                                 |
| Sri N. Jesvanth Reddy           | 5.71                                                                 |
| Sri Gopal Krishan               | 7.28                                                                 |
| <b>Key Managerial Personnel</b> |                                                                      |
| Sri V. Radhakrishna Murthy      | 1.93                                                                 |
| Sri C. Rajesh Khanna            | 3.81                                                                 |

**Note:** The ratio of remuneration to median remuneration is based on remuneration paid during the period 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2020.

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

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

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

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

On behalf of the Board of Directors

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

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

Place: Hyderabad  
 Date : 10<sup>th</sup> August, 2020

**ANNEXURE "J" TO THE DIRECTORS' REPORT****FORM NO. MR-3****SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

[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

I have conducted the secretarial audit on the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. TGV SRAAC Limited (formerly Sree 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 my opinion thereon. Based on my verification of M/s. TGV SRAAC Ltd., books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on 31<sup>st</sup> March, 2020, 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:

I have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the M/s. TGV SRAAC Ltd., ("The Company") for the financial year ended on 31<sup>st</sup> March, 2020 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 (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - c) 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)**.
  - d) 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)**;
  - e) 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 **(to the extent it is applicable to the Company during the Audit period)**;

## TGV SRAAC LIMITED

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



- f) 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 ;**
- g) 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) I 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 & 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.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India
- (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

### **I 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 seven 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.

Majority decision are carried through while the dissenting members' views are captured and recorded as part of the minutes of the Board and Committees of the Board.

I 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.

I 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 Board Allotment Committee has allotted 50,86,765 Equity Shares of Rs.10/- each with a premium of Rs.27.01 per share on conversion of 50,86,765 fully paid convertible share warrants into equity shares in the ratio of 1:1. The Company has complied with all statutory requirements and obtained trading approval from BSE Ltd., subject to the condition of 3 years lock-in provision on these shares in pursuance to SEBI (ICDR) Regulations, 2018.



## TGV SRAAC LIMITED

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

- (i) Public/Right/Preferential issue of shares/debentures/sweat Equity, etc., - NIL
- (ii) Redemption / buy-back of securities - NIL
- (iii) Major decision taken by the members in pursuance to Section 180 of the Companies, 2013 - N.A.
- (iv) Merger / amalgamation / reconstructions, etc., - N.A.
- (v) Foreign technical collaborations - N.A.

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

**N. Ramaswamy**  
Practicing Company Secretary  
Sole Proprietor  
Member ship No.4408  
PCS No. 5052  
UDIN : F004408B000642091

Place: Hyderabad  
Date : 10<sup>th</sup> August, 2020

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

### ANNEXURE

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

**N. Ramaswamy**  
Practicing Company Secretary  
Sole Proprietor  
Member ship No.4408  
PCS No. 5052  
UDIN : F004408B000642091

Place: Hyderabad  
Date : 10<sup>th</sup> August, 2020

# TGV SRAAC LIMITED

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



## ANNEXURE “K” TO THE DIRECTORS’ REPORT

### CERTIFICATE ON NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To

The Members

M/s TGV SRAAC Limited

(formerly Sree Rayalaseema Alkalies and

Allied Chemicals Limited)

Regd. Office : Gondiparla

Kurnool – 518 004 (A.P)

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of TGV SRAAC Limited and having CIN L24110AP1981PLC003077 and Registered Office at Gondiparla, Kurnool – 518 004 (A.P) (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C Sub clause 10 (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

| S. No. | Name of Director                     | DIN      | Date of appointment in Company |
|--------|--------------------------------------|----------|--------------------------------|
| 1.     | T.G. Venkatesh                       | 00108120 | 26/05/2014                     |
| 2.     | Gowraswamy Krishna Murthy            | 00134828 | 30/11/1995                     |
| 3.     | Pudugramam Neelakantan Vedanarayanan | 00982697 | 01/04/1994                     |
| 4.     | Karunakar Rao Kamisetty              | 02031367 | 07/08/2010                     |
| 5.     | Jevanth Reddy Nalla                  | 03074131 | 07/08/2010                     |
| 6.     | Gopal Krishan                        | 05342348 | 07/11/2014                     |
| 7.     | Nagabhushanam Jagini                 | 07217668 | 10/07/2015                     |
| 8.     | Mora Asha Reddy                      | 07328122 | 29/01/2016                     |

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency 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

Membership No.4408

PCS No. 5052

UDIN : F004408B000642091

Place: Hyderabad

Date : 10<sup>th</sup> August, 2020

**INDEPENDENT AUDITOR'S REPORT**

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

**Report on the Audit of Financial Statements****Opinion**

We have audited the financial statements of TGV SRAAC Ltd (formerly known as Sree Rayalaseema Alkalies and Allied Chemicals Limited) ("the Company"), which comprise the balance sheet as at 31<sup>st</sup> March, 2020, the statement of profit and loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013("Act") in the manner so required and give a true and fair view in conformity with the Indian accounting standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2020, and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

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

**Key Audit Matters**

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



| Key audit matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | How the matter was addressed in our audit                                                                                                                                                                                                                                                                                                                                                                                                                     |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b><i>Allowance for credit losses</i></b></p> <p>There is significant judgement involved in the calculating of allowances for credit losses.</p> <p>So, we have identified this as a key audit matter.</p> <p>Considering the pandemic relating to COVID-19, the Company has, based on current available information determined the prudential estimate of provision for impairment of financial assets. Given the uncertainty over the potential macro-economic impact, the Company management has considered all available internal and external information including credit reports and economic forecasts up to the date of approval of these financial results. Accordingly, the Company has made prudential estimate of provision for expected credit loss on financial assets as at 31<sup>st</sup> March, 2020.</p> <p>The Company considers this provision to be adequate and expects to recover the carrying amount of these financial assets.</p> | <p>Performed process walkthrough and assessed the Company's accounting policies for impairment of financial assets and their compliance with Ind AS 109.</p> <p>We tested the methodology for allowance of credit losses, completeness and accuracy of information used for estimating probability of default and computation of allowance for expected credit losses.</p> <p>Assessed the appropriateness of the disclosure in the financial statements.</p> |

### **Emphasis of matter**

We draw attention to Note 2(X) to the Ind AS financial statements, which describes the Company's assessment to reflect the adverse business impact and uncertainties arising from the COVID 19 pandemic. Based on these assessments, the management has concluded that the Company has determined the prudential estimate of provision for impairment of financial assets.

Such estimates or assessments are based on the current facts and circumstances and may not necessarily reflect the future uncertainties and events arising from the impact of the COVID 19 pandemic.

Our opinion is not modified in respect of this matter.

### **Other Information**

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

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



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

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

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

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

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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





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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.



2. As required by section 143(3) of the Act, based on our audit we report that:
- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) the Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this report are in agreement with the books of account;
  - d) in our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act;
  - e) on the basis of the written representations received from the directors of the Company as on 31<sup>st</sup> March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2020 from being appointed as a director in terms of Section 164(2) of the Act;
  - f) with respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements;
  - g) with respect to the other matters to be included in the Auditor's report in accordance with the requirements of section 197(16) of the Act, as amended:  
  
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 27 to the Ind AS financial statements;
    - ii. the Company did not have any long-term contracts including derivative contracts; as such there were no material foreseeable losses thereon;
    - iii. there are no amounts which are required to be transferred to the Investor Education and Protection Fund; therefore, delay in transferring such sums does not arise.

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

**P. GOVARDHANA REDDY**

Partner

Membership No.029193

UDIN 20029193AAAAHE1624

Place : Hyderabad  
Date : 30<sup>th</sup> June, 2020

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

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

- i) in respect of the Company’s fixed assets:
- a) the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
  - b) the Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification;
  - c) according to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of all immovable properties are held in the name of the Company *except the title to the property of 12.17 acres of land situated in Bellary amounting to Rs. 15.29 Lakhs acquired by the Company from Karnataka Industrial Area Development Board (KIADB) is in the process of being transferred in the Company’s name.*
- ii) in respect of Company’s inventory:
- the physical verification of inventory has been conducted at reasonable intervals by the management during the year and no material discrepancies were noticed on physical verification and the small discrepancies, if any, have been properly dealt with in the books of account;
- iii) according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act;
- iv) in our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable;
- v) the Company has not accepted deposits from public during the year and does not have any unclaimed deposits as at 31<sup>st</sup> March, 2020 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company;
- vi) the maintenance of cost records has been specified by the Central Government under Section 148(1) of the Act. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as prescribed by the Central Government under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained.
- We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete;
- vii) according to the information and explanations given to us, in respect of statutory dues:
- a. the Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income-tax, Goods and Service Tax (GST), Customs Duty, Cess and other material statutory as applicable, with the appropriate authorities;
  - b. there were no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income-tax, Goods and Service Tax (GST), Customs Duty, Cess and other material statutory dues in arrears as at 31<sup>st</sup> March, 2020 for a period of more than six months from the date they became payable;



- c. details of dues of Sales Tax, Value Added Tax which have not been deposited as at 31<sup>st</sup> March, 2020 on account of dispute are given below:

| Name of the Statute                                             | Nature of dues                                                      | Amount<br>(Rs. in<br>lakhs) | Period to<br>which the<br>amount relates | Forum where dispute is<br>pending                                |
|-----------------------------------------------------------------|---------------------------------------------------------------------|-----------------------------|------------------------------------------|------------------------------------------------------------------|
| AP VAT Act, 2005                                                | Interest on delay payment of deferred sales tax                     | 154.29*                     | 2005-06 &<br>2006-07                     | High Court of Andhra Pradesh, Amaravati                          |
| Karnataka Tax on entry of goods Act, 1979                       | Entry tax on purchase of machinery items and interest               | 1.78*                       | 2006-07<br>2007-08<br>2009-10            | Dy. Commissioner of Commercial Taxes, Bellary                    |
| Andhra Pradesh entry tax act, 2001                              | Entry tax on purchase of electrical equipments                      | 63.77*                      | 2014-15<br>2015-16<br>2016-17<br>2017-18 | High Court of Andhra Pradesh, Amaravati                          |
| Indian Customs Act, 1962                                        | Customs Duty claimed on raw materials                               | 1,036.14*                   | 2000-2006                                | Commissioner of customs, Chennai                                 |
| Indian Customs Act, 1962                                        | Finalisation of assessed bill of entries pertaining to KCL          | 7.05                        | 2006-07                                  | Dy. Commissioner of Customs, Alibag division Raigad, Maharashtra |
| Indian Customs Act, 1962                                        | Anti-dumping duty on import of Barium Carbonate                     | 32.69                       | 2010-11                                  | Joint commissioner of Customs, Chennai                           |
| Indian Customs Act, 1962                                        | Differential duty on classification of goods disputed (Lauric Acid) | 9.63                        | 2014-15                                  | Customs, Excise and Service Tax Appellate Tribunal, Chennai      |
|                                                                 |                                                                     | 10.51                       | 2014-15                                  | Assistant Commissioner Customs, Chennai                          |
| Employees Provident Fund and Miscellaneous Provisions Act, 1952 | PF delay charges/ damages for belated payments                      | 15.34                       | May, 2002 to Dec, 2007                   | Employees Provident Fund Appellate Tribunal, New Delhi.          |
| The Electricity Act, 2003                                       | Fuel Surcharge Adjustment (FSA) charges                             | 871.93                      | 2008-09                                  | Supreme Court of India                                           |
| The Electricity Act, 2003                                       | Fuel Surcharge Adjustment (FSA) charges                             | 651.87                      | 2009-10                                  | Supreme Court of India                                           |
| The Electricity Act, 2003                                       | Interest on amounts pending in court cases                          | 1,002.89                    | From 2014-15 to March, 2018              | High Court of Andhra Pradesh, Amaravati                          |

## TGV SRAAC LIMITED

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



| Name of the Statute       | Nature of dues                              | Amount (Rs. in lakhs) | Period to which the amount relates               | Forum where dispute is pending          |
|---------------------------|---------------------------------------------|-----------------------|--------------------------------------------------|-----------------------------------------|
| The Electricity Act, 2003 | Electricity Demand Duty                     | 551.44                | July, 2003- May, 2013                            | Supreme Court of India, Delhi           |
|                           | Fuel Surcharge Adjustment (FSA) charges     | 1591.38               | May & June 2010 and October, 2011 to March, 2012 | High Court of Andhra Pradesh, Amaravati |
|                           | Levy of interest by APCPDCL on FSA          | 598.17                |                                                  |                                         |
| The Electricity Act, 2003 | Charges Wheeling charges on wind generation | 24.21                 | August, 2002                                     | Supreme court of India                  |

\*Net of amounts paid under protest.

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

**for K S RAO & Co.,**  
Chartered Accountants  
Firm's Regn. No. 003109S  
Sd/-  
**P. GOVARDHANA REDDY**  
Partner

Place : Hyderabad  
Date : 30<sup>th</sup> June, 2020

Membership No.029193  
UDIN 20029193AAAAHE1624

**ANNEXURE “B” 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 Over Financial Statements under Clause (i) of Subsection 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial statements of TGV SRAAC Ltd (formerly known as Sree Rayalaseema Alkalies and Allied Chemicals Limited) (“the Company”) as of 31<sup>st</sup> March, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

**Auditor’s Responsibility**

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

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

## TGV SRAAC LIMITED

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



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

### Meaning of Internal Financial Controls Over Financial Statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31<sup>st</sup> March, 2020, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**P. GOVARDHANA REDDY**  
Partner

Place : Hyderabad  
Date : 30<sup>th</sup> June, 2020

Membership No. 029193  
UDIN 20029193AAAAHE1624



# TGV SRAAC LIMITED

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

## Balance Sheet As At 31<sup>st</sup> March, 2020

(₹ in lakhs)

| Particulars                                                                                | Note No | As at<br>31st March, 2020 | As at<br>31st March, 2019 |
|--------------------------------------------------------------------------------------------|---------|---------------------------|---------------------------|
| <b>ASSETS</b>                                                                              |         |                           |                           |
| <b>Non-current assets</b>                                                                  |         |                           |                           |
| Property, Plant and Equipment                                                              | 3       | 78,696.44                 | 63,561.18                 |
| Right-out-use assets on lease                                                              | 28      | 2,069.44                  | -                         |
| Capital work-in-progress                                                                   | 3       | 2,935.23                  | 7,737.45                  |
| Investment properties                                                                      | 4       | 7.05                      | 7.05                      |
| Financial assets                                                                           |         |                           |                           |
| - Investments                                                                              | 5(a)    | 769.28                    | 981.50                    |
| - Other financial assets                                                                   | 5(b)    | 3,087.71                  | 2,395.73                  |
| Other non-current assets                                                                   | 6       | 1,231.93                  | 681.07                    |
| <b>Total Non-current assets</b>                                                            |         | <b>88,797.08</b>          | <b>75,363.98</b>          |
| <b>Current assets</b>                                                                      |         |                           |                           |
| Inventories                                                                                | 7       | 12,720.34                 | 8,990.48                  |
| Financial assets                                                                           |         |                           |                           |
| - Trade receivables                                                                        | 8(a)    | 8,269.92                  | 9,900.87                  |
| - Cash and cash equivalents                                                                | 8(b)    | 672.24                    | 719.73                    |
| - Bank balances other than Cash and cash equivalents                                       | 8(c)    | 6,223.10                  | 3,113.76                  |
| - Other financial assets                                                                   | 8(d)    | 9,372.83                  | 9,415.91                  |
| Other current assets                                                                       | 9       | 1,420.46                  | 2,039.06                  |
| <b>Total Current assets</b>                                                                |         | <b>38,678.89</b>          | <b>34,179.81</b>          |
| <b>TOTAL ASSETS</b>                                                                        |         | <b>127,475.97</b>         | <b>109,543.79</b>         |
| <b>EQUITY AND LIABILITIES</b>                                                              |         |                           |                           |
| <b>Equity</b>                                                                              |         |                           |                           |
| Equity Share capital                                                                       | 10(a)   | 10,177.81                 | 9,669.13                  |
| Other equity                                                                               | 10(b)   | 43,478.83                 | 38,235.60                 |
| <b>Total Equity</b>                                                                        |         | <b>53,656.64</b>          | <b>47,904.73</b>          |
| <b>Liabilities</b>                                                                         |         |                           |                           |
| <b>Non-current liabilities</b>                                                             |         |                           |                           |
| Financial liabilities                                                                      |         |                           |                           |
| - Borrowings                                                                               | 11(a)   | 17,646.38                 | 12,237.64                 |
| - Lease Liability                                                                          | 28      | 2,005.98                  | -                         |
| - Other financial liabilities                                                              | 11(b)   | 6,281.98                  | 5,853.92                  |
| Deferred tax liabilities (Net)                                                             | 12      | 9,762.94                  | 9,473.73                  |
| Deferred Government grants                                                                 | 13      | 58.96                     | 96.58                     |
| <b>Total Non-current liabilities</b>                                                       |         | <b>35,756.24</b>          | <b>27,661.87</b>          |
| <b>Current liabilities</b>                                                                 |         |                           |                           |
| Financial liabilities                                                                      |         |                           |                           |
| - Borrowings                                                                               | 11(c)   | 19,037.87                 | 15,144.09                 |
| - Trade and other payables                                                                 | 11(d)   |                           |                           |
| (A) total outstanding dues of micro enterprises and small enterprises; and                 |         | 961.00                    | 1,445.93                  |
| (B) total outstanding dues of creditors other than micro enterprises and small enterprises |         | 4,588.83                  | 3,327.98                  |
| - Lease Liability                                                                          | 28      | 368.33                    | -                         |
| - Other financial liabilities                                                              | 11(e)   | 7,352.05                  | 8,988.84                  |
| Other current liabilities                                                                  | 14      | 4,863.69                  | 3,707.92                  |
| Provisions                                                                                 | 15      | 86.38                     | 61.37                     |
| Current tax liability (Net)                                                                | 16      | 804.94                    | 1,301.06                  |
| <b>Total Current liabilities</b>                                                           |         | <b>38,063.09</b>          | <b>33,977.19</b>          |
| <b>TOTAL LIABILITIES</b>                                                                   |         | <b>73,819.33</b>          | <b>61,639.06</b>          |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                                        |         | <b>127,475.97</b>         | <b>109,543.79</b>         |

General information  
Summary of significant accounting policies  
See accompanying notes forming part of financial statements

1  
2

As per our attached report of even date  
for **K S Rao & Co.,**  
Chartered Accountants  
Firm's Regn. No. 003109S

For and on behalf of the Board

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

Membership No. 029193  
Place : Hyderabad  
Date : 30<sup>th</sup> June, 2020

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**  
Vice President (F&A) & CFO



# TGV SRAAC LIMITED

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



## Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2020

(₹ in lakhs)

| Particulars                                                                                | Note No | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
|--------------------------------------------------------------------------------------------|---------|------------------------------|------------------------------|
| <b>I Revenue from operations</b>                                                           | 17      | 104,026.19                   | 120,457.46                   |
| <b>II Other income</b>                                                                     | 18      | 814.18                       | 515.28                       |
| <b>III Total Income (I + II)</b>                                                           |         | <b>104,840.37</b>            | <b>120,972.74</b>            |
| <b>IV Expenses</b>                                                                         |         |                              |                              |
| Cost of materials consumed                                                                 | 19(a)   | 30,963.37                    | 29,641.06                    |
| Purchase of stock-in-trade                                                                 |         | -                            | 25.29                        |
| Changes in inventories of finished goods, work in progress and stock-in-trade              | 19(b)   | (261.72)                     | 45.91                        |
| Employee benefit expense                                                                   | 20      | 5,313.25                     | 4,917.39                     |
| Finance cost                                                                               | 21      | 3,905.19                     | 6,299.35                     |
| Depreciation and amortisation expense                                                      | 3 & 28  | 5,628.62                     | 5,813.59                     |
| Power and fuel                                                                             |         | 37,495.73                    | 46,033.12                    |
| Other expenses                                                                             | 22 (a)  | 15,316.75                    | 16,520.41                    |
| <b>Total expenses (IV)</b>                                                                 |         | <b>98,361.19</b>             | <b>109,296.12</b>            |
| <b>V Profit/ (loss) before exceptional items and tax (III-IV)</b>                          |         | <b>6,479.18</b>              | <b>11,676.62</b>             |
| <b>VI Exceptional items</b>                                                                | 22 (b)  | -                            | 1,161.16                     |
| <b>VII Profit/ (loss) before tax (V-VI)</b>                                                |         | <b>6,479.18</b>              | <b>10,515.46</b>             |
| Current tax                                                                                | 23      | 1,190.00                     | 2,070.00                     |
| Deferred tax                                                                               | 23      | 299.41                       | 529.30                       |
| Earlier years Income Tax                                                                   |         | 186.62                       | 89.49                        |
| <b>VIII Tax expense</b>                                                                    |         | <b>1,676.03</b>              | <b>2688.79</b>               |
| <b>IX Profit/ (loss) for the period from continuing operations (VII-VIII)</b>              |         | <b>4,803.15</b>              | <b>7,826.67</b>              |
| <b>X Profit/ (loss) from discontinued operations</b>                                       | 32      | <b>(75.70)</b>               | <b>(986.56)</b>              |
| <b>XI Tax expense of discontinued operations</b>                                           |         | -                            | -                            |
| <b>XII Profit/ (loss) from discontinued operations (after tax) (X-XI)</b>                  |         | <b>(75.70)</b>               | <b>(986.56)</b>              |
| <b>XIII Profit/ (loss) for the period (IX+XII)</b>                                         |         | <b>4,727.45</b>              | <b>6,840.11</b>              |
| <b>XIV Other comprehensive income</b>                                                      | 24      |                              |                              |
| Other comprehensive income not to be reclassified to profit or loss in subsequent periods: |         |                              |                              |
| Re-measurement gains/ (losses) on defined benefit plans                                    |         | (29.19)                      | 17.77                        |
| Tax effect                                                                                 |         | 10.20                        | (6.21)                       |
| Net gains/(losses) on FVTOCI equity securities                                             |         | (212.22)                     | 63.28                        |
| <b>XV Total comprehensive income for the period (XIII+XIV)</b>                             |         | <b>4,496.24</b>              | <b>6,914.96</b>              |
| <b>XVI Earnings per equity share (for continuing operations)</b>                           | 25      |                              |                              |
| a) Basic                                                                                   |         | 4.96                         | 8.50                         |
| b) Diluted                                                                                 |         | 4.70                         | 8.45                         |
| <b>XVII Earnings per equity share (for discontinued operations)</b>                        |         |                              |                              |
| a) Basic                                                                                   |         | (0.08)                       | (1.07)                       |
| b) Diluted                                                                                 |         | (0.07)                       | (1.07)                       |
| <b>XVIII Earnings per equity share (for discontinued &amp; continuing operations)</b>      |         |                              |                              |
| a) Basic                                                                                   |         | 4.88                         | 7.43                         |
| b) Diluted                                                                                 |         | 4.62                         | 7.38                         |

General information

Summary of significant accounting policies

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. 003109S

Sd/-

**(CA P. GOVARDHANA REDDY)**

Partner

Membership No. 029193

Place : Hyderabad

Date : 30<sup>th</sup> June, 2020

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**

Vice President (F&A) & CFO



# TGV SRAAC LIMITED

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

## Cash Flow Statement for the year ended March 31, 2020

(₹ in lakhs)

| Particulars                                                                                 | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
|---------------------------------------------------------------------------------------------|------------------------------|------------------------------|
| <b>Cash flow from operating activities</b>                                                  |                              |                              |
| Profit before tax from continuing operations                                                | 6,479.18                     | 10,515.46                    |
| Profit/(loss) before tax from discontinued operations                                       | (75.70)                      | (986.56)                     |
| <b>Profit before tax</b>                                                                    | <b>6,403.48</b>              | <b>9,528.90</b>              |
| <b>Adjustments to reconcile profit before tax to net cash flows</b>                         |                              |                              |
| Depreciation and amortisation expenses                                                      | 5,628.62                     | 5,853.15                     |
| Interest income                                                                             | (523.88)                     | (384.12)                     |
| Profit on sale of asset                                                                     | -                            | (41.26)                      |
| Allowance for expected credit loss on trade receivables                                     | 23.00                        | -                            |
| Unrealized foreign exchange (gain)/loss                                                     | 110.68                       | 12.25                        |
| Dividend income on investments made                                                         | (4.89)                       | (4.89)                       |
| Interest expenses                                                                           | 3,823.31                     | 6,194.41                     |
| Interest expense due to amortisation of financial liability & deferred sales tax recognised | 81.88                        | 104.94                       |
| Income due to deferred sales tax recognised & capital subsidy recognised                    | (37.62)                      | (46.58)                      |
| <b>Operating profit before working capital changes</b>                                      | <b>15,504.57</b>             | <b>21,216.79</b>             |
| <b>Working capital adjustments:</b>                                                         |                              |                              |
| (Decrease)/Increase in trade payables                                                       | 775.92                       | (1,115.94)                   |
| (Decrease)/Increase in current financial liabilities                                        | (1,590.91)                   | (240.65)                     |
| (Decrease)/Increase in other current liabilities                                            | 1,155.77                     | (617.51)                     |
| (Decrease)/Increase in non-current financial liabilities                                    | 428.06                       | 2,507.49                     |
| (Decrease)/Increase in short term provisions                                                | (4.18)                       | 13.86                        |
| (Increase)/Decrease in trade receivables                                                    | 1,607.95                     | 720.21                       |
| (Increase)/Decrease in inventories                                                          | (3,729.86)                   | (2,486.74)                   |
| (Increase)/Decrease in current financial assets                                             | (25.36)                      | (7,969.37)                   |
| (Increase)/Decrease in other current assets                                                 | 525.77                       | 7,329.14                     |
| (Increase)/Decrease in non-current financial assets                                         | (312.66)                     | 150.20                       |
| (Increase)/Decrease in non-current assets                                                   | (550.86)                     | 2,123.62                     |
| <b>Cash generated from operating activities</b>                                             | <b>14,084.22</b>             | <b>21,631.10</b>             |
| Direct taxes paid (net)                                                                     | (1,872.75)                   | (1,409.77)                   |
| <b>Net cash flow from operating activities (A)</b>                                          | <b>12,211.47</b>             | <b>20,221.33</b>             |
| <b>Cash flows from investing activities</b>                                                 |                              |                              |
| Purchase of fixed assets, including CWIP                                                    | (15,708.16)                  | (8,934.98)                   |
| Proceeds from sale of fixed asset                                                           | -                            | 45.00                        |
| Sales/(Purchase) of investment                                                              | -                            | 485.38                       |
| Interest received                                                                           | 416.96                       | 429.09                       |
| Dividend received                                                                           | 4.89                         | -                            |
| Deposits matured/(placed) during the year                                                   | (145.34)                     | 2,737.14                     |
| Redemption/(Investment) of margin money deposit                                             | (3,343.33)                   | (250.61)                     |
| <b>Net cash flow from/(used in) investing activities (B)</b>                                | <b>(18,774.98)</b>           | <b>(5,484.07)</b>            |
| <b>Cash flows from financing activities</b>                                                 |                              |                              |
| Proceeds from equity                                                                        | 1,411.96                     | 2,754.56                     |
| Repayment of preference shares                                                              | (2.63)                       | (1,540.06)                   |
| Interest paid                                                                               | (3,559.50)                   | (6,194.41)                   |
| (Repayment)/Proceeds of long term borrowings                                                | 5,283.60                     | (978.70)                     |
| (Repayment)/Proceeds from short term borrowings                                             | 3,751.30                     | (8,544.86)                   |
| Payment of lease liability                                                                  | (368.72)                     | -                            |
| <b>Net cash flow from/(used in) financing activities (C)</b>                                | <b>6,516.01</b>              | <b>(14,503.47)</b>           |
| <b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>                     | <b>(47.50)</b>               | <b>233.77</b>                |
| Cash and cash equivalents at the beginning of the year                                      | 719.73                       | 485.96                       |
| Cash and cash equivalents at the end of the year                                            | <b>672.23</b>                | <b>719.73</b>                |
| <b>Components of cash and cash equivalents</b>                                              |                              |                              |
| Cash on hand                                                                                | 3.77                         | 3.08                         |
| Cheques on hand                                                                             | 45.00                        | -                            |
| Balances with banks                                                                         | -                            | -                            |
| - in Current Account                                                                        | 231.13                       | 263.56                       |
| Deposits with original maturity of less than three months                                   | 392.34                       | 453.09                       |
| <b>Total cash and cash equivalents</b>                                                      | <b>672.23</b>                | <b>719.73</b>                |

### Note:

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

As per our attached report of even date

For and on behalf of the Board

for **K S Rao & Co.,**

Chartered Accountants  
Firm's Regn. No. 003109S

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

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

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

Partner  
Membership No. 029193  
Place : Hyderabad  
Date : 30<sup>th</sup> June, 2020

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

Sd/-  
**CA C. RAJESH KHANNA**  
Vice President (F&A) & CFO

# TGV SRAAC LIMITED

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



## Statement of Changes in Equity

(₹ in lakhs)

| a. Equity share capital                         | Note  | Amount    |
|-------------------------------------------------|-------|-----------|
| As at 31st Mar 2018                             |       | 9,185.89  |
| Changes in equity share capital during the year | 10(a) | 483.24    |
| As at 31st Mar 2019                             |       | 9,669.13  |
| Changes in equity share capital during the year | 10(a) | 508.68    |
| As at 31st Mar 2020                             |       | 10,177.81 |

(₹ 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 31st March, 2018 |      | 3,207.80                   | 5,094.43          | 2,000.00                   | 18,000.07                      | 747.03                              | -                                     | -                               | 29,049.33          |

### Changes in equity for the period ended 31st March, 2019

|                                                                |            |          |            |            |            |        |         |            |            |
|----------------------------------------------------------------|------------|----------|------------|------------|------------|--------|---------|------------|------------|
| Exercise of share warrants                                     | 10(b)(i)   | 1,305.24 | -          | -          | -          | -      | -       | -          | 1,305.24   |
| Transfer to general reserve                                    | 10(b)(ii)  | -        | (3,500.00) | (2,000.00) | (1,542.71) | -      | -       | -          | (7,042.71) |
| Transfer from retained earnings                                | 10(b)(iii) | -        | -          | -          | 3,500.00   | -      | -       | -          | 3,500.00   |
| Transfer from Capital Redemption Reserve                       | 10(b)(iii) | -        | -          | -          | 2,000.00   | -      | -       | -          | 2,000.00   |
| Transfer from Other reserves                                   | 10(b)(iii) | -        | -          | -          | 1,542.71   | -      | -       | -          | 1,542.71   |
| Transfer from OCI                                              | 10(b)(iv)  | -        | 11.56      | -          | -          | -      | -       | -          | 11.56      |
| Profit for the year                                            | 10(b)(iv)  | -        | 6,840.11   | -          | -          | -      | -       | -          | 6,840.11   |
| Equity instruments through other comprehensive income          | 10(b)(v)   | -        | -          | -          | -          | 63.28  | -       | -          | 63.28      |
| Gains/(losses) on arising from actuarial gain/loss on gratuity | 10(b)(v)   | -        | -          | -          | -          | -      | 11.56   | -          | 11.56      |
| Transfer to retained earnings                                  | 10(b)(v)   | -        | -          | -          | -          | -      | (11.56) | -          | (11.56)    |
| Share warrant application money received                       | 10(b)(vi)  | -        | -          | -          | -          | -      | -       | 2,754.56   | 2,754.56   |
| Shares issued during the year                                  | 10(b)(vi)  | -        | -          | -          | -          | -      | -       | (1,788.48) | (1,788.48) |
| Balance at 31st March, 2019                                    |            | 4,513.04 | 8,446.10   | -          | 23,500.07  | 810.31 | -       | 966.08     | 38,235.60  |

### Changes in equity for the period ended 31st March, 2020

|                                                                |            |          |            |   |           |          |         |            |            |
|----------------------------------------------------------------|------------|----------|------------|---|-----------|----------|---------|------------|------------|
| Exercise of share warrants                                     | 10(b)(i)   | 1,373.94 | -          | - | -         | -        | -       | -          | 1,373.94   |
| Transfer from retained earnings                                | 10(b)(iii) | -        | -          | - | 2,500.00  | -        | -       | -          | 2,500.00   |
| Transfer from OCI                                              | 10(b)(iv)  | -        | (18.99)    | - | -         | -        | -       | -          | (18.99)    |
| lease rentals                                                  | 10(b)(iv)  | -        | (156.29)   | - | -         | -        | -       | -          | (156.29)   |
| Profit for the year                                            | 10(b)(iv)  | -        | 4,727.45   | - | -         | -        | -       | -          | 4,727.45   |
| Transfer to general reserve                                    | 10(b)(iv)  | -        | (2,500.00) | - | -         | -        | -       | -          | (2,500.00) |
| Equity instruments through other comprehensive income          | 10(b)(v)   | -        | -          | - | -         | (212.22) | -       | -          | (212.22)   |
| Gains/(losses) on arising from actuarial gain/loss on gratuity | 10(b)(v)   | -        | -          | - | -         | -        | (18.99) | -          | (18.99)    |
| Transfer to retained earnings                                  | 10(b)(v)   | -        | -          | - | -         | -        | 18.99   | -          | 18.99      |
| Share warrant application money received                       | 10(b)(vi)  | -        | -          | - | -         | -        | -       | 1,411.96   | 1,411.96   |
| Shares issued during the year                                  | 10(b)(vi)  | -        | -          | - | -         | -        | -       | (1,882.62) | (1,882.62) |
| Balance at 31st March, 2020                                    |            | 5,886.97 | 10,498.28  | - | 26,000.07 | 598.09   | -       | 495.42     | 43,478.83  |

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. 003109S

Sd/-  
(CA P. GOVARDHANA REDDY)

Partner  
Membership No. 029193

Place : Hyderabad

Date : 30<sup>th</sup> June, 2020

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  
Vice President (F&A) & CFO

**Notes to financial statements for the year ended 31st March, 2020****Note 1 : General Information**

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

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

The financial statements are approved for issue by the Company's Board of Director's on 30<sup>th</sup> Jun, 2020.

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

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

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

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

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

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

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

All other assets are classified as non-current.

A liability is current when:

## TGV SRAAC LIMITED

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



### Notes to financial statements for the year ended 31st March, 2020

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

#### D. Use of estimates and judgements

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

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

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

#### E. Property, Plant and Equipment

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

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

**F. Depreciation and amortisation**

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

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

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

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

**G. Investment properties**

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

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

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

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

The Company classifies non-current assets and disposal groups as held for sale/ distribution to owners if their carrying amounts will be recovered principally through a sale/ distribution rather than through continuing use. Actions required to complete the sale/ distribution should indicate that it is unlikely that significant changes to the sale/ distribution will be made or that the decision



to sell/ distribute will be withdrawn. Management must be committed to the sale/distribution expected within one year from the date of classification.

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

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

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

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

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

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

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

**Notes to financial statements for the year ended 31st March, 2020**

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

**I. Impairment of Tangible Assets**

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

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:



## TGV SRAAC LIMITED

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



### Notes to financial statements for the year ended 31st March, 2020

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

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

#### Equity investments

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

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

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

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

#### Derecognition

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

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

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

**Notes to financial statements for the year ended 31st March, 2020**

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

**Impairment of Financial assets**

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

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

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

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

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

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

- **Financial liabilities**

**Initial recognition and measurement**

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

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

**Subsequent measurement**

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

**Loans and borrowings**

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

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, 2020****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.

# TGV SRAAC LIMITED

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



## Notes to financial statements for the year ended 31st March, 2020

### • **Current and Deferred Tax for the Year:**

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

### **O. Government Grants**

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

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

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

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

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

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

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

Contingent liability is disclosed in the case of;

- A present obligation arising from past events, when it is not probable that an outflow of resources will not be required to settle the obligation.
- A present obligation arising from past events, when no reliable estimate is possible
- A possible obligation arising from past events, unless the probability of outflow of resources is remote

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

**Contingent asset**

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

**Q. Revenue Recognition**

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

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

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

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

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

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

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

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

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

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

**R. Leases**

Ind AS 116 'Leases' was notified on 30<sup>th</sup> March, 2019 and it replaces Ind AS 17 'Leases', including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1<sup>st</sup> April, 2019.

**Notes to financial statements for the year ended 31st March, 2020**

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-Balance Sheet model similar to the accounting for finance leases under Ind AS 17.

The standard includes two recognition exemptions for lessees – leases of ‘low-value’ assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lease is ‘a contract or part of a contract that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration’. An underlying asset has been defined to mean an asset that is the subject of lease, for which the right to use that asset has been provided by a lessor or lessee.

**Measurement of lease liability**

On the date of transition lease liability is measured at present value of lease payments that are not paid as at the date of transition.

After the transition date lease liability is measured at amortised cost using the effective interest method.

Subsequently the company measures the lease liability by increasing the carrying the amount to reflect the interest on the lease liability; reducing the carrying amount of reflect the lease payments made; and re-measuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company uses the incremental borrowing rate which is the rate of interest that a lessee would have to pay over a similar term, and with a similar security, the funds necessary to obtain an asset of similar value of the right-to-use asset in a similar economic environment.

**Right-of-use asset (ROU)**

This is measured as lease liability adding any initial direct costs, prepaid lease payments, cost to dismantle or restore less lease incentives.

After the commencement date, the Company measures the ROU at cost:

- Less any accumulated depreciation and any accumulate impairment losses; and
- Adjusted for any re-measurement of the lease liability on subsequent to lease commencement date



A Company applies the depreciation requirement in Ind AS 16 while depreciating ROU asset. The said asset is depreciated over a period of lease term unless in case where ownership of underlying asset is transferred. In such case, the asset is depreciated over the useful life of underlying asset. Also, impairment requirements as per Ind AS 36 is applied by the Company.

## **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.

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 has made preferential allotment of share warrants convertible into equity shares. The warrants that are yet to be converted are treated as dilutive shares.

**W. Estimates and assumptions**

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

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

**Revenue recognition:**

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

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

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

**Allowance for expected credit losses:**

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

**Fair value of investments:**

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

**Taxes**

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management



judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

**Contingent liability judgement:**

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

**X. COVID-19 impact:**

The outbreak of COVID 19 pandemic across the globe and in India has contributed to a significant decline and volatility in the global and Indian markets and slowdown in the economic activities.

The management in this regard, has carefully considered the circumstances and risk exposures arising from the COVID 19 situation for developing estimates on the basis of all available information in its assessment of impact thereof on its financial reporting.

The extent to which the COVID 19 pandemic will impact the Company's future results will depend on developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID 19 pandemic and any action to contain its spread or mitigate its impact by the government.

The Company will continue to closely monitor any material changes to future economic conditions.


**Notes to financial statements for the year ended 31st March, 2020**
**Note 3: Property, Plant and Equipment**

(₹ in lakhs)

| Particulars                                                    | Freehold land | Freehold buildings, roads & fencing | Furniture, fittings and equipment | Thermal Power Plants | Plant and machinery continuous process | Other Plant & Machinery | Office & Telephone Equipments | Lab. Workshop & Other Equipment | Computers | Vehicles | Total      | Capital in-progress |
|----------------------------------------------------------------|---------------|-------------------------------------|-----------------------------------|----------------------|----------------------------------------|-------------------------|-------------------------------|---------------------------------|-----------|----------|------------|---------------------|
| <b>Carrying amount</b>                                         |               |                                     |                                   |                      |                                        |                         |                               |                                 |           |          |            |                     |
| <b>Closing gross carrying amount as at 31st March, 2018</b>    | 734.73        | 12,173.77                           | 108.25                            | 35,340.12            | 81,897.91                              | 4,615.63                | 512.41                        | 363.33                          | 568.07    | 348.72   | 136,682.94 | 1,346.50            |
| Additions                                                      | 299.35        | 259.59                              | -                                 | 313.61               | 1,631.18                               | -                       | 31.75                         | 18.98                           | 28.73     | 31.94    | 2,615.13   | 6,390.95            |
| Disposals                                                      | -             | -                                   | -                                 | (74.84)              | -                                      | -                       | -                             | -                               | -         | -        | (74.84)    | -                   |
| <b>Closing gross carrying amount as at 31st March, 2019</b>    | 1,034.08      | 12,433.36                           | 108.25                            | 35,578.89            | 83,529.09                              | 4,615.63                | 544.16                        | 382.31                          | 616.80    | 380.66   | 139,223.23 | 7,737.45            |
| Additions                                                      | 159.24        | 194.02                              | -                                 | 227.32               | 19,886.67                              | -                       | 34.03                         | 3.79                            | 15.43     | 25.12    | 20,547.62  | (4,802.22)          |
| Disposals                                                      | -             | -                                   | -                                 | -                    | -                                      | -                       | -                             | -                               | -         | -        | -          | -                   |
| <b>Closing gross carrying amount as at 31st March, 2020</b>    | 1,193.32      | 12,627.38                           | 108.25                            | 35,806.21            | 1,03,417.76                            | 4,615.63                | 578.19                        | 386.10                          | 632.23    | 405.78   | 159,770.85 | 2,935.23            |
| <b>Accumulated depreciation</b>                                |               |                                     |                                   |                      |                                        |                         |                               |                                 |           |          |            |                     |
| <b>Closing Accumulated depreciation as at 31st March, 2018</b> | -             | 3,221.25                            | 94.12                             | 24,655.66            | 36,038.93                              | 4,285.49                | 412.94                        | 287.16                          | 497.25    | 306.10   | 69,808.90  | -                   |
| Depreciation charge during the year                            | -             | 391.23                              | 2.89                              | 1,435.38             | 3,937.86                               | 22.97                   | 46.45                         | 20.09                           | 55.54     | 11.84    | 5,924.25   | -                   |
| Disposals                                                      | -             | -                                   | -                                 | (71.10)              | -                                      | -                       | -                             | -                               | -         | -        | (71.10)    | -                   |
| <b>Closing Accumulated depreciation as at 31st March, 2019</b> | -             | 3,612.48                            | 97.01                             | 26,029.94            | 39,976.79                              | 4,308.46                | 459.39                        | 307.25                          | 552.79    | 317.94   | 75,662.05  | -                   |
| Depreciation charge during the year                            | -             | 387.69                              | 1.95                              | 1,365.65             | 3,550.14                               | 4.82                    | 37.75                         | 17.12                           | 30.15     | 17.09    | 5,412.36   | -                   |
| Disposals                                                      | -             | -                                   | -                                 | -                    | -                                      | -                       | -                             | -                               | -         | -        | -          | -                   |
| <b>Closing Accumulated depreciation as at 31st March, 2020</b> | -             | 4,000.17                            | 98.96                             | 27,395.59            | 43,526.93                              | 4,313.28                | 497.14                        | 324.37                          | 582.94    | 335.03   | 81,074.41  | -                   |
| <b>Net Carrying amount as at 31st March, 2019</b>              | 1,034.07      | 8,820.87                            | 11.25                             | 9,548.95             | 43,552.31                              | 307.17                  | 84.78                         | 75.07                           | 64.00     | 62.73    | 63,561.18  | -                   |
| <b>Net Carrying amount as at 31st March, 2020</b>              | 1,193.32      | 8,627.21                            | 9.29                              | 8,410.62             | 59,890.83                              | 302.35                  | 81.05                         | 61.73                           | 49.29     | 70.75    | 78,696.44  | -                   |

\*Title to property of 12.17 acres situated in Bellary amounting to Rs. 15.29 Lakhs acquired by the Company from Karnataka Industrial Areas Development Board (KIADB) is in the process of being transferred in the Company's name.

# TGV SRAAC LIMITED

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



## Notes to financial statements for the year ended 31st March, 2020

### Note 4: Investment property

(₹ in lakhs)

| Particulars                             | As at 31st<br>March, 2020         | As at 31st<br>March, 2019         |
|-----------------------------------------|-----------------------------------|-----------------------------------|
| <b>Gross carrying amount</b>            |                                   |                                   |
| Opening gross carrying amount           | 7.05                              | 7.05                              |
| Additions                               | -                                 | -                                 |
| <b>Closing gross carrying amount</b>    | <b>7.05</b>                       | <b>7.05</b>                       |
| <b>Accumulated depreciation</b>         |                                   |                                   |
| Opening accumulated depreciation        | -                                 | -                                 |
| Depreciation charge                     | -                                 | -                                 |
| <b>Closing accumulated depreciation</b> | <b>-</b>                          | <b>-</b>                          |
| <b>Net carrying amount</b>              | <b>7.05</b>                       | <b>7.05</b>                       |
| <b>Fair value</b>                       | <b>As at 31st<br/>March, 2020</b> | <b>As at 31st<br/>March, 2019</b> |
| Investment properties                   | 52.15                             | 52.15                             |

### Estimation of fair value

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

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

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

### Note 5: Financial assets

#### 5(a) Non-current Investments

(₹ in lakhs)

| Particulars                                                                                           | As at 31st<br>March, 2020 | As at 31st<br>March, 2019 |
|-------------------------------------------------------------------------------------------------------|---------------------------|---------------------------|
| <b>Investment in Other Companies</b>                                                                  |                           |                           |
| <b>Investment in equity instruments at fair value through other comprehensive income (fully paid)</b> |                           |                           |
| <b>Quoted</b>                                                                                         |                           |                           |
| 2,44,749 (March 31, 2019 : 2,44,749)                                                                  |                           |                           |
| equity shares of Sree Rayalaseema Hi-Strength Hypo Ltd                                                | 176.83                    | 415.34                    |
| 839 (March 31, 2019 : 839) equity shares of Indian Bank                                               | 0.36                      | 2.34                      |
| <b>Unquoted</b>                                                                                       |                           |                           |
| 13,93,600 (March 31, 2019 : 13,93,600)                                                                |                           |                           |
| equity shares of Andhra Pradesh Gas                                                                   |                           |                           |
| Power Corporation Ltd (pledged with financial institutions)                                           | 590.19                    | 561.93                    |
| <b>Total equity investments</b>                                                                       | <b>767.38</b>             | <b>979.60</b>             |



## TGV SRAAC LIMITED

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

### Notes to financial statements for the year ended 31st March, 2020

#### Investment in government securities carried at amortised cost

##### Unquoted

|                                                                 |               |               |
|-----------------------------------------------------------------|---------------|---------------|
| National Saving Certificates                                    | 1.90          | 1.90          |
| <b>Total non-current investments</b>                            | <b>769.28</b> | <b>981.50</b> |
| Aggregate amount of quoted investments and market value thereof | 177.19        | 417.68        |
| Aggregate amount of un-quoted investments                       | 592.09        | 563.83        |
| Aggregate amount of impairment in the value of investments      | -             | -             |

#### 5(b) Other non-current financial assets

(₹ in lakhs)

| Particulars                                               | As at 31st<br>March, 2020 | As at 31st<br>March, 2019 |
|-----------------------------------------------------------|---------------------------|---------------------------|
| Security Deposits with Power Distribution Corporation Ltd | 2,658.36                  | 2,345.47                  |
| Bank Deposits with more than 12 Months Maturity           | 422.42                    | 43.09                     |
| Rent advance                                              | 6.93                      | 7.17                      |
| <b>Total</b>                                              | <b>3,087.71</b>           | <b>2,395.73</b>           |

#### Note 6: Other non-current assets

(₹ in lakhs)

| Particulars                 | As at 31st<br>March, 2020 | As at 31st<br>March, 2019 |
|-----------------------------|---------------------------|---------------------------|
| Capital Advances            | 1,226.72                  | 556.80                    |
| Amount paid under protest   | 5.21                      | 6.10                      |
| Advances to related parties | -                         | 118.17                    |
| <b>Total</b>                | <b>1,231.93</b>           | <b>681.07</b>             |

#### Note 7: Inventories

(₹ in lakhs)

| Particulars                                              | As at 31st<br>March, 2020 | As at 31st<br>March, 2019 |
|----------------------------------------------------------|---------------------------|---------------------------|
| Raw Materials                                            | 1,793.09                  | 1,378.47                  |
| Work-in-progress                                         | 459.51                    | 543.04                    |
| Finished Goods                                           | 1,410.62                  | 1,070.91                  |
| Stores and spares, Chemicals, fuel and packing materials | 4,933.40                  | 5,325.14                  |
| Scrap and other disposals                                | 17.78                     | 12.24                     |
| Goods in transit                                         |                           |                           |
| - Raw Materials                                          | 432.80                    | 540.72                    |
| - Stores and spares                                      | 3,673.14                  | 119.96                    |
| <b>Total</b>                                             | <b>12,720.34</b>          | <b>8,990.48</b>           |

# TGV SRAAC LIMITED

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



## Notes to financial statements for the year ended 31st March, 2020

### Note 8(a): Trade receivables

(₹ in lakhs)

| Particulars                                                          | As at 31st March, 2020 | As at 31st March, 2019 |
|----------------------------------------------------------------------|------------------------|------------------------|
| Unsecured and considered good*                                       | 8,269.92               | 9,900.87               |
| Unsecured and considered doubtful                                    | 120.00                 | 97.00                  |
|                                                                      | <b>8,389.92</b>        | <b>9,997.87</b>        |
| <b>Impairment Allowance (allowance for bad and doubtful debts)**</b> | (120.00)               | (97.00)                |
| <b>Total trade receivables</b>                                       | <b>8,269.92</b>        | <b>9,900.87</b>        |

(\*Refer note 30(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, 2020 |
| With in credit period       | 0.25%                  |
| Upto 60 days past due       | 0.50%                  |
| 61-90 days past due         | 1.00%                  |
| 91-180 days past due        | 5.00%                  |
| more than 180 days past due | 10.00%                 |

### Aging of receivables

(₹ in lakhs)

| Particulars                                                  | As at 31st March, 2020 | As at 31st March, 2019 |
|--------------------------------------------------------------|------------------------|------------------------|
| With credit period                                           | 4,021.51               | 7,428.64               |
| Upto 60 days past due                                        | 2,661.02               | 1,600.70               |
| 61-90 days past due                                          | 1,042.28               | 574.55                 |
| 91-180 days past due                                         | 557.52                 | 344.23                 |
| more than 180 days past due                                  | 107.59                 | 49.75                  |
| <b>Total trade receivables (before impairment allowance)</b> | <b>8,389.92</b>        | <b>9,997.87</b>        |

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

(₹ in lakhs)

| Particulars                                                                                                   | As at 31st March, 2019 | As at 31st March, 2018 |
|---------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| <b>Balance at the beginning of the year</b>                                                                   | <b>97.00</b>           | <b>97.00</b>           |
| Movement in Expected Credit Loss Allowance on trade receivables calculated at lifetime expected credit losses | 23.00                  | -                      |
| <b>Balance at the end of the year</b>                                                                         | <b>120.00</b>          | <b>97.00</b>           |

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



## TGV SRAAC LIMITED

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

### Notes to financial statements for the year ended 31st March, 2020

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

(₹ in lakhs)

| Particulars                                               | As at 31st<br>March, 2020 | As at 31st<br>March, 2019 |
|-----------------------------------------------------------|---------------------------|---------------------------|
| Balances with banks                                       |                           |                           |
| in Current Account                                        | 231.13                    | 263.56                    |
| Deposits with original maturity of less than three months | 392.34                    | 453.09                    |
| Cheques on hand                                           | 45.00                     | -                         |
| Cash on hand                                              | 3.77                      | 3.08                      |
| <b>Total</b>                                              | <b>672.24</b>             | <b>719.73</b>             |

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

(₹ in lakhs)

| Particulars                                      | As at 31st<br>March, 2020 | As at 31st<br>March, 2019 |
|--------------------------------------------------|---------------------------|---------------------------|
| Deposits with maturity of more than three months |                           |                           |
| but less than 12 months                          | 1,801.06                  | 2,035.05                  |
| Margin money with banks                          | 4,421.95                  | 1,078.71                  |
| LC-Margin deposit with bank                      | 0.09                      | -                         |
| <b>Total</b>                                     | <b>6,223.10</b>           | <b>3,113.76</b>           |

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

(₹ in lakhs)

| Particulars                                       | As at 31st<br>March, 2020 | As at 31st<br>March, 2019 |
|---------------------------------------------------|---------------------------|---------------------------|
| Tender/Security/Telephone Deposits                | 129.17                    | 283.39                    |
| Sales tax, Power and export Incentives Receivable | 8,796.94                  | 8,824.53                  |
| Interest receivable on deposits                   | 207.17                    | 100.24                    |
| Advances to related parties                       | 207.75                    | 207.75                    |
| Derivative asset                                  | 31.80                     | -                         |
| <b>Total</b>                                      | <b>9,372.83</b>           | <b>9,415.91</b>           |

#### Note 9: Other current assets

(₹ in lakhs)

| Particulars                                  | As at 31st<br>March, 2020 | As at 31st<br>March, 2019 |
|----------------------------------------------|---------------------------|---------------------------|
| Advances to related parties                  | 58.56                     | 166.43                    |
| Advance to suppliers                         | 701.03                    | 1,229.51                  |
| Advance to employees                         | 94.36                     | 124.21                    |
| Advance to contractors & transporters        | 29.14                     | 50.80                     |
| Prepaid insurance and other expenses         | 398.52                    | 319.01                    |
| Advance Excise Duties/CENVAT/VAT/Service tax | 29.28                     | 101.75                    |
| Other advances                               | 109.57                    | 47.35                     |
| <b>Total</b>                                 | <b>1,420.46</b>           | <b>2,039.06</b>           |



# TGV SRAAC LIMITED

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



## Notes to financial statements for the year ended 31st March, 2020

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

(₹ in lakhs)

| Particulars                                                                      | Non-Current            |                        | Current                |                        |
|----------------------------------------------------------------------------------|------------------------|------------------------|------------------------|------------------------|
|                                                                                  | As at 31st March, 2020 | As at 31st March, 2019 | As at 31st March, 2020 | As at 31st March, 2019 |
| <b>Financial assets carried at amortised cost</b>                                |                        |                        |                        |                        |
| - Trade receivables                                                              | -                      | -                      | 8,269.92               | 9,900.87               |
| - Cash and cash equivalents                                                      | -                      | -                      | 672.24                 | 719.73                 |
| - Bank balances other than Cash and cash equivalents                             | -                      | -                      | 6,223.10               | 3,113.76               |
| - Investments in government securities                                           | 1.90                   | 1.90                   | -                      | -                      |
| - Other financial assets                                                         | 3,087.71               | 2,395.73               | 9,372.83               | 9,415.91               |
| <b>(A)</b>                                                                       | <b>3,089.61</b>        | <b>2,397.63</b>        | <b>24,538.10</b>       | <b>23,150.26</b>       |
| <b>Financial assets carried at fair value through other comprehensive income</b> |                        |                        |                        |                        |
| - Investments                                                                    | 767.38                 | 979.60                 | -                      | -                      |
| <b>(B)</b>                                                                       | <b>767.38</b>          | <b>979.60</b>          | <b>-</b>               | <b>-</b>               |
| <b>Total financial assets</b>                                                    | <b>3,856.99</b>        | <b>3,377.23</b>        | <b>24,538.10</b>       | <b>23,150.26</b>       |
| <b>(A+B)</b>                                                                     |                        |                        |                        |                        |

## Note 10: Equity share capital and other equity

### 10(a) Equity share capital

(₹ in lakhs)

| Particulars                                                                                                                           | As at 31st March, 2020 | As at 31st March, 2019 |
|---------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| <b>(a) Authorised Share Capital :</b>                                                                                                 |                        |                        |
| 11,10,00,000 Equity Shares of Rs. 10/- each<br>(as at 31st march 2019 - 11,10,00,000 Equity Shares of Rs.10/- each)                   | 11,100.00              | 11,100.00              |
| 1,90,00,000 Cumulative Redeemable Preference Shares of Rs.10/-<br>(as at 31st march 2019 - 1,90,00,000 Equity Shares of Rs.10/- each) | 1,900.00               | 1,900.00               |
| <b>(b) Issued:</b>                                                                                                                    |                        |                        |
| 10,19,15,396 Equity shares of Rs.10/- each issued<br>(as at 31st march 2019 - 9,68,28,631 Equity Shares of Rs.10/- each)              | 10,191.54              | 9,682.86               |
| <b>(c) Subscribed and fully paid</b>                                                                                                  |                        |                        |
| 10,17,35,310 Equity shares of Rs.10/- each fully paid<br>(as at 31st march 2019 - 9,66,48,545 Equity Shares of Rs.10/- each)          | 10,173.53              | 9,664.85               |
| <b>(d) Subscribed &amp; not fully paid (forefeited)</b>                                                                               |                        |                        |
| 1,80,086 Equity shares of Rs.10/- each<br>(as at 31st march 2019 - 1,80,086 Equity shares of Rs.10/- each)                            | 4.28                   | 4.28                   |
| <b>Total</b>                                                                                                                          | <b>10,177.81</b>       | <b>9,669.13</b>        |

### Reconciliation of the number of equity shares outstanding

(Shares in Numbers)

| Particulars                         | As at 31st March, 2020 | As at 31st March, 2019 |
|-------------------------------------|------------------------|------------------------|
| <b>At the beginning of the year</b> | 9,66,48,545            | 9,18,16,118            |
| Add: Issued during the year         | 50,86,765              | 48,32,427              |
| Less: Bought back during the year   | -                      | -                      |
| <b>At the end of the year</b>       | <b>10,17,35,310</b>    | <b>9,66,48,545</b>     |


**Notes to financial statements for the year ended 31st March, 2020**
**Terms/ rights attached to equity shares**

The company has only one class of equity shares having face 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, 2020 |               | As at 31st March, 2019 |               |
|-------------------------------------------|------------------------|---------------|------------------------|---------------|
|                                           | No. of shares          | % of holding  | No. of shares          | % of holding  |
| Sree Rayalaseema Hi-Strength Hypo Limited | 2,05,44,496            | 20.19%        | 2,05,44,496            | 21.26%        |
| TGV Project & Investments Private Limited | 1,16,94,248            | 11.49%        | 1,16,94,248            | 12.10%        |
| Brilliant Industries Private Limited      | 2,11,59,740            | 20.80%        | 2,11,59,740            | 21.89%        |
| Sri T G Venkatesh                         | 53,90,613              | 5.30%         | -                      | 0.00%         |
| <b>Total</b>                              | <b>5,87,89,097</b>     | <b>57.78%</b> | <b>5,33,98,484</b>     | <b>55.25%</b> |

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

Out of Equity shares issued, subscribed and fully paid up 2,86,10,955 No. of equity shares of Rs.10/-each allotted on preferential allotment to Financial Institutions IDBI/ICFI by conversion of 15% Rupee/F.C loans and Debentures on 8th March, 2005. The company has allotted 1,45,80,000 number of equity shares of Rs.10/- each on 8th March, 2005 and 54,20,000 on 25th April, 2006 to promoters group on preferential allotment by conversion of 2,00,00,000 fully paid share warrants issued on 8th March, 2005.

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

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

During the year the Company has allotted 50,86,765 equity shares of Rs.10/- each on 14th March, 2020 at a premium of Rs.27.01 to promoters group by conversion out of 1,52,73,682 share warrants allotted on 27th January, 2019 on preferential basis

**10(b): Other Equity**

(₹ in lakhs)

| Particulars                                      | As at 31st       | As at 31st       |
|--------------------------------------------------|------------------|------------------|
|                                                  | March, 2020      | March, 2019      |
| (i) Share premium                                | 5,886.98         | 4,513.04         |
| (ii) Capital Redemption Reserve                  | -                | -                |
| (iii) Other reserve                              | 26,000.07        | 23,500.07        |
| (iv) Retained earnings                           | 10,498.27        | 8,446.10         |
| (v) Reserve for other comprehensive income items | 598.09           | 810.31           |
| (vi) Money received against share warrants       | 495.42           | 966.08           |
| <b>Total</b>                                     | <b>43,478.83</b> | <b>38,235.60</b> |

# TGV SRAAC LIMITED

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



## Notes to financial statements for the year ended 31st March, 2020

### Reserves and Surplus

#### (i) Share premium

(₹ in lakhs)

| Particulars                                          | As at 31st<br>March, 2020 | As at 31st<br>March, 2019 |
|------------------------------------------------------|---------------------------|---------------------------|
| Opening balance                                      | 4,513.04                  | 3,207.80                  |
| Issue of equity shares by exercise of share warrants | 1,373.94                  | 1,305.24                  |
| <b>Closing balance</b>                               | <b>5,886.98</b>           | <b>4,513.04</b>           |

#### (ii) Capital Redemption Reserve

(₹ in lakhs)

| Particulars                       | As at 31st<br>March, 2020 | As at 31st<br>March, 2019 |
|-----------------------------------|---------------------------|---------------------------|
| Opening balance                   | -                         | 2,000.00                  |
| Less: Transfer to General Reserve | -                         | 2,000.00                  |
| <b>Closing balance</b>            | <b>-</b>                  | <b>-</b>                  |

#### (iii) Other reserves

##### a. Equity portion of preference shares

(₹ in lakhs)

| Particulars                       | As at 31st<br>March, 2020 | As at 31st<br>March, 2019 |
|-----------------------------------|---------------------------|---------------------------|
| Opening balance                   | -                         | 1,542.71                  |
| Less: Transfer to General Reserve | -                         | 1,542.71                  |
| <b>Closing balance</b>            | <b>-</b>                  | <b>-</b>                  |

##### b. General Reserve

(₹ in lakhs)

| Particulars                                              | As at 31st<br>March, 2020 | As at 31st<br>March, 2019 |
|----------------------------------------------------------|---------------------------|---------------------------|
| Opening balance                                          | 23,500.07                 | 16,457.36                 |
| Add: Transfer from Surplus in Statement of Profit & Loss | 2,500.00                  | 3,500.00                  |
| Add: Transfer from Capital Redemption Reserve            | -                         | 2,000.00                  |
| Add: Transfer from Preference shares                     | -                         | 1,542.71                  |
| <b>Closing balance</b>                                   | <b>26,000.07</b>          | <b>23,500.07</b>          |

#### (iv) Retained earnings

(₹ in lakhs)

| Particulars                                          | As at 31st<br>March, 2020 | As at 31st<br>March, 2019 |
|------------------------------------------------------|---------------------------|---------------------------|
| Opening balance                                      | 8,446.10                  | 5,094.43                  |
| Lease rents*                                         | (156.29)                  | -                         |
| Net profit for the period                            | 4,727.45                  | 6,840.11                  |
| Transfer to General Reserve                          | (2,500.00)                | (3,500.00)                |
| Transfer from Reserve for other comprehensive income | (18.99)                   | 11.56                     |
| <b>Closing balance</b>                               | <b>10,498.27</b>          | <b>8,446.10</b>           |

**Notes to financial statements for the year ended 31st March, 2020****(v) Reserve for items of Other Comprehensive income**

| Particulars                                                                                                     | As at 31st<br>March, 2020 | As at 31st<br>March, 2019 |
|-----------------------------------------------------------------------------------------------------------------|---------------------------|---------------------------|
| <b>Change in fair value of FVTOCI - equity instruments (Net of taxes)</b>                                       |                           |                           |
| - Opening balance                                                                                               | 810.31                    | 747.03                    |
| - Net gains/(losses) on FVTOCI equity securities during the year                                                | (212.22)                  | 63.28                     |
| - <b>Closing balance</b>                                                                                        | <b>598.09</b>             | <b>810.31</b>             |
| <b>Other Comprehensive income arising from actuarial gain/loss on defined benefit obligation (Net of taxes)</b> |                           |                           |
| - Opening balance                                                                                               | -                         | -                         |
| - Gains/(losses) on arising from actuarial gain/loss on gratuity                                                | (18.99)                   | 11.56                     |
| - Transfer to retained earnings                                                                                 | <b>18.99</b>              | <b>(11.56)</b>            |
| - <b>Closing balance</b>                                                                                        | <b>-</b>                  | <b>-</b>                  |
| <b>Total Closing balance</b>                                                                                    | <b>598.09</b>             | <b>810.31</b>             |

**(vi) Money received against share warrants**

(₹ in lakhs)

| Particulars                              | As at 31st<br>March, 2020 | As at 31st<br>March, 2019 |
|------------------------------------------|---------------------------|---------------------------|
| Opening balance                          | 966.08                    | -                         |
| Share warrant application money received | 1,411.96                  | 2,754.56                  |
| Shares issued during the year            | <b>(1,882.62)</b>         | <b>(1,788.48)</b>         |
| <b>Closing balance</b>                   | <b>495.42</b>             | <b>966.08</b>             |

**Nature and purpose of other reserves****Securities Premium Reserve**

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

**Capital Redemption Reserve**

Cumulative Redeemable Preference shares issued, subscribed and fully paid up 1,88,82,332 of Rs. 10/- each having a coupon rate of 0.01% from April, 2002 were allotted on sub-division and consolidation of 50% holding of equity shares and are redeemable after 15 year in 4 quarterly instalments commencing from 1.04.2018. As per section 55, of companies act, 2013 where such shares are proposed to be redeemed out of the profits of the company, there shall, out of such profits, be transferred, a sum equal to the nominal amount of the shares to be redeemed, to a reserve, to be called the Capital Redemption Reserve Account.

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

**Other Reserve**

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

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

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

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within 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.

**\*Lease rents**

The Company has adopted Ind AS 116 "Leases" and applied it to all its identified lease contracts existing on 1st April, 2019 as a lessee using the modified retrospective method. Transition of the said standard resulted in recognition of liability being present value of the future lease payments and a corresponding right-of-use as at 1st April, 2019. The difference between the said liability and right of use for the period of lease that are expired is recognised in opening retained earnings.

# TGV SRAAC LIMITED

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



## Notes to financial statements for the year ended 31st March, 2020

### Note 11(a): Long Term Borrowings

(₹ in lakhs)

| Particulars                                                           | As at 31st March, 2020 | As at 31st March, 2019 |
|-----------------------------------------------------------------------|------------------------|------------------------|
| <b>Non-current borrowings</b>                                         |                        |                        |
| <b>Secured</b>                                                        |                        |                        |
| <b>Term Loans</b>                                                     |                        |                        |
| From institutions                                                     |                        |                        |
| IFCI Ltd*                                                             | 1,308.89               | 3,111.86               |
| <b>Working capital Term Loans</b>                                     |                        |                        |
| From banks**                                                          | 3,217.43               | 4,185.46               |
| <b>Letters of Credit issued by Banks to Creditors</b>                 | 12,684.71              | 4,439.89               |
|                                                                       | <b>17,211.03</b>       | <b>11,737.21</b>       |
| <b>UnSecured</b>                                                      |                        |                        |
| Deferred Payment liabilities                                          |                        |                        |
| (Sales Tax deferrment/loan sanctioned as per State Incentive Schemes) | 435.35                 | 500.43                 |
| (Repayable from the year 2018-19 to 2023-24)                          | 435.35                 | 500.43                 |
| <b>Total</b>                                                          | <b>17,646.38</b>       | <b>12,237.64</b>       |

There is no default as at 31st March, 2020, 31st March 2019, in repayment of loans and interest "payments on Term Loans

The RBI has issued guidelines relating to COVID 19 regulatory package dated 27th March, 2020 and 22nd May, 2020 and in accordance therewith, the Company has opted for the moratorium of six months on the payment of few principal installments as applicable, falling due between 1st March, 2020 and 31st August, 2020. Accordingly, the liability classification has changed from current to non-current as the current liability has been reduced by the amount to be paid for the moratorium period and non-current liabilities has been increased.

#### Terms of repayment

\*IFCI Ltd. Corporate Term Loan (Rs. 10000 Lakhs Loan is repayable in 48 monthly Instalments from Oct, 2016 and Rs. 4500 Lakhs loan is repayable in 48 monthly Instalments from December, 2017 and both carries interest rate of Base rate + 1.50%p.a).

\*\*Repayment of Working Capital term loans availed from IDBI Bank Ltd. (Rs. 629 lakhs repayable in 36 monthly instalments from April, 2015 and Rs.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) and

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

#### Security

##### Term loans

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

##### Working capital loans

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

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

#### Letter of Credit

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

**Notes to financial statements for the year ended 31st March, 2020****Note 11(b): Other Non-Current Financial Liabilities**

(₹ in lakhs)

| Particulars                                                                                                  | As at 31st March, 2020 | As at 31st March, 2019 |
|--------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| Trade Deposits from Dealers/customers                                                                        | 803.50                 | 603.50                 |
| Liabilities for future outcome of disputed dues considering present obligation and probable future outflows: |                        |                        |
| Customs duty payable recognised as Exceptional item                                                          | 1,097.12               | 1,097.12               |
| Fuel surcharge adjustment(FSA) and Electricity duty payable                                                  | 2,142.83               | 2,142.83               |
| Surcharges/Interest payable on power charges,excise duty, Sales tax and other dues                           | 2,238.53               | 2,010.47               |
| <b>Total</b>                                                                                                 | <b>6,281.98</b>        | <b>5,853.92</b>        |

**Note 11(c): Current borrowings**

(₹ in lakhs)

| Particulars                                                                                            | As at 31st March, 2020 | As at 31st March, 2019 |
|--------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| <b>Secured</b>                                                                                         |                        |                        |
| <b>From banks</b>                                                                                      |                        |                        |
| Working capital demand loans                                                                           | 549.24                 | 544.49                 |
| Cash Credits                                                                                           | 1,288.59               | 1,356.41               |
| Bill Discounting                                                                                       | 1,496.51               | 326.79                 |
| Letters of Credit issued by Banks to Creditors<br>(Payable to Banks on due dates of Letters of Credit) | 13,136.01              | 11,531.53              |
| <b>Un Secured</b>                                                                                      |                        |                        |
| Finance from TREADS                                                                                    | 1,530.46               | -                      |
| <b>From Others</b>                                                                                     |                        |                        |
| Sale/Purchase Bills Discounted with Can Bank Factors Ltd<br>(Payable on due dates of Bills/factors)    | 1,037.06               | 1,384.87               |
| <b>Total</b>                                                                                           | <b>19,037.87</b>       | <b>15,144.09</b>       |

There is no default as at 31st March, 2020, 31st March 2019, in repayment of loans and interest payments on Working capital Loans, Letters of Credit issued and Bills discounted with Banks and others.

**Security****a) Short Term Loans from Banks:**

The above Working Capital Demand Loans and Cash Credits are with various banks at interest rate of MCLR plus Spread. Spread varies from 2.41% 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 Shri T.G.Venkatesh.

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

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

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

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

**Note 11(d): Trade payables**

(₹ in lakhs)

| Particulars    | As at 31st March, 2020 | As at 31st March, 2019 |
|----------------|------------------------|------------------------|
| For Suppliers* | 2,837.98               | 3,116.05               |
| For Services*  | 2,711.85               | 1,657.86               |
| <b>Total</b>   | <b>5,549.83</b>        | <b>4,773.91</b>        |

\*((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 30(b) for related party trade payables).

# TGV SRAAC LIMITED

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



## Notes to financial statements for the year ended 31st March, 2020

### Note 11(e): Other Current Financial Liabilities

(₹ in lakhs)

| Particulars                                                                                | As at 31st March, 2020 | As at 31st March, 2019 |
|--------------------------------------------------------------------------------------------|------------------------|------------------------|
| <b>Current maturities of long term debt*</b>                                               |                        |                        |
| <b>Secured</b>                                                                             |                        |                        |
| Term Loans from IFCI                                                                       | 1,812.64               | 3,625.00               |
| Term Loans from Banks                                                                      | 840.71                 | 1,475.23               |
| Interest accrued but not due on term loans                                                 | 13.62                  | 38.67                  |
| <b>UnSecured</b>                                                                           |                        |                        |
| Deferred Payment liabilities*                                                              |                        |                        |
| (Sales Tax deferrment/loan sanctioned as per State Incentive Schemes)                      | 120.13                 | 163.38                 |
| Preference share liability                                                                 |                        |                        |
| Un-claimed Preference shares redemption warrants                                           | 135.78                 | 138.41                 |
| <b>Others</b>                                                                              |                        |                        |
| Dues to Banks (Cheques issued in current accounts)                                         | 37.80                  | -                      |
| Employees Salaries, Bonus and P F/ ESI recoveries and contributions to Superannuation Fund | 496.06                 | 476.35                 |
| Payable for capital goods                                                                  | 595.88                 | 1,297.86               |
| Power charges and other expenses payable                                                   | 3,299.43               | 1,773.94               |
| <b>Total</b>                                                                               | <b>7,352.05</b>        | <b>8,988.84</b>        |

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

\*Represents repayments falling due in next twelve months.

### Note 12: Deferred tax liability

(₹ in lakhs)

| Particulars                                                             | As at 31st March, 2020 | As at 31st March, 2019 |
|-------------------------------------------------------------------------|------------------------|------------------------|
| The balance comprises temporary differences attributable to:            |                        |                        |
| <b>Deferred tax liabilities</b>                                         |                        |                        |
| Property, plant and equipment                                           | 11,230.44              | 10,177.91              |
| <b>Less:</b>                                                            |                        |                        |
| <b>Deferred tax assets</b>                                              |                        |                        |
| Unabsorbed depreciation/losses and expenses allowable U/s 43B of IT Act | (1,390.43)             | (635.97)               |
| Borrowing costs measured at amortised cost                              | (9.96)                 | (19.34)                |
| Provision for Expected Credit Loss (ECL)                                | (41.61)                | (33.57)                |
| Employee benefits - Gratuity                                            | (25.50)                | (15.30)                |
| <b>Net deferred tax liability</b>                                       | <b>9,762.94</b>        | <b>9,473.73</b>        |

### Reconciliation of net deferred tax liabilities

(₹ in lakhs)

| Particulars                                                      | As at 31st March, 2020 | As at 31st March, 2019 |
|------------------------------------------------------------------|------------------------|------------------------|
| Opening balance as at the beginning of the year                  | 9,473.73               | 8,938.22               |
| Recognised in statement of profit and loss during the period     | 299.40                 | 529.30                 |
| Recognised in other comprehensive income (OCI) during the period | (10.20)                | 6.21                   |
| <b>Closing balance as at end of the year</b>                     | <b>9,762.94</b>        | <b>9,473.73</b>        |


**Notes to financial statements for the year ended 31st March, 2020**
**Note 13: Government grants**

(₹ in lakhs)

| Particulars             | As at 31st<br>March, 2020 | As at 31st<br>March, 2019 |
|-------------------------|---------------------------|---------------------------|
| Deferred sales tax loan | 52.33                     | 87.71                     |
| Capital subsidy         | 6.63                      | 8.87                      |
| <b>Closing balance</b>  | <b>58.96</b>              | <b>96.58</b>              |

**Note 14: Other current liabilities**

(₹ in lakhs)

| Particulars                                            | As at 31st<br>March, 2020 | As at 31st<br>March, 2019 |
|--------------------------------------------------------|---------------------------|---------------------------|
| Statutory Dues towards Excise duty, GST, VAT, TDS etc. | 1,931.68                  | 2,463.48                  |
| Advances from customers                                | 2,932.01                  | 1,244.44                  |
| <b>Total</b>                                           | <b>4,863.69</b>           | <b>3,707.92</b>           |

**Note 15: Provisions**

(₹ in lakhs)

| Particulars                     | As at 31st<br>March, 2020 | As at 31st<br>March, 2019 |
|---------------------------------|---------------------------|---------------------------|
| Provision for Leave obligations | 17.87                     | 15.59                     |
| Provision for Gratuity          | 68.51                     | 45.78                     |
| <b>Total</b>                    | <b>86.38</b>              | <b>61.37</b>              |

**Note 16: Current tax liability (Net)**

(₹ in lakhs)

| Particulars                  | As at 31st<br>March, 2020 | As at 31st<br>March, 2019 |
|------------------------------|---------------------------|---------------------------|
| <b>Current tax liability</b> |                           |                           |
| Provision for income tax     | 1,197.56                  | 2,070.14                  |
| <b>Current tax asset</b>     |                           |                           |
| Tax deducted at source       | 57.62                     | 44.08                     |
| Advance tax                  | 335.00                    | 725.00                    |
| <b>Closing balance</b>       | <b>804.94</b>             | <b>1,301.06</b>           |

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

(₹ in lakhs)

| Particulars                                            | Non-Current               |                           | Current                   |                           |
|--------------------------------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
|                                                        | As at 31st<br>March, 2020 | As at 31st<br>March, 2019 | As at 31st<br>March, 2020 | As at 31st<br>March, 2019 |
| <b>Financial liabilities carried at amortised cost</b> |                           |                           |                           |                           |
| - Borrowings                                           | 17,646.38                 | 12,237.64                 | 19,037.87                 | 15,144.09                 |
| - Lease liabilities                                    | 2,005.98                  | -                         | 368.33                    | -                         |
| - Trade and other payables                             | -                         | -                         | 5,549.83                  | 4,773.91                  |
| - Other financial liabilities                          | 6,281.98                  | 5,853.92                  | 7,352.05                  | 8,988.84                  |
| <b>Total financial liabilities</b>                     | <b>25,934.33</b>          | <b>18,091.56</b>          | <b>32,308.09</b>          | <b>28,906.84</b>          |



# TGV SRAAC LIMITED

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



## Notes to financial statements for the year ended 31st March, 2020

### Note 17: Revenue from operations

(₹ in lakhs)

| Particulars                      | Year Ended 31st<br>March, 2020 | Year Ended 31st<br>March, 2019 |
|----------------------------------|--------------------------------|--------------------------------|
| Sale of products                 | 103,051.62                     | 119,845.58                     |
| Other operating revenue          |                                |                                |
| Process charges                  | 169.13                         | 214.77                         |
| Export Incentives                | 152.12                         | 277.13                         |
| Freight/handing charges receipts | 615.70                         | 73.40                          |
| Amortisation of sales tax loan   | 37.62                          | 46.58                          |
| <b>Total</b>                     | <b>104,026.19</b>              | <b>120,457.46</b>              |

### Note 18: Other income

(₹ in lakhs)

| Particulars                                       | Year Ended 31st<br>March, 2020 | Year Ended 31st<br>March, 2019 |
|---------------------------------------------------|--------------------------------|--------------------------------|
| Interest on Bank and other deposits and customers | 523.88                         | 384.12                         |
| Dividend Income                                   | 4.89                           | 4.89                           |
| Rent Receipts                                     | 11.52                          | 10.17                          |
| Creditors written back                            | 51.71                          | 83.02                          |
| Vivad se viswas scheme benefit                    | 190.48                         | -                              |
| Other Receipts                                    | 31.70                          | 33.08                          |
| <b>Total</b>                                      | <b>814.18</b>                  | <b>515.28</b>                  |

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

(₹ in lakhs)

| Particulars                      | Year Ended 31st<br>March, 2020 | Year Ended 31st<br>March, 2019 |
|----------------------------------|--------------------------------|--------------------------------|
| Consumption of raw materials     | 28,137.51                      | 26,122.31                      |
| Consumption of chemicals         | 1,912.51                       | 2,575.39                       |
| Consumption of packing materials | 913.35                         | 943.36                         |
| <b>Total</b>                     | <b>30,963.37</b>               | <b>29,641.06</b>               |

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

(₹ in lakhs)

| Particulars                                                                                | Year Ended 31st<br>March, 2020 | Year Ended 31st<br>March, 2019 |
|--------------------------------------------------------------------------------------------|--------------------------------|--------------------------------|
| <b>Opening Stock</b>                                                                       |                                |                                |
| Finished Goods                                                                             | 1,070.91                       | 1,160.43                       |
| Stock-in-process                                                                           | 543.04                         | 499.02                         |
| Scrap & Disposables                                                                        | 12.24                          | 12.65                          |
| <b>Total Opening Stock</b>                                                                 | <b>1,626.19</b>                | <b>1,672.10</b>                |
| <b>Closing Stock</b>                                                                       |                                |                                |
| Finished goods                                                                             | 1,410.62                       | 1,070.91                       |
| Stock-in-process                                                                           | 459.51                         | 543.04                         |
| Scrap & Disposables                                                                        | 17.78                          | 12.24                          |
| <b>Total Closing Stock</b>                                                                 | <b>1,887.91</b>                | <b>1,626.19</b>                |
| <b>Total changes in inventories of work-in-progress, stock-in-trade and finished goods</b> | <b>(261.72)</b>                | <b>45.91</b>                   |


**Notes to financial statements for the year ended 31st March, 2020**
**Note 20: Employee Benefit Expense**

(₹ in lakhs)

| Particulars                                       | Year Ended 31st<br>March, 2020 | Year Ended 31st<br>March, 2019 |
|---------------------------------------------------|--------------------------------|--------------------------------|
| Salaries, Wages, Bonus and Allowances             | 4,394.50                       | 4,177.45                       |
| Contribution to ESI & Provident Fund              | 128.32                         | 134.13                         |
| Contribution to Gratuity & Superannuation Schemes | 89.51                          | 84.19                          |
| Staff Welfare expenses                            | 700.92                         | 521.62                         |
| <b>Total</b>                                      | <b>5,313.25</b>                | <b>4,917.39</b>                |

**Note 21: Finance cost**

(₹ in lakhs)

| Particulars                                         | Year Ended 31st<br>March, 2020 | Year Ended 31st<br>March, 2019 |
|-----------------------------------------------------|--------------------------------|--------------------------------|
| Interest expenses                                   |                                |                                |
| On Term loans                                       | 1,221.58                       | 1,931.28                       |
| On Working capital Loans/Cash credits               | 239.17                         | 239.04                         |
| On Purchase/ Sale bills discounting                 | 1,258.88                       | 1,208.95                       |
| Interest on Trade Deposits                          | 98.31                          | 97.39                          |
| Interest/Surcharge payable to DISCOMS               | -                              | 1,246.28                       |
| On Others                                           | 624.00                         | 1,425.95                       |
| Other borrowing cost                                |                                |                                |
| Working capital renewal and loan processing charges | 199.44                         | 150.46                         |
| Interest on lease liability                         | 263.81                         | -                              |
| <b>Total</b>                                        | <b>3,905.19</b>                | <b>6,299.35</b>                |

**Note 22 (a) : Other Expenses**

(₹ in lakhs)

| Particulars                                  | Year Ended 31st<br>March, 2020 | Year Ended 31st<br>March, 2019 |
|----------------------------------------------|--------------------------------|--------------------------------|
| Consumption of stores and spares             | 2,980.71                       | 2,456.47                       |
| Rent including Lease Rents                   | 334.48                         | 574.01                         |
| Insurance                                    | 138.21                         | 107.84                         |
| Repairs & Maintenance                        |                                |                                |
| a) Buildings                                 | 421.11                         | 323.96                         |
| b) Plant & Machinery                         | 2,531.87                       | 2,772.76                       |
| c) Others                                    | 507.48                         | 399.85                         |
| Rates & Taxes                                | 18.02                          | 100.30                         |
| Processing Charges                           | 14.18                          | 21.31                          |
| Travelling and conveyance                    | 447.03                         | 422.76                         |
| Printing and stationery                      | 44.46                          | 43.70                          |
| Postage Telegrams and Telephones             | 35.28                          | 44.41                          |
| Directors sitting fee                        | 2.49                           | 2.59                           |
| Directors Travelling                         | 40.61                          | 20.89                          |
| Remuneration to Auditors                     |                                |                                |
| Audit -Fee                                   | 16.00                          | 16.00                          |
| Cost Audit Fee                               | 1.50                           | 1.50                           |
| Freight Inward & Material handling charges   | 1,048.17                       | 936.13                         |
| Freight outward & Ocean freight              | 2,988.71                       | 3,211.93                       |
| Other Selling expenses                       | 1,433.07                       | 1,968.10                       |
| Advertisement                                | 60.78                          | 21.84                          |
| Fee and Expenses                             | 65.71                          | 92.65                          |
| Bank Charges                                 | 540.98                         | 781.96                         |
| Service Charges                              | 676.42                         | 780.56                         |
| Legal Expenses                               | 38.63                          | 74.56                          |
| Research and Development /Lab Expenses       | 13.95                          | 18.29                          |
| Water Charges                                | 59.41                          | 51.50                          |
| Provision for Bad Debts/Expected credit loss | -                              | 477.94                         |
| Bad debts Written off                        | 225.32                         | 158.29                         |
| Net Loss on Exchange fluctuations            | 438.35                         | 500.04                         |
| Other Expenses                               | 65.04                          | 86.89                          |
| Corporate Social Responsibility expenses     | 6.88                           | 27.23                          |
| Donations                                    | 98.90                          | 24.15                          |
| Amounts charge off                           |                                |                                |
| <b>Total</b>                                 | <b>15,316.75</b>               | <b>16,520.41</b>               |

# TGV SRAAC LIMITED

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



## Notes to financial statements for the year ended 31st March, 2020

### Note 22 (b) : Exceptional Items

(₹ in lakhs)

| Particulars                                                                                                                         | Year Ended 31st March, 2020 | Year Ended 31st March, 2019 |
|-------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| Future outcome of disputed Customs duty, considering present obligation and probable future outflows recognised as exceptional item | -                           | 1,161.16                    |
| <b>Total</b>                                                                                                                        | <b>-</b>                    | <b>1,161.16</b>             |

### Note 23: Tax Expenses

(₹ in lakhs)

| Particulars                                     | Year Ended 31st March, 2020 | Year Ended 31st March, 2019 |
|-------------------------------------------------|-----------------------------|-----------------------------|
| <b>a) Income tax expense</b>                    |                             |                             |
| Current tax on profits for the year             | 1,190.00                    | 2,070.00                    |
| Adjustments for current tax of prior periods    | 186.62                      | 89.49                       |
| <b>Total current tax expenses</b>               | <b>1,376.62</b>             | <b>2,159.49</b>             |
| <b>Deferred tax</b>                             |                             |                             |
| Decrease/(Increase) in deferred tax assets      | (753.12)                    | 154.00                      |
| (Decrease)/Increase in deferred tax liabilities | 1,052.53                    | 375.30                      |
| <b>Total Deferred tax expense/(benefit)</b>     | <b>299.41</b>               | <b>529.30</b>               |
| <b>Income tax expenses</b>                      | <b>1,676.03</b>             | <b>2,688.79</b>             |

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

(₹ in lakhs)

| Particulars                                                        | Year Ended 31st March, 2020 | Year Ended 31st March, 2019 |
|--------------------------------------------------------------------|-----------------------------|-----------------------------|
| Profit/(loss) before tax from continuing operations                | 6,479.18                    | 10,515.46                   |
| Profit/(loss) before tax from a discontinued operation             | (75.70)                     | (986.56)                    |
| <b>Total profit/(loss) before taxes</b>                            | <b>6,403.48</b>             | <b>9,528.90</b>             |
| <b>Increase/decrease in net profit before taxes on account of:</b> |                             |                             |
| Exempt income                                                      | (4.89)                      | (4.89)                      |
| Depreciation as per books                                          | 5,412.36                    | 5,924.25                    |
| Depreciation as per income tax act, 1961                           | (8,424.45)                  | (6,763.11)                  |
| Expenses not allowed under income tax act, 1961                    | 76.51                       | 113.53                      |
| Expenses that are allowed on payment basis as per Sec.43B          | 251.06                      | 1,819.97                    |
| Ind AS adjustments                                                 | 192.84                      | 58.56                       |
| <b>Profit/(Loss) under income from business</b>                    | <b>3,906.91</b>             | <b>10,677.20</b>            |
| <b>Brought forward allowance loss</b>                              | <b>-</b>                    | <b>(1,689.73)</b>           |
| Applicable tax rate under normal Provisions                        | 34.94%                      | 34.94%                      |
| Tax under normal Provisions of Income tax act, 1961                | 1,365.23                    | 3,140.58                    |
| <b>MAT Credit availed</b>                                          | <b>(175.23)</b>             | <b>(1,070.58)</b>           |
| <b>Tax payable normal Provisions of Income tax act, 1961</b>       | <b>1,190.00</b>             | <b>2,070.00</b>             |

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:


**Notes to financial statements for the year ended 31st March, 2020**

(₹ in lakhs)

| Particulars                                                           | Year Ended 31st<br>March, 2020 | Year Ended 31st<br>March, 2019 |
|-----------------------------------------------------------------------|--------------------------------|--------------------------------|
| Profit before tax from continuing operations                          | 6,479.18                       | 10,515.46                      |
| Profit before tax from a discontinued operation                       | (75.70)                        | (986.56)                       |
| <b>Total profit before taxes</b>                                      | <b>6,403.48</b>                | <b>9,528.90</b>                |
| Applicable tax rate under MAT Provisions                              | 17.47%                         | 21.55%                         |
| Tax payable under MAT Provisions as per applicable tax rate           | 1,118.82                       | 2,053.48                       |
| <b>Increase/(decrease) in tax on account of</b>                       |                                |                                |
| Exempt income                                                         | (0.86)                         | (1.05)                         |
| Ind AS adjustments                                                    | 13.96                          | 9.80                           |
| Interest on MAT Provided                                              | 58.08                          | 7.77                           |
| <b>Tax table under MAT Provisions</b>                                 | <b>1,190.00</b>                | <b>2,070.00</b>                |
| Earlier Year tax liability                                            | 186.62                         | 89.49                          |
| <b>Income tax expenses recognised in statement of profit and loss</b> | <b>1,376.62</b>                | <b>2,159.49</b>                |

**Note 24: Other Comprehensive Income (OCI)**

(₹ in lakhs)

| Particulars                                           | Year Ended 31st<br>March, 2020 | Year Ended 31st<br>March, 2016 |
|-------------------------------------------------------|--------------------------------|--------------------------------|
| Re-measurement gains/(losses) on defined benefit plan | (29.19)                        | 17.77                          |
| Tax effect on gains/(losses) on defined benefit plan  | 10.20                          | (6.21)                         |
| Net gains/(losses) on FVTOCI equity securities        | (212.22)                       | 63.28                          |
| <b>Total</b>                                          | <b>(231.21)</b>                | <b>74.84</b>                   |

**Note 25: Earning per share (EPS)**

(₹ in lakhs)

| Particulars                                               | Year Ended 31st<br>March, 2020 | Year Ended 31st<br>March, 2019 |
|-----------------------------------------------------------|--------------------------------|--------------------------------|
| <b>EPS from continuing operations</b>                     |                                |                                |
| Net Profit After Tax available for Equity Shareholders    | 4,803.15                       | 7,826.67                       |
| Weighted Average Number of Equity Shares of Rs.10/- each  | 9,68,98,714                    | 9,20,54,429                    |
| Basic Earning per Share                                   | 4.96                           | 8.50                           |
| Diluted Earning per Share                                 | 4.70                           | 8.45                           |
| <b>EPS from discontinuing operations</b>                  |                                |                                |
| Net Profit After Tax available for Equity Shareholders    | (75.70)                        | (986.56)                       |
| Weighted Average Number of Equity Shares of Rs.10/- each  | 9,68,98,714                    | 9,20,54,429                    |
| Basic Earning per Share                                   | (0.08)                         | (1.07)                         |
| Diluted Earning per Share                                 | (0.07)                         | (1.07)                         |
| <b>EPS from continuing &amp; discontinuing operations</b> |                                |                                |
| Net Profit After Tax available for Equity Shareholders    | 4,727.44                       | 6,840.11                       |
| Weighted Average Number of Equity Shares of Rs.10/- each  | 9,68,98,714                    | 9,20,54,429                    |
| Basic Earning per Share                                   | 4.88                           | 7.43                           |
| Diluted Earning per Share                                 | 4.62                           | 7.38                           |

# TGV SRAAC LIMITED

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



## Notes to financial statements for the year ended 31st March, 2020

### Note 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.107.88 Lakhs (Previous year Rs.107.10 Lakhs) for Provident Fund contributions and Rs.40.94 Lakhs (Previous year Rs.39.19 Lakhs) for Superannuation Fund contributions in the Statement of Profit and Loss. The contribution payable to these plans by the Company is at rates specified in the rules of the schemes.

#### B) Defined Benefit Plan

The Company's obligation towards the Gratuity Fund is a defined benefit plan and is funded with Life Insurance Corporation of India. The following table sets out the funded status of the defined benefits scheme and the amount recognized in financial statement as per Actuarial Valuation:

(₹ in lakhs)

| Particulars                                                   | As at 31st March, 2020 | As at 31st March, 2019 |
|---------------------------------------------------------------|------------------------|------------------------|
| <b>1. Changes in present value of Obligations</b>             |                        |                        |
| Present value at the beginning of the year                    | 587.83                 | 548.78                 |
| Interest cost                                                 | 41.14                  | 42.53                  |
| Current Service Cost                                          | 45.23                  | 40.65                  |
| Benefits paid                                                 | (30.50)                | (27.49)                |
| Actuarial (gain)/loss on obligations                          | 37.11                  | (16.64)                |
| Present value at the end of the year                          | 680.81                 | 587.83                 |
| <b>2. Changes in fair value of plan assets</b>                |                        |                        |
| Fair value of plan assets at the beginning of the year        | 542.04                 | 500.19                 |
| Expected return on plan assets                                | 37.94                  | 38.76                  |
| Contributions                                                 | 54.89                  | 29.46                  |
| Benefits paid                                                 | (30.50)                | (27.49)                |
| Actuarial gain/(loss) on plan assets                          | 7.91                   | 1.12                   |
| Fair value of plan assets at the end of the year              | 612.30                 | 542.04                 |
| <b>3. Amount recognized in the balance sheet</b>              |                        |                        |
| Present value of obligations as at the end of year            | 680.81                 | 587.83                 |
| Fair value of plan assets as at the end of year               | 612.30                 | 542.04                 |
| Net asset/(liability) recognized in balance sheet             | (68.51)                | (45.79)                |
| <b>4. Expenses recognized in Statement of Profit and Loss</b> |                        |                        |
| Current service cost                                          | 45.23                  | 40.65                  |
| Interest cost                                                 | 41.14                  | 42.53                  |
| Expected return on plan assets                                | (37.94)                | (38.76)                |
| Expenses recognized in statement of profit and loss.          | 48.43                  | 44.42                  |
| <b>5. Amount recognized in Other Comprehensive Income</b>     |                        |                        |
| Actuarial (gain)/ loss on obligations                         | 37.11                  | (16.64)                |
| Actuarial (gain)/loss – plan assets                           | (7.92)                 | (1.13)                 |
| Actuarial (gain)/loss recognized in the year                  | 29.19                  | (17.77)                |
| <b>6. Assumptions</b>                                         |                        |                        |
| Discount rate                                                 | 7.00%                  | 7.75%                  |
| Salary escalation                                             | 7.00%                  | 7.00%                  |
| Expected rate of return                                       | 7.00%                  | 7.75%                  |


**Notes to financial statements for the year ended 31st March, 2020**
**Sensitivity Analysis:**

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase rate. Effect of change in mortality rate is negligible. Please note that the sensitivity analysis presented below may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in the assumption would occur in isolation of one another as some of the assumptions may be correlated. The result of the sensitivity analysis are given below:

| Period                                           | As at 31st March, 2020                                                 | As at 31st March, 2019                                                 |
|--------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------|
| <b>Defined benefit obligation (base)</b>         | <b>6,80,81,155 @ salary increase rate: 7% and discount rate: 7.00%</b> | <b>5,87,82,875 @ salary increase rate: 7% and discount rate: 7.75%</b> |
| Liability with x% increase in discount rate      | 636.98; x=1.00%                                                        | 549.74; x=1.00%                                                        |
| Liability with x% decrease in discount rate      | 730.05; x=1.00%                                                        | 630.54; x=1.00%                                                        |
| Liability with x% increase in salary growth rate | 729.56; x=1.00%                                                        | 630.43; x=1.00%                                                        |
| Liability with x% decrease in salary growth rate | 636.59; x=1.00%                                                        | 549.15; x=1.00%                                                        |
| Liability with x% increase in withdrawal rate    | 680.48; x=1.00%                                                        | 589.09; x=1.00%                                                        |
| Liability with x% decrease in withdrawal rate    | 681.15; x=1.00%                                                        | 586.40; x=1.00%                                                        |

**Note 27: Contingent Liabilities and Commitments:  
(to the extent not provided for)**

(₹ in lakhs)

| Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | As at 31 <sup>st</sup> March, 2020 | As at 31 <sup>st</sup> March, 2019 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|------------------------------------|
| <b>a)</b> Cheques / Bills Discounted with Banks                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 42.87                              | 407.11                             |
| <b>b)</b> Unexpired Letter of Credits/Bank guarantees (net of margin money paid)                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 634.90                             | 2,487.72                           |
| <b>c) Capital Commitments:</b><br>Estimated amount of Contracts remaining to be executed on Capital Account (Net of advances)                                                                                                                                                                                                                                                                                                                                                                                                          | 9,610.17                           | 10,740.79                          |
| <b>d)</b> Claims against the company not acknowledged as debts and not provided being disputed and pending in appeals/ Assessments in respect of:<br>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. Nil lakhs; previous year Rs. 4.43 lakhs;). Company made an appeal under SVLDR scheme, 2019 and obtained discharged certificate and paid the balance claims. | 0.00                               | 27.45                              |

# TGV SRAAC LIMITED

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



## Notes to financial statements for the year ended 31st March, 2020

(₹ in lakhs)

| Particulars                                                                                                                                                                                                                                                                                                                                                         | As at 31 <sup>st</sup> March, 2020 | As at 31 <sup>st</sup> March, 2019 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|------------------------------------|
| ii) The Fuel Surcharge Adjustment (FSA) charges for the year 2008-09 and 2009-10 payable to APCPDCL was contested by the Industrial units including the company before Hon'ble High Court of AP and obtained favorable order for 2008-09 and the matter was referred to Supreme Court and the same is pending.                                                      | 1,523.80                           | 1,523.80                           |
| iii) Claim of entry tax demand by Government of Andhra Pradesh Commercial Department on Machinery items – Electrical equipment and excel oven sacks etc., is not acknowledged as debt and filed writ petition before High Court of AP to grant stay order to stop all further proceedings. During 2019-20, provision for liability is made in the Books of account. | 0.00                               | 85.02                              |

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

### Note 28: Leases:

Effective 1st April, 2019, the Company adopted Ind AS 116, Leases and applied the standard to all lease contracts existing on 1st April, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the ROU asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended 31st March, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended 31st March, 2019.

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of Rs. 1,754.31 Lakhs, and a lease liability of Rs. 1,910.59 Lakhs. The cumulative effect of applying the standard, amounting to Rs. 156.29 Lakhs was debited to retained earnings. The effect of this adoption is in significant on the profit before tax, profit for the period and earnings per share. Ind AS 116 has resulted in an increase in cash in flows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The borrowing rate that is applied to lease liabilities as at 1st April, 2019 is 12.50%

**The changes in the carrying value of ROU assets for the year ended 31st March, 2020 are as follows:**

(₹ in lakhs)

| Particulars                    | Category of ROU Assets |            | Total    |
|--------------------------------|------------------------|------------|----------|
|                                | Buildings              | Equipments |          |
| Balance as at 1st April 2019   | 1,623.05               | 131.26     | 1,754.31 |
| Additions                      | 517.78                 | 50.84      | 568.62   |
| Deletions                      | -                      | -          | -        |
| Depreciation                   | 206.23                 | 47.26      | 253.49   |
| Balance as at 31st March, 2020 | 1,934.60               | 134.84     | 2,069.44 |

**The break-up of current and non-current lease liabilities as at 31st March, 2020 is as follows**

(₹ in lakhs)

| Particulars                     | As at 31st March, 2020 |
|---------------------------------|------------------------|
| Current Lease Liabilities       | 2,005.98               |
| Non - Current lease liabilities | 368.33                 |
| <b>Total</b>                    | <b>2,374.31</b>        |

**Notes to financial statements for the year ended 31st March, 2020**

The movement in lease liabilities during the year ended 31st March, 2020 is as follows

(₹ in lakhs)

| Particulars                    | Category of ROU Assets |            | Total    |
|--------------------------------|------------------------|------------|----------|
|                                | Buildings              | Equipments |          |
| Balance as at 1st April 2019   | 1,757.42               | 153.17     | 1,910.59 |
| Additions                      | 464.27                 | 44.12      | 508.39   |
| Deletions                      | -                      | -          | -        |
| Finance cost during the year   | 246.05                 | 17.76      | 263.81   |
| Payment of lease               | 253.28                 | 55.20      | 308.48   |
| Balance as at 31st March, 2020 | 2,214.46               | 159.85     | 2,374.31 |

The details of the contractual maturities of lease liabilities as at 31st March, 2020 on an undiscounted basis are as follows :

(₹ in lakhs)

| Particulars                | As at 31st March, 2020 |
|----------------------------|------------------------|
| (i) Less than one year     | 388.11                 |
| (ii) One to five years     | 1,949.83               |
| (iii) More than five years | 1,756.96               |





## TGV SRAAC LIMITED

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

Notes to financial statements for the year ended 31st March, 2020

Note 29: Segment Reporting:

(₹ in lakhs)

| Particulars                                                   | As at 31 <sup>st</sup><br>March, 2020  | As at 31 <sup>st</sup><br>March, 2019  |
|---------------------------------------------------------------|----------------------------------------|----------------------------------------|
| <b>Segment Revenue</b>                                        |                                        |                                        |
| a) Chemicals                                                  | 95,986                                 | 1,12,258                               |
| b) Oils & Fats                                                | 11,307                                 | 10,250                                 |
| <b>TOTAL</b>                                                  | <b>1,07,293</b>                        | <b>1,22,508</b>                        |
| Less: Inter segment revenue                                   | (3,267)                                | (2,050)                                |
| <b>Net Sales/Income from Operations</b>                       | <b>1,04,026</b>                        | <b>1,20,458</b>                        |
| <b>Segment Results Profit/(Loss) Before tax and interest:</b> |                                        |                                        |
| a) Chemicals                                                  | 10,690                                 | 18,135                                 |
| b) Oils & Fats                                                | (830)                                  | (1,704)                                |
| <b>TOTAL</b>                                                  | <b>9,860</b>                           | <b>16,431</b>                          |
| Less: I) a) Interest Expenses                                 | 3,905                                  | 6,299                                  |
| b) Interest Income                                            | (524)                                  | (384)                                  |
| II) Loss from discontinuing operations of power Plant         | (76)                                   | (987)                                  |
| <b>Total Profit before Tax</b>                                | <b>6,403</b>                           | <b>9,529</b>                           |
| <b>Segment Assets</b>                                         |                                        |                                        |
| a) Chemicals                                                  | 1,11,666                               | 96,818                                 |
| b) Oils & Fats                                                | 6,983                                  | 7,703                                  |
| c) Others                                                     | 7,873                                  | 4,064                                  |
| d) Discontinuing operations of Power Plant                    | 954                                    | 959                                    |
| <b>TOTAL</b>                                                  | <b>1,27,476</b>                        | <b>1,09,544</b>                        |
| <b>Segment Liabilities</b>                                    |                                        |                                        |
| a) Chemicals                                                  | 64,610                                 | 54,749                                 |
| b) Oils & Fats                                                | 4,986                                  | 4,290                                  |
| c) Others                                                     | 4,223                                  | 2,600                                  |
| <b>TOTAL</b>                                                  | <b>73,819</b>                          | <b>61,639</b>                          |
| <b>Depreciation and amortisation expense</b>                  |                                        |                                        |
| a) Chemicals                                                  | 5,123                                  | 4,767                                  |
| b) Oils & Fats                                                | 506                                    | 1,046                                  |
| <b>TOTAL</b>                                                  | <b>5,629</b>                           | <b>5,813</b>                           |
| <b>Additional information by geographics</b>                  |                                        |                                        |
| <b>Revenue by Geographical Market</b>                         | <b>Year ended<br/>31st March, 2020</b> | <b>Year ended<br/>31st March, 2019</b> |
| India                                                         | 97,543.67                              | 1,09,376.53                            |
| Outside India                                                 | 6,482.33                               | 11,081.47                              |
| <b>Total</b>                                                  | <b>1,04,026.00</b>                     | <b>1,20,458.00</b>                     |

### Revenue from major customers

The Group is not reliant on revenues from transactions with any single external customer and does not receive 10% or more of its revenues from transactions with any single external customer.


**Notes to financial statements for the year ended 31st March, 2020**
**Note 30: Related Party Disclosures:**

a) Names of related parties and description of relationship:

| Description of relationship                                                                                                             | Name of related party                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|-----------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Enterprises where significant influence of key managerial personnel or their relatives exists & with whom transactions have taken place | Sree Rayalaseema Hi-Strength Hypo Limited<br>TGV Projects and Investments Private Limited<br>Brilliant Bio Pharma Private Limited<br>Sree Maruthi Marine Industries Limited<br>Sree Maruthi Agro Tech Private Limited<br>Gowri Gopal Hospitals Private Limited<br>Sree Rayalaseema Galaxy Projects Private Limited<br>Nector Laboratories Private Limited<br>S.K.Salts Private Limited<br>M.V.Salts & Chemicals Private Limited<br>Brilliant Industries Private Limited<br>Sree Rayalaseema Dutch Kassenbouw Private Limited<br>Roopa Industries Limited<br>TGV Securities Private Limited<br>JSM International Limited<br>TGV Projects & Investments Private Limited - Unit : The Mourya Inn<br>Gowri Gopal Intensive Care Unit LLP |
| Key Management Personnel                                                                                                                | Shri. T.G. Venkatesh – Chairman<br>Shri. K.Karunakar Rao – C.E.O. & E.D. (F&C)<br>Shri. N.Jesvanth Reddy – E.D. (Tech.,)<br>Shri. Gopal Krishan Agarwal – E.D. (Tech.,)<br>Shri. C.Rajesh Khanna – C.F.O.<br>Shri. V.Radha Krishna Murthy – Company Secretary                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Directors                                                                                                                               | Shri. T. G. Venkatesh, Non-whole time Director<br>Shri. K.Karunakar Rao, Executive Director<br>Shri. N. Jesvanth Reddy, Executive Director<br>Shri. Gopal Krishan Agarwal – E.D. (Tech.,)<br>Shri. G Krishna Murthy, Independent Director<br>Shri. P N Vedanarayanan, Independent Director<br>Shri. J Nagabhushanam, Independent Director<br>Smt. M Asha Reddy, Independent Woman Director<br>Shri. Rangaraj K Rao, Nominee Director (upto 17.12.2019)<br>Smt. V Surekha, Woman Director (upto 28.01.2020)                                                                                                                                                                                                                           |
| Close members of Key managerial personnels family                                                                                       | Smt. T.G. Rajya Lakshmi<br>Smt. O. Sarada Reddy<br>Smt. Uma Agarwal                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |

# TGV SRAAC LIMITED

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



## Notes to financial statements for the year ended 31st March, 2020

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 31.03.20 | For the year ended 31.03.19 | Balance Outstanding as on 31.03.20 | Balance Outstanding as on 31.03.19 |
|-------------------------------------------------------------------------------------------------------|-------------------------------------------|-----------------------------|-----------------------------|------------------------------------|------------------------------------|
| <b>Enterprises where significant influence of key managerial personnel or their relatives exists:</b> |                                           |                             |                             |                                    |                                    |
| Sree Rayalaseema Hi- Strength Hypo Limited                                                            | Sales                                     | 13,291.21                   | 12,649.20                   | 1,154.27(Cr)                       | 509.51 (Cr)                        |
| Gowri Gopal Hospitals Private Limited                                                                 | Sales                                     | 0.26                        | 0.29                        | -                                  | -                                  |
| Roopa Industries Limited                                                                              | Sales                                     | 73.11                       | 69.90                       | 14.00 (Dr)                         | 6.73 (Dr)                          |
| Sree Rayalaseema Galaxy Projects Private Limited                                                      | Sales                                     | 13.71                       | 14.60                       | -                                  | -                                  |
| Sree Rayalaseema Hi- Strength Hypo Limited                                                            | Purchases                                 | 6,314.48                    | 6,135.80                    | -                                  | -                                  |
| Gowri Gopal Hospitals Private Limited                                                                 | Purchases                                 | 2.84                        | 2.74                        | -                                  | -                                  |
| Sree Rayalaseema Galaxy Projects Private Limited                                                      | Purchases                                 | 86.66                       | 77.92                       | 81.62 (Cr)                         | -                                  |
| Sree Maruthi Marine Industries Limited                                                                | Purchases                                 | 276.64                      | 284.12                      | 11.92 (Cr)                         | 66.74 (Cr)                         |
| Sree Maruthi Agro Tech Private Limited                                                                | Purchases                                 | 63.03                       | 52.17                       | 26.00 (Dr)                         | 89.11 (Dr)                         |
| M.V. Salts & Chemicals Private Limited                                                                | Purchases                                 | 47.98                       | 41.83                       | 31.48 (Dr)                         | 36.47 (Dr)                         |
| Sree Maruthi Agro Tech Private Limited                                                                | Land purchase                             | -                           | 123.66                      | -                                  | -                                  |
| Sree Maruthi Marine Industries Limited                                                                | Land purchase                             | 131.67                      | 166.69                      | -                                  | 118.17 (Dr)                        |
| TGV Projects and Investments Private Limited                                                          | Lease Rentals Paid                        | 298.88                      | 284.65                      | 19.65 (Cr)                         | -                                  |
| Brilliant Industries Private Limited                                                                  | Lease Rentals Paid                        | -                           | 2.36                        | -                                  | -                                  |
| Shri T G Venkatesh                                                                                    | Lease Rentals Paid                        | 63.14                       | -                           | 4.82 (Cr)                          | -                                  |
| Sree Rayalaseema Hi- Strength Hypo Limited                                                            | Rents Received                            | 6.56                        | 5.69                        | -                                  | -                                  |
| TGV Projects and Investments Private Limited                                                          | Rent deposit refund                       | -                           | 27.43                       | 100.75(Dr)                         | 100.75 (Dr)                        |
| TGV Projects & Investments Pvt. Ltd., Unit : The Mourya Inn                                           | Services availed                          | 192.21                      | 154.35                      | -                                  | -                                  |
| Gowri Gopal Hospitals Private Limited                                                                 | Services availed                          | 47.79                       | 44.24                       | 31.72(Cr)                          | 30.26 (Cr)                         |
| Sree Rayalaseema Hi- Strength Hypo Limited                                                            | Services availed                          | 87.82                       | 96.46                       | -                                  | -                                  |
| Nector Laboratories Private Limited                                                                   | Services availed                          | -                           | 13.86                       | 2.04 (Dr)                          | -                                  |
| Brilliant Bio Pharma Private Limited                                                                  | Services availed                          | -                           | -                           | -                                  | 39.38 (Dr)                         |
| Gowri Gopal Intensive Care Unit                                                                       | Services availed                          | 7.37                        | -                           | 7.37 (Cr)                          | -                                  |
| Brilliant Industries Private Limited                                                                  | Share Warrants Application Money Received | -                           | 2,283.91                    | 495.43 (Cr.)                       | 495.43 (Cr)                        |
| Brilliant Industries Private Limited                                                                  | Equity Shares allotted                    | -                           | 1,788.48                    | -                                  | -                                  |
| Shri T G Venkatesh                                                                                    | Equity Shares allotted including premium  | 1,882.62                    | -                           | -                                  | -                                  |
| Sree Rayalaseema Hi- Strength Hypo Limited                                                            | Investment in Equity & Dividend received  | 4.89                        | 4.89                        | 24.48 (Dr)                         | 24.48 (Dr)                         |
| Shri K.Karunakar Rao ED (F&C)                                                                         | Remuneration                              | 23.83                       | 24.00                       | -                                  | -                                  |
| Shri. N. Jesvanth Reddy, ED (Tech)                                                                    | Remuneration                              | 23.28                       | 24.00                       | -                                  | -                                  |
| Shri. Gopal Krishan Agarwal, ED (Tech)                                                                | Remuneration                              | 24.96                       | 24.93                       | -                                  | -                                  |
| Shri. V. Radha Krishna Murthy, Company Secretary                                                      | Remuneration                              | 9.58                        | 9.75                        | -                                  | -                                  |


**Notes to financial statements for the year ended 31st March, 2020**

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 31.03.20 | For the year ended 31.03.19 | Balance Outstanding as on 31.03.20 | Balance Outstanding as on 31.03.19 |
|---------------------------------------|--------------------------------------------|-----------------------------|-----------------------------|------------------------------------|------------------------------------|
| Shri. C.Rajesh Khanna, CFO            | Remuneration                               | 15.90                       | 14.30                       | 1.07 (Dr)                          | 1.47 (Dr)                          |
| Shri T.G. Venkatesh                   | Rent advance paid                          | -                           | 107.00                      | 107.00 (Dr)                        | 107.00 (Dr)                        |
| Shri T.G. Venkatesh                   | Share Application Money Received           | 1,411.96                    | 470.65                      | -                                  | 470.65 (Cr.)                       |
| Relatives to Key Management Personnel |                                            |                             |                             |                                    |                                    |
| Smt. O Sarada Reddy                   | Interest & Consultancy Principle repayment | 13.62                       | 23.22                       | -                                  | -                                  |
|                                       |                                            | -                           | 152.00                      | -                                  | -                                  |
| Smt. T.G. Rajya Lakshmi               | Rent Paid                                  | 1.86                        | 1.69                        | -                                  | -                                  |
| Smt.Uma Agarwal                       | Services                                   | 1.50                        | -                           | -                                  | -                                  |

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

**Note 31: Fair value measurements**
**a) Financial instruments by category**

The carrying value of financial instruments by categories as of March 31, 2020 is as follows :

(₹ in lakhs)

| Particulars                                        | FVTPL | FVTOCI        | Amortised cost   | Total            |
|----------------------------------------------------|-------|---------------|------------------|------------------|
| <b>Financial assets</b>                            |       |               |                  |                  |
| Investments                                        |       |               |                  |                  |
| Equity instruments                                 | -     | 767.38        | -                | 767.38           |
| Government securities                              | -     | -             | 1.90             | 1.90             |
| Trade receivables                                  | -     | -             | 8,269.92         | 8,269.92         |
| Cash and cash equivalents                          | -     | -             | 672.24           | 672.24           |
| Bank balances other than Cash and cash equivalents | -     | -             | 6,223.10         | 6,223.10         |
| Other financial assets                             | -     | -             | 10,604.76        | 10,604.76        |
| <b>Total Financial assets</b>                      | -     | <b>767.38</b> | <b>25,771.92</b> | <b>26,539.30</b> |

**Financial liabilities**

|                                    |   |   |                  |                  |
|------------------------------------|---|---|------------------|------------------|
| Borrowings                         | - | - | 36,684.25        | 36,684.25        |
| Trade and other payables           | - | - | 5,549.83         | 5,549.83         |
| Other financial liabilities        | - | - | 13,634.03        | 13,634.03        |
| <b>Total Financial liabilities</b> | - | - | <b>55,868.11</b> | <b>55,868.11</b> |

The carrying value of financial instruments by categories as of March 31, 2019 is as follows :

(₹ in lakhs)

| Particulars                                        | FVTPL | FVTOCI        | Amortised cost   | Total            |
|----------------------------------------------------|-------|---------------|------------------|------------------|
| <b>Financial as sets</b>                           |       |               |                  |                  |
| Investments                                        |       |               |                  |                  |
| Equity instruments                                 | -     | 979.60        | -                | 979.60           |
| Government securities                              | -     | -             | 1.90             | 1.90             |
| Trade receivables                                  | -     | -             | 9,900.87         | 9,900.87         |
| Cash and cash equivalents                          | -     | -             | 719.73           | 719.73           |
| Bank balances other than Cash and cash equivalents | -     | -             | 3,113.76         | 3,113.76         |
| Other financial assets                             | -     | -             | 11,811.64        | 11,811.64        |
| <b>Total Financial assets</b>                      | -     | <b>979.60</b> | <b>25,547.89</b> | <b>26,527.50</b> |
| <b>Financial liabilities</b>                       |       |               |                  |                  |
| Borrowings                                         | -     | -             | 27,381.73        | 27,381.73        |
| Trade and other payables                           | -     | -             | 4,773.91         | 4,773.91         |
| Other financial liabilities                        | -     | -             | 14,842.76        | 14,842.76        |
| <b>Total Financial liabilities</b>                 | -     | -             | <b>46,998.40</b> | <b>46,998.40</b> |

# TGV SRAAC LIMITED

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



## Notes to financial statements for the year ended 31st March, 2020

### 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 2020:

| Fair value measurement using                               |               |          |               | (₹ in lakhs)  |
|------------------------------------------------------------|---------------|----------|---------------|---------------|
| Particulars                                                | Level 1       | Level 2  | Level 3       | Total         |
| <b>Financial assets</b>                                    |               |          |               |               |
| <i>Financial instruments at FVTOCI</i>                     |               |          |               |               |
| <i>Investments in Quoted equity instruments</i>            |               |          |               |               |
| equity shares of Sree Rayalaseema Hi-Strength Hypo Ltd     | 176.83        | -        | -             | 176.83        |
| equity shares of Indian Bank                               | 0.36          | -        | -             | 0.36          |
| <i>Investments in Un-Quoted equity instruments</i>         |               |          |               |               |
| equity shares of Andhra Pradesh Gas Power Corporation Ltd* | -             | -        | 590.19        | 590.19        |
| <b>Total Financial assets</b>                              | <b>177.19</b> | <b>-</b> | <b>590.19</b> | <b>767.38</b> |

\*the percentage of shareholding of the Company in Andhra Pradesh Gas Power Corporation Ltd companies is low and hence, it has not been provided with future projections including projected profit and loss account. Hence, the valuation exercise carried out by the Company with the help of available historical annual reports and other information in the public domain.

Quantitative disclosures fair value measurement hierarchy for assets as at 31st March 2019:

| Fair value measurement using                              |               |          |               | (₹ in lakhs)  |
|-----------------------------------------------------------|---------------|----------|---------------|---------------|
| Particulars                                               | Level 1       | Level 2  | Level 3       | Total         |
| <b>Financial assets</b>                                   |               |          |               |               |
| <i>Financial instruments at FVTOCI</i>                    |               |          |               |               |
| <i>Investments in Quoted equity instruments</i>           |               |          |               |               |
| equity shares of Sree Rayalaseema Hi-Strength Hypo Ltd    | 415.34        | -        | -             | 415.34        |
| equity shares of Indian Bank                              | 2.34          | -        | -             | 2.34          |
| <i>Investments in Un-Quoted equity instruments</i>        |               |          |               |               |
| equity shares of Andhra Pradesh Gas Power Corporation Ltd | -             | -        | 561.93        | 561.93        |
| <b>Total Financial assets</b>                             | <b>417.68</b> | <b>-</b> | <b>561.93</b> | <b>979.60</b> |

### Reconciliation of Level 3 fair value measurements

Investment in unquoted shares irrevocably designated as FVTOCI

|                                                  |                        |                        | (₹ in lakhs) |
|--------------------------------------------------|------------------------|------------------------|--------------|
| Particulars                                      | As at 31st March, 2020 | As at 31st March, 2019 |              |
| Opening balance                                  | 561.93                 | 1043.07                |              |
| De-recognition                                   | -                      | (485.38)               |              |
| Total gains/losses in other comprehensive income | 28.26                  | 4.24                   |              |
| <b>Closing balance</b>                           | <b>590.19</b>          | <b>561.93</b>          |              |

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

There are no transfers between levels 1 and 2 during the year.


**Notes to financial statements for the year ended 31st March, 2020**
**Note 32: Discontinued Operations**
**Description:**

The Power Purchase Agreement with Karnataka Electricity Board (Power Distribution Companies) pertaining to Bellary power plant was expired on 31st August, 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, 2020 | As at 31st March, 2019 |
|---------------------------------------------------------------------------|------------------------|------------------------|
| Profit on sale of Assets                                                  | -                      | 41.26                  |
| Expenses                                                                  | 38.46                  | 917.16                 |
| Depreciation                                                              | 37.24                  | 110.65                 |
| <b>Profit/(Loss) from discontinued operations for the year before tax</b> | (75.70)                | (986.55)               |
| Tax (expense)/income                                                      | -                      | -                      |
| <b>Profit/(Loss) from discontinued operations for the year after tax</b>  | (75.70)                | (986.55)               |
| <b>Assets</b>                                                             |                        |                        |
| Fixed Assets                                                              | 937.72                 | 939.70                 |
| Current Assets including claims receivable                                | 16.27                  | 18.76                  |
| <b>Total Assets</b>                                                       | 954.19                 | 958.46                 |
| <b>Liabilities</b>                                                        | -                      | -                      |
| <b>Net Assets</b>                                                         | 954.19                 | 958.46                 |
| <b>Cash flow incurred is as follows</b>                                   |                        |                        |
| Operating activities                                                      |                        |                        |
| Sale of fixed assets                                                      | -                      | 45.00                  |
| Expenses                                                                  | (38.46)                | (917.16)               |
| Change in working capital                                                 | 2.29                   | 924.68                 |
| <b>Net cash (outflow)</b>                                                 | <b>(36.17)</b>         | <b>52.52</b>           |

**Note 33 : Capital Management & Risk Management**
**Capital Management**

The Company being in a capital intensive industry, its objective is to maintain a strong credit rating healthy capital ratios and establish a capital structure that would maximise the return to stakeholders through optimum mix of debt and equity.

The Company's capital requirement is mainly to fund its capacity expansion, repayment of principal and interest on its borrowings. The principal source of funding of the Company has been, and is expected to continue to be, cash generated from its operations supplemented by funding from bank borrowings.

The Company regularly considers other financing and refinancing opportunities to diversify its debt profile, reduce interest cost and align maturity profile of its debt commensurate with life of the assets, and closely monitors its judicious allocation amongst competing capital expansion projects and strategic acquisitions, to capture market opportunities at minimum risk.

**Gearing Ratio**

The Company monitors its capital using gearing ratio, The Company's strategy is to maintain gearing ratio below 1, which is total debt divided to total equity as given below:

(₹ in lakhs)

| Particulars                             | As at 31st March, 2020 | As at 31st March, 2019 |
|-----------------------------------------|------------------------|------------------------|
| <b>Total Debt*</b>                      | <b>19,864.38</b>       | <b>16,837.44</b>       |
| Equity share capital                    | 10,177.81              | 9,669.13               |
| Other equity                            | 43,478.83              | 38,235.60              |
| <b>Total equity</b>                     | <b>53,656.64</b>       | <b>47,904.73</b>       |
| <b>Total debt to Total equity ratio</b> | <b>0.37</b>            | <b>0.35</b>            |

# TGV SRAAC LIMITED

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



## Notes to financial statements for the year ended 31st March, 2020

\* 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, CHF. Foreign exchange risk arises from import as well as exports of goods. The risk is measured through a forecast of highly probable foreign currency cash flows.

The special team as mentioned above analysis the options for hedging. Based on the analysis the management takes decision regarding hedging of foreign currency exposures. Currently, the Company has 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 :

| Particulars              | As at 31st March, 2020 |                        | As at 31st March, 2019 |                        |
|--------------------------|------------------------|------------------------|------------------------|------------------------|
|                          | Currency               | Amount in FC (in lacs) | Currency               | Amount in FC (in lacs) |
| Receivables for export   | USD                    | 0.21                   | USD                    | 0.96                   |
| Payables for imports     |                        |                        |                        |                        |
| LC's issued to creditors | USD                    | 101.45                 | USD                    | 14.22                  |
| LC's issued to creditors | EURO                   | 12.35                  | EURO                   | 1.13                   |
| LC's issued to creditors | JPY                    | 3,678.92               | JPY                    | 0.00                   |
| LC's issued to creditors | CHF                    | 34.71                  | CHF                    | 0.00                   |

### Foreign Currency Sensitivity Analysis

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

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.


**Notes to financial statements for the year ended 31st March, 2020**

(₹ in lakhs)

|                              | As at 31st March, 2020      | As at 31st March, 2019 |
|------------------------------|-----------------------------|------------------------|
|                              | Impact on profit before tax |                        |
| <b>USD Sensitivity</b>       |                             |                        |
| Impact due to increase by 5% | (148.25)                    | (45.86)                |
| Impact due to decrease by 5% | 148.25                      | 45.86                  |
| <b>EURO Sensitivity</b>      |                             |                        |
| Impact due to increase by 5% | (0.22)                      | (4.38)                 |
| Impact due to decrease by 5% | 0.22                        | 4.38                   |
| <b>JPY Sensitivity</b>       |                             |                        |
| Impact due to increase by 5% | (0.56)                      | -                      |
| Impact due to decrease by 5% | 0.56                        | -                      |
| <b>CHF Sensitivity</b>       |                             |                        |
| Impact due to increase by 5% | (0.59)                      | -                      |
| Impact due to decrease by 5% | 0.59                        | -                      |

**Interest Rate Risk Management**

Interest rate risk is the risk that the fair value or future cash flows of a financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's borrowings with floating base interest rates. Based on the interest rate sensitivity the Company decides on the management of interest rate risk.

**Interest Rate Sensitivity:**

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating base rate borrowings, as follows:

|                                    | As at 31st March, 2020      | As at 31st March, 2019 |
|------------------------------------|-----------------------------|------------------------|
|                                    | Impact on profit before tax |                        |
| Increase / Decrease in base points |                             |                        |
| 50 base points higher              | (36.05)                     | (62.26)                |
| 50 base points lower               | 36.05                       | 62.26                  |

**B. Credit risk**

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is operating through network of dealers based at different locations. Regular monitoring of the receivables is undertaken by the marketing department and in case the limits are exceeded, steps will be taken by the marketing departments and after discussing with the management the Company will decide whether to stop or not further supplies to the concerned dealer till the amount outstanding is recovered. For the export made by the Company, the sales are backed by ECGC Coverage or advance receipts. The internal risk management committee of the Company meets regularly to discuss the dealers and credit risks, measures taken to address them and the status and level of risk after the measures taken.

Export sales are fully secured through ECGC Coverage or against advance receipts. (refer Note No.8(a) for Trade Receivables outstanding)

**C. Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company maintains flexibility in funding by maintaining availability under committed credit lines.

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.



# TGV SRAAC LIMITED

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



## Notes to financial statements for the year ended 31st March, 2020

### (i) Financing arrangements

(₹ in lakhs)

The table below provides details regarding the remaining contractual maturities of financial liabilities as at reporting date

| Particulars                             | On demand        | < 1 year | 1 - 5 years      | 5 + years | Total            |
|-----------------------------------------|------------------|----------|------------------|-----------|------------------|
| <b>As at 31st March, 2020</b>           |                  |          |                  |           |                  |
| Bank borrowings                         | -                | -        | 17,211.03        | -         | 17,211.03        |
| Deferred sales tax loan                 | -                | -        | 435.35           | -         | 435.35           |
| Provided for disputed dues              | 5,478.49         | -        | -                | -         | 5,478.49         |
| Trade Deposits from Dealers/customers   | 803.50           | -        | -                | -         | 803.50           |
| Total non-current financial liabilities | 6,281.99         | -        | 17,646.38        | -         | 23,928.36        |
| Current borrowings                      | 19,037.87        | -        | -                | -         | 19,037.87        |
| Trade payables                          | 5,549.83         | -        | -                | -         | 5,549.83         |
| Other current financial liabilities     | 7,352.05         | -        | -                | -         | 7,352.05         |
| Total current financial liabilities     | 31,939.75        | -        | -                | -         | 31,939.75        |
| <b>Total</b>                            | <b>38,221.74</b> | <b>-</b> | <b>17,646.38</b> | <b>-</b>  | <b>55,868.12</b> |

### As at 31st March, 2019

|                                         |                  |          |                  |          |                  |
|-----------------------------------------|------------------|----------|------------------|----------|------------------|
| Bank borrowings                         | -                | -        | 11,737.21        | -        | 11,737.21        |
| Deferred sales tax loan                 | -                | -        | 500.43           | -        | 500.43           |
| Provided for disputed dues              | 5,250.43         | -        | -                | -        | 5,250.43         |
| Trade Deposits from Dealers/customers   | 603.50           | -        | -                | -        | 603.50           |
| Total non-current financial liabilities | 5,853.93         | -        | 12,237.64        | -        | 18,091.57        |
| Current borrowings                      | 15,144.09        | -        | -                | -        | 15,144.09        |
| Trade payables                          | 4,773.91         | -        | -                | -        | 4,773.91         |
| Other current financial liabilities     | 8,988.84         | -        | -                | -        | 8,988.84         |
| Total current financial liabilities     | 28,906.84        | -        | -                | -        | 28,906.84        |
| <b>Total</b>                            | <b>34,760.77</b> | <b>-</b> | <b>12,237.64</b> | <b>-</b> | <b>46,998.41</b> |

The following table shows summary of the sources of risk which the entity is exposed to and how the entity manages the risk and the impact in the financial statements:

| Exposure arising from                                                                                             | Risk                           | Measurement                      | Management                                                            |
|-------------------------------------------------------------------------------------------------------------------|--------------------------------|----------------------------------|-----------------------------------------------------------------------|
| Foreign currency transactions                                                                                     | Market risk - foreign exchange | 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<br>credit ratings | Diversification of bank deposits, credit limits and letters of credit |
| Borrowings and Financial liabilities                                                                              | Liquidity risk                 | Rolling cash flow forecasts      | Availability of committed credit                                      |

### Note 34: Income and expenditure in foreign currency and Foreign Currency Exposures

#### Earnings in Foreign Currency

(₹ in lakhs)

| Particulars             | As at 31st March, 2020 | As at 31st March, 2019 |
|-------------------------|------------------------|------------------------|
| i) FOB value of exports | 5,358.12               | 9,203.20               |
| ii) Others              | 3.89                   | 1.87                   |

#### Expenditure in Foreign Currency

(₹ in lakhs)

| Particulars                  | As at 31st March, 2020 | As at 31st March, 2019 |
|------------------------------|------------------------|------------------------|
| i) Traveling                 | 33.74                  | 10.24                  |
| ii) Fees and charges         | 3.78                   | 3.81                   |
| iii) Commission Paid         | 18.80                  | 26.85                  |
| iv) Interest & Bank charges  | 168.25                 | 91.96                  |
| v) Technical service charges | 63.38                  | 4.01                   |


**Notes to financial statements for the year ended 31st March, 2020**
**Foreign Currency Exposures**

(₹ in lakhs)

| Particulars                        | As at 31st March, 2020  |              | As at 31st March, 2019  |              |
|------------------------------------|-------------------------|--------------|-------------------------|--------------|
|                                    | Recognised amount (Rs.) | Amount in FC | Recognised amount (Rs.) | Amount in FC |
| Receivables for export             | 15.75                   | \$ 0.21      | 66.49                   | \$ 0.96      |
| Payables for imports towards LC's: | 7,647.82                | \$ 101.45    | 983.71                  | \$ 14.22     |
|                                    | 1,025.96                | EUR12.35     | 87.63                   | EUR 1.13     |
|                                    | 2,720.63                | CHF34.71     | -                       | -            |
|                                    | 2,562.36                | JPY3,678.92  | -                       | -            |

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

(₹ in lakhs)

| Particulars                      | As at 31st March, 2020 | As at 31st March, 2019 |
|----------------------------------|------------------------|------------------------|
| i) Raw Materials                 | 6,476.40               | 6,442.75               |
| ii) Coal                         | 1,163.18               | 777.00                 |
| iii) Chemicals & Spares & Stores | 3,162.64               | 1,080.14               |
| iv) Capital Goods / Services     | 4,208.67               | 5,114.73               |

**Note 35:**

Under the Micro, Small and Medium Enterprises Development Act, 2006 and in accordance with the notification issued by the Ministry of Corporate Affairs, certain disclosures are required to be made relating to Micro, Small and Medium Enterprises as defined in the said Act. The company is in the process of compiling the relevant information from its suppliers about their coverage under the said Act and hence required disclosures made to the extent available.

**The following are outstanding balances as at 31.03.2020:**

(₹ in lakhs)

| Particulars                                                                                                                                                                                                                                                                                                                        | As at 31st March, 2020 | As at 31st March, 2019 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| i) principal amount remaining unpaid to any supplier as at the end of the accounting year (all are within agreed credit period and not due for payment)                                                                                                                                                                            | 1,085.32               | 1,516.14               |
| ii) the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year                                                                                                                                               | NIL                    | NIL                    |
| iii) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;                                                                                                                | NIL                    | NIL                    |
| iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; and                                                                                                                                                                                                                                    | NIL                    | NIL                    |
| v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006 | NIL                    | NIL                    |

# TGV SRAAC LIMITED

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



## Notes to financial statements for the year ended 31st March, 2020

### Note 36: Contingent assets:

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

(₹ in lakhs)

| Particulars                                | As at 31st March, 2020 | As at 31st March, 2019 |
|--------------------------------------------|------------------------|------------------------|
| Against Debtors, Contractors and Suppliers | 662.35                 | 678.83                 |

### Note 37: Revenue from contracts with Customers:

The Company is producer of Chloro-Alkali & Chloromethane products and also manufactures Castor Derivatives and Fatty Acids.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

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

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

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

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

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

(₹ in lakhs)

| Sl. No.  | Revenue by offerings                                     | As at 31st March, 2020 | As at 31st March, 2019 |
|----------|----------------------------------------------------------|------------------------|------------------------|
| <b>A</b> | <b>MANUFACTURED GOODS</b>                                |                        |                        |
| 1        | Caustic Soda Lye / Flakes                                | 60,158.34              | 81,022.93              |
| 2        | Liquid Chlorine                                          | 4,519.03               | 3,821.48               |
| 3        | Hydrochloric Acid                                        | 2,482.39               | 2,178.89               |
| 4        | Hydrogen Gas                                             | 1,117.79               | 1,123.18               |
| 5        | Bleach Liquor                                            | 1,828.28               | 1,979.13               |
| 6        | Caustic Potash Lye/Flakes                                | 18,603.86              | 14,302.31              |
| 7        | Potassium Carbonate                                      | 1,203.34               | 1,114.19               |
| 8        | Hydrogenated Castor Oil                                  | 598.22                 | 715.13                 |
| 9        | 12 Hydroxy Stearic Acid                                  | 1,571.78               | 1,653.81               |
| 10       | Refined Glycerine                                        | 308.74                 | 363.86                 |
| 11       | Stearic Acid                                             | 5,392.47               | 3,713.68               |
| 12       | Soap Noodles.                                            | 309.30                 | 3,432.87               |
| 13       | Toilet Soaps                                             | 185.89                 | 277.42                 |
| 14       | Methylene Chloride                                       | 11,484.97              | 15,097.26              |
| 15       | Chloroform                                               | 4,686.65               | 5,669.65               |
| 16       | Others less than 1% of Total Turnover (Balancing figure) | 6,137.08               | 3,212.12               |
|          | <b>TOTAL</b>                                             | <b>1,20,588.13</b>     | <b>1,39,677.91</b>     |
|          | <b>Less: Indirect taxes</b>                              | <b>17,536.51</b>       | <b>19,832.34</b>       |
|          | <b>Net Revenue from products</b>                         | <b>1,03,051.62</b>     | <b>1,19,845.58</b>     |

The Company represents revenue net of indirect taxes in its Statement of Profit and Loss.

**Notes to financial statements for the year ended 31st March, 2020****A. Disaggregate Revenue Information**

The disaggregated revenue from contracts with the customers for the year ended 31st March, 2020 by offerings and contract type.

(₹ in lakhs)

| Sl. No. | Revenue by contract type | As at 31st March, 2020 | As at 31st March, 2019 |
|---------|--------------------------|------------------------|------------------------|
| 1       | Fixed timeframe          | 1,03,051.62            | 1,19,845.58            |
| 2       | Time and material        | 974.57                 | 611.89                 |

**B. Remaining Performance Obligations**

The remaining performance obligation disclosure provides the aggregate amount of transaction price yet to be recognised as at the end of the reporting period and an explanation as to when the Company expects to recognise these amounts in revenue.

Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognised corresponds directly with the value to the customer of entity's performance completed to date.

The aggregate amount of transaction price allocated to remaining performance obligations as per the requirements of Ind AS 115 is Rs.7,338.53 Lakhs (Previous year Rs. 8,446.84 Lakhs) out of which, approximately 99.04% (Previous year 99.85%) is expected to be recognized as revenues within one year and the balance beyond one year.

**Note 38: Cost of Raw Materials Consumed:**

(₹ in lakhs)

| Sl. No. | Description of Material        | As at 31st March, 2020 | As at 31st March, 2019 |
|---------|--------------------------------|------------------------|------------------------|
| 1       | SALT                           | 7,169.28               | 7,500.82               |
| 2       | CASTOR OIL                     | 2,450.59               | 2,557.46               |
| 3       | ACID OILS & OTHER OILS         | 5,793.40               | 4,862.58               |
| 4       | POTASSIUM CHLORIDE             | 9,277.32               | 6,285.03               |
| 5       | RAW MATERIALS-SOAPS            | 17.59                  | 23.61                  |
| 6       | HYDROCHLORIC ACID NORMAL GRADE | 49.23                  | 77.14                  |
| 7       | METHANOL                       | 3,380.09               | 4,815.67               |
|         | <b>TOTAL</b>                   | <b>28,137.50</b>       | <b>26,122.31</b>       |

# TGV SRAAC LIMITED

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



Notes to financial statements for the year ended 31st March, 2020

Note 39: Raw material consumed

(₹ in lakhs)

| Particulars                                  | As at 31 <sup>st</sup> March, 2020 |                  |       | As at 31 <sup>st</sup> March, 2019 |                  |       |
|----------------------------------------------|------------------------------------|------------------|-------|------------------------------------|------------------|-------|
|                                              | Qty MT/KL                          | Rs. in lakhs     | %     | Qty MT/KL                          | Rs. in lakhs     | %     |
| i) Salt                                      |                                    |                  |       |                                    |                  |       |
| - Imported                                   | -                                  | -                | -     | -                                  | -                | -     |
| - Indigenous                                 | 2,83,041                           | 7,169.28         | 100   | 3,04,364                           | 7,500.81         | 100   |
| ii) Potassium chloride                       |                                    |                  |       |                                    |                  |       |
| - Imported                                   | 36,033                             | 9,277.32         | 100   | 27,480                             | 6,285.03         | 100   |
| - Indigenous                                 | -                                  | -                | -     | -                                  | -                | -     |
| iii) Castor Oil                              |                                    |                  |       |                                    |                  |       |
| - Imported                                   | -                                  | -                | -     | -                                  | -                | -     |
| - Indigenous                                 | 2,590                              | 2,450.59         | 100   | 2,634                              | 2,557.46         | 100   |
| iv) Lauric Acid                              |                                    |                  |       |                                    |                  |       |
| - Imported                                   | 65                                 | 41.83            | 100   | 68                                 | 49.12            | 73    |
| - Indigenous                                 | -                                  | -                | -     | 25                                 | 19.31            | 27    |
| v) Palm fatty acid distillate                |                                    |                  |       |                                    |                  |       |
| - Imported                                   | -                                  | -                | -     | -                                  | -                | -     |
| - Indigenous                                 | 13,344                             | 5,096.48         | 100   | 10,743                             | 3,977.64         | 100   |
| vi) Palm Kernel oil/<br>Distilled fatty acid |                                    |                  |       |                                    |                  |       |
| - Imported                                   | 500                                | 211.00           | 46.80 | 401                                | 251.07           | 53.54 |
| - Indigenous                                 | 568                                | 273.77           | 53.20 | 348                                | 224.15           | 44.46 |
| vii) Crude Glycerine                         |                                    |                  |       |                                    |                  |       |
| - Imported                                   | 174                                | 48.54            | 100   | 525                                | 159.27           | 64.25 |
| - Indigenous                                 | -                                  | -                | -     | 128                                | 88.63            | 35.75 |
| viii) Methanol                               |                                    |                  |       |                                    |                  |       |
| - Imported                                   | 13,709                             | 3,380.09         | 100   | 14,065                             | 4,815.67         | 100   |
| - Indigenous                                 | -                                  | -                | -     | -                                  | -                | -     |
| ix) Other Raw Materials                      |                                    |                  |       |                                    |                  |       |
| - Imported                                   | -                                  | -                | -     | 193                                | 93.41            | 48.11 |
| - Indigenous                                 | -                                  | 188.61           | 100   | 11,479                             | 100.74           | 51.89 |
| Total:                                       |                                    |                  |       |                                    |                  |       |
| - Imported                                   |                                    | 12,958.78        |       |                                    | 11,653.57        |       |
| - Indigenous                                 |                                    | 15,178.73        |       |                                    | 14,468.74        |       |
|                                              |                                    | <b>28,137.51</b> |       |                                    | <b>26,122.31</b> |       |

**TGV SRAAC LIMITED****(formerly known as Sree Rayalaseema Alkalies and Allied Chemicals Limited)****Notes to financial statements for the year ended 31st March, 2020****Note 40: Value of Chemicals, Packing and Stores consumed (other than used for repairs)** (₹ in lakhs)

| Particulars   | As at 31 <sup>st</sup> March, 2020 |               | As at 31 <sup>st</sup> March, 2019 |               |
|---------------|------------------------------------|---------------|------------------------------------|---------------|
|               | Rs in lakhs                        | %             | Rs in lakhs                        | %             |
| a) Imported   | 174.44                             | 3.00          | 507.23                             | 8.49          |
| b) Indigenous | 5,632.13                           | 97.00         | 5,467.99                           | 91.51         |
| <b>Total</b>  | <b>5,806.57</b>                    | <b>100.00</b> | <b>5,975.22</b>                    | <b>100.00</b> |

**Note 41:** Figures have been rounded off to the nearest decimal of lakhs as required under Schedule III.**Note 42:** Previous year's figures have been regrouped / reclassified wherever necessary to Correspond With the current year's classification / disclosure.

As per our attached report of even date

for **K S Rao & Co.,**  
Chartered Accountants  
Firm's Regn. No. 003109SSd/-  
**(CA P. GOVARDHANA REDDY)**Partner  
Membership No. 029193  
Place : Hyderabad  
Date : 30<sup>th</sup> June, 2020

For and on behalf of the Board

Sd/-  
**CA K. KARUNAKAR RAO**  
Executive Director (Fin. & Comm.) & CEOSd/-  
**N. JESVANTH REDDY**  
Executive Director (Technical)Sd/-  
**CS V. RADHAKRISHNA MURTHY**  
Company SecretarySd/-  
**CA C. RAJESH KHANNA**  
Vice President (F&A) & CFO



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**(CIN : L24110AP1981PLC003077)**

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Khairatabad, Hyderabad - 500 004. (Telangana State)

Ph. No. 040-23313842, Email : sralkalies@tgvmail.net