



BOARD OF DIRECTORS

Sri G. Krishna Murthy
(Chairman)

Sri M. P. Murti

Sri P. Sitaram
(Nominee of IDBI)

Sri S.K. Ganguli
(Nominee of IFCl up to 07.05.2012)

Smt Venus Bhanot
(Nominee of IFCl from 07.05.2012)

Sri P.N. Vedanarayanan

Sri O.D. Reddy

Sri K. Karunakar Rao
Executive Director & CEO

Sri N. Jesvanth Reddy
Executive Director (Technical)

CHIEF GENERAL MANAGER & COMPANY SECRETARY

Sri V. Radhakrishna Murthy

BANKERS

Indian Bank
United Bank of India
The South Indian Bank Ltd.
IDBI Bank Ltd.
The Federal Bank Ltd.
Canbank Factors Ltd.

AUDITORS

Brahmayya & Co.
Chartered Accountants
21/142-6, S.K.D.Colony Extn.
Adoni – 518 301 (A.P)

REGISTERED OFFICE & FACTORY

Gondiparla,
Kurnool - 518 004 (A.P)

CORPORATE OFFICE

40-304, 2nd Floor
Krishna Jyothsna Complex
Bhagyanagar
Kurnool – 518 004 (A.P)

REGISTRAR & SHARE TRANSFER AGENT

Aarthi Consultants Pvt. Ltd.
Regd. Office: 1-2-285, Domalguda
Hyderabad - 500 029 (A.P)
Tel No. 040 - 27638111 / 4445
Fax No: 040 - 27632184

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NOTICE

NOTICE is hereby given that the **30th Annual General Meeting of the Members of SREE RAYALASEEMA ALKALIES AND ALLIED CHEMICALS LIMITED** will be held at the Registered Office of the Company at the factory premises, Gondiparla, Kurnool - 518 004 (A.P.) on Friday, 28th day of September, 2012 at 4.00 P.M. to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2012 and the statement of Profit and Loss for the period ended on that date and the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Sri M.P.Murti, who retires by rotation and is eligible for reappointment.
3. To appoint a Director in place of Sri O.D.Reddy, who retires by rotation and is eligible for reappointment.
4. To appoint Auditors and to fix their remuneration. In this connection, to consider and, if thought fit, to pass with or without modification the following as a **SPECIAL RESOLUTION**.

"RESOLVED THAT subject to the provisions of 224 A of Companies Act, 1956 the retiring Auditors, M/s.Brahmayya & Co., Chartered Accountants, Adoni, Kurnool District be and hereby appointed as Auditors of the company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on a remuneration as decided by the Board of Directors on recommendation of the Audit Committee as "Audit Fee" exclusive of reimbursement of actual travelling and other expenses."

SPECIAL BUSINESS :

5. Increase in Authorised Share Capital.

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

"RESOLVED that pursuant to Section 94 (1) (a) and other applicable provisions, if any, of the Companies

Act, 1956, the Authorised Share Capital of the Company be and is hereby increased from the existing Rs. 87,00,00,000 (Rupees Eighty Seven Crores Only) divided into 6,80,00,000 (Six Crore Eighty Lacs) of Equity Shares of Rs.10/- (Rupees Ten Only) and 1,90,00,000 (One Crore Ninety Lacs) of Preference Shares of Rs.10/- (Rupees Ten Only) to Rs.100,00,00,000 (Rupees One Hundred Crores Only) divided into 8,10,00,000 (Eight Crore Ten Lacs) of Equity Shares of Rs.10/- (Rupees Ten Only) and 1,90,00,000 (One Crore Ninety Lacs) of Preference Shares of Rs.10/- (Rupees Ten only) each, ranking pari passu with the existing Equity Shares of the Company."

6. Alteration of Capital Clause of Memorandum of Association.

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

"RESOLVED THAT pursuant to the provisions of Section 16 and other applicable provisions, if any, of the Companies Act, 1956 proviso i) to Sub-clause (a) of Clause V of the Memorandum of Association of the company be hereafter replaced by the following Sub-Clause (a) of Clause V.

- V. (a) The Authorised Share Capital of the Company is Rs.100,00,00,000 (Rupees One Hundred Crores Only) comprising of :
 - i) Equity Share Capital of the Company is Rs.81,00,00,000 (Rupees Eight y One Crores only) divided into 8,10,00,000 (Eight Crore Ten Lacs) Equity Shares of Rs.10/- (Rupees Ten Only) each.
 - ii) Preference Share Capital of Rs.19,00,00,000 (Rupees Nineteen Crores Only) divided into 1,90,00,000 (One Crore Ninety Lacs) Preference Shares of Rs.10/- (Rupees Ten Only) each, having a coupon rate of 0.01% redeemable after 15 years.

7. Alteration of Articles of Association.

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



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"RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956 and the Articles of Association of the Company, the existing Articles of Association of the Company, be altered by substituting the following proviso i) of Article 7, :

7. The Authorised Share Capital of the Company is Rs.100,00,00,000 (Rupees One Hundred Crores Only) comprising of :

- i) Equity Share Capital of the Company is Rs.81,00,00,000 (Rupees Eight y One Crores Only) divided into 8,10,00,000 (Eight crore ten lacs) Equity Shares of Rs.10/- (Rupees Ten Only) each.
- ii) Preference Share Capital of Rs.19,00,00,000 (Rupees Nineteen Crores Only) divided into 1,90,00,000 (One Crore Ninety Lacs) Preference Shares of Rs.10/- (Rupees Ten Only) each, having a coupon rate of 0.01% redeemable after 15 years.

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

"RESOLVED THAT the consent of the members accorded to the Company in terms of Section 293 (1) (a) and other applicable provisions, if any, of the Companies Act, 1956 to mortgage and / charge by the Board of Directors of the Company of all the movable and immovable properties of the Company with respect to Chloromethanes Project wheresoever situate, present and future, and the whole of undertaking of the Company together with power to take over the management of the business and concern of the Company in certain events, to or in favour of following for creation of first exclusive charge :

- (a) Indian Bank for its term loan of Rs. 36 Crores sanctioned vide their Sanction Letter Ref.No.655 dt.30.08.2011.
- (b) United Bank of India for its term loan of Rs. 31 Crores sanctioned vide their Sanction Letter Ref.No.HYD/ADV/SRAACL/1476/2011 dt.15.10.2011.

- (c) The South Indian Bank for its term loan of Rs. 5 Crores for Chloromethanes Project sanctioned vide their Sanction Letter Ref.No.Loans/030/10-11 dt.24.03.2011.

In addition to the above, second pari passu charge on the Chloromethanes Project assets has to be ceded by Term Loan Bankers for Chloromethanes Project in favour of Working Capital Consortium Banks (IB, UBI, SIB, FBL and CBF) and Financial Institutions namely IDBI and IFCI for their Working Capital Assistance and other Term Loans to the company.

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 above Banks and Financial Institutions under their Loan agreements in respect of the said term loans.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to finalise with Indian Bank (Lead Bank) the documents for creating aforesaid mortgage and / or charge and to do all such acts and deeds as may be necessary for giving effect to the above resolution.

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

"RESOLVED THAT the consent of the members accorded to the Company in terms of Section 293 (1) (a) and other applicable provisions, if any, of the Companies Act, 1956 to mortgage and/or charge by the Board of Directors of the Company of all the movable and immovable properties of the Company (except the assets of Bellary Power Project) with respect to the enhancement in working capital facilities sanctioned to the company and term loan sanctions to the Company for Chloromethanes project wheresoever situate, present and future, and the whole of undertaking of the Company together with power to take over the management of the business and concern of the Company in certain events, to or in favour of following Banks for additional Working Capital facilities for creation of second pari passu charge:



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- (a) IDBI – Additional Working Capital Facilities of Rs. 680 Lakh;
- (b) IB – Additional Working Capital Facilities of Rs. 2780 Lakh;
- (c) UBI – Additional Working Capital Facilities of Rs. 1799 lakh;
- (d) SIB – Additional Working Capital Facilities of Rs. 867 Lakh;
- (e) FBL – Additional Working Capital Facilities of Rs. 579 Lakh;
- (f) CBF – Additional Working Capital Facilities of Rs. 1125 lakh .
- (g) Indian Bank for its term loan of Rs. 36 Crores for the Chloromethanes project.
- (h) United Bank of India for its term loan of Rs. 31 Crores for the Chloromethanes project.
- (i) The South Indian Bank for its term loan of Rs. 5 Crores for the Chloromethanes project.

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 above Banks/Financial Institutions under their Loan agreements in respect of the Working Capital facilities and Term Loans.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to finalise with IDBI (Lead Institution) the documents for creating aforesaid mortgage and / or charge and to do all such acts and deeds as may be necessary for giving effect to the above resolution.

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

"RESOLVED THAT in supersession to the resolution passed at the 14th Annual General Meeting of the Company held on 30.09.1996 and pursuant to Sec 293 (1) (d) of the Companies Act, 1956, the Board of Directors be and are hereby authorized to borrow

money from time to time for the purpose of the business of the Company on such terms and conditions as the Board of Directors consider fit, any sum or sums of money which together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital of the Company and its free reserves (i.e. reserves not set apart for any specific purpose) provided that the total amount which may be so borrowed by the Board of Directors and outstanding at any one time shall not exceed Rs. 750 Crores."

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

"RESOLVED THAT pursuant to the provisions of Section 81(1A) and all other applicable provision, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and in accordance with enabling provisions of the Memorandum and Articles of Association of the Company, and the Listing Agreement entered into by the Company with the Stock exchange where the securities of the Company are listed (BSE) and in accordance with the provisions of Guidelines for Preferential Issues contained in Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (referred as 'SEBI (ICDR) Regulations, 2009') and other applicable provisions of SEBI including any amendment(s) to or re-enactment thereof and subject to the approvals, consents, permissions and / or sanctions, as may be required from any appropriate authority, institution or body (hereinafter collectively referred to as the "the appropriate authorities") and subject to such terms, conditions, alterations, corrections, changes, variations and / or modifications, if any as may be prescribed by any one or more or all of them in granting such approvals, consents, permissions and / or sanctions (hereinafter referred to as "the requisite approvals") and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any committee duly constituted by the Board) or any Committee which the Board may have constituted or hereafter constitute, to exercise one or more of its powers including the powers



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conferred on the Board by this resolution), the consent of the Company be and is hereby accorded to the Board/Committee to offer, issue and allot 1,12,27,560 convertible share warrants of face value of Rs.10/- each upon conversion of Promoters (Allottees) Un-secured loans into share warrants at an issue price of Rs.10/- per Share Warrant as computed in accordance with SEBI (ICDR) Regulations, 2009 to (i) M/s.Sree Rayalaseema Hi-Strength Hypo Limited - 82,91,518 (35,52,278 + 37,39,240 +10,00,000) Share warrants and (ii) M/s.TGV Projects & Investments Pvt. Ltd., - 29,36,042 Share warrants being part of promoters group of the Company on preferential basis and convertible in equal number of equity shares in three (3) Tranches within a period not exceeding 18 months from the date of allotment of warrants."

"RESOLVED FURTHER THAT each of the aforesaid share warrants be converted at the option of the holder at anytime within 18 months from the date of issue, into one fully paid-up Equity Share at an issue price of Rs.10/- per share, determined in accordance with the prevailing regulation for Preferential Issue contained in Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements), Regulation, 2009."

"RESOLVED FURTHER THAT the 'Relevant Date' for above mentioned preferential issue as per SEBI (ICDR) Regulations, 2009 for the determination of applicable price for Equity Shares is 29th August, 2012 being the date 30 days prior to the date of passing of this resolution."

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

"RESOLVED FURTHER THAT the Company do apply for listing of the new Equity Shares to be issued upon conversion of share warrants with BSE."

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

"RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board (including its committee)

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

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

By Order of the Board

Sd/-

Place: Kurnool
Date : 29.08.2012

(V. RADHAKRISHNA MURTHY)
Chief General Manager and
Company Secretary

NOTES :

1. A member entitled to attend and vote at a meeting is entitled to appoint one or more Proxies to attend and vote on a poll on his behalf and such proxy need not be a member of the company. A Proxy Form is enclosed. Proxy Form in order to be effective, duly completed, must be received by the company at the Registered Office not less than 48 hours before the time fixed for the Meeting.
2. Explanatory Statement as required under Section 173(2) of the Companies Act, 1956 is annexed hereto.



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3. Members are requested to bring with them the attendance Slip sent with the Annual Report duly completed and signed and hand it over at the entrance.
4. Pursuant to Sec.154 of the Companies Act, 1956 and Clause-16 of the Listing Agreement, the Register of Members and Share Transfer Books of the Company will remain closed for 7 days i.e., from 22-09-2012 to 28-09-2012 (both days inclusive).
5. Non-resident Indian Shareholders are requested to inform us immediately :
 - a) the change in Residential Status on return to India for permanent settlement.
 - b) the particulars of Bank NRE Account, if not furnished earlier.

REQUEST TO THE MEMBERS :

1. Queries, if any, on Annual Accounts may please be forwarded to the Registered Office of the Company atleast 7 days before the date of the Annual General Meeting to enable us to prepare the answers well in advance.
2. Members are requested to quote Folio No. / Client ID No. in all correspondence.
3. Since the company's shares are permitted for trading under compulsory demat mode, shareholders holding shares in physical form are requested to dematerialize the same immediately to avoid any inconvenience in future. Company's Equity Shares ISIN No.INE284B01028 and CRPS ISIN No.INE284B04014.
4. Members are requested to note the following "e-mail Id" for any clarification on shares and other related matters "sralkalies@tgvmail.net".

EXPLANATORY STATEMENT

(Pursuant to Section 173 (2) of the Companies Act,1956)

ITEM NO. 4

Since the combined shareholding of public financial institutions in the Company together exceeds 25% of the subscribed share Capital, the reappointment of Auditors of the Company is required to be made by a Special Resolution, as required under Section 224 A of the Companies Act,1956.

None of the Directors is interested or concerned in the resolution.

The Board of Directors recommends the above as Special resolution for your approval.

ITEM NO. 5, 6 & 7 : Alteration of Capital Clause of Memorandum of Association and Articles of Association.

To meet the Capital requirements with respect to implementation of Chloromethanes Project being implemented in pursuance to the approval of Banks, the Company has proposed to increase the Authorised Share Capital from the existing Rs. 87,00,00,000 (Rupees Eighty Seven Crores Only) to Rs.100,00,00,000 (Rupees One Hundred Crores Only) by increasing Equity Share Capital of the Company by Rs.13,00,00,000 divided into 1,30,00,000 Equity Shares with a face value of Rs.10/- each. This will facilitate the company to issue Equity Shares under preferential issue to the promoters after fulfillment of formalities and by conversion of unsecured loans into share warrants. This proposal requires alterations in the Memorandum of Association and Articles of Association as set out in Item No. 5, 6 & 7 of the agenda accompanying the notice.

The related provisions of the Companies Act, 1956 require the Company to seek approval of the members for increase in the Authorised Share Capital and for alteration of capital clause of Memorandum of Association and Articles of Association of the Company.

The Board of Directors accordingly commend the resolutions as set out at the item No. 5, 6 & 7 for your approval.

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

None of the Directors of the Company is, in any way, concerned or interested in this resolution.

ITEM NO. 8

The proposal for implementation of the Chloromethanes Project has been approved by the Board in its meeting held on 28.07.07 and Term Loan Banks (IB, UBI, SIB) Lead by Indian Bank have sanctioned term loans to the Company



vide their sanction letters mentioned in the resolution. One of the term for sanction of the term loans by the Banks is that the company shall create first exclusive charge on the fixed assets of the Chloromethanes Project. To comply with these terms and conditions mentioned in loan agreements of Banks consortium and for creation of mortgage/first exclusive charge shareholders approval in terms of Sec. 293 (1) (a) is required. Further to this in terms of the Term Loans sanctioned by the Bankers (IB, UBI, SIB) the Company has to create second pari passu charge on Chloromethanes Project assets in favour of Financial Institutions for their Term Loan outstanding and consortium Banks with respect to their Working Capital assistance to the Company.

Your Directors recommend the above resolution as an Ordinary resolution.

None of the Directors is interested in the above resolution.

ITEM NO. 9

During the course of business Working Capital Banks will be revising their assistance to the company by sanction of additional working capital facilities to the Company from time to time. As per the terms and conditions of Working Capital Agreement the company has to create second pari passu charge in favour of Banks consortium (IB, UBI, SIB, FBL, IDBI, CBF) lead by M/s.IDBI Bank for enhancement in working capital limits the details of which were mentioned in the resolution. Further Indian Bank, United Bank of India and South Indian Bank have sanctioned term loans for Chloromethanes Project as detailed in the resolution for which the Company has to create second pari passu charge. For creation of mortgage by way of deposit of title deeds by way of extension with the lead Institution M/s.IDBI for creation of second pari passu charge in favour of Indian Bank, United Bank of India, South Indian Bank, Federal Bank Ltd., Canbank Factors Ltd., for sanction of enhanced working capital limits and term loans for Chloromethanes Project the company has to obtain shareholders approval pursuant to Sec. 293 (1) (a) of the Companies Act, 1956.

Your Directors recommend the above resolution as an Ordinary resolution.

None of the Directors is interested in the above resolution.

ITEM NO. 10

The members may be aware that the Board of Directors can borrow upto a limit of Rs.500 Crores as per the approval given by the shareholders in the 14th Annual General Meeting held on 30.09.1996. In view of the expanding activities and other proposed downstream/upstream expansion projects in the near future, it is felt that the need for loans from Financial Institutions and Banks will increase as the existing limit of borrowing powers are going to be exhausted. Hence, it is expedient to approach the shareholders to increase the limit of borrowing power of the Board from the present Rs. 500 Crores to Rs. 750 Crores.

Your Directors recommend the above resolution as Ordinary resolution for your approval.

None of the Directors is interested or concerned in the above resolution.

ITEM NO. 11

As per the disclosure norms contained in Regulation 73(1) of Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (referred as 'SEBI (ICDR) Regulations, 2009'), the following disclosures were made for the purpose of passing of the said Special resolution by the shareholders at the ensuing Annual General Meeting.

1. Objects of the preferential issue:

Your Company is in the process of implementing Chloromethanes Project being financed by Banks to the extent of Rs. 72 Crs. (Indian Bank, United Bank of India and South Indian Bank) by way of Term loans and Rs. 26.86 Crores contribution by promoters by way of unsecured loans to be converted into Equity. The amount brought by Promoters as part fulfillment of their commitment is being utilized for the present preferential issue of share warrants.

2. Proposal of the Promoters to subscribe:

The preferential issue of Share warrants would be made to (1) Sree Rayalaseema Hi-Strength Hypo Limited and (2) TGV Projects & Investments Private Limited being part of the promoters group of the Company through issue of Share Warrants convertible



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into Equity Shares at the price to be computed in accordance with Regulation 76(1) of SEBI (ICDR) Regulations, 2009 Rs.10/- per Convertible Share Warrant, the share warrants are convertible into equal number of Equity Shares of Rs. 10/- each fully paid up at a price at which warrants are issued and conversion shall be made in tranches within overall period of 18 (Eighteen) months from the date of issue of warrants. The proposal is to issue 1,12,27,560 share warrants convertible into equity shares in three tranches within 18 months from the date of issue of warrants during three financial years i.e., 2012-13, 2013-14 and 2014-15 subject to a maximum of 5% of the post-issue capital per financial year as per stipulation in Reg.11(2) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. The above promoters have given letter dt. 24-08-2012 undertaking to subscribe to the preferential issue of Convertible Share Warrants and to comply with other conditions stipulated in SEBI (ICDR) Regulations, 2009 including applicable lock-in of their pre-preferential holdings of equity shares and proposed preferential allotment of Equity shares upon conversion of share warrants.

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

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

Category	Pre-issue	
	No. of Shares	% of Holding
Promoters Group		
Individuals	862137	1.28
Bodies Corporate	27198521	40.30
Sub-Total (A)	28060658	41.58
Non-Promoters		
Mutual Funds / UTI	37787	0.06
NRIs	1150778	1.70
Bodies Corporate	3135342	4.64
Financial Institutions / Banks	20272147	30.04
Insurance Companies	615885	0.91
General Public / Others	14220689	21.07
Sub Total (B)	39432628	58.42
Total (A + B)	67493286	100.00

Note : The above table has been prepared on the basis of the Shareholding Pattern as on 20-08-2012.



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Post-issue Shareholdings						
Category	After 1 st Tranche of Conversion before 31 st March, 2013 (I year)		After 2 nd Tranche of Conversion of Warrants into Equity before 31 st March, 2014 (II Year)		After 3 rd Tranche of Conversion of Warrants into Equity before 10 th April, 2015 (III Year)	
	No. of Shares	% of Holding	No. of Shares	% of Holding	No. of Shares	% of Holding
Promoters' Group						
Individuals	862137	1.21	862137	1.15	862137	1.09
Bodies Corporate :						
S R Hypo Ltd.	3656858	5.15	7396098	9.89	8396098	10.67
TGV Proj & Inv. Pvt. Ltd.	9658206	13.59	9658206	12.91	12594248	16.00
SRHHL Industries Ltd.	11248398	15.83	11248398	15.04	11248398	14.29
Others	6187337	8.71	6187337	8.27	6187337	7.86
Sub-Total (A)	31612936	44.49	35352176	47.27	39288218	49.91
Non-Promoters						
Mutual Funds / UTI	37787	0.05	37787	0.05	37787	0.05
NRIs	1150778	1.62	1150778	1.54	1150778	1.46
Bodies Corporate	3135342	4.41	3135342	4.19	3135342	3.98
Financial Institutions / Banks	20272147	28.54	20272147	27.11	20272147	25.75
Insurance Companies	615885	0.87	615885	0.82	615885	0.78
General Public / Others	14220689	20.02	14220689	19.02	14220689	18.07
Sub-Total (B)	39432628	55.51	39432628	52.73	39432628	50.09
Total (A + B)	71045564	100.00	74784804	100.00	78720846	100.00

On account of proposed preferential issue and allotment of 1,12,27,560 convertible Share warrants at Rs.10/- per share warrant of the company to the proposed allottees as set out in the resolution, and upon conversion of share warrants into equal number of shares, the shareholding of the proposed allottees i.e. (SRHypo and TGVPIPL) are as per following details.

Particulars	Pre-Preferential Issue Capital		Post-Preferential Issue Capital	
	Shares	%	Shares	%
Sree Rayalaseema Hi-Strength Hypo Ltd. (SRHypo)	104580	0.15	8396098	10.67
TGV Projects & Inv. Pvt. Ltd. (TGVPIPL)	9658206	14.31	12594248	16.00
Total	9762786		20990346	



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The total Promoters' group holding will increase from 2,80,60,658 to 3,92,88,218 resulting into an increase from 41.58% to 49.91% of the post-preferential issue capital.

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

The allotment of share warrants shall be completed within a period of 15 days from the date of passing of resolution by the share holders as per SEBI (ICDR) Regulations, 2009. Where the allotment is pending on account of pendency of any approvals from any regulatory authority or the Central Government, the allotment shall be completed by the company within a period of 15 days from the date of such approvals. An amount, as may be decided by the Board of Directors, not being less than 25% of the issue price shall be payable on the date of allotment of the share warrants. The warrants would be allotted on the following terms.

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

5. The identity of the proposed allottees and the percentage of post preferential issue capital change in control consequent to the issue:

Identity of the proposed allottees :

On account of proposed preferential issue and allotment of 1,12,27,560 convertible Share warrants at Rs.10/- per share of the company to the said Promoters as set out in the resolution and detailed hereunder the shareholding of the acquirers (SRHypo and TGVPIPL) would increase from 9762786 Equity Shares to 20990346 in 3 Financial Years and that of the total Promoters' Group holding will increase from 2,80,60,658 to 3,92,88,218 Equity shares and percentage from 41.58% to 49.91%.

Further identity of the proposed allottees are furnished hereunder:

Sl. No.	Name of the Company	Nature of Business
1)	Sree Rayalaseema Hi-Strength Hypo Limited, Regd. Office : Gondiparla, Kurnool – 518 004 (A.P) PAN No. AAKCS1605E	Manufacture of Inorganic Chemicals
2)	TGV Projects & Investments Private Limited, 40-304, K. J. Complex, Bhagya Nagar, Kurnool – 518 004 (A.P) PAN No. AAAC8340H	Investments and Hospitality

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

6. Undertaking to Recompute the Issue Price:

The Board of Directors of the target company had recommended the Preferential Issue of equity shares under section 81(1A) of the Companies Act, 1956 and seek the approval of the shareholders by means of a Special Resolution at their ensuing Annual General Meeting for the proposed allotment of 1,12,27,560 convertible Share warrants of the target company at a price worked out as per the Securities and Exchange Board of India (Issue of Capital and