



**TGV SRAAC LIMITED**

(Formerly Sree Rayalaseema Alkalies and Allied Chemicals Ltd.)



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



## **TGV SRAAC LIMITED**

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

### **BOARD OF DIRECTORS**

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

### **COMPANY SECRETARY**

Sri V. Radhakrishna Murthy

### **CHIEF FINANCIAL OFFICER**

Sri C. Rajesh Khanna

### **BANKERS**

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

### **SECRETARIAL AUDITOR**

Sri N. Ramaswamy  
Flat No.101C, 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)

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**NOTICE**

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

**ORDINARY BUSINESS:**

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

**SPECIAL BUSINESS:**

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

**"RESOLVED THAT** pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 ("the Act") read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any amendment, modification, variation or re-enactment to any of the foregoing), and subject to such other approvals, consents, permissions and sanctions of other authorities as may be necessary, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board), to ratify/approve all existing contracts/arrangements/agreements/transactions and to enter into new/further contracts/ arrangements/

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

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

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

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

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

<b>ON FIRST PARI-PASSU CHARGE BASIS</b>	<b>(Rs. in Crs )</b>
IFCI Ltd., - Term Loan	90.00

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

By order of the Board  
Sd/-

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

**CS V. RADHAKRISHNA MURTHY**  
COMPANY SECRETARY

# TGV SRAAC LIMITED

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



## NOTES :

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

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

## 8. E-Voting:

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

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

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

- (i) The voting period begins on 26-09-2019 at 9.00 A.M. and ends on 29-09-2019 at 5.00 P.M. During this period shareholders of the company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23-09-2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The Shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
  - a. For CDSL : 16 digits beneficiary ID.
  - b. For NSDL : 8 Character DPID followed by 8 digits Client ID.
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below :



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

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

- Members who have not updated their PAN with the Company /Depository Participant are requested to use the first two letters of their name and 8 digits of the sequence number in the PAN field. In case of difficulty call Phone No.040-23313842/27638111.
- In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN filed.

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

If both the details are not recorded with the depository or company please enter the member id/folio number in the Dividend Bank details field as mentioned in instruction (v).

- i) After entering these details appropriately, click on "SUBMIT" tab.
- ii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password filed. Kindly note that his password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to take utmost care to keep your password confidential.
- iii) For Members holding shares in Physical Form, the details can be used only for e-voting on the resolutions contained in this Notice.
- iv) Click on the EVSN for the relevant TGV SRAAC LIMITED (formerly Known as Sree Rayalaseema Alkalies and Allied Chemicals Limited) on which you choose to vote.
- v) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/ NO" for voting. Select the option YES or NO as desired.

The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- vi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- vii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change you vote, click on "CANCEL" and accordingly modify you vote.
- viii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- ix) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- x) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xi) Note for Non-Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than individuals, HUF, NRI etc.) and Custodians re-required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQ") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk@cdslindia.com](mailto:helpdesk@cdslindia.com).

By order of the Board

Sd/-

Place : Hyderabad

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

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

# TGV SRAAC LIMITED

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



## EXPLANATORY STATEMENT

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

### ITEM NO.4

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

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

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

### ITEM NO. 5

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

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

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

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

### ITEM NO. 6

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

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

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

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

### ITEM NO. 7

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





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

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

**ITEM NO. 8**

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

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

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

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

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

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

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

(₹ in Crores)

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



## TGV SRAAC LIMITED

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

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

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

### ITEM NO. 9

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

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

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

### ITEM NO. 10

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

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

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

### ITEM NO. 11

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

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

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

### ITEM NO. 12

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

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

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

### REQUEST TO THE MEMBERS :

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