



TGV SRAAC LIMITED

(Formerly Sree Rayalaseema Alkalies and Allied Chemicals Ltd.)



40th

Annual Report

2021-22



www.tgvgroup.com



TGV SRAAC LIMITED

BOARD OF DIRECTORS

Sri P. N. Vedanarayanan
Sri G. Krishna Murthy (Upto 16.12.2021)
Sri K. Karunakar Rao
Executive Director & CEO
Sri N. Jesvanth Reddy
Executive Director (Technical)
Sri Gopal Krishan (Upto 30.11.2021)
Sri C. Srinivasa Babu (from 31.07.2021)
Executive Director (Technical)
Sri J. Nagabhushanam (Upto 16.09.2021)
Dr M. Asha Reddy (Upto 27.09.2021)
Ms M. Sridevi (from 11.11.2021)
Ms S. Hima Bindu (from 02.03.2022)
Ms Geetha R Serwani (from 10.08.2022)

COMPANY SECRETARY

Sri CS V. Radhakrishna Murthy

VICE PRESIDENT (F&A) & CFO

Sri CA C. Rajesh Khanna

BANKERS

Indian Bank
Punjab National Bank
The South Indian Bank Limited
The Federal Bank Limited
IDBI Bank Limited
Canbank Factors Limited

SECRETARIAL AUDITOR

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

COST AUDITOR

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

STATUTORY AUDITORS

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

REGISTERED OFFICE & FACTORY

Gondiparla, Kurnool - 518 004 (A.P)

CORPORATE IDENTITY NUMBER (CIN)

L24110AP1981PLC003077

CORPORATE OFFICE

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

REGISTRAR & SHARE TRANSFER AGENT

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

CONTENTS

Notice	1
Directors' Report	20
Independent Auditors' Report	64
Balance Sheet	78
Statement of Profit & Loss	79
Cash Flow Statement	80
Notes to Financial Statements	82



TGV SRAAC LIMITED

NOTICE

NOTICE is hereby given that the **40th Annual General Meeting of the Members of TGV SRAAC LIMITED** (CIN:L24110AP19851PLC003077) will be held through (Video Conference) VC / OAVM (Other Audio Visual Means) Mode on Thursday, the 15th September, 2022 at 11.30 A.M. to transact the following business :

ORDINARY BUSINESS :

- 1) To receive, consider and adopt the Balance Sheet as at March 31, 2022 and the Statement of Profit and Loss for the year ended and other annexures together with the Reports of Directors and the Auditors attached thereto.
- 2) 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.
- 3) To appoint a Director in place of Sri C. Srinivasa Babu (DIN:09266926) who retires by rotation and being eligible offers himself for re-appointment.
4. To consider and if thought fit, to pass without modifications, the following Resolution as an **Ordinary Resolution** for Appointment of Statutory Auditors.

“RESOLVED THAT pursuant to the provisions of Sec.139,141,142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, M/s. Brahmayya & Co., Chartered Accountants (Firm Regn. No. 0005155) be and is hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this 40th

Annual General Meeting till the conclusion of 45th Annual General Meeting i.e., for a period of Five (5) consecutive years on such remuneration as may be approved by the Board of Directors of the company from time to time, based on the recommendation of the Audit Committee.

SPECIAL BUSINESS :

- 5) To consider and, if thought fit, to pass the following resolution as an **“Special Resolution”** for Appointment of Ms. Geeta Ramesh Serwani (DIN:09130636) for the first time as Non-Executive Independent Director of the Company.

“RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Companies (Appointment and qualification of Directors) Rules, 2014 and SEBI (LODR) Regulations, 2015(including any statutory modification(s) or re-enactment thereof, for the time being in force, Ms. Geeta Ramesh Serwani (DIN:09130636), who has submitted that she meets the criteria for Non-Executive Independent Director as provided in section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director, be and is hereby appointed as Non-Executive Independent Director of the Company for a term of (3) three consecutive years with effect from 10th August, 2022 and whose office shall not be liable to retire by rotation.



- 6) To consider and if thought fit, to pass the following resolution as **"Special Resolution"** for appointment of Ms. Hima Bindu Sagala (DIN:09520601) for the First Time as Non-Executive Independent Director of the Company.

"RESOLVED THAT in continuation and in partial modification to the members approval dt.09.04.2022 (through Postal Ballot) and in pursuance to the provisions of Sec.149 read with Schedule IV of the Companies Act, 2013 (the Act), Companies (Appointment and Qualification of Directors) Rules, 2014 and Reg.25 (2A) and other applicable provisions of SEBI (LODR) Regulations, 2015 (including any statutory modifications or re-enactment thereof, for the time being in force) Ms. Hima Bindu Sagala (DIN:09520601) who has submitted a declaration that she meet the criteria for Non-Executive Independent Director as provided in Sec.149 (6) of the Act and who is eligible for appointment and in respect of whom the company has received a Notice in writing with requisite deposit from a Shareholder / Member proposing her candidature for the office of Director, be and is hereby appointed as Non-Executive Independent Director of the Company for a Term of (3) three consecutive years with effect from 2nd March, 2022 and whose office shall not be liable to retire by rotation.

RESOLVED FURTHER THAT any one of the Directors company be and is hereby severally authorised to do all such acts, deeds and things including signing and issuing letter of authority and to complete

all other formalities as may be required in this regard."

- 7) To consider and if thought fit, to pass the following resolution as **"Special Resolution"** for appointment of Ms. Sridevi Madati (DIN:02446610) for the First Time as Non-Executive Woman Independent Director of the Company.

"RESOLVED THAT in continuation and partial modification to the members approval dt.09.04.2022 (through Postal Ballot) and in pursuance to the provisions of Sec.149 read with Schedule IV of the Companies Act, 2013 (the Act), Companies (Appointment and Qualification of Directors) Rules, 2014 and Reg.25 (2A) and other applicable provisions of SEBI (LODR) Regulations, 2015 (including any statutory modifications or re-enactment thereof, for the time being in force) Ms. Sridevi Madati (DIN:02446610) who has submitted a declaration that she meet the criteria for Non-Executive Woman Independent Director as provided in Sec.149 (6) of the Act and who is eligible for appointment and in respect of whom the company has received a Notice in writing with requisite deposit from a Shareholder / Member proposing her candidature for the office of Director, be and is hereby appointed as Non-Executive Independent Director of the Company for a Term of (3) three consecutive years with effect from 11th November, 2021 and whose office shall not be liable to retire by rotation.

RESOLVED FURTHER THAT any one of the Directors company be and is hereby severally authorised to do all such acts,



deeds and things including signing and issuing letter of authority and to complete all other formalities as may be required in this regard.”

- 8) To consider, and if thought fit, to pass with or without modification, the following Resolution which is proposed as a **“Special Resolution”** for Creation of security in favour of M/s. Punjab National Bank for availing Term Loan under Term Loan/Capex LC.

“RESOLVED THAT the consent by way of 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/charge by the Board of Directors of the Company of “Specific charge on Capital goods (brought by availing the said financial assistance) of the Company” wheresoever situate, present and future 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 Punjab National Bank for creation/ to be created of security on specific first charge on fixed assets as under.

Name of the Lender	Rs. in Cr
M/s. Punjab National Bank	25.00

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.

RESOLVED FURTHER THAT Sri K. Karunakar Rao, Executive Director (Fin. & Comml.,) and Sri V. Radhakrishna Murthy, CGM & Company Secretary are authorised severally to carryout any corrections, changes or modifications of any terms and conditions as may be required by Banks for giving effect to the resolution.”

- 9) **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 and 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 for the year



2021-22 aggregate value of Rs.193.20 Cr (Sales Rs.143.59 Cr. and Purchase Rs.48.28 Cr + Others Rs.1.33 Cr) as against shareholders approval for an aggregate amount of Rs.253.60 Cr (Sales Rs.137.61 Cr, Purchases Rs.114.66 Cr and Others Rs.1.33 Cr) accorded in the 39th AGM) and to enter into new/further contracts/arrangements/agreements/transactions with related parties M/s. Sree Rayalaseema Hi-Strength Hypo Limited (SRHHL) to the aggregate value of Rs.302.00 Cr (Sales Rs.175 Cr + Purchase Rs.125 Cr + Others Rs.2.00 Cr estimated) for the year 2022-23 clearly mentioned in the explanatory statement (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 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 the shareholders ratify the aggregate sales to M/s. SRHHL of Rs.143.59 Cr for 2021-22 and further noted that it is Rs.5.98 Cr more than estimated aggregate sale value Rs.137.61 Cr as approved by members in the previous (39th) AGM.

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."

- 10) To consider and if thought fit, to pass with or without modification(s), the Following Resolution as an **"Ordinary Resolution"** **Ratification for Re-appointment and Remuneration of Cost Auditor.**

"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 19.05.2022 (upon the recommendation of Audit Committee in its meeting held on 19.05.2022) on a remuneration of Rs.1,75,000/- 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, 2023, 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."

By order of the Board
Sd/-

Place : Hyderabad **CS V. RADHAKRISHNA MURTHY**
Date : 10th August, 2022 **COMPANY SECRETARY**



TGV SRAAC LIMITED

NOTES :

1. Explanatory statement as required under section 102 of the Companies Act, 2013 is annexed hereto
2. The Board in its meeting held on 10-08-2022 has approved the company's proposal to conduct 40th Annual General Meeting through (Video Conference) VC / OAVM (Other Audio Visual Means) instead of physical Annual General Meeting in compliance of General Circular No.2/2022 dated 05.05.2022 and General Circular No.20/2020, dated 05.05.2020 and after due examination, it has been decided to allow companies whose AGMs were due 31.12.2022, or become due in the year 2022, to conduct their AGMs on or before 30.09.2022/31.12.2022, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No.2/2022 dated 05.05.2022 and General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January 13, 2021 issued in view of continuation of Covid-19 pandemic.
3. 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 to MCA Circular No. 17/2020 dated April 13, 2020 & 12.05.2020 and SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020 and SEBI/HO/CFD/CMD21/CIR/P/2022/162 dated 13.05.2022 Shareholders can view soft copy of the Annual Report on company's website 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).

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 6 (Six) days i.e. from 10-09-2022 to 15-09-2022 (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.

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.

ATTENTION

Members may kindly aware that as per SEBI Circular No. SEBI/HO/MIRSD/ MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021, all the Members / Shareholders holding shares in Physical Form shall submit required documents regarding PAN / KYC (Know your Customer) and Nominee Details on or before 31.03.2023 without fail.

The Documents to be submitted under KYC are under :



- 1) Form ISR - 1 -> Request for Registering PAN, KYC Details or Change / Updation thereof.
- 2) Form ISR - 2 -> Confirmation of Signature of Securities Holder by the Banker.
- 3) Form ISR - 3 -> Declaration Form for Opting-Out of Nomination by Holders of Physical Securities in Listed Companies.
- 4) Form ISR - 4 -> Request for Issue of Duplicate Share Certificate and Other Service Requests.
- 5) Form SH-13 -> Nomination Form
- 6) Form SH-14 -> Cancellation or Variation of Nomination.

In view of the above, shareholders complaints / enquiries will not be entertained for Demat / Transmission(s) / Issue of Duplicate Share Certificates etc., will not be entertained from 01.04.2023 until they submit necessary documents for PAN / KYC and Nomination and register the details with RTA / Company.

LAST DATE : 31.03.2023

Members / Shareholders are hereby requested to verify your folios and update if required.

Members / Shareholders can download PAN / KYC and Nomination Forms on the Company's Website : www.tgvgroup.com and RTA Website : www.aarthiconsultants.com

electronically on the resolutions mentioned in the notice of 40th Annual General Meeting of the Company dated 15th September, 2022. 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 9th September, 2022. The instructions for Members for voting electronically are as under :

CDSL e-Voting System – For Remote e-voting and Joining Virtual meetings 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, Circular No. 20/2020 dated May 05, 2020 and General Circular No.2/2022 dated 05.05.2022. The forthcoming AGM/EGM will thus be held 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, May 05, 2020 and May 05, 2022 the

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



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 at least 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 read with Circular No.02/2022 dated May 05, 2022, 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. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. 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.
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, Circular No. 02/2022 dated May 05, 2022.
8. In continuation of this Ministry's General Circular No. 20/2020, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January,13,2021, Circular No.02/2022 dated May 05, 2022.



THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

Step 1: Access through Depositories CDSL/ NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (i) The voting period begins on 11-09-2022 at 9.00 A.M and ends on 14-09-2022 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 09.09.2022 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) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting

facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Step 1 : Access through Depositories CDSL/ NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

- (iv) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/ NSDL** is given below: