

06.11.2020

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|--|---|
| To BSE Limited 25 th Floor, Phiroze Jeejeebhoy Towers Dalal Street MUMBAI - 400001 Scrip Code : 532842 | To The National Stock Exchange Of India Ltd Exchange Plaza Bandra Kurla Complex, Bandra (East) MUMBAI - 400051 Scrip Code : SRHHYPOLTD |
|--|---|

Dear Sir

Sub: Submission of 15th Annual Report along with notice of Annual General Meeting

Ref: Regulation 34 (1) of SEBI (LODR) Regulations, 2015

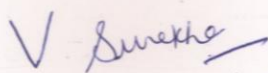
Pursuant to regulation 34 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby submit notice of 15th Annual General Meeting scheduled to be held on Monday, 30th November, 2020 at 11.00 A.M.(IST) through Video Conference (VC) / Other Audio Visual Means (OAVM) along with Annual report of the Company for financial year 2019-20.

Kindly take the same in your records.

Thanking you

Yours faithfully

For Sree Rayalaseema Hi-Strength Hypo Limited



V Surekha

Company Secretary





Sree Rayalaseema Hi-Strength Hypo Limited

(CIN : L24110AP2005PLC045726)



15th

**Annual Report
2019-20**

SREE RAYALASEEM HI-STRENGTH HYPO LIMITED

(CIN : L24110AP2005PLC045726)



BOARD OF DIRECTORS

Sri. T.G. Bharath
Chairman & Managing Director
Smt.D.S. Sai Leela
Independent Women Director
Sri Krishnamoorthy Chandraiah Naik
Non-Executive Director
Sri. P.Ramachandra Gowd
Independent Director
Sri H. Gurunath Reddy
Non-Executive Director
Sri.A.Kailashnath
Independent Director

G.M. & Company Secretary

Smt. V. Surekha

G.M. & Chief Financial Officer

Sri Shaik Iftekhar Ahmed

Statutory Auditors

M/s. T. Adinarayana & Co.,
Chartered Accountants
Hyderabad.

BANKERS

State Bank of India

REGISTERED OFFICE & WORKS

Gondiparla, Kurnool - 518 004.
Andhra Pradesh - India

REGISTRARS & SHARE TRANSFER AGENT

Aarhi Consultants Pvt. Ltd.

Regd. Office : 1-2-285,

Domalguda,

Hyderabad - 500 029.

Telangana.

Tel No. : 040-27638111/4445,

Fax No. : 040-27632184

E-mail : info@aarhiconsultants.com

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NOTICE

NOTICE is hereby given that the 15th Annual General Meeting (AGM) of the Members of SREE RAYALASEEMA HI-STRENGTH HYPO LIMITED (CIN : L24110AP2005PLC045726) will be held on Monday, November 30, 2020 at 11.00 A.M. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") and deemed venue of AGM is at the Registered Office of the Company, situated at Gondiparla, Kurnool (A.P.) - 518004 to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt:
 - a. the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2020, together with the Reports of the Board of Directors and the Auditors thereon; and
 - b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2020, together with the Report of the Auditors thereon.
2. To declare dividend for the financial year ending March 31, 2020
3. To appoint a Director in place of Sri. H Gurunath Reddy, who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS :

4. **To ratify the remuneration of the Cost Auditors for the financial year ending March 31, 2021 .**

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 member be and hereby ratify the remuneration of Rs.50,000/- (Rupees Fifty thousand only) payable to Mr. N.V.S.Kapardhi, Cost Accountant appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year ending March 31, 2021.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are 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. **Approval of Material related party transactions with various related parties.**

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 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 approve all new/further contracts/ arrangements/ agreements/ transactions (including any modifications, alterations or amendments thereto), to be entered 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 .

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.”

6. **Appointment of Independent Director Sri P Ramachandra Gowd for second term.**

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 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time , Sri P Ramachandra Gowd (DIN: 06948557) who was appointed as an Independent Director of the Company for a term of five years in the 10th Annual General Meeting held on September 30th, 2015 be and is hereby re-appointed as an Independent Director of the company for a second term of five consecutive years commencing from September 30, 2020 up to 30th September, 2025 and whose office shall not be liable to retire by rotation.”

By Order of the Board

Place : Kurnool
Date : September 14, 2020

(V. Surekha)
Company Secretary

**NOTES :**

1. Explanatory statement as required under sec 102 of the Companies Act, 2013 is annexed hereto.
2. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent by email through its registered email address to companysecretary@srhl.com with a copy marked to evoting@cdsl.co.in.
5. Pursuant to section 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 days from 24.11.2020 to 30.11.2020 (both days inclusive)
6. If the final dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend subject to deduction of tax at source will be made on December 21, 2020 as under:
 - i. To all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited (“NSDL”) and the Central Depository Services (India) Limited (“CDSL”), collectively “Depositories”, as of the close of business hours on November 23, 2020.
 - ii. To all Members in respect of shares held in physical form after giving effect to valid transfer, transmission or transposition requests lodged with the Company as of the close of business hours November 23, 2020.



7. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. **(In view of this, members holding shares in physical form are requested to convert their holdings in demat form).**
8. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with Company in case the shares are held by them in physical form.
9. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to Company in case the shares are held by them in physical form.
10. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
11. Members seeking any information with regard to accounts or any other information, are requested to write to the Company atleast 10 days before the meeting. The same will be replied by the Company suitably.
12. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on www.iepf.gov.in.
13. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.tgvgroup.com, 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, and on the website of CDSL.



14. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
15. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/ Aarthi Consultants Private Limited (in case of shares held in physical mode) and depositories (in case of shares held in demat mode). A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to companysecretary@srhhl.com or info@aarthiconsultants.com by November 23, 2020. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.
16. Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate,
17. Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to info@aarthiconsultants.com . The aforesaid declarations and documents need to be submitted by the shareholders by November 23, 2020.
18. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

19. Instructions for e-voting and joining the AGM are as follows:

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect



of the business to be transacted at the AGM. 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 AGM will be provided by CDSL.

3. The Members can join the 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 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 AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM 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 Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM i.e. www.evotingindia.com).
6. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:

- (i) The voting period begins on November 26, 2020 at 9.00 A.M. and ends on November 29, 2020 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 November 23, 2020 of 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.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on “Shareholders” module.
- (v) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

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

- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Shareholders holding shares in Demat Form and Physical Form

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



- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL’s mobile app “**m-Voting**”. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.



PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

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

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

1. Shareholder will be provided with a facility to attend the AGM through VC/ OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **7 (Seven) days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **7 (Seven) days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.



6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

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

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

(xx) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; companysecretary@srhl.com (designated email address by company), if



they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022- 23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

EXPLANATORY STATEMENT

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

Item No.4

The Board of Directors, on the recommendation of Audit Committee , has approved the re-appointment of M/s. NVS Kaparadhi & Co, as Cost Auditor to conduct the audit of the cost records of the Company for financial year ending March 31, 2021.

In accordance with the provisions of Section 148 of Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost auditors had to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2021.

None of the directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise , in the resolution set out at Item No.4 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the shareholders .

Item No.5

Pursuant to the provisions of Section 188 of the Companies Act, 2013 (“the Act”), read with the Companies (Meetings of Board and its Powers) Rules, 2014 (“Rules”), the Company is required to obtain consent of the Board of Directors, Audit Committee and prior approval of the members by way of ordinary resolution, in



case certain transactions with related parties exceeds such criteria as is specified in the said Rules. The aforesaid provisions as per the Act and rules are not applicable to the Company in respect of transactions which are in the ordinary course of business and are on arm's length basis.

However, pursuant to Regulation 23 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), approval of the members through ordinary resolution is required for all material related party transactions, even if they are entered into in the ordinary course of business and on arm's length basis. For this purpose, a transaction is considered material, if the transaction/transactions to be entered into individually or taken together with previous transactions during a Financial Year exceeds 10% of the annual consolidated turnover of the Company, as per the last audited financial statements of the Company.

All the Related Party Transactions entered into by your Company are on arm's length basis and in the ordinary course of business and approval of the Audit Committee / Board is obtained, wherever required. However, they qualifies to be a Material Related Party Transactions under Listing regulations.

The value of transactions with related parties in respect of Financial year 2019-20 and the estimated value of transaction for next financial year 2020-21 continue to exceed 10% of the annual consolidated turnover of the Company, based on the audited financial statements for year ended March 31, 2020.

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

(Rs. in Lakhs)

| Sl. No. | Particulars | Actual for year 2019-20 | | | | | For the year 2020-21 (Estimated) |
|---------|-----------------------|-------------------------|----------------|---------------|-------------------|------------------|----------------------------------|
| | | Purchases | Sales | Lease Rentals | Services received | Total | |
| 1 | TGV SRAAC Limited | 13291.50 | 6320.02 | 6.53 | - | 19618.05 | 23541.66 |
| 2 | Other related parties | 27.91 | 141.15 | 221.85 | 679.54 | 1065.77 | 1278.92 |
| 3 | T G Venkatesh | - | - | 63.14 | 260.00 | 276.19 | 310.00 |
| 4 | T G Bharath | - | - | 47.11 | 260.00 | 307.11 | 330.00 |
| 5 | Total | 13319.41 | 6461.17 | 338.63 | 1,194.86 | 21,267.12 | 25460.58 |

Thus these transactions would require the approval of the members by way of Ordinary Resolution.

These transactions are covered by annual contract which are required for day to day operations of the Company which make the Company to run and are required to be continued in the long term interest and economic benefits of the Company.

None of the Directors and Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution, except Sri.T G Bharath , Chairman & Managing Director .



The Board recommends the Ordinary resolution as set out in Item No. 5 of this Notice for your approval.

Item No. 6

Sri P Ramachandra Gowd (DIN:06948557) was appointed as Director on the Board of the Company on August 14, 2014. In terms of section 149 and other applicable provisions of the Companies Act, 2013, members of the Company at 10th Annual General Meeting held on September 30, 2015 approved the appointment of Sri P Ramachandra Gowd as an Independent Director of the Company for a period of five years .

As per provisions of Section 149(10) of the Companies Act, 2013, an Independent Director shall hold office for a term of up to five consecutive years on the Board of a Company , but shall be eligible for re-appointment for another term of up to five consecutive years on passing a Special Resolution by shareholders .

The Company had received intimation in Form DIR-8 from Sri P Ramachandra Gowd that he is not disqualified from being re-appointed as an Independent Director in terms of Section 164 of the Act, declaration that he meets with the criteria of independence as prescribed under subsection (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. He has also given his consent to continue to act as Director of the Company, if so appointed by the members.

In the opinion of the Board, Sri. P Ramachandra Gowd fulfils the conditions for re-appointment as an Independent Director specified under section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 .

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Sri. P Ramachandra Gowd as an Independent Director.

Accordingly, the Board recommends passing of Special Resolution in relation to re-appointment of Sri. P Ramachandra Gowd as an Independent Director for another term of five consecutive years for the approval by shareholders of the Company. He is not liable to retire by rotation.

Except Sri. P Ramachandra Gowd, being an appointee and his relatives , none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution set out at item No.6 of the accompanying notice of the AGM. Sri. P Ramachandra Gowd is not related to any Director of the Company.

By Order of the Board

Place : Kurnool
Date : September 14, 2020

(V. Surekha)
Company Secretary



**Details of Directors seeking appointment/reappointment at the forthcoming Annual
General Meeting
(Pursuant to regulation 36(3) of the SEBI(LODR) Regulations, 2015)**

| Name of the Director | H Gurunath Reddy | P Ramachandra Gowd |
|---|---|---|
| Date of Birth | 10.06.1960 | 01.07.1953 |
| Date of appointment | 15.06.2015 | 14.08.2014 |
| Expertise in specific functional areas | More than 35 years of experience in chemical and paper industry | More than 35 years of experience in industrial sectors like chemicals and paper |
| Qualifications | M.Sc(Chemistry) | B.Sc |
| Shareholdings in the Company | Nil | Nil |
| Directorship in other Listed Entities | Nil | Nil |
| Membership in committees in other Listed Entities | Nil | Nil |



DIRECTORS' REPORT

To
The Members

Your Directors have pleasure in presenting the Fifteenth Annual Report of the Company for the year ended March 31, 2020.

1. Financial Results: (Rs. in lakhs)

| Particulars | 2019 - 2020 | 2018- 2019 |
|---|-------------|------------|
| Profit before interest, Depreciation and Tax | 10588.75 | 10288.81 |
| Less : Interest | 1016.48 | 1576.35 |
| Depreciation | 5027.37 | 4491.86 |
| Profit before Tax | 4544.90 | 4220.60 |
| Provision for Taxation & Deferred Income Tax | 753.70 | 2178.03 |
| Profit after Tax | 3791.20 | 2042.57 |
| Add: Balance brought forward from previous year | 20544.02 | 18893.98 |
| Other adjustments | 516.58 | 392.52 |
| Balance carried forward to next year | 23818.64 | 20544.02 |

2. Performance:

During the year the Company achieved turnover of **Rs. 689.10 Crores** against previous year turnover of Rs.702.14 crores. The profit before tax stood at **Rs.45.45 Crores** as against Rs.42.20 crores for the previous year.

3. COVID : During lock down period, the operations of the company were slightly impacted due to non-availability of few raw materials, non movement of some finished products. There is no impact on capital and financial resources of the company and insignificant impact on profitability of the company.

4. Division / Segment Wise Operations

(a) The net sales of Calcium Hypo Chloride during financial year 2019-20 is Rs.291.28 crores as against 257.71 crores in previous year representing an increase of 13.03%.

(b) The net sales of Stable Bleaching Powder during financial year 2019-20 is Rs. 83.58 crores as against 95.57 crores in previous year representing a decrease of 12.54%.

(c) The net sales of Sodium Methoxide during financial year 2019-20 is 35.04 crores as against Rs. 32.82 crores in previous year representing an increase of 6.77%. And the net sales of Sodium Hydride during financial year 2019-20 is 8.50 crores as against Rs. 15.77 crores during previous



financial year representing a decrease of 46.09%.

- (d) The trading activity in coal had fetched an amount of Rs. 97.07 crores as against Rs. 101.22 crores during previous year.
- (e) The net sales of Sulphuric acid during financial year 2019-20 is 129.36 crores as against Rs. 144.72 crores during previous financial year representing a decrease of 10.61%.
- (f) Total power generated, sold through Thermal, Wind and Solar during the year under review is Rs. 4852.40 lakhs.

4. Dividend:

Your Directors have recommended a final dividend of Rs.2.50/- per equity share of face value Rs.10/- each /- (i.e.,25% on paid up share capital) for the financial year ended 31st March,2020 . The dividend payment is subject to approval of members at the ensuing Annual General Meeting. The total cash outflow on account of dividend on equity shares for the financial year 2019-20 would aggregate Rs. 4,29,12,053/-. The dividend will be paid to members whose names appear in the Register of Members as on the book closure date. The dividend payment date is 21st December,2020

5. Investor Education and Protection Fund (IEPF):

Pursuant to the applicable provisions of the Companies Act, 2013 read with the IEPF Authority (Accounting, Audit, Transfer and Refund Rules) 2016, ('the Rules'), all unpaid and unclaimed dividends are required to be transferred by the Company to the IEPF established by the Government of India after the completion of seven years. Further, according to the Rules, the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account of the IEPF authority. Accordingly, the Company has transferred unclaimed or unpaid dividend amounting to Rs. 19,49,114/- on 08.06.2018 relating to dividend declared in the year 2010-11. Further, 29,896 corresponding shares were transferred as per the requirements of the IEPF Rules. The details are made available on Company website, www.tgvgroup.com.

The shareholders can claim back their shares /dividend amount transferred to IEPF by filing Form IEPF-5 and other related documents.

The following table provides list of years for which unclaimed dividends and their corresponding shares would become eligible to be transferred to the IEPF on the dates mentioned below:



| Financial Year | Dividend Declared (%) | Date of declaration of dividend | Last date for claiming unpaid dividend | Unclaimed Dividend Amount* (Rs.) | Due date for transfer to the IEPF Account |
|----------------|-----------------------|---------------------------------|--|----------------------------------|---|
| 2014-15 | 15% | 30.09.2015 | 06.11.2022 | 27,10,035.72 | 07.11.2022 |
| 2015-16 | 15% | 28.09.2016 | 04.11.2023 | 27,73,688.61 | 05.11.2023 |
| 2016-17 | 15% | 27.09.2017 | 03.11.2024 | 27,24,819.40 | 04.11.2024 |
| 2017-18 | 20% | 28.09.2018 | 04.11.2025 | 36,46,967.11 | 05.11.2025 |
| 2018-19 | 20% | 30.09.2019 | 06.11.2026 | 34,60,805.55 | 07.11.2026 |

* Amount unclaimed as on August 31, 2020.

6. Board Meetings:

During the year, seven (7) Board Meetings and four (4) Audit Committee Meetings were held and the details of which are mentioned in Corporate Governance Report.

7. Transfer to Reserves:

Your Company did not transfer any sum to the General Reserve for the financial year under review.

8. Subsidiaries, Joint Ventues and Associate Companies :

As on March 31, 2020 your Company has one Wholly owned subsidiary Company M/s TGV Sodium & Electrolite Private Limited , one Associate Company M/s TGV SRAAC Limited and no joint ventures. As required under SEBI(LODR) Regulations, 2015 and Section 129 of the Companies Act,2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, the consolidated financial statements of your Company and its Subsidiary Company are provided in the Annual Report. The Consolidated financial statements have been prepared in accordance with Ind AS 27. The Consolidated financial statements have been prepared on the basis of audited financial statements of its subsidiary Company as approved by its Board of Directors. The Consolidated financial statement shows the financial resources, assets, liabilities, income, profit and other details of your Company and its subsidiary after elimination of inter –company transactions. In case of Associate Company M/s TGV SRAAC LIMITED, it had been concluded that it is not exercising significant influence although it holds more than 20% of share capital. Hence Company ceased to account the investment in TGV SRAAC Limited as per equity method in Ind As-28, investment in associates and Joint Ventures with effect from 01.04.2016. As on the date of this report the holding is reduced below 20% of the share capital due to corporate action by the investee Company. A Separate statement is annexed explaining salient features of the financial statements of the subsidiary and associate in AOC-1 ((Annexure-A) and the details of such entities of the Company formed/acquired /Ceased during the year are provided in (Annexure-A -1) to this report.



9. Insurance:

All assets of the Company and other potential risks have been adequately insured.

10. Fixed Deposits:

The Company has not accepted any public deposits under Section 73 of Companies Act, 2013 and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

11. Listing of Shares:

The Equity shares of your Company are listed on BSE Ltd. and National Stock Exchange of India Ltd. The Company has paid the Annual Listing fees to each of these Stock Exchanges for the financial year 2020-21.

12. Safety and Environment Protection:

- (1) To ensure safety at work place, fire fighting system is strengthened.
- (2) In Unit-IV Pharma Plant, Fire Hydrant System has been modified to Sprinklers system in Raw Material and Product Storage Area.
- (3) Inside Cal Hypo Product Storage Godowns, Fire Hydrant System with Sprinklers has been arranged.

13. Industrial Relations:

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

14. Directors and Key Managerial Personnel:

Sri. H. Gurunath Reddy, Director is retiring by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment. Sri. P Ramachandra Gowd, Independent Director is reappointing for second term for a period of 5 years.

The brief particulars of the Directors seeking appointment / re-appointment at this Annual General Meeting are being annexed.

15. Evaluation of board performance:

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of SEBI(LODR)Regulations, 2015, the Board has carried out performance evaluation taking into consideration of various aspects of the Board's functioning, composition of Board, and its Committees, execution, and performance of specific duties, obligations and governance. The Performance of evaluation of Independent Directors was completed. The Performance evaluation of Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with evaluation process.

**16. Company's policy on directors' appointment and remuneration:**

The Nomination and Remuneration Committee had been constituted by the Board which ensures the selection, appointment of persons having wide exposure in their respective fields and remuneration to Directors, Key Managerial Personnel and Senior Management of the Company. The Board on the recommendation of the Nomination & Remuneration Committee takes necessary steps and decisions.

17. Statement of declaration given by independent directors under section 149(6) :

During the year under review the company has received the necessary declarations from each Independent Director in accordance with Section 149(7) of the Companies Act, 2013 that he/she meets the criteria of independence as laid out in sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015.

18. Particulars of loans, guarantees or investments under section 186:

The Company had not given any loans, guarantees during the year 2019-20. The investment to the extent of Rs.1,00,000 made in wholly owned subsidiary Company during the year 2019-20.

19. Particulars of contracts or arrangements with related parties:

All transactions entered with Related Parties for the year under review were on arm's length basis and in the ordinary course of business. There are material significant related party transactions made by the Company. All Related Party Transactions are placed before the Audit Committee as also the Board for approval, where ever required. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseeable and repetitive nature. A statement giving details of all related party transactions entered into pursuant to the omnibus approval so granted are placed before the Audit Committee and the Board of Directors. The Company had formulated a policy on dealing with related party transactions which has been uploaded on the Company's website :www.tgvgroup.com. Form AOC-2 is annexed to this report (**Annexure-B**).

20. Risk management policy:

A special team with senior executives had been formed to assist the Board (a) Overseeing and approving the Company's enterprise risk management framework and (b) Overseeing that all the risks that the organization faces such as strategic, financial, credit, market, liquidity, security, property, IT, legal and other risks and there is an adequate risk management infrastructure. The Company manages, monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives.

21. Vigil Mechanism / Whistle Blower Policy:

The company has adopted a vigil mechanism policy in order to ensure that the activities of the Company and its employees are conducted in a fair and transparent manner by adoption of highest standards of professionalism, honesty, integrity and ethical behavior.

**22. Extract of Annual Return :**

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013, the extract of the Annual Return in Form MGT-9 is attached as **(Annexure-C)**. The same is available on the web link : <https://www.tgvgroup.com/investors/annual-reports>. The Annual Return will be uploaded on the Website of the Company once it is filed with the MCA.

23. Particulars of Energy conservation, Technology Absorption and Foreign Exchange earnings and outgo:

Information as per Section 134 (3) of the Companies Act, 2013 read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 are forming part of the Directors' Report for the year ended 31st March, 2020 is annexed to this Report **(Annexure -D)**.

24. Corporate Governance:

A report on Corporate Governance along with a Certificate for compliance with the conditions of Corporate governance in accordance with Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 issued by Practicing Company Secretary forms part of this Annual Report **(Annexure -E)** .

25. Management Discussion and Analysis Report :

Further to comply with regulation 34(2) read with Schedule V of SEBI(LODR) Regulations, 2015, 'Management Discussion and Analysis' has been annexed to this report **(Annexure -F)** .

26. Corporate Social Responsibility :

In compliance with the guidelines prescribed under Section 135 of Companies Act, 2013, your Company has constituted a CSR Committee which monitors the implementation of C.S.R. activities. During the year there is no change in the constitution of the CSR Committee. The members of the committee are Sri A Kailashnath as Chairman and Smt.D S Sai Leela, Sri P Ramachandra Gowd as members. Appropriate steps are taken by the company to integrate CSR activities for the development of areas surrounding the Company in particular and other areas in general. During the financial year 2019-20, the company had to spent Rs.62,48,818. Against this, the Company had spent Rs.95,73,656. Details of C.S.R. activities are annexed to this report **(Annexure - G)**.

27. Cost Auditors:

As per section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audits) Rules, 2014 as amended, the Board of Directors of your Company on recommendation of the Audit Committee appointed M/s. Kapardhi & Associates, Cost Accountants as the Cost Auditors to carry out the cost audit of products of the Company. The remuneration of cost auditors has been approved by the Board of Directors on the recommendation of Audit Committee and the requisite resolution for ratification of remuneration



of cost auditors by the members has been set out in the notice of 15th Annual General Meeting of your Company.

The cost audit report for the financial year ended March 31, 2019 issued by M/s. Kapardhi & Associates, Cost auditors in respect of various products prescribed under Cost Audit Rules does not contain any qualification, reservation and the same was filed with Ministry of Corporate Affairs. The cost audit report for the financial year ended March 31, 2020 is being submitted shortly.

28. Statutory Auditors:

The members at the 12th Annual General Meeting held on September 27, 2017, appointed M/s T.Adinarayana & Co., Chartered Accountants (Firm Registration No.000041S) as the Statutory Auditors of the company to hold office for a term of five years from the conclusion of 12th Annual General Meeting until the conclusion of the Annual General Meeting of the Company for the financial year 2021-22 on such remuneration as may be determined by the Board of Directors.

The members may note that the Ministry of Corporate Affairs vide its notification dated May 7, 2018 has done away with the requirement of yearly ratification of appointment of Statutory Auditors.

Pursuant to Section 139 of the Companies Act, 2013, the Statutory Auditors M/s T.Adinarayana & Co., Chartered Accountants have confirmed that they are eligible to continue as auditors.

There are no qualifications, reservation or adverse remark or disclaimer made in the audit report for the financial year 2019-20.

29. Secretarial Auditors:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had re-appointed M/s. Geetha Serwani & Associates, Practicing Company Secretary, Hyderabad to undertake the Secretarial Audit of the Company for the Financial Year 2019-20. The Report of the Secretarial Audit Report is annexed to this report (**Annexure- H**). The report does not contain any qualification, reservation or any adverse remark.

30. Disclosure as per Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed there under.



- a. No. of complaints filed during the financial year - Nil
- b. No. of complaints disposed during the financial year - Not Applicable
- c. No. of complaints pending as on end of the financial year - Nil

31. Directors' Responsibility Statement:

Pursuant to the requirement under Section 134 (5) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (i) that the preparation of the accounts for the financial year ended March 31, 2020 the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) that the Directors had prepared the accounts for the financial year ended March 31, 2020 on a 'going concern' basis.
- (v) that the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- (vi) that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

There are no material changes which affects the financial position of the Company according to the date of financial year and the date of its report .

33. Particulars of Employees:

Except Sri T G Bharath, Chairman & Managing Director ,no employee of the Company is drawing remuneration as prescribed under Section 197 of the Companies Act, 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules,2014.



34. Particulars of Remuneration:

Disclosures with respect to the remuneration of Directors and employees as required under Section 197(12) of Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.:

- (i) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

| Name of the Director | Ratio to Median Remuneration |
|--|------------------------------|
| Sri.T.G.Bharath , CMD | 72.79% |
| A.Kailashnath, Director | 0.19% |
| Sri.H.Gurunath Reddy, Director | 0.11% |
| Smt.D. S. Sai Leela , Director | 0.19% |
| Sri.P.Ramachandra Gowd , Director | 0.19% |
| Sri.Krishnamoorthy Chandraiah Naik, Director | 0.11% |

- (ii) The percentage increase in remuneration of each Director, Chief financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

| | |
|--|-------|
| Sri.T.G.Bharath, Managing Director * | --- |
| Smt.V Surekha , Company Secretary | 3.10% |
| Sri.Ifthekhar Ahmed, Chief Financial Officer | 2.86% |

*Appointed as Chairman & Managing Director on May 30 , 2019 and drawn remuneration for 10 months only.

- (iii) The percentage increase in the median remuneration of employees in the financial year - 2.59%
- (iv) The number of permanent employees on the rolls of Company - 430
- (v) Average percentile increase already made in the salaries of employees other than managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration :

The average increase in salaries of employees other than managerial personnel in 2019-20 was 2.59% . Percentage increase in the managerial remuneration for the year cannot be compared as remuneration for a period of 10 months received during financial year 2019-20.

- (vi) Affirmation that the remuneration is as per the remuneration policy of the Company : YES



35. Acknowledgements:

Your Directors would like to express their grateful appreciation for the assistance and co-operation received from Customers, Banks, Suppliers, Shareholders, Government departments and other statutory authorities and others associated with the Company. Your directors also wish to place on record their appreciation for the contributions made by employees at all levels, during the year under review.

The Directors regret the loss of lives due to COVID-19 pandemic and are deeply grateful and have immense respect for every person who risked their life and safety to fight this pandemic.

For and on behalf of the Board

T.G. Bharath

Chairman & Managing Director

(DIN : 00125087)

Place : Kurnool

Date : September 14, 2020

ANNEXURE-A TO DIRECTORS' REPORT

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/ associate companies/joint ventures

Part "A": Subsidiaries :

The Company had only one wholly owned subsidiary Company M/s. TGV Sodium & Electrolite Private Limited during the financial year 2019-20 which is yet to Commence its operations.

| | |
|---|------------------|
| The date since when subsidiary was acquired | January 31, 2020 |
| Financial year ending | March 31,2020 |
| Reporting currency | Indian Rupee |
| Share Capital | 1,00,000 |
| Reserves & Surplus | (48,061) |
| Total Assets | 1,09,934 |
| Total Liabilities | 57,995 |
| Investments | 0.00 |
| Turnover | 0.00 |
| Profit Before Tax | (48,061) |
| Provision For Tax | 0.00 |
| Profit after Tax | (48,061) |
| Proposed Dividend | 0 |
| % of share holding | 100 |



Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Company.

| Name of Associate Company | T G V SRAAC Limited |
|---|---|
| 1. Latest audited Balance Sheet Date | - |
| 2. Shares of Associate Company held by the company on the year end | |
| No. | 2,05,44,496 |
| Amount of Investment in Associates | Rs. 19,32,48,989 |
| Extend of Holding% | 20.19 % |
| 3. Description of how there is significant influence | No |
| 4. Reason why the associate/joint venture is not consolidated | The Company holds more than 20% of Share Capital in TGV SRAAC Limited . The Company does not exercise any control and or does not have significant influence over TGV SRAAC Limited and not considered as Associate of the Company as per Ind AS-28. The investments have been accounted as per Ind AS 109 Investments. |
| 5. Net worth attributable to shareholding as per latest audited Balance Sheet | - |
| 6. Profit/Loss for the year | - |
| i. Considered in Consolidation | |
| ii. Not Considered in Consolidation | |

ANNEXURE - A-1

Entities formed/acquired or ceased during the financial year 2019-20

(pursuant to section 134 read with Rule 8(5)(iv) of Companies (Accounts) Rules, 2014.)

- | | |
|---|---|
| 1. Subsidiaries formed/acquired or ceased | : 1. TGV Sodium & Electrolite Private Limited - formed |
| 2. Associate Companies formed /acquired or ceased | : NIL |

For and on behalf of the Board

T.G. Bharath

Chairman & Managing Director

(DIN : 00125087)

Place : Kurnool

Date : September 14, 2020



ANNEXURE - B TO DIRECTORS REPORT

Form No. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.
- Not Applicable -
2. Details of material contracts or arrangement or transactions at arm's length basis:

| Sl. No | (a) Name(s) of the related party and nature of relationship | (b) Nature of contracts/ arrangements/ transactions | (c) Duration of the contracts/ arrangements/ transactions | (d) Salient terms of the contracts or Transactions including the value, if any: (Rs.) | (e) Date(s) of approval by the Board, if any: | (f) Amount paid as advances if any (Rs.) |
|--------|---|--|---|---|---|--|
| 1. | TGV SRAAC Ltd | Purchases Sales Rent Paid | Annual Contracts | 132,91,50,049 63,20,02,036 6,53,838 | } June 30, 2020 | |
| 2. | TGV Projects & Investments Pvt Ltd | Purchases Sales Rent Paid Services Received | Annual Contracts | 5,782 1,04,489 2,02,80,908 1,64,16,949 | | |
| 3. | Gowri Gopal Hospitals Pvt Ltd | Purchases Sales Rent Paid Services Received | Annual Contracts | 1,54,996 2,87,112 19,04,520 18,66,353 | | |
| 4 | Sree Rayalaseema Galaxy Projects Pvt Ltd | Purchases Sales Services Received | Annual Contracts | 26,30,604 1,37,23,080 4,92,03,116 | | |
| 5 | T G Venkatesh | Rent paid | Lease | 63,14,227 | | |
| 6 | T G Bharath | Rent paid | Lease | 47,11,740 | | |

Note : The above related party disclosures are only under Section 188 read with Section 133 of the Companies Act, 2013.

For and on behalf of the Board

T.G. Bharath

Chairman & Managing Director

(DIN : 00125087)

Place : Kurnool

Date : September 14, 2020

**ANNEXURE - C TO DIRECTORS REPORT****FORM NO. MGT-9**

Extract of annual return as on the financial year ended on 31.03.2020 pursuant to section 92(3) of Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014).

I Registration and other details :

| | |
|---|---|
| (i) CIN | L24110AP2005PLC045726 |
| (ii) Registration Date | 28-03-2005 |
| (iii) Name of the Company | Sree Rayalaseema Hi-Strength Hypo Limited |
| (iv) Category/sub-category of the Company | Public Company / Limited by Shares |
| (v) Address of the Registered Office and contact details | Regd Off : Gondiparla, Kurnool-518004 . 6-2-1012, TGV Mansion, IV th Floor, Above ICICI Bank, Khairatabad, Hyderabad - 500004. Ph No. 040-23313964; Fax No. 040-23313875. |
| (vi) Whether listed Company Yes/No | Yes |
| (vii) Name, Address and Contact Details of Registrar and Transfer Agent, if any | Aarathi Consultants Pvt. Ltd. Regd. Office: 1-2-285, Domalguda Hyderabad-500029.(Telangana State) Tel No.040-27638111 / 4445, Fax No: 040-27632184 e-mail : info@aarthiconsultants.com |

II Principal Business Activities of the Company

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

| Sl.No. | Name and Description of main products/services | NIC Code of the product/service | % of total turnover of the Company |
|--------|--|---------------------------------|------------------------------------|
| 1 | Calcium Hypo Chlorite | 20119 | 41.12% |
| 2 | Sulphuric Acid | 20119 | 18.26% |
| 3 | Stable Bleaching Powder | 20119 | 11.80% |

III Particulars of Holding, Subsidiary and Associate Companies:-

| Sl. No. | Name and address of the Company | CIN/GLN | Holding/ Subsidiary/ Associate | % of shares held | Applicable section |
|---------|--|---------------------------|--------------------------------|------------------|--------------------|
| 1. | TGV SRAAC Limited | L24110AP1981 PLC003077 | Associate | 20.19 | Sec 2 (6) |
| 2. | TGV Sodium & Electrolite Private Limited | U24290AP2020 PTC114059 | Subsidiary | 100 | Sec 2 (87) |



IV. SHAREHOLDING PATTERN (Equity share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

| Category of shareholders | No of shares held at the beginning of the year (April 1, 2019) | | | | No of shares held at the end of the year (March 31, 2020) | | | | % of change during the year |
|---|---|----------------|-----------------|-------------------|--|----------------|-----------------|-------------------|-----------------------------|
| | Demat | Physical | Total | % of total shares | Demat | Physical | Total | % of total shares | |
| APromoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| (a) Individual/HUF | 1338692 | 0 | 1338692 | 7.80 | 1364730 | 0 | 1364730 | 7.95 | 0.15 |
| (b) Central Govt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (c) State Govt(s) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (d) Bodies Corp. | 9248973 | 0 | 9248973 | 53.88 | 9293638 | 0 | 9293638 | 54.14 | 0.26 |
| (e) Banks/FI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (f) Any other... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-total A(1) | 10587665 | 0 | 10587665 | 61.68 | 10658368 | 0 | 10658368 | 62.09 | 0.41 |
| (2) Foreign | | | | | | | | | |
| (a) NRIS-Individual | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (b) other -individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (c) Bodies Corp.. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (d) Institutions/QFI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (e) Any other... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-Total(A)(2) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total shareholding of promoter (A)=(A)(1)+(A)(2) | 10587665 | 0 | 10587665 | 61.68 | 10658368 | 0 | 10658368 | 62.09 | 0.41 |
| B.Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| (a) Mutual funds | 1322 | 928 | 2250 | 0.01 | 1322 | 928 | 2250 | 0.01 | 0.00 |
| (b) Banks/FIS | 5079 | 0 | 5079 | 0.03 | 5079 | 0 | 5079 | 0.03 | 0.00 |
| (c) Central /State Govts | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (d) Venture Capital funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (e) Insurance companies | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (f) FIIS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (g) Foreign Venture Capital Investors | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (h) QFI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (i) Others..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-Total(B)(1) | 6401 | 928 | 7329 | 0.04 | 6401 | 928 | 7329 | 0.04 | 0.00 |
| 2. Non Institutions | | | | | | | | | |
| (a) Bodies Corp | | | | | | | | | |
| (i) Indian | 277115 | 44925 | 324633 | 1.89 | 279823 | 47226 | 327049 | 1.91 | 0.02 |
| (ii) Overseas | 0 | 2593 | 2593 | 0.01 | 0 | 2593 | 2593 | 0.01 | 0 |
| (b) Individuals | | | | | | | | | |
| (i) Individual shareholders holding nominal share capital up to Rs. 2 lakhs | 2677671 | 1764742 | 4442413 | 25.88 | 2681573 | 1722208 | 4403781 | 25.66 | (0.22) |
| (ii) Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs | 796380 | 0 | 796380 | 4.64 | 784750 | 0 | 784750 | 4.57 | (0.07) |
| (c) Others (specify) NRIS | 162666 | 813839 | 976505 | 5.69 | 153579 | 797476 | 951055 | 5.56 | (0.13) |
| (D) IEPF | 29896 | 0 | 29896 | 0.17 | 29896 | 0 | 29896 | 0.17 | 0 |
| Sub-Total (b)(2) | 3943728 | 2626099 | 6569827 | 38.27 | 3929621 | 2569503 | 6499124 | 37.86 | (0.41) |
| Total Public shareholding (B)=(B)(1)+(B)(2) | 3950129 | 2627027 | 6577156 | 38.31 | 3936022 | 2570431 | 6506453 | 37.90 | (0.41) |
| C. Shares held by custodian for GDRs & ADRs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total (A+B+C) | 14537794 | 2627027 | 17164821 | 100 | 14594390 | 2570431 | 17164821 | 100 | 0 |



(ii) Shareholding of Promoters

| Sl. No. | Shareholder's Name | Shareholding at the beginning of the year (April 1, 2019) | | | Shareholding at the end of the year (March 31, 2020) | | | % of change in share holding during the year |
|---------|---|---|----------------------------------|--|--|----------------------------------|--|--|
| | | No. of shares | % of total shares of the company | % of shares pledged/encumbered to total shares | No. of shares | % of total shares of the company | % of shares pledged/encumbered to total shares | |
| 1. | T G V Securities Pvt Ltd | 623053 | 3.63 | 0 | 656414 | 3.82 | 0 | 0.19 |
| 2. | TGV Projects & Investments Pvt Ltd | 2394079 | 13.95 | 0 | 2405383 | 14.01 | 0 | 0.06 |
| 3. | Sree Rayalaseema Dutch Kassenbouw Pvt Ltd | 499422 | 2.91 | 0 | 499422 | 2.91 | 0 | 0 |
| 4. | Gowri Gopal Hospitals Pvt Ltd | 3668639 | 21.37 | 0 | 3668639 | 21.37 | 0 | 0 |
| 5 | Brilliant Industries Pvt Ltd | 305042 | 1.78 | 0 | 305042 | 1.78 | 0 | 0 |
| 6 | Sree Rayalaseema Galaxy Projects Pvt Ltd | 1513989 | 8.82 | 0 | 1513989 | 8.82 | 0 | 0 |
| 7 | T G V SRAAC Ltd | 244749 | 1.43 | 0 | 244749 | 1.43 | 0 | 0 |
| 8 | T G Bharath | 515737 | 3.00 | 0 | 515737 | 3.00 | 0 | 0 |
| 9 | T G Shilpa Bharath | 399676 | 2.33 | 0 | 425714 | 2.48 | 0 | 0.15 |
| 10 | T G Rajyalakshmi | 415744 | 2.42 | 0 | 415744 | 2.42 | 0 | 0 |
| 11 | Boda Mourya | 488 | 0.00 | 0 | 488 | 0.00 | 0 | 0 |
| 12 | Jyothsna S Mysore | 7047 | 0.04 | 0 | 7047 | 0.04 | 0 | 0 |

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

| Particulars | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|----------------------------------|---|----------------------------------|
| | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| At the beginning of the year | 10587665 | 61.68% | 10658368 | 62.09% |
| Date wise increase/decrease in promoters shareholding during the year specifying the reasons for increase/decrease (e.g. Allotment / transfer / bonus / sweat equity etc.,) | Purchased in the secondary market | | | |
| At the end of the year | 10658368 | 62.09% | | |



iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

| Sl. No | Name of the Shareholder | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|--------------------------|---|----------------------------------|---|----------------------------------|
| | | No. of Shares held | % of total shares of the Company | No. of Shares held | % of total shares of the Company |
| 1 | BHAVESH SHAH | 339337 | 1.98 | 341267 | 1.98 |
| 2 | KALYANI P JAIN | 96784 | 0.56 | 96784 | 0.56 |
| 3 | VARSHA BHAVESH SHAH | 82596 | 0.48 | 82596 | 0.48 |
| 4 | BHARGAVI KODALI | 80000 | 0.47 | 80000 | 0.46 |
| 5 | PREM NATH MAINI | 36300 | 0.21 | 38200 | 0.22 |
| 6 | SATYA PRAKASH GUPTA | 37576 | 0.22 | 37576 | 0.22 |
| 7 | RAJESH HIRANANDANI | 30478 | 0.18 | 37000 | 0.21 |
| 8 | DR RAMESH CHIMANLAL SHAH | 0 | 0 | 25459 | 0.14 |
| 9 | PRAKASH JAIN | 24244 | 0.14 | 24244 | 0.14 |
| 10 | NIRANJAN BASAK | 24000 | 0.14 | 24000 | 0.13 |

(v) Shareholding of Directors and Key Managerial Personnel:

| Sl. No. | For each of the Directors and KMP | Shareholding at the beginning of the year | | Date wise Increase / Decrease in Shareholding specifying for increase / decrease (e.g., Allotment / Transfer / Bouns / Sweat Equity etc.) (during the year April 1, 2019 to March 31, 2020) | Reason | Cumulative shareholding during the year (April 1, 2019 to March 31, 2020) No. of shares | % of total shares of the Company |
|---------|-----------------------------------|---|----------------------------------|---|--------|--|----------------------------------|
| | | No. of Shares at the beginning of the year (April 1, 2019) / end of the year (March 31, 2020) | % of total shares of the Company | | | | |
| 1. | Sri.T.G.Bharath | 515737 | 3.00 | - | | 515737 | 3.00 |
| 2. | Smt.D.S. Sai Leela | 58 | 0 | — | | 58 | 0 |
| 3. | Smt.V.Surekha | 500 | 0 | — | | 500 | 0 |
| 4. | Sri.Iftekhar Ahmed | 500 | 0 | — | | 500 | 0 |



V. INDEBTEDNESS

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

| Particulars | Secured Loans excluding deposits | Unsecured Loans | Deposit | Total Indebted-ness |
|--|----------------------------------|-----------------|-------------------|---------------------|
| Indebtedness at the beginning of the financial year | | | | |
| (i) Principal Amount | 12,33,02,720 | - | 1,30,74,375 | 13,63,77,095 |
| (ii) Interest due but not paid | - | - | - | - |
| (iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | 12,33,02,720 | - | 1,30,74,375 | 13,63,77,095 |
| Change in Indebtedness during the financial year | | | | |
| • Additions | 93,76,240 | - | 5,25,000 | 99,01,240 |
| • Reduction | (6,49,47,971) | - | (8,00,000) | (65747971) |
| Net Change | (5,55,71,731) | - | (2,75,000) | 5,58,46,731) |
| Indebtedness at the end of the financial year | | | | |
| (i) Principal Amount | 6,77,30,989 | - | 1,27,99,375 | 8,05,30,364 |
| (ii) Interest due but not paid | - | - | - | - |
| (iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | 6,77,30,989 | - | 1,27,99,375 | 8,05,30,364 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

1. Remuneration to Managing Director, Whole-time Directors and/or Manager

| Sl. No. | Particulars of Remuneration | Name of MD /WTD / Manager |
|---------|---|---------------------------|
| | | T G Bharath |
| 1. | Gross Salary | Rs. 2,01,29,032 |
| (a) | Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 | |
| (b) | Value of perquisites u/s 17(2) Income -tax Act, 1961 | |
| (c) | Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | |
| 2. | Stock Options | --- |
| 3. | Sweat Equity | --- |
| 4. | Commission-as % of profit-others, specify.... | --- |
| 5. | Others, please specify | --- |
| | Total (A) | Rs. 2,01,29,032 |
| | Ceiling as per the Act | Rs. 2,40,00,000 |



2. Remuneration to other Directors :

| Sl. No. | Particulars of Remuneration | Name of Directors | | | Total Amount |
|---------|--|-------------------|---------------------|----------------|-----------------|
| | | D.S. Sai Leela | P.Rama chandra Gowd | A.Kailash nath | |
| 1. | Independent Directors. • Fee for attending board committee meetings • Commission • Others, please specify | 64,000 | 64,000 | 64,000 | 1,92,000 |
| | Total (1) | 64,000 | 64,000 | 64,000 | 1,92,000 |
| | | K C Naik | H.Gurunath Reddy | | |
| 2. | Other Non-Executive Directors. • Fee for attending board committee meetings • Commission • Others, please specify | 35,000 | 35,000 | | 70,000 |
| | Total (2) | 35,000 | 35,000 | | 70,000 |
| | Total(B)= (1+2) | | | | 2,62,000 |
| | Total Managerial Remuneration Overall Ceiling as per the Act | | | | NA |

3. Remuneration to Key Managerial Personnel Other than MD/Manager/ WTD

| Sl. No. | Particulars of Remuneration | Key Managerial Personnel | | | |
|---------|---|--------------------------|-------------------|-----------------|------------------|
| | | CEO | Company Secretary | CFO | Total |
| 1. | Gross Salary | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the the Income Tax Act, 1961 | | 7,21,920 | 8,22,672 | 15,44,592 |
| | (b) Value of perquisites u/s 17(2) Income -tax Act, 1961 | | 0 | 0 | 0 |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | | 0 | 0 | 0 |
| 2. | Stock Options | | 0 | 0 | 0 |
| 3. | Sweat Equity | | 0 | 0 | 0 |
| 4. | Commission-as % of profit-others, specify.... | | 0 | 0 | 0 |
| 5. | Others, please specify | | 0 | 0 | 0 |
| | Total | | 7,21,920 | 8,22,672 | 15,44,592 |

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :

There were no penalties / punishment / compounding of offences for breach of any section of Companies Act, 2013 against the Company or its Directors or other Officers in default, if any, during the year under review.



ANNEXURE-D TO DIRECTORS REPORT

Conservation of energy, technology absorption, foreign exchange earnings and outgo :

Energy Conservation Measures:

1. In Sulphuric Acid Plant No.3, two Air Blowers are being operated parallelly for higher acid production and additional Power generation. This is meeting the captive steam consumption of Acid Plant No.3 thus saving power plant steam usage.
2. Revamping of electrical systems by retrofitting with new breakers and relays have avoided unnecessary tripping and power loss.

II. SPECIAL AREAS IN WHICH R & D CARRIED OUT BY THE COMPANY

- (1) Proceeding towards zero liquid discharge and the project is under implementation
- (2) Subsequent to successful trial of sodium metal pilot plant, technology for commercial production was developed and project commenced.
- (3) Catalytic dechlorination method was developed for plant effluent avoiding reduction with SO₂. This is resulting in cost savings

III. FUTURE PLANS IN R&D

- (1) A proposal for Recovering Cal Hypo product from Mother water is being studied.
- (2) A proposal for improving solubility of Cal Hypo granules in water is being studied.
- (3) Exploring and developing new high purity Hydrated Lime sources in country.

IV. OTHER IMPROVEMENTS:

1. To meet Cal Hypo Customer requirement, a special product named as Micro Normal is being manufactured in Cal Hypo Plant.
2. Purity of Chloro Sulphonic Acid Product improved by introducing Chilling in Hcl gas pipeline. This is to meet the market requirement.
3. To improve the Conversion efficiency of Sulphuric Acid Plant No.1, New Converter with additional Catalyst top up has been commissioned.
4. To improve the Absorption efficiency in Sulphuric Acid Plant No. 1, New Drying Tower and Intermediate Absorption Tower with Spray Type Acid Distributors have been commissioned recently.

**Technology Absorption, Adoption and Innovation:**

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

Foreign Exchange Earnings and Outgo:

- a) **Activities relating to exports, initiatives taken to increase Exports, development of new export market for products and services and export plans:**

The Company is continuously exploring the new markets for export of its products namely Hi-strength Hypo Chlorite.

- b) **Total Foreign Exchange used/earned**

(Rs. in lakhs)

| | |
|-----------------------------|----------|
| i. Foreign Exchanged earned | 24076.77 |
| ii. Foreign Exchange used | 21260.28 |



ANNEXURE-E TO DIRECTORS REPORT

Report on Corporate Governance

1. Company's Philosophy On Code Of Governance

Corporate Governance in Sree Rayalseema Hi-strength Hypo Limited is a systematic process by which Company is directed and controlled to enhance its wealth generating capacity. Sree Rayalaseema Hi-strength Hypo Limited (SRHHL) has been practicing the principles of good corporate governance. The Board of Directors supports the broad principles of corporate governance. In addition to the basic governance issues, the Board lays strong emphasis on attainment of high levels of transparency, accountability and integrity.

2. Board Of Directors

The composition of the Board is in compliance with the SEBI(LODR) Regulations, 2015. The Board comprises of Six Directors and three directors are independent Directors. Except Chairman & Managing Director, the other Directors are non-executive Directors. The details of Directors attending the meetings are further furnished hereunder:

| Sl. No. | Name of the Director | Category | No. of Board meeting attended during the fy 2020 | whether attended last AGM held on September 30, 2019 | Number of Director ship in other Public Companies | No of other Committee positions held in other Public Companies | | Directorship in other listed entities (Category of Directorship) |
|---------|------------------------------------|------------------------------|--|--|---|--|-----------|--|
| | | | | | | As Chairman | As Member | |
| 1. | Sri T.G. Bharath | Chairman & Managing Director | 7 | Yes | 1 | -- | -- | -- |
| 2. | Sri A. Kailashnath | Independent Director | 7 | Yes | -- | -- | -- | -- |
| 3. | Smt.D.S. Sai Leela | Independent Director | 7 | No | -- | -- | -- | -- |
| 4. | Sri.P.Ramachandra Gowd | Independent Director | 7 | Yes | -- | -- | -- | -- |
| 5. | Sri.H.Gurunath Reddy | Non-Executive Director | 7 | Yes | -- | -- | -- | -- |
| 6. | Sri.KrishnaMoorthy Chandraiah naik | Non-Executive Director | 7 | Nb | -- | -- | -- | -- |



During the financial year ended March 31, 2020, Seven Board meetings were held on (1) May 14, 2019 (2) May 30, 2019 (3) August 14, 2019 (4) October 11, 2019 (5) November 14, 2019 (6) February 1, 2020 (7) February 13, 2020

The maximum time gap between any two meetings was not more than four calendar months.

3. Committees Of The Board

Audit Committee

The composition of the Audit Committee is in accordance with the Corporate Governance guidelines and the provisions of Section 177 of the Companies Act, 2013. The main terms of reference of the Audit Committee are:

- (i) the recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;
- (ii) review and monitor the auditor's independence and performance and effectiveness of audit process ;
- (iii) examination of the financial statement and the auditor's report thereon;
- (iv) approval or any subsequent modification of transactions of the company with related parties;
- (v) scrutiny of inter-corporate loans and investments ;
- (vi) valuation of undertakings or assets of the company, wherever it is necessary;
- (vii) evaluation of internal financial controls and risk management systems;
- (viii) monitoring the end use of funds raised through public offers and related matters.

The Audit Committee comprises of Sri.A.Kailashnath as Chairman , Smt.D.S. Sai Leela and Sri.P.Ramachandra Gowd as members . The role, terms of reference and authority and powers of the Audit Committee are in conformity with the requirements of Companies Act, 2013 and SEBI(LODR) Regulations, 2015.

The Audit committee Meetings were held on following dates :

(1) May 30, 2019 (2) August 14, 2019 (3) November 14, 2019 (4) February 13, 2020 and all the members attended the meetings.

Nomination And Remuneration Committee

The Nomination and Remunerations Committee comprises of with Sri.A.Kailashnath as Chairman, Smt.D.S. Sai Leela and Sri.P.Ramachandra Gowd as members . The Committee inter alia, deals with all elements of remuneration of Chairman & Managing Director's service contracts, notice period, severance of payments etc. Meeting of Nomination and Remuneration committee was held on May 30, 2019 and all the members attended the meeting.



The CMD will not be paid any sitting fee for attending the Board meetings. The details of total remuneration paid to Sri T.G. Bharath, CMD for the year is furnished hereunder:

| Salary | Perquisites | Commission | Total (Rs.) |
|-----------------|-------------|------------|-------------|
| Rs. 2,01,29,032 | --- | --- | 2,01,29,032 |

Stakeholders Relationship Committee

Stakeholders Relationship Committee is constituted to review the actions taken by the Company in relieving Investors' Grievances and its response to Stock Exchanges, SEBI and other related Government correspondence. The Committee comprises of Sri.A.Kailashnath as Chairman, Smt.D.S. Sai Leela and Sri.P.Ramachandra Gowd as members. The Company is vested with the requisite powers and authorities to specifically look into redressal of shareholder and investor grievances.

| No. of Investor queries / complaints received in the year 2019-20 | Pending at the end of the year | No. of pending Share Transfer |
|---|--------------------------------|-------------------------------|
| 11 | NIL | NIL |

Name and Designation of the compliance officer :

Smt V. Surekha, Company Secretary has designated as Compliance Officer by the Board.

4. General Body Meetings :

(a) The details of last three Annual General Meetings of the Company and the special resolutions approved by the Members

| Year | Location of AGM | Date | Time | Items of Special resolutions approved |
|------|---|--------------------|---------|--|
| 2017 | Regd. Office, Gondiparla, Kurnool-518004 (A.P.) | September 27, 2017 | 11 A.M. | None |
| 2018 | Regd. Office, Gondiparla, Kurnool-518004 (A.P.) | September 28, 2018 | 11 A.M. | 1.Approval for continuation of directorship of Sri Krishnamoorthy Chandraiah Naik, Non-Executive Director |
| 2019 | Regd. Office, Gondiparla, Kurnool-518004 (A.P.) | September 30, 2019 | 11 A.M. | 1.Appointment of Sri T G Bharath As Chairman & Managing Director. 2.Reappointment of independent director for second term. 3.Alteration of Articles of Association |



(b)(i) **Postal Ballot :**

None of the businesses proposed to be transacted at the ensuing Annual General Meeting requiring passing of Special resolution through postal ballot.

5. Disclosures:

None of the transactions with any of the related parties were in conflict with the interest of the Company at large. The details of related party transactions are furnished under note no. 46 of Notes to Accounts to financial statements. The Company has not received any notices from Stock Exchanges or SEBI regarding non-compliance of statutory provisions. The Company is complying with all mandatory requirements as per SEBI(LODR) Regulations, 2015 .

6. Means Of Communications:

The quarterly, half yearly and annual financial results of the Company are published in newspapers - Business Standard (English) and Andhra Prabha (Telugu) generally and submitted to BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) where the shares of the Company are listed. The Financial results are also displayed on Company's website www.tgvgroup.com. A Management Discussion Analysis Report is a part of this Annual Report.

7. General Shareholder Information

(a) **Annual General Meeting:**

Date : Monday, November 30, 2020

Time : 11.00 A.M.

Venue : The Company is conducting meeting through VC/OAVM as per MCA and SEBI circulars.

(b) **Tentative Financial Calendar :** The next financial year covers the period from April 1, 2020 to March 31 , 2021.

Un-audited Financial Results for :

First Quarter - July/August, 2020

Second Quarter - October/November, 2020

Third Quarter - January/February, 2021

Fourth Quarter - April/May, 2021

(c) **Book Closure/ Record Date :**

November 24, 2020 to November 30, 2020 (both days inclusive) for the purpose of Annual General Meeting and payment of Dividend.

(d) **Dividend Payment Date:** December 21, 2020



(e) **Listing on Stock Exchanges:** The shares of the Company are listed on BSE Limited, P J Towers, Dalal Street, Mumbai- 400001 & National Stock Exchange of India Ltd (NSE) , Exchange Plaza, Bandra Kurla Complex, Bandra (East) Mumbai - 400051. Annual listing fee for the year 2020-21 had been paid to BSE and NSE .

(f) **Stock Code :** The Stock codes on Exchanges are

| | |
|---|-----------------|
| BSE Ltd. | - 532842 |
| The National Stock Exchange of India Ltd. | - SRHHYPOLTD |
| Demat ISIN Nos. in NSDL and the CDSL | - INE 917H01012 |

(g) **Market price Data for Financial year 2019-20:**

| Month & Year | BSE | | NSE | |
|-----------------|------------|-----------|------------|-----------|
| | High (Rs.) | Low (Rs.) | High (Rs.) | Low (Rs.) |
| April, 2019 | 188.00 | 163.30 | 179.00 | 165.35 |
| May, 2019 | 175.25 | 140.25 | 167.95 | 143.05 |
| June, 2019 | 157.00 | 114.60 | 145.50 | 116.95 |
| July 2019 | 129.45 | 92.15 | 124.85 | 93.55 |
| August, 2019 | 119.15 | 88.25 | 101.20 | 89.55 |
| September, 2019 | 124.00 | 93.80 | 117.80 | 94.00 |
| October, 2019 | 117.90 | 92.65 | 110.90 | 95.75 |
| November, 2019 | 114.65 | 96.80 | 107.90 | 97.65 |
| December, 2019 | 107.55 | 91.00 | 105.55 | 93.70 |
| January, 2020 | 132.90 | 95.00 | 127.20 | 99.50 |
| February, 2020 | 144.65 | 106.00 | 136.40 | 109.10 |
| March, 2020 | 134.40 | 65.05 | 122.60 | 70.10 |

(h) **Share Transfer System:**

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended, securities can be transferred only in dematerialized form w.e.f. April 1, 2019, except in case of request received for transmission or transposition of securities. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form.

(i) **Share Transfer Agents:**

The Company has appointed M/s. Aarthi Consultants Pvt. Ltd. as Share Transfer Agent for Dematerialisation, Rematerialisation, Share Transfer and other related matters.

(j) **Distribution of Shareholding as on March 31, 2020 :**

| Sl.No. | Category | Shares | Amount | % |
|--------|-----------------------------------|-----------------|------------------|------------|
| 1. | Promoters | 10658368 | 106583680 | 62.09 |
| 2. | Mutual Funds | 2250 | 22500 | 0.01 |
| 3. | Banks & Financial Institutions | 5079 | 50790 | 0.03 |
| 4. | Bodies Corporate | 327049 | 3270490 | 1.91 |
| 5. | Indian public | 5188531 | 51885310 | 30.23 |
| 6. | NRI / OCBS | 953648 | 9536480 | 5.56 |
| 7. | IEPF | 29896 | 298960 | 0.17 |
| | TOTAL | 17164821 | 171648210 | 100 |

(k) **Dematerialisation of shares and liquidity:**

The Company's shares are covered under compulsory dematerialization list and are transferrable under depository system. As on March 31, 2020, 85.03 % of shares were held in Dematerialised form and rest in physical form.

(l) **Outstanding GDR / ADRs / Warrants / Convertible Instruments –**

Not applicable

(m) **Code of Conduct**

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

DECLARATION BY CMD

As provided in Schedule-V (D) of SEBI(LODR) Regulations, 2015, the Directors and Senior Management personnel have confirmed compliance with code of conduct for the period ended March 31, 2020.

Place : Kurnool
Date : September 14, 2020

Sd/-
T G Bharath
Chairman & Managing Director
DIN : 00125087

(n) **Plant Locations:**

- Stable Bleaching Powder Plant (3 Nos.) two located at Gondiparla, Kurnool District, Andhra Pradesh and other is at Manjawadi, Laxmapuram, Dharmapuri District, Tamilnadu.
- Sulphuric Acid, Chloro Sulphonic Acid, Monochloro Acetic Acid and Calcium Hypochlorite (Hi –Strength Hypo) plants are located at Gondiparla, Kurnool District, Andhra Pradesh.
- Bottling of Hydrogen Gas plant situated at Gondiparla, Kurnool District, Andhra Pradesh.



- Wind Mill Power units situated in Tamilnadu State.
- Sodium Methoxide and Sodium Hydraxide Plant at Gondiparla, Kurnool.
- 10MW thermal Power Plant at Gondiparla, Kurnool.

(o) **For all matters, address for correspondence at any of the following addresses:**

- (A) Registrar and Share Transfer Agent
M/s. Aarathi Consultants Pvt. Ltd.
Door No. 1-2-285, Domalguda
Hyderabad – 500 029
e-mail Id : info@aarthiconsultants.com
- (B) Sree Rayalaseema Hi-strength Hypo Limited
No. 6-2-1012, IV Floor, TGV Mansion
Above ICICI Bank, Khairatabad
Hyderabad – 500 004 (A.P.)
Tel. Nos. 040-23313843, Fax No.: 040-23313875
e-mail Id : companysecretary@srhhl.com

8. A certificate has been received from Geeta Serwani & Associates, Practising Company Secretaries, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority. Certificate is annexed to this report (Annexure-I).

9. **Details of utilization of funds raised through preferential allotment:**
Not Applicable

10. **Details of non- compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the Board or any statutory authority , on any matter related to capital markets, during the last three years:**

No penalty or strictures have been imposed on the Company by any of the aforesaid authorities during the last three years.

12. **Credit Rating:**

As the company has not issued any debt instruments or accepted any fixed deposit, the Company was not required to obtain credit ratings in respect of the same. The credit rating from CRISIL during the financial year 2019-20 for bank facilities are CRISIL A-/Stable for long term and CRISIL A2 + for Short term.

13. Total fees for all services paid by the Company to the Statutory Auditors M/s. T. Adinarayana & Co., Chartered Accountants is as follows:

Auditors Remuneration (exclusive of GST):

Audit fees : Rs.2,00,000

Reimbursement of expenses : Rs. 0.16 lakhs

For and on behalf of the Board

T.G. BHARATH

Chairman & Managing Director

DIN : 00125087

Place : Kurnool

Date : September 14, 2020

**INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

To,
The Member,
Sree Rayalaseema Hi-Strength Hypo Limited

We have examined the compliance of the conditions of Corporate Governance by Sree Rayalaseema Hi-Strength Hypo Limited ('the Company') for the year ended on March 31, 2020, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2020.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Geeta Serwani & Associates
(Practicing Company Secretary)
Sd/-
(Geeta Serwani)
Proprietor
Memb No. F8991

UDIN : F008991B001149911

Date : November 3rd, 2020
Place : Hyderabad

ACS: 24479
COP: 8842

**ANNEXURE-F TO DIRECTORS REPORT****Management Discussion & Analysis Report:****A) Industry Structure And Developments:**

The Company's main activity is manufacturing of chemicals. Other activities are generation of power through wind, solar, thermal and also trading activities.

B) Opportunities And Threats:

- (1) There is growing demand for Calcium Hypochlorite in the international market
- (2) Most of the raw materials are easily available locally thus savings in the transportation costs
- (3) The raw material prices are uncertain in the market. Any steep upward price rise would affect the profitability of the unit.
- (4) The import of lime for the manufacture of Hi-strength Hypochlorite and Sodium Metal for Sodium Hydride may affect the profitability of the Company due to exchange fluctuations.
- (5) The generation of power through wind mainly depends on high wind velocity which is seasonal in nature and thermal energy mainly depends on availability of coal both indigenous and imported .

C) Segment-Wise Or Product-Wise Performance:

The Company surpassed its previous year performance in case of Calcium Hypo chloride (HSH), Stable Bleaching Powder (SBP) , Sodium Methoxide , Sulphuric Acid , Chloro Sulphonic Acid (CSA) , bottling of Hydrogen Gas, Oleum and Power generation through Thermal energy . However, there was a slight decline in Sodium Hydride Mono Chloro Acetic Acid (MCA) , Hydrochloric acid (HCL), , Power generation through wind .

D) Outlook:

The Company is exploring possibilities in manufacturing of electrolyte products.

E) Risks And Concerns:

- (i) Raw material prices are market driven and any upward revision will affect the profitability of the Company.
- (ii) Fluctuations in foreign exchange currencies in relation to exports, Imports and FCTL.
- (iii) The investments in shares are market driven which are exposed to related risks.

F) Internal Control Systems and Their Adequacy:

The Company has a good system of internal controls in all spheres of its activities. All the staff of the Internal Audit Department are well trained in internal control procedures and well versed with computerized environment.



Further, in key areas like stores, finalization of purchase orders and fixation of material prices are under pre-audit. The Management regularly reviews the findings of the internal auditors and effective steps to implement the suggestions/observations of the Auditors are taken and monitored regularly. In the opinion of the Board, an effective internal control system adequate to the size of the Company are in place.

G) Discussion on Financial Performance With Respect To Operational Performance:

For the year 2019-20 net profit before Tax is Rs.4544.90 lakhs against Rs.4220.60 lakhs during the previous year. The Company provided Rs. (1258.16) lakhs towards deferred tax, Rs.2011.86 lakhs towards current tax and net profit after Tax is Rs.3791.20 lakhs.

H) Material Developments In Human Resources / Industrial Relations Front, Including Number Of People Employed:

During the year, the Company maintained harmonious and cordial industrial relations. The Company regularly conducting seminars and workshops to improve the safety and maintenance of the factory and for also timely dispatches of quality products. The Company is deputing employees for attending seminars for updating their skills and knowledge. The Company had around 430 employees on its rolls.

Details of Key Financial Ratios :

| Ratios | March 31, 2020 | March 31, 2019 | % of Change |
|--|-------------------|-------------------|----------------|
| Interest coverage ratio (Profit before tax + interest + Depreciation) / Interest | 63.92 | 12.75 | (401.49) |
| Debtors turnover ratio (Receivable + more than 90 days) / Gross Sales | 0.12 | 0.13 | 4.91 |
| Inventory Turnover ratio (Inventory) / Cost of goods sold(note: cost of goods sold is excluding interest, selling and other overheads) | 0.11 | 0.10 | (7.96) |
| Current ratio Current Assets / Current Liabilities (excluding AMTL) | 2.15 | 1.65 | (30.56) |
| Debt equity ratio Long term Debt / Net worth | 1:0.02 | 1:0.04 | 42.65 |
| Operating profit margin (%) PBIT / net sales | 0.07 | 0.07 | 3.55 |
| Net Profit margin (%) Net profit / net sales | 0.06 | 0.03 | (89.12) |
| Return on Net worth Net Profit / Net worth | 0.12 | 0.06 | (93.80) |



Annexure G-Corporate Social Responsibility

| Sl. No. | CSR Project or activity identified | Sector in which the Project is covered | Projects or programs (1) Local area or (2) Specify the State and District where projects or programs was undertaken | Amount outlay (Budget) project or programs wise (in Rs.) | Amount spent on the projects or programs Sub-heads: (1)Direct expenditure on projects or programs (2)Overheads (in Rs.) | Cumulative expenditure upto the reporting period (in Rs.) | Amount spent: Director or through implementing agency (in Rs.) |
|---------|--|--|---|--|---|---|--|
| 1 | Drinking Water to people of nearby areas | Provision of Drinking Water | Local area | 36,03,656 | 36,03,656 | 36,03,656 | 36,03,656 |
| 2 | Education | Provision of Education | Local area | 12,00,000 | 12,00,000 | 12,00,000 | 12,00,000 |
| 3 | Animal Welfare | Provision of Animal Welfare | Local area | 42,70,000 | 42,70,000 | 42,70,000 | 42,70,000 |
| 4 | Women welfare | Women welfare | Local area | 5,00,000 | 5,00,000 | 5,00,000 | 5,00,000 |
| | | | Total Rs. | 95,73,656 | 95,73,656 | 95,73,656 | 95,73,656 |

For and on behalf of the Board

T.G. Bharath

Chairman & Managing Director

DIN:00125087

Place : Kurnool

Date : September 14, 2020



ANNEXURE - H TO DIRECTORS' REPORT:

Form No. MR - 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 09 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Member,

Sree Rayalaseema Hi-Strength Hypo Limited

(CIN : L24110AP2005PLC045726)

Gondiparla Kurnool 518004

Kurnool Dist

Andhra Pradesh

I, Geeta Serwani, Proprietor of M/s. Geeta Serwani and Associates, Practicing Company Secretary have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Sree Rayalaseema Hi-Strength Hypo Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on March 31, 2020 complied with the Statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 according to the provisions of;

1. The Companies Act, 2013 (the Act) and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956(SCRA) and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-law framed hereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India , 1992 (' SEBI Act'); The Securities and Exchange Board of India(Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (c) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;



- (d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 ;
- (e) The Securities and Exchange Board of India (Registration to an Issue and Share Transfers Agents) Regulations, 1993;
- (f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

I have also examined compliance with the applicable clause of the following;

- I. The Secretarial Standards issue by the Institute of Company Secretaries of India.
- II. The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Accordingly, the Industry specific major Acts as applicable to the Company are complied.

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

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

All decision at Board Meetings and Committee Meetings are carried unanimously as recorded in the minutes of the Meetings of the Board of Directors or Committee of the Board, as the case may be.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the Company has no specific events/facts which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

Geeta Serwani & Associates
(Practicing Company Secretary)

Sd/-
(Geeta Serwani)
Proprietor

Memb No. F8991

UDIN : F008991B001029219

ACS: 24479

CP: 8842

Date : October 22, 2020

Place : Hyderabad

Note : This report is to be read with letter of even date which is annexed as "ANNEXURE A" and forms an integral part if this report.



“ANNEXURE A” to SECRETARIAL AUDIT REPORT

To,

The Member,

Sree Rayalaseema Hi-Strength Hypo Limited

(CIN : L24110AP2005PLC045726)

Gondiparla Kurnool 518004

Kurnool Dist

Andhra Pradesh

Report of even date is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in Secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Where ever required, we have obtained the Management representation about compliance of laws, rules and regulations and happenings of events etc.
5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of efficacy or effectiveness with which the management has conducted the affairs of the Company.

Geeta Serwani & Associates
(Practicing Company Secretary)

Sd/-

(Geeta Serwani)

Proprietor

Memb No. F8991

UDIN : F008991B001029219

ACS: 24479

CP: 8842

Date : October 22, 2020

Place : Hyderabad

Note : This report is to be read with letter of even date which is annexed as “ANNEXURE A” and forms an integral part if this report.



**“ANNEXURE I”
CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

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

To,
The Member,
Sree Rayalaseema Hi-Strength Hypo Limited
(CIN : L24110AP2005PLC045726)
Gondiparla Kurnool 518004
Kurnool Dist
Andhra Pradesh

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Sree Rayalaseema Hi-Strength Hypo Limited having CIN (L24110AP2005PLC045726) and having registered office at Gondiparla, Kurnool-518004 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

| Sr. No. | DIN | Name | Designation | Date of appointment |
|---------|----------|------------------------------------|------------------------------|---------------------|
| 1 | 00125087 | Mr. Tumbalam G Bharath | Chairman & Managing Director | 25/07/2006 |
| 2 | 03017003 | Mr A Kailashnath | Independent Director | 30/05/2016 |
| 3 | 06948544 | Mrs. Duggi Saileela Surakkagar | Independent Director | 14/08/2014 |
| 4 | 06948557 | Mr Ramachandra Gowd | Independent Director | 14/08/2014 |
| 5 | 07211326 | Mr H Gurunath Reddy | Non Executive Director | 15/06/2015 |
| 6 | 06948531 | Mr. Krishna Murthy Chandraiah Naik | Non Executive Director | 14/08/2014 |

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Geeta Serwani & Associates
(Practicing Company Secretary)

Sd/-
(Geeta Serwani)
Proprietor

Memb No. F8991

UDIN : F008991B001029219

ACS: 24479

CP: 8842

Date : October 22nd, 2020

Place : Hyderabad



INDEPENDENT AUDITOR'S REPORT

To
The Members of
Sree Rayalaseema Hi-Strength Hypo limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying the standalone financial statements of Sree Rayalaseema Hi-Strength Hypo Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'the financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ('Ind AS') and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

| SNo. | Key Audit Matter | Auditor's Response |
|------|---|---|
| 1 | Revenue Recognition The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period. | Principal Audit Procedures We reviewed the Company's implementation of Ind AS 115, including recognition of the effect on opening equity and changes to procedures, accounting guidelines, disclosures and systems to support correct revenue recognition. We reviewed and discussed the accounting policy including the key accounting estimates and judgements made by management. |



| Sl.No. | Key Audit Matter | Auditor's Response |
|--------|---|---|
| | <p>Revenue from sale of goods is recognized when control of the products being sold is transferred to our customer and when there are no longer any unfulfilled obligations. The application of the new revenue accounting standard involves certain significant judgements and estimates made by the management including identification of distinct performance obligations, determination of transaction price of the identified performance obligations, determination of transaction price, the appropriateness of the basis used to measure revenue recognized over a period. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur. Accumulated expenses are used to estimate provisions of discounts, rebates. Refer note 2.12 of the financial statements.</p> | <p>We tested the relevant internal controls used to ensure the completeness, accuracy and timing of revenue recognised.</p> <p>We read a sample of contracts to assess whether the method for recognition of revenue was relevant and consistent with Ind AS 115, and had been applied consistently. We focused on contract classification, allocation of income and cost to the individual performance obligations and timing of transfer of control.</p> <p>We evaluated the significant judgements and estimates made by management in applying accounting policy to sample of contracts and we obtained evidence to support them, including contractual agreements, delivery records. We also considered the historical outturns of estimates used in prior periods.</p> <p>We applied Audit Techniques to establish, whether any revenue has been recognized where no corresponding accounts receivable or cash has been recorded in the general ledger.</p> |
| 2 | <p>As on 31st March, 2020 the Company has a Gross Block of Rs. 14079.05 Lakhs In Plant and Machinery, During year previous years the company adopted revised the previous useful lives and residual value for plant and machinery in last year. The estimation of the useful lives and residual values, as recommended by Third Party Technical experts, involves management judgement, consideration of historical experience, exposure of plant to corrosive chemicals in process etc., hence this is considered as a key audit matter.</p> | <p>The audit procedure included and not limited to the following:</p> <ol style="list-style-type: none"> 1. Evaluating the reasonableness of the assumptions considered by the management in estimating of useful lives and residual value of Plant and Machinery. 2. Examining the useful economic life and residual life with reference to industrial experience technical evaluation by Third Party Technical experts, and our understanding of the future utilisation of assets of the company. 3. Assessing whether the impact on account of change in estimates has been appropriately recognised in the financial statements. 4. Review of disclosures made in the financial statements in this regard. |

**Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

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

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

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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



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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's Report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government in terms of Section 143 (11) of the Act, we give in Annexure-A a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit we report that :
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) the Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure-B'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial
3. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us :
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company.
 - iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2020.
4. **With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of amendments to section 197(16) of the Act:**

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act.

For **T. Adinarayana & Co.**
Chartered Accountants
Regn. No. 000041S
Sd/-

Y. Pullarao
Proprietor

Membership No. 25266

UDIN:20025266AAAABE9587

Place: Kurnool

Date : June 30, 2020



Annexure A to Independent Auditors' Report

With reference to Annexure A as referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of the company on the standalone financial statement for the year ended 31 March 2020, we report the following:

| Sl. No. | Ref.to CARO | Report by Independent Auditors | | | | |
|---------|-------------|---|---|--|--|--|
| 1 | 3(i) | Fixed Assets | | | | |
| | 3(i)(a) | The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information. | | | | |
| | 3(i)(b) | As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, have regard to the size of the Company and nature of its assets, no material discrepancies were noticed on such verification. | | | | |
| | 3(i)(c) | According to the information and explanations given to us and the records examined by us and based on the examination of sale deeds, conveyance deeds, encumbrance certificates verified by us, we report that the title deeds comprising all the immovable properties of lands, buildings which are free hold, are in the name of the company as at the balance sheet date., | | | | |
| | | Sl No. | Particulars of immovable property, location & other details | Gross block as at the Balance sheet date | Net Block as at the balance sheet date | Remarks |
| | | 1 | Land located at Gondiparla, Kurnool Survey No. 16 admeasuring 2.02 acres | 2,37,576 | 2,37,576 | As per the information given to us, this was received in scheme of amalgamation. Change of title is under process. |
| | | 2 | Land located at manjawadi, Laxmapuram, Tamilnadu Survey No. 38/1A, 38/5A, 38/3A1, 143P.Ac admeasuring 6.340 acres | 3,57,772 | 3,57,772 | As per the information given to us, this was received in scheme of amalgamation. Change of title is under process. |
| | | 3 | Land located at kaluvekkam, Tiruporur, Tamilnadu Survey No. 245-2B, 217 admeasuring 3.0 acres | 14,92,627 | 14,92,627 | As per the information given to us, this was received in scheme of amalgamation. Change of title is under process. |
| | | 4 | Land located at Konapapapeta, U.Kothapally Mandal, East Godavari District Survey No. 263/2, 263/3 admeasuring 16.60 acres | 23,30,990 | 23,30,990 | As per the information given to us, this was received in scheme of amalgamation. Change of title is under process. |
| | | 5 | Land located at Nenam Village, East Godavari District Survey No. 306, 301, 301/1, 301/2, 302/2 admeasuring 51.858 acres | 42,54,639 | 42,54,639 | As per the information given to us, this was received in scheme of amalgamation. Change of title is under process. |



| Sl. No. | Ref.to CARO | Report by Independent Auditors |
|---------|-------------|--|
| 2 | 3(ii) | Inventories |
| | | As explained to us, the inventories has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The Company has maintained proper records of inventory. There were no material discrepancies noticed on verification between the physical stock and the book records. |
| 3 | 3(iii) | Loans to parties covered by Sec.189 of the Companies Act,2013 ('the Act') |
| | | According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to body corporate, firms, Limited Liability Firms or other parties covered in the register required to be maintained under section 189 of the Act. Accordingly the provisions of the clause 3 (iii) of the Order are not applicable to the Company for the year under review. |
| 4 | 3(iv) | Loans ,guarantees, securities to and investments in other companies |
| | | In our opinion and according to the information and explanation given to us, the company has no transactions for compliance with the provisions of Sections 185 and complied with the provisions of Section 186 of the Act in respect of investments made and loans given. |
| 5 | 3(v) | Acceptance of deposits |
| | | In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits during the year as per provisions of Section 73 or 76 of the Act or any other relevant provisions of the Act and the relevant Rules framed thereunder. Accordingly the provisions of the Para 3 (v) of the Order are not applicable to the Company for the year under review. |
| 6 | 3(vi) | Maintenance of cost records |
| | | The maintenance of cost records as specified by the Central Government u/s 148(1) of the Companies Act,2013('The Act') is applicable to the company for the Financial Year ending 31 st March,2020. We have broadly verified the cost records maintained by the company u/s 148(1) of the Act and we are of the opinion that, prima facie, the prescribed accounts and cost records have been maintained. |



| Sl. No. | Ref.to CARO | Report by Independent Auditors | | | | | |
|---------|-------------|---|--|--|----------------------------|---|-----------------------------------|
| 7 | 3(vii) | Statutory Dues | | | | | |
| | 3(vii)(a) | According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employee's State insurance, Income Tax, Goods and Service Tax, duty of Customs, Cess and other material statutory dues have been generally deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income tax, Goods and Service Tax, duty of Customs, Cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable. | | | | | |
| | 3(vii)(b) | According to the information and explanation given to us, there are no material dues of statutory dues of Income tax, sales tax, Service tax, Goods and Service tax, Customs duty, Excise duty, Value added tax, cess and other dues that have not been deposited by the Company on account of any disputes however the following dues of excise duty, service tax, and income tax have not been deposited by the company on account of pending disputes as detailed here under. | | | | | |
| | | Sl. No. | Name of the statute | Nature of dues | Amount Involved in the SCN | Forum where dispute is pending | Period to which amount is related |
| | | 1 | C. No. 52 / TCCE/2010 Adjn(C. Ex) dtd.22.06.2010 issued by Adl. Commr, TPT | Wrong availment of Cenvat Credit in respect of various Input Services | Rs.30,58,889/- | Pending at Adl. Commissioner, Tirupati. | 2010-2011 |
| | | 2 | C.No. 76/ TCCE/2011- Adjn. CE dtd. 24.11.2011. | Wrong availment of Cenvat Credit in respect of various Input Services for the period December-2010 to March-2011 | Rs.27,64,347/- | SHOW CAUSE NOTICE Issued by the commissioner of central excise. Tirupati. Replay submitted hearing pending. | 2011-2012 |
| | | 3 | C.No. V/15/28/ 7/2013 - Adjn.C.E dtd. 01.05.2013 | Wrong availment of Cenvat Credit in respect of various Input Services for the period Apr-12 to Sep-2012 | Rs.1,29,845/- | Pending at Assistant Commissioner, Kurmool. | 2013-2014 |



| Sl. No. | Name of the statute | Nature of dues | Amount Involved in the SCN | Forum where dispute is pending | Period to which amount is related |
|----------|--|---|----------------------------|---|-----------------------------------|
| 4 | C.No. 90/TCCE/2015-Adjn(C.Ex) dtd.20.10.2015 issued by Adl.Commr, TPT | Wrong availment of Cenvat Credit in respect of various Input Services for the period October-14 to March-2015 | Rs.3,97,789/- | Pending at Adl. Commissioner, Tirupati. | 2015-2016 |
| 5 | C.No. 38/TCCE/2016-Adjn(C.Ex) dtd.22.04.2016 issued by Adl.Commr, TPT | Wrong availment of Cenvat Credit in respect of various Input Services for the period April-15 to September-2015 | Rs.3,34,030/- | Pending at Adl. Commissioner, Tirupati. | 2016-2017 |
| 6 | C.No.V/15/28/31/2016 Adjn(C.Ex) - dtd.19.10.2016 issued by Assistant Commissioner, KURNOOL | Wrong availment of Cenvat Credit in respect of various Input Services for the period October-15 to March-2016 | Rs.25,07,767/- | Pending at Asst. Commissioner, Kurnool. | 2016-2017 |
| 7 | C.No.V/01/115/2015-16-CE-Audit-G-I dtd.23.02.2017 issued by Asst Commissioner, Tirupati. | Wrong availment of Cenvat Credit in respect of various Input Services for the period April-15 to March-2016 | Rs.3,08,243/- | OIO passed by A.C Kurnool (Pending with CESTAT at Hyderabad) | 2016-2017 |
| 8 | C.No.V/01/115/2015-16-CE-Audit-G-I dtd.20.03.2017 issued by Asst Commissioner, Tirupati. | Wrong availment of Cenvat Credit in respect of job work for the period Feb-15 to March-2016 | Rs.1,71,676/- | OIO passed for Rs. 1,21,707/- by A.C Kurnool (Pending with CESTAT at Hyderabad) | 2016-2017 |
| 8 | 3(viii) | Defaults in repayments to Financial Institutions/Banks/ Debenture holders | | | |
| | | In our opinion and according to the information and explanation given to us, the Company has not defaulted in the payment/ repayments of loans or borrowings to the banks. | | | |
| 9 | 3(ix) | Initial public offer/further offer | | | |
| | | In our opinion and according to the information and explanation given to us, the company, during the year, has not raised any monies by the way of, any initial public offer (IPO) or further public offer of securities (including debt instruments) and hence reporting for IPO or further public offer under Para 3(ix) of the Order is not applicable to the company and the term loans availed during the year have been utilised for the purpose they were raised | | | |



| Sl. No. | Ref. to CARO | Report by Independent Auditors |
|---------|--------------|---|
| 10 | 3(x) | Frauds by or on the company |
| | | In our opinion and according to the information and explanation given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit. |
| 11 | 3(xi) | Managerial Remuneration |
| | | In our opinion and according to the information and explanation professional opinion given to us based on the examination of the records of the Company, the company has paid/provided managerial remuneration in accordance with the requisite approvals and compliances mandated by the provisions of section 197 read with Schedule V to the Act. |
| 12 | 3(xii) | Nidhi company |
| | | In our opinion and according to the information and explanation given to us, the company is not a Nidhi Company as prescribed under Section 406 of the Act and hence paragraph 3(xii) of the Order is not applicable to the company. |
| 13 | 3(xiii) | Transactions with Related parties |
| | | In our opinion and according to the information and explanation given to us and based on our examination of the records of the Company, all transactions with related parties are in compliance with provisions of section 177 and section 188 of the Act where applicable, and the details of such transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards. |
| 14 | 3(xiv) | Preferential allotment u/s 62 or private placement u/s 42 of the Act |
| | | According to the records of the Company, the Company has made a preferential allotment of 24,48,132 warrants fully convertible into equal number of equity shares and effected partial conversion of 8,58,241 warrants into equal number of equity shares during the year. There is no private placement of shares under section 42 of the Act during the year. |



| Sl. No. | Ref.to CARO | Report by Independent Auditors |
|---------|-------------|--|
| 15 | 3(xv) | Non-cash transactions with directors u/s 192 of the Act |
| | | In our opinion and according to the information and explanation given to us and based on our examination of the records of the Company, the company has not entered during the year into any non cash transactions with its Directors or persons connected to its Directors and hence provisions of Sec 192 of the Act and paragraph 3(xv) of the Order are not applicable to the company. |
| 16 | 3(xvi) | Registration u/s 45-1A of Reserve Bank of India Act,1934 |
| | | According to the information and explanation given to us, the company is not required to be registered under section 45-1A of the Reserve bank of India Act, 1934 and hence paragraph 3(xvi) of the Order is not applicable to the company. |

For **T. Adinarayana & Co.**
Chartered Accountants
Regn. No. 000041S
Sd/-

Y. Pullarao
Proprietor

Membership No. 25266

UDIN:20025266AAAABE9587

Place: Kurnool
Date : June 30, 2020



ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Sree Rayalaseema Hi-Strength Hypo Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Para (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of Sree Rayalaseema Hi-Strength Hypo Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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



We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

Meaning of Internal Financial Controls Over Financial Reporting

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

Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For **T. Adinarayana & Co.**
Chartered Accountants
Regn. No. 000041S
Sd/-

Y. Pullarao
Proprietor

Membership No. 25266

UDIN:20025266AAAABE9587

Place: Kurnool

Date : June 30, 2020



Standalone Balance sheet as at 31st March, 2020

(All amounts in Lakhs, except otherwise stated)

| Particulars | Note No. | As at 31st March 2020 | As at 31st March 2019 |
|---|----------|-----------------------|-----------------------|
| ASSETS | | | |
| Non-current assets | | | |
| (a) Property, Plant and Equipment | 3 | 12,730.72 | 19,438.19 |
| (b) Right-to-use assets on lease | 3 | 1,042.84 | - |
| (c) Capital work-in-progress | 3 | 305.49 | - |
| (d) Investment properties | 4 | 2,375.00 | - |
| (e) Financial assets | | | |
| i) Investments | 5 | 1,843.59 | 6,509.90 |
| ii) Other financial assets | 6 | 416.05 | 391.81 |
| (f) Other non-current assets | 7 | 1,009.32 | 1,191.74 |
| Total Non-current assets | | 19,723.02 | 27,531.64 |
| Current assets | | | |
| (a) Inventories | 8 | 3,670.83 | 3,704.83 |
| (b) Financial assets | | | |
| i) Trade receivables | 9 | 8,203.01 | 8,789.57 |
| ii) Cash and cash equivalents | 10 | 4,163.96 | 177.62 |
| iii) Bank balances other than Cash and cash equivalents | 11 | 4,477.54 | 1,340.98 |
| iv) Loans | 12 | 83.31 | 131.84 |
| v) Other financial assets | 13 | 294.93 | 51.70 |
| (c) Current Tax Assets (Net) | 14 | - | - |
| (d) Other current assets | 15 | 3,867.60 | 5,253.66 |
| Total Current assets | | 24,761.19 | 19,450.21 |
| TOTAL ASSETS | | 44,484.20 | 46,981.84 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| (a) Equity Share capital | 16 | 1,716.48 | 1,716.48 |
| (b) Other equity | 17 | 29,440.20 | 30,815.02 |
| Total Equity | | 31,156.68 | 32,531.50 |
| Liabilities | | | |
| Non-current liabilities | | | |
| (a) Financial liabilities | | | |
| i) Borrowings | 18 | 94.38 | 594.49 |
| ii) Others | 19 | 127.99 | 130.74 |
| iii) Lease Liability | 20 | 928.05 | 0.00 |
| (b) Deferred tax liabilities (Net) | 21 | 465.85 | 1,718.01 |
| (c) Deferred Government grants | 22 | 101.95 | 107.95 |
| (d) Provisions | 23 | 98.08 | 93.23 |
| Total Non-current liabilities | | 1,816.30 | 2,644.41 |
| Current liabilities | | | |
| (a) Financial liabilities | | | |
| i) Borrowings | 18 | 3,860.63 | 3,959.11 |
| ii) Trade payables | | | |
| (A) total outstanding dues of micro enterprises and small enterprises; and | 24 | 143.31 | 180.25 |
| (B) total outstanding dues of creditors other than micro enterprises and small enterprises. | 24 | 2,355.91 | 4,002.18 |
| iii) Other financial liabilities | 25 | 1,496.76 | 1,846.78 |
| iv) Lease Liability | 25 | 257.18 | 0.00 |
| (b) Other current liabilities | 26 | 1,874.18 | 1,204.96 |
| (c) Provisions | 27 | 95.49 | 91.12 |
| (d) Current tax liability (Net) | 28 | 1,427.75 | 521.53 |
| Total Current liabilities | | 11,511.21 | 11,805.92 |
| TOTAL LIABILITIES | | 13,327.51 | 14,450.34 |
| TOTAL EQUITY AND LIABILITIES | | 44,484.20 | 46,981.84 |
| See accompanying notes forming part of financial statements | | | |
| General information | 1 | | |
| Summary of significant accounting policies | 2 | | |
| Notes to Financial Statements | 40-51 | | |

As per our report of even date attached.

For T. Adinarayana & Co.,

Chartered Accountants (Regn.No.000041S)

Sd/-
C.A. Y. Pulla Rao
Proprietor

Membership No.25266
UDIN No: 20025266AAAABE9587
Place: Kurnool
Date : June 30, 2020

For and on behalf of the Board

Sd/-
Sri T.G.Bharath
Chairman & Managing Director

Sd/-
Smt. D. S. Sai Leela
Director

Sd/-
Smt. V.Surekha
Company Secretary

Sd/-
Sri S. Ifthekhar Ahmed
Chief Financial Officer

Place : Kurnool
Date : June 30, 2020



Standalone Statement of Profit and Loss for the year ended 31st March, 2020

(All amounts in Lakhs, except otherwise stated)

| Particulars | Note No. | Year ended 31st March 2020 | Year ended 31st March 2019 |
|---|----------|----------------------------|----------------------------|
| I Revenue from operations | 29 | 68,910.22 | 70,214.05 |
| II Other income | 30 | 391.69 | 206.78 |
| III Total revenue (I + II) | | 69,301.91 | 70,420.82 |
| IV Expenses | | | |
| Cost of materials consumed | 31 | 34,336.95 | 36,098.74 |
| Purchase of stock-in-trade | 32 | 9,931.63 | 9,465.74 |
| Changes in inventories of finished goods, work in progress and stock-in-trade | 33 | (610.37) | 650.87 |
| Employee benefit expense | 34 | 2,252.72 | 2,147.61 |
| Finance cost | 35 | 1,016.48 | 1,576.35 |
| Depreciation and amortisation expense | 3 | 5,027.37 | 4,491.86 |
| Other expense | 36 | 12,802.23 | 12,024.82 |
| Total expenses (IV) | | 64,757.01 | 66,456.00 |
| V Profit/ (loss) before exceptional items and tax (III-IV) | | 4,544.90 | 3,964.82 |
| VI Exceptional items | | - | (255.78) |
| VII Profit/ (loss) before tax (V-VI) | | 4,544.90 | 4,220.60 |
| VIII Tax expense | | | |
| Current tax | 37 | 2,011.86 | 1,689.78 |
| Deferred tax | 37 | (1,258.16) | 465.56 |
| Earlier year tax adjustments | | - | 22.70 |
| Total Tax expense | | 753.70 | 2,178.04 |
| IX Profit/ (loss) for the period After Tax (VII-VIII) | | 3,791.20 | 2,042.57 |
| X Other comprehensive income | 38 | | |
| Items not to be reclassified to profit or loss in subsequent periods: | | | |
| Net gain / (losses) on FVTOCI financial instruments | | (6,237.05) | (2,207.39) |
| Re-measurement gains/ (losses) on defined benefit plans | | 23.87 | 9.05 |
| Tax effect | | 1,563.73 | 768.19 |
| Other comprehensive income/(loss) for the year | | (4,649.44) | (1,430.15) |
| XI Total comprehensive income for the period (IX+X) | | (858.25) | 612.41 |
| XII Earnings per equity share | 39 | | |
| a) Basic | | 22.09 | 11.90 |
| b) Diluted | | 22.09 | 11.90 |
| See accompanying notes forming part of financial statements. | | | |
| General information | 1 | | |
| Summary of significant accounting policies | 2 | | |
| Notes to Financial Statements | 40-51 | | |

As per our report of even date attached.

For T. Adinarayana & Co.,

Chartered Accountants (Regn.No.000041S)

Sd/-
C.A. Y. Pulla Rao
Proprietor

Membership No.25266
UDIN No: 20025266AAAABE9587
Place: Kurnool
Date : June 30, 2020

For and on behalf of the Board

Sd/- **Sri T.G.Bharath** **Sd/-** **Smt. D. S. Sai Leela**
Chairman & Managing Director **Director**

Sd/- **Smt. V.Surekha** **Sd/-** **Sri S. Iftekhar Ahmed**
Company Secretary **Chief Financial Officer**

Place : Kurnool
Date : June 30, 2020



Standalone Cash flow statement for the year ended March 31, 2020
(All amounts in Lakhs, except otherwise stated)

| Particulars | Yearended31st March 2020 | Year ended 31st March 2019 |
|---|-----------------------------|-------------------------------|
| Cash flow from operating activities | | |
| Profit before tax | 4,544.90 | 4,220.60 |
| Profit before exceptional items and tax | 4,544.90 | 4,220.60 |
| Adjustments to reconcile profit before tax to net cash flows: | | |
| Depreciation and amortisation expenses | 5,027.37 | 4,491.86 |
| Interest received | (182.19) | (55.16) |
| Allowance for expected credit loss on trade receivables | - | 11.49 |
| Interest paid | 1,016.48 | 1,576.35 |
| Interest expense due to amortisation of processing fees | 0.74 | 3.13 |
| Interest income & expenses due to amortisation of rent deposits | (8.62) | (3.03) |
| Income due to government grant recognised | (6.00) | (6.00) |
| Net gains/(losses) on FVTPL instruments | - | (40.84) |
| Profit on sale of investments/property | - | (255.78) |
| Operating profit before working capital changes | 10,392.68 | 9,942.62 |
| Working capital adjustments: | | |
| (Decrease)/Increase in trade payables | (1,683.22) | 1,896.56 |
| (Decrease)/Increase in non-current financial liabilities | (2.75) | 4.50 |
| (Decrease)/Increase in current financial liabilities | (350.02) | (20.13) |
| (Decrease)/Increase in other current liabilities | 669.22 | (353.98) |
| (Decrease)/Increase in short term provisions | 4.37 | 6.04 |
| (Decrease)/Increase in long term provisions | 28.72 | 2.94 |
| (Increase)/Decrease in non-current financial asset | (10.55) | (115.27) |
| (Increase)/Decrease in other non-current assets | 176.60 | (57.97) |
| (Increase)/Decrease in trade receivables | 586.56 | (3,094.55) |
| (Increase)/Decrease in inventories | 34.00 | (52.59) |
| (Increase)/Decrease in other current assets | 1,386.06 | (1,046.52) |
| (Increase)/Decrease in financial assets | (194.70) | (43.98) |
| Cash generated from operating activities | 11,036.98 | 7,067.68 |
| Direct taxes paid (net) | (1,105.64) | (1,090.73) |
| Net cash flow from operating activities (A) | 9,931.34 | 5,976.95 |
| Cash flows from investing activities | | |
| Purchase of fixed assets, including CWIP | (805.83) | (4,494.38) |
| Investment in subsidiary | (1.00) | - |
| Sale of investment | - | 2,768.18 |
| Interest received | 182.19 | 55.16 |
| Redemption/(Investment) of margin money deposit | (3,102.06) | (664.85) |
| Earmarked for dividend | (34.50) | (16.42) |
| Net cash flow from/ (used in) investing activities (B) | (3,761.19) | (2,352.31) |
| Cash flows from financing activities | | |
| Proceeds from equity | - | 632.03 |
| Interest paid | (913.23) | (1,576.35) |
| (Repayment)/Proceeds of long term borrowings | (500.11) | (1,574.79) |
| (Repayment)/Proceeds from short term borrowings | (98.47) | (833.26) |
| Dividend paid | (413.86) | (392.52) |
| (Repayment)/Proceeds of lease liability | (258.13) | - |
| Net cash flow from/ (used in) financing activities (C) | (2,183.81) | (3,744.89) |
| Net increase/(decrease) in cash and cash equivalents (A + B + C) | 3,986.34 | (120.25) |
| Cash and cash equivalents at the beginning of the year | 177.62 | 297.87 |
| Cash and cash equivalents at the end of the year | 4,163.96 | 177.62 |
| Components of cash and cash equivalents | | |
| Cash on hand | 8.24 | 16.50 |
| Balances with banks | - | - |
| - in Current Account | 4,155.73 | 161.13 |
| Total cash and cash equivalents (Note 10) | 4,163.96 | 177.62 |

Note:

The Cash Flow Statement has been prepared under the 'Indirect Method' set out in Ind AS - 7 "Statement of Cash Flows"

Previous Year's figures have been regrouped / rearranged to confirm to the current years presentation, wherever necessary.

As per our report of even date attached.

For T. Adinarayana & Co.,

Chartered Accountants (Regn.No.000041S)

Sd/-

C. A. Y. Pulla Rao

Proprietor

Membership No.25266

UDIN No: 20025266AAAABE9587

Place: Kurnool

Date : June 30, 2020

For and on behalf of the Board

Sd/-

Sri T.G.Bharath
Chairman & Managing Director

Sd/-

Smt. D. S. Sai Leela
Director

Sd/-

Smt. V.Surekha
Company Secretary

Sd/-

Sri S. Ifthekhar Ahmed
Chief Financial Officer

Place : Kurnool

Date : June 30, 2020



Stipulative Statement of changes in Equity
(All amounts in Indian Rupees in Lakhs, except share data and where otherwise stated)

| a. | Equity share capital | Note | Amount | Standalone | | | | | |
|----|---|-----------|----------------------------|----------------------|----------------------------|---------------------------------------|---------------------------------------|---------------------------------------|-------------------------------------|
| | | | | Reserves and Surplus | Other Comprehensive income | Money received against share warrants | Total equity & other share warrants | | |
| | As at 1st Apr 2018 | | 1,630.66 | | | | | | |
| | Changes in equity share capital during the year | 16 | 85.82 | | | | | | |
| | As at 31st Mar 2019 | | 1,716.48 | | | | | | |
| | Changes in equity share capital during the year | 16 | 1,716.48 | | | | | | |
| | As at 31st Mar 2020 | | 1,716.48 | | | | | | |
| b. | Other Equity | | | | | | | | |
| | Particulars | Note | Securities premium reserve | Retained earnings | Other reserve | FVOCI - preference instruments | OCI - Actuarial gain/loss on gratuity | Money received against share warrants | Total equity & other share warrants |
| | Balance at 31st March, 2018 | 17 | 2,269.71 | 18,893.98 | 2,762.75 | 6,032.65 | (1.73) | 210.68 | 30,168.04 |
| | Changes in equity for the period ended 31st March 2019 | | | | | | | | |
| | Preferential issues during the year | 17(i),(v) | 756.88 | - | - | - | - | (210.68) | 546.21 |
| | Equity instruments through other comprehensive income | 17(iv) | - | - | - | (1,436.04) | - | - | (1,436.04) |
| | "Reclassified to Statement of Profit and Loss" during the year on account of redemption of preference shares/(losses) on arising from | 17(iv) | - | - | - | (107.32) | - | - | (107.32) |
| | actuarial gain/loss on gratuity for the year | 17(iv) | - | 2,042.57 | - | - | (5.89) | - | (5.89) |
| | Proposed dividend | 17(ii) | - | (392.53) | - | - | - | - | 2,042.57 (392.53) |
| | Balance at 31st March, 2019 | | 3,026.59 | 20,544.01 | 2,762.75 | 4,489.29 | (7.62) | 0.00 | 30,815.03 |
| | Changes in equity for the period ended 31st March 2020 | | | | | | | | |
| | Equity instruments through other comprehensive income | 17(iv) | - | - | - | (4,667.31) | - | - | (4,667.31) |
| | Gains/(losses) on arising from actuarial gain/loss on gratuity | 17(iv) | - | - | - | - | 17.86 | - | 17.86 |
| | Profit for the year | 17(ii) | - | 3,791.20 | - | - | - | - | 3,791.20 |
| | Ind AS 116 Leases impact | 17(ii) | - | (102.71) | - | - | - | - | (102.71) |
| | Proposed dividend | 17(ii) | - | (413.86) | - | - | - | - | (413.86) |
| | Balance at 31st March, 2020 | | 3,026.59 | 23,818.64 | 2,762.75 | (178.02) | 10.24 | 0.00 | 29,440.21 |

As per our report of even date attached.
F.S. & C.A. Firm
Chartered Accountants (Regn.No.0000941S)

C.A. Y. Pulla Rao
Proprietor
Membership No. 252666
UDIN No. 20025266AAAABE9587
Place : Kurmool
Date : June 30, 2020

For and on behalf of the Board
Sd/-
Sri T.G. Bharath
Chairman & Managing Director

Sd/-
Smt. D. S. Sai Leela
Director
Sd/-
Sri S. Ithekhar Ahmed
Chief Financial Officer

Sd/-
Smt. V. Surekha
Company Secretary
Place : Kurmool
Date : June 30, 2020

**Notes to financial statements for the year ended 31st March, 2020 (Contd...)**

*(All amounts in Indian Rupees in Lakhs,
except share data and where otherwise stated)*

Standalone**Note 1: General Information**

Sree Rayalaseema Hi – Strength Hypo Limited incorporated on 28th March, 2005 it is the leading producer of Calcium Hypo Chloride, Stable Bleaching Powder, Sulphuric Acid and other chemicals.

The Company is a public limited company domiciled in India. The address off its registered office and principal place of business are disclosed in the introduction to the Annual Report. The equity shares of the Company are listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE).

The financial statements are approved for issue by the Company's Board of Director's on 30th June, 2020.

Note 2: Significant Accounting Policies

These Financial Statements are separate financial statements of the company (Also called standalone financial statements)

2.1 Statement of Compliance

The standalone financial statements have been prepared in accordance with Indian Accounting Standards (as amended) (Ind AS) as notified under see 133 of the companies Act 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 together with compara data as at the year ended March 31, 2020.

2.2 Basis of preparation and presentation of financial statements

Financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The standalone financial statements are prepared in Indian Rupees and all values are rounded off nearest to nearest lakhs.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes in to account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transaction that are within the scope of Ind AS 102, leasing transactions that are within the

**Notes to financial statements for the year ended 31st March, 2020 (Contd...)**

*(All amounts in Indian Rupees in Lakhs,
except share data and where otherwise stated)*

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scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36 Impairment of Assets.

2.3 Use of estimates and judgements

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

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

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

2.4 Operating cycle.

Operating cycle is the time between the acquisition of assets for processing and their in cash and cash equivalents. The company has ascertained its operating cycle as twelve months for the purpose of current/noncurrent classification of assets and liabilities.

2.5 Current and Non-Current Classification.

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

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

The company classifies all the assets as noncurrent.

A liability is current when:

- It is expected to be settled in normal operating cycle,

**Notes to financial statements for the year ended 31st March, 2020 (Contd...)**

*(All amounts in Indian Rupees in Lakhs,
except share data and where otherwise stated)*

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- It is held primarily for the purpose of business.
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The company classifies all other liabilities as noncurrent.

Deferred tax asset and liability are classified as non-current asset and liability

2.6 Critical Accounting Judgements and Key source of estimation uncertainty operating cycle:

In the application of the company's accounting policies, the management of the company are required to make judgements, estimates, and assumptions about the carrying amounts of the asset and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognized in the period in which the estimate is revised if the revision effects only that period or in the period of the revision and future periods in the revision effects both current and future periods.

The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Provision and contingent liability

On an ongoing basis, Company reviews pending cases, claims by third parties and other. For contingent losses that are considered probable an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting. As at March 31, 2017 management assessed that the useful lives represent the expected utility of the assets to the company. Further, there is no significant change in the useful lives as compared to previous year.

**Notes to financial statements for the year ended 31st March, 2020 (Contd...)**

*(All amounts in Indian Rupees in Lakhs,
except share data and where otherwise stated)*

Standalone**2.7 Functional Currency:**

The Financial Statements are prepared in Indian Rupees, which is the functional currency of the company, functional currency of an entity is the currency of the primary economic environment in which the entity operates.

All amounts in the financial statements are stated in Indian Currency unless otherwise stated.

2.8 Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interests issued by the Company in exchange of control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- Deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively;
- Liabilities or equity instruments related to share-based payment arrangements entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 2 at the acquisition date.
- Assets (or disposal Company's) that are classified as held for sale in accordance with Ind AS 105 (Non- current Assets Held for Sale and Discontinued Operations) are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

In case of a bargain purchase, before recognising a gain in respect thereof, the Company whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Company reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that reassessment. The Company then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Company recognises it in

**Notes to financial statements for the year ended 31st March, 2020 (Contd...)**

*(All amounts in Indian Rupees in Lakhs,
except share data and where otherwise stated)*

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order comprehensive income and accumulates the same in equity as capital reserve. This gain is attributed to the acquirer. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Company recognises the gain, after reassessing and reviewing (as described above), directly in equity as capital reserve.

Non-controlling interests that are present ownership interests and entitle their holders to a share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by- transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Ind AS.

When the consideration transferred by the Company in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with Ind AS 39, or Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Company's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts

**Notes to financial statements for the year ended 31st March, 2020 (Contd...)**

*(All amounts in Indian Rupees in Lakhs,
except share data and where otherwise stated)*

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and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

2.9 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Company's cash-generating units (or Companies of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Company's policy for goodwill arising on the acquisition of an associate and a joint venture is described at note 2.17 below.

2.10 Investments in associates and joint ventures

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Company's share of the profit or loss and other comprehensive income of the associate or joint venture. When the

**Notes to financial statements for the year ended 31st March, 2020 (Contd...)**

*(All amounts in Indian Rupees in Lakhs,
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Standalone

Company's share of losses of an associate or a joint venture exceeds the Company's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Company's net investment in the associate or joint venture), the Company discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Company's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

After application of the equity method of accounting, the Company determines whether there any is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate or a joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Company's investment in an associate or a joint venture.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount, Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Company discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Company retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Company measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with Ind AS 109 (Financial Instruments). The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint

**Notes to financial statements for the year ended 31st March, 2020 (Contd...)**

*(All amounts in Indian Rupees in Lakhs,
except share data and where otherwise stated)*

Standalone

venture. In addition, the Company accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Company reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Company continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Company reduces its ownership interest in an associate or a joint venture but the Company continues to use the equity method, the Company reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a Company entity transacts with an associate or a joint venture of the Company, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Company's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Company.

2.11 Non-current assets held for sale/ distribution to owners and discontinued operations

The Company classifies non-current assets and disposal Company's as held for sale/ distribution to owners if their carrying amounts will be recovered principally through a sale/ distribution rather than through continuing use. Actions required to complete the sale/ distribution should indicate that it is unlikely that significant changes to the sale/ distribution will be made or that the decision to sell/ distribute will be withdrawn. Management must be committed to the sale/distribution expected within one year from the date of classification.

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


Notes to financial statements for the year ended 31st March, 2020 (Contd...)

(All amounts in Indian Rupees in Lakhs, except share data and where otherwise stated)

Standalone

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

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

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

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

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

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

Additional disclosures are provided in Note 30. All other notes to the financial statements mainly include amounts for continuing operations, unless otherwise mentioned.

2.12 Revenue Recognition

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

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

**Notes to financial statements for the year ended 31st March, 2020 (Contd...)**

*(All amounts in Indian Rupees in Lakhs,
except share data and where otherwise stated)*

Standalone

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

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

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

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

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

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

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

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

2.13 Leasing

Ind AS 116 'Leases' was notified on 30th March, 2019 and it replaces Ind AS 17 'Leases', including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1st April, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-Balance Sheet model similar to the accounting for finance leases under Ind AS 17.

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

Lease is 'a contract or part of a contract that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. An underlyingly asset has been defined to mean an

**Notes to financial statements for the year ended 31st March, 2020 (Contd...)**

*(All amounts in Indian Rupees in Lakhs,
except share data and where otherwise stated)*

Standalone

Asset that is the subject of lease, for which the right to use that asset has been provided by a lessor or lessee.

Measurement of lease liability

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

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

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

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

Right-of-use asset (ROU)

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

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

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

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

2.14 Foreign currencies

In preparing the financial statements of the Company transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary

**Notes to financial statements for the year ended 31st March, 2020 (Contd...)**

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items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks (see 3.28 below for hedging accounting policies); and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purposes of presenting these financial statements, the assets and liabilities of the Company's foreign operations are translated into Currency Units using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non- controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Company's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Company losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

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Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

2.15 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.16 Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

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

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

2.17 Employee benefits

Retirement benefit costs and termination benefits

**Notes to financial statements for the year ended 31st March, 2020 (Contd...)**

*(All amounts in Indian Rupees in Lakhs,
except share data and where otherwise stated)*

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Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- Remeasurement.

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the consolidated statement of financial position represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

**Notes to financial statements for the year ended 31st March, 2020 (Contd...)**

*(All amounts in Indian Rupees in Lakhs,
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Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

Contributions from employees or third parties to defined benefit plans

Discretionary contributions made by employees or third parties reduce service cost upon payment of these contributions to the plan.

When the formal terms of the plans specify that there will be contributions from employees or third parties, the accounting depends on whether the contributions are linked to service, as follows:

- If the contributions are not linked to services (e.g. contributions are required to reduce a deficit arising from losses on plan assets or from actuarial losses), they are reflected in the remeasurement of the net defined benefit liability (asset).
- If contributions are linked to services, they reduce service costs. For the amount of contribution that is dependent on the number of years of service, the entity reduces service cost by attributing the contributions to periods of service using the attribution method required by Ind AS 19 for the gross benefits. For the amount of contribution that is independent of the number of years of service, the entity [reduces service cost in the period in which the related service is rendered / reduces service cost by attributing contributions to the employees' periods of service in accordance with Ind AS 19

Share-based payment arrangementsShare-based payment transactions of the Company

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they

**Notes to financial statements for the year ended 31st March, 2020 (Contd...)**

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are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

2.18 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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*(All amounts in Indian Rupees in Lakhs,
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The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

2.19 Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated Balance Sheet at cost less accumulated depreciation and accumulated impairment losses. Free hold land is not depreciated.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Freehold land is not depreciated.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual

**Notes to financial statements for the year ended 31st March, 2020 (Contd...)**

*(All amounts in Indian Rupees in Lakhs,
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values over their useful lives, using the straight- line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

For transition to Ind AS, the Company as elected to continue with the carrying value of all of its property, plant and equipment recognised as of 01.04.2016(Transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Depreciation and amortisation

The Company depreciates property, plant and equipment over their estimated useful lives as specified in Schedule II to the Companies act, 2013 using the straight-line method.

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

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

- Thermal power plant – 8years
- New Hypo Plant – 6 years

2.20 Investment property

**Notes to financial statements for the year ended 31st March, 2020 (Contd...)**

*(All amounts in Indian Rupees in Lakhs,
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Standalone

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16 requirements for cost model.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

For transition to Ind AS, the Company has elected to continue with the carrying value of its investment property recognised as of 01.04.2016 (transition date) measured as per the previous GAAP and used that carrying value as its deemed cost as of the transition date.

2.21 Intangible assetsIntangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Internally-generated intangible assets - research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and

**Notes to financial statements for the year ended 31st March, 2020 (Contd...)**

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- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in profit or loss when the asset is derecognised.

Deemed cost on transition to Ind AS

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as of 01.04.2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

2.22 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or

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*(All amounts in Indian Rupees in Lakhs,
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otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.23 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average cost basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Carrying value of inventories pledged as securities against loans are disclosed.

2.24 Provisions and contingencies**Provisions**

A Provision is recognised when the company has a present obligation (legal or constructive) as a result of past event i.e., it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingencies

Contingent liability is disclosed for:

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*(All amounts in Indian Rupees in Lakhs,
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- Possible obligations which will be confirmed only by future events not wholly within the control of the company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.
- Contingent liabilities and assets are not recognised in financial statements. A disclosure of the contingent liability is made when there is a possible or a present obligation that may, but probably will not, require an outflow of resources.

2.25 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of financial asset. Purchase or sales of financial assets that requires delivery of asset within the time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the company commits to purchase or sell the asset

Subsequent Measurement

For purpose of subsequent measurement, financial assets are classified in to four categories:

- Debt instruments at amortised cost
- Equity instruments measured at FVTPL

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

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

After initial measurement, financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and

**Notes to financial statements for the year ended 31st March, 2020 (Contd...)**

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fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

Debt instruments included within the FVTOCI category are measured at amortised initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified to the Statement of Profit and Loss. Interest earned while holding FVTOCI debt instrument is reported as interest income using the EIR method.

Equity instruments at fair value through profit or loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

Debt instruments included within the FVTPL, category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

2.26 Earning per equity share

Basic earnings per equity share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per equity share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

2.27 Segment Reporting

The management has assessed the identification of reportable segments in accordance with the requirements of Ind AS 108 'Operating Segments' and the company has disclosed only two reportable segments namely (i) Chemical Manufacturing and (ii) Power Generation. Further, the Board of directors have designated the Managing Director as Chief Operating Decision Marker ('CODM').

2.28 Cash flow Statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the

Effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payment and items of income or expenses

**Notes to financial statements for the year ended 31st March, 2020 (Contd...)**

*(All amounts in Indian Rupees in Lakhs,
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associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.29 Estimates and assumptions

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

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

Revenue recognition:

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

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

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

Allowance for expected credit losses:

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

Fair value of investments:

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

**Notes to financial statements for the year ended 31st March, 2020 (Contd...)**

*(All amounts in Indian Rupees in Lakhs,
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Standalone**Taxes**

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Contingent liability judgement:

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



Notes to financial statements for the year ended 31st March, 2020 (Contd....)

(All amounts in Indian Rupees in Lakhs,
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NOTE 3: PROPERTY, PLANT AND EQUIPMENT

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| Particulars | land | Factory Buildings | Furniture and fixtures | Wind Power Plants | Plant and machinery | Other Assets | Total | Right to Use Asset |
|---|-----------|-------------------|------------------------|-------------------|---------------------|--------------|-----------|--------------------|
| GROSS BLOCK | | | | | | | | |
| Opening gross carrying amount as at 1st April, 2018 | 2,762.65 | 3,432.73 | 196.38 | 7,407.72 | 19,710.94 | 918.73 | 34,429.15 | - |
| Additions | 2,552.74 | - | - | - | 1,908.70 | 32.94 | 4,494.38 | - |
| Disposals | - | - | - | - | - | - | - | - |
| Closing gross carrying amount as at 31st March, 2019 | 5,315.39 | 3,432.73 | 196.38 | 7,407.72 | 21,619.64 | 951.67 | 38,923.53 | 609.06 |
| Additions | 258.80 | 68.00 | 0.46 | - | - | 198.92 | 526.18 | 628.34 |
| Disposals | - | - | - | - | -5.70 | -90.03 | -95.73 | - |
| Reclassified to Investment in Note No. 4 of Balance sheet | -2,375.00 | - | - | - | - | - | - | - |
| Closing gross carrying amount as at 31st March, 2020 | 3,199.19 | 3,500.73 | 196.84 | 7,407.72 | 21,613.94 | 1,060.56 | 36,978.98 | 1,237.40 |
| ACCUMULATED DEPRECIATION | | | | | | | | |
| Opening Accumulated depreciation as at 1st April, 2018 | - | 1,601.17 | 54.15 | 3,705.55 | 9,018.75 | 613.86 | 14,993.48 | - |
| Depreciation charge during the year 18-19 | - | 424.38 | 45.47 | 1,145.10 | 2,738.95 | 137.96 | 4,491.86 | - |
| Disposals during the year 18-19 | - | - | - | - | - | - | - | - |
| Closing Accumulated depreciation as at 31st March, 2019 | - | 2,025.55 | 99.62 | 4,850.65 | 11,757.70 | 751.82 | 19,485.34 | - |
| Depreciation charge during the year 19-20 | - | 432.27 | 45.49 | 1,145.10 | 2,992.27 | 217.67 | 4,832.80 | 194.56 |
| Disposals during the year 19-20 | - | - | - | - | - | -69.89 | -69.89 | - |
| Closing Accumulated depreciations as at 31st March, 2020 | - | 2,457.82 | 145.11 | 5,995.75 | 14,749.97 | 889.60 | 24,288.25 | 194.56 |
| NET BLOCK | | | | | | | | |
| Net Carrying amount as at 31st March, 2019 | 5,315.39 | 1,407.18 | 96.76 | 2,527.07 | 9,861.94 | 199.85 | 19,438.19 | - |
| Net Carrying amount as at 31st March, 2020 | 3,199.19 | 1,042.91 | 51.73 | 1,411.97 | 6,883.97 | 160.96 | 12,700.73 | 1,042.84 |

Capital work-in-progress:

| Particulars | Chilwork in progress | Machinery under erection | Total |
|------------------------|----------------------|--------------------------|--------|
| As at 31st March, 2019 | - | - | - |
| As at 31st March, 2020 | - | - | 305.49 |

- Title to some of the properties acquired by the Company under Scheme of Arrangement are in the process of being transferred in the Company's name.
- During Financial Year 2018-19, the Company has undertaken a technical study to analyze the future working of various machineries in the present prevailing environment and working condition, based on this study, the useful life of some of the assets are revised with effect from 01.04.2018.
- The land, Building and Plant & Machinery have been secured by a charge in favour of Lending Bank.
- The vehicles have been hypothecated in favour of banks who have lent against these vehicles.
- Right of Use Assets(ROU):
ROU is disclosed with effect from current Financial year 2019-20 in compliance to new Indian Accounting Standard 116 - Leases which is notified by Ministry of Corporate Affairs with effect from 01.04.2019. The company adopted modified retrospective method for accounting leases. The details are provided in Note No.44


Notes to financial statements for the year ended 31st March, 2020 (Contd...)

(All amounts in Indian Rupees in Lakhs,
except share data and where otherwise stated)

Standalone
Note 4: Investment property

| Particulars | As at 31st, March, 2020 | As at 31st, March, 2019 |
|---|------------------------------------|------------------------------------|
| Cost or Deemed Cost | | |
| Opening gross amount | - | - |
| Additions | 2,375.00 | - |
| Disposal | - | - |
| Closing gross amount | 2,375.00 | - |
| Accumulated depreciation | | |
| Opening accumulated depreciation | - | - |
| Depreciation charge | - | - |
| Depreciation reversed on disposal | - | - |
| Closing accumulated depreciation | - | - |
| Net carrying amount | 2,375.00 | - |
| | As at 31st, March, 2020 | As at 31st, March, 2019 |
| Fair Value Investment properties | 5,099.22 | - |

Estimation of fair value

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

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

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



Notes to financial statements for the year ended 31st March, 2020 (Contd...)

(All amounts in Indian Rupees in Lakhs,
except share data and where otherwise stated)

Standalone

Note 5: Financial assets - Non-current Investments

| Particulars | As at 31st, March, 2020 | As at 31st, March, 2019 |
|--|----------------------------|----------------------------|
| Investments in equity instruments at fair value through other comprehensive income (fully paid) | | |
| 1. Investment in Wholly owned Subsidiary Company | | |
| Unquoted and Fully Paid Up | | |
| Investment with TGV Sodium & Electrolite Private Limited 10,000 (March 31, 2019:NIL)Equity shares of Rs.10/- each | 1.00 | - |
| 2. Investments in Other Companies | | |
| Quoted and Fully Paid Up | | |
| TGV SRACC Ltd* | 1,694.69 | 6,291.47 |
| 2,05,44,496 (March 31, 2019:2,05,44,496) Equity shares of Rs.10/- each (15,000 shares pledged as security) | | |
| The South Indian Bank Ltd 7,07,000 (March 31, 2019:7,07,000) Equity shares of Rs.1/- each | 30.59 | 87.62 |
| Roopa Industries Ltd 13,72,455 (March 31, 2019:13,72,455) Equity shares of Rs.10/- each | 107.53 | 112.57 |
| Kabson Industries Ltd 10,100 (March 31, 2019:10,100) Equity shares of Rs.10/- each | 0.27 | 0.41 |
| Karnataka Bank Ltd 3,700 (March 31, 2019:3,700) Equity shares of Rs.10/- each | 1.60 | 4.13 |
| Lotus Chcolates Ltd 56,800 (March 31, 2019:56,800) Equity shares of Rs.10/- each | 5.30 | 9.83 |
| NEPC Micon Ltd 200 (March 31, 2019:200) Equity shares of Rs.10/- each | 0.02 | 0.02 |
| BNR Udyog Ltd 500 (March 31, 2019:500) Equity shares of Rs.10/- each | 0.05 | 0.07 |
| Consom Biotech Ltd 300 (March 31, 2019:300) Equity shares of Rs.10/- each | 0.02 | 0.02 |
| Neha International Ltd 1,700 (March 31, 2019:1,700) Equity shares of Rs.10/- each | 0.01 | 0.05 |
| Indo Wind Energy Ltd 42,000 (March 31, 2019:42,000) Equity shares of Rs.10/- each | 2.40 | 3.61 |
| Quoted and Partly Paid Up | | |
| Surya Jyothi Spinning Mills Ltd 100 (March 31, 2019:100) Equity shares of Rs.10/- each | 0.01 | 0.01 |
| | 1,843.49 | 6,509.80 |
| 3. Investment in Government securities (at amortised cost) | | |
| Unquoted | | |
| National Saving Certificates | 0.10 | 0.10 |
| Total equity investments | 1,843.59 | 6,509.90 |

**Notes to financial statements for the year ended 31st March, 2020 (Contd...)**

(All amounts in Indian Rupees in Lakhs,
except share data and where otherwise stated)

Standalone

| | | |
|---|----------|----------|
| Aggregate amount of quoted investments and market value thereof | 1,842.49 | 6,509.80 |
| Aggregate amount of un-quoted investments | 1.10 | 0.10 |
| Aggregate amount of impairment in the value of investments | - | - |

* The Company has 20.19% (as at 31march 2019: 21.26%) holding in equity share capital of M/s TGV SRAAC LTD Ltd. It is clearly demonstrated by an agreement that there will not be any participation by the Company for voting in any policy-making/decision making processes of TGV SRAAC Ltd and also the Company learnt that the holding of the Company in TGV SRAAC LTD might be reduced to below 20%. As evidenced by such understandings, the Company does not exercise any control or have significant influence over the TGV SRAAC Ltd. Hence investment in TGV SRAAC Ltd is not considered as an associate of the Company for accounting investment under equity method under Ind-AS 28 "Investments in Associates and Joint Ventures"

NOTE 6: OTHER NON-CURRENT FINANCIAL ASSETS

| Particulars | As at 31st, March, 2020 | As at 31st, March, 2019 |
|--|----------------------------|----------------------------|
| Security Deposits with Govt. departments | 28.12 | 25.51 |
| Rental deposits | 387.94 | 366.30 |
| Total | 416.05 | 391.81 |

NOTE 7: OTHER NON-CURRENT ASSETS

| Particulars | As at 31st, March, 2020 | As at 31st, March, 2019 |
|---------------------------|----------------------------|----------------------------|
| Capital Advances | 1,009.32 | 1,175.04 |
| Prepaid charges and rents | 0.00 | 16.70 |
| Total | 1,009.32 | 1,191.74 |



Notes to financial statements for the year ended 31st March, 2020 (Contd...)

(All amounts in Indian Rupees in Lakhs,
except share data and where otherwise stated)

Standalone

NOTE 8: INVENTORIES

| Particulars | As at 31st, March, 2020 | As at 31st, March, 2019 |
|--|----------------------------|----------------------------|
| Raw Materials | 611.98 | 1,347.26 |
| Work-in-progress | 197.54 | 134.01 |
| Finished Goods | 1,251.66 | 780.85 |
| Stores and spares, Chemicals, fuel and packing materials | 1,216.76 | 1,125.85 |
| Goods in transit | 392.89 | 316.87 |
| Total | 3,670.83 | 3,704.83 |

NOTE 9: TRADE RECEIVABLES

| Particulars | As at 31st, March, 2020 | As at 31st, March, 2019 |
|--|----------------------------|----------------------------|
| Unsecured and considered good* | 8,203.01 | 8,789.57 |
| Unsecured and considered doubtful | 31.43 | 26.25 |
| | 8,234.44 | 8,815.82 |
| Expected Credit Loss Allowance (allowance for bad and doubtful debts) | (31.43) | (26.25) |
| Total trade receivables | 8,203.01 | 8,789.57 |

The Average credit period on sales is 60 days

No interest is charged on Trade Receivables for delay in payment beyond credit period from the due date of the Invoice.

The Company has used a practical expedient by computing the expected credit loss allowance for Trade Receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates are given in the provision matrix. The provision matrix at the end of the Reporting Period is as follows :

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member. Before accepting any new customer, the company uses an external credit scoring system and other potential information to assess the customer credit quality and defines credit limit.

The limit and scoring attributable to customer are reviewed periodically.

Expected credit loss

| Aging : | As at 31st, March, 2020 | As at 31st, March, 2019 |
|-----------------------------|----------------------------|----------------------------|
| With credit period | 0.00% | 0.00% |
| Upto 60 days past due | 0.25% | 0.25% |
| 61-90 days past due | 0.50% | 0.50% |
| 91-180 days past due | 0.75% | 0.75% |
| more than 180 days past due | 1.00% | 1.00% |


Notes to financial statements for the year ended 31st March, 2020 (Contd...)

(All amounts in Indian Rupees in Lakhs,
except share data and where otherwise stated)

Standalone
NOTE 9 (a): Trade receivables (Cont..)

Aging of receivables

| Particulars | As at 31st, March, 2020 | As at 31st, March, 2019 |
|--|----------------------------|----------------------------|
| With credit period | 3,468.91 | 3,941.22 |
| Upto 60 days past due | 1,791.52 | 1,891.21 |
| 61-90 days past due | 1,076.69 | 1,082.25 |
| 91-180 days past due | 886.67 | 1,160.93 |
| more than 180 days past due | 1,010.66 | 740.20 |
| Total trade receivables (before impairment allowance) | 8,234.44 | 8,815.82 |

Movement in Expected Credit Loss Allowance :

| Particulars | As at 31st, March, 2020 | As at 31st, March, 2019 |
|--|----------------------------|----------------------------|
| Balance at beginning of the year | 26.25 | 14.76 |
| Movement in Expected Credit Loss Allowance on trade receivables calculated at lifetime expected credit losses | 5.18 | 11.49 |
| Balance at end of the year | 31.43 | 26.25 |

**The allowance for expected credit losses for the year includes

Additional provision for doubtful debts apart from provision made based on above matrix.

NOTE 10: CASH AND CASH EQUIVALENTS

| Particulars | As at 31st, March, 2020 | As at 31st, March, 2019 |
|---|----------------------------|----------------------------|
| Balances with banks in Current Account | 4,155.73 | 161.13 |
| Cash on hand | 8.24 | 16.50 |
| Total | 4,163.96 | 177.63 |

NOTE 11: Bank balances other than Cash and cash equivalents

| Particulars | As at 31st, March, 2020 | As at 31st, March, 2019 |
|--|----------------------------|----------------------------|
| LC-Margin deposit with bank | 4,324.37 | 1,222.32 |
| Balances with banks in Current Account earmarked for dividend | 153.16 | 118.66 |
| Total | 4,477.54 | 1,340.98 |


Notes to financial statements for the year ended 31st March, 2020 (Contd...)
(All amounts in Indian Rupees in Lakhs, except share data and where otherwise stated)
Standalone
NOTE 12: LOANS

| Particulars | As at 31st, March, 2020 | As at 31st, March, 2019 |
|-------------------------------|----------------------------|----------------------------|
| Loans / advances to Employees | 83.31 | 131.84 |
| Total | 83.31 | 131.84 |

NOTE 13: OTHER FINANCIAL ASSETS

| Particulars | As at 31st, March, 2020 | As at 31st, March, 2019 |
|----------------------------|----------------------------|----------------------------|
| Other deposits | 291.60 | 38.11 |
| Insurance claim receivable | 3.33 | 13.60 |
| Total | 294.93 | 51.70 |

NOTE 14: CURRENT TAX LIABILITY/(ASSET) (NET)

| Particulars | As at 31st, March, 2020 | As at 31st, March, 2019 |
|-------------------|----------------------------|----------------------------|
| Current tax Asset | - | - |
| Total | - | - |

NOTE 15: OTHER CURRENT ASSETS

| Particulars | As at 31st, March, 2020 | As at 31st, March, 2019 |
|--------------------------------------|----------------------------|----------------------------|
| Amounts receivable and tax advances | 2,043.78 | 1,993.25 |
| Advance to related parties | 830.13 | 637.65 |
| Advance to Suppliers | 113.25 | 1,894.79 |
| Prepaid Insurance and other Expenses | 121.55 | 65.19 |
| Export incentives receivable | 298.60 | 402.22 |
| Short term advances | 460.28 | 260.56 |
| Total | 3,867.60 | 5,253.66 |



Notes to financial statements for the year ended 31st March, 2020 (Contd...)

(All amounts in Indian Rupees in Lakhs,
except share data and where otherwise stated)

Standalone

NOTE 16: EQUITY SHARE CAPITAL AND OTHER EQUITY

16(a) Equity share capital

| Particulars | As at 31st, March, 2020 | As at 31st, March, 2019 |
|--|----------------------------|----------------------------|
| (a) Authorised Share Capital : | | |
| 4,90,00,000 Equity shares of Rs.10/- each (as at 31st March 2019 4,90,00,000 Equity shares of Rs.10/- each) | 4,900.00 | 4,900.00 |
| (b) Issued: | | |
| 1,71,64,821 Equity shares of Rs.10/- each issued (as at 31st March 2019 1,71,64,821 Equity shares of Rs.10/- each issued) | 1,716.48 | 1,716.48 |
| (c) Subscribed and fully paid | | |
| 1,71,64,821 Equity shares of Rs.10/- each fully paid (as at 31st March 2019 1,71,64,821 Equity shares of Rs.10/- each issued) | 1,716.48 | 1,716.48 |

Reconciliation of the number of equity shares outstanding

| Particulars | As at 31st, March, 2020 | As at 31st, March, 2019 |
|-------------------------------------|----------------------------|----------------------------|
| At the beginning of the year | 171.65 | 163.07 |
| Add: Issued during the year | (0.00) | 8.58 |
| At the end of the year | 171.65 | 171.65 |

Terms/ rights attached to equity shares

The company has only one class of equity shares having par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share. "In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Details of shareholders holding more than 5% shares in the company

| Name of the shareholder | As at March 31, 2020 | | As at March 31, 2019 | |
|---|-------------------------|-----------------|-------------------------|-----------------|
| | No. of shares | % of holding | No. of shares | % of holding |
| Gowri Gopal Hospitals Pvt Ltd | 3668639 | 21.37% | 3668639 | 21.37% |
| Sree Rayalaseema Galaxy Projects Pvt Ltd | 1513989 | 8.82% | 1513989 | 8.82% |
| TGV Projects and Investments Pvt Ltd | 2405383 | 14.01% | 2394079 | 13.95% |



Notes to financial statements for the year ended 31st March, 2020 (Contd...)

(All amounts in Indian Rupees in Lakhs,
except share data and where otherwise stated)

Standalone

NOTE 17: OTHER EQUITY

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|-----------------------------------|-----------------------------------|
| Share premium (i) | 3,026.59 | 3,026.59 |
| Retained earnings (ii) | 23,818.64 | 20,544.02 |
| Other reserve (iii) | 2,762.75 | 2,762.75 |
| Reserve for other comprehensive income items (iv) | (167.78) | 4,481.67 |
| Money received and outstanding against share warrants (v) | - | - |
| Total | 29,440.20 | 30,815.02 |
| Reserves and Surplus | | |
| (i) Share premium Reserve | | |
| | As at 31st March, 2020 | As at 31st March, 2019 |
| Balance at the beginning of the year | 3,026.59 | 2,269.71 |
| Add: Addition on preferential issue during the year | 0.00 | 756.88 |
| Closing Balance | 3,026.59 | 3,026.59 |
| (ii) Retained earnings | | |
| | As at 31st March, 2020 | As at 31st March, 2019 |
| Balance at the beginning of the year | 20,544.02 | 18,893.98 |
| Lease rents*(see Note given below this note) | (102.71) | |
| Net profit for the period | 3,791.20 | 2,042.57 |
| Payment of Dividend and Dividend distribution tax | (413.86) | (392.52) |
| Transfer to General Reserve | - | - |
| Closing balance | 23,818.64 | 20,544.02 |
| (iii) Other Reserve | | |
| | As at 31st March, 2020 | As at 31st March, 2019 |
| General Reserve | | |
| Balance at the beginning of the year | 334.09 | 334.09 |
| Add: Transfer from surplus in statement of profit & loss | - | - |
| Closing balance | 334.09 | 334.09 |
| Amalgamation Reserve | | |
| Balance at the beginning of the year | 2,428.67 | 2,428.67 |
| Add: Additions | - | - |
| Closing balance | 2,428.67 | 2,428.67 |



Notes to financial statements for the year ended 31st March, 2020 (Contd...)

(All amounts in Indian Rupees in Lakhs,
except share data and where otherwise stated)

Standalone

(iv) Reserve for other comprehensive income items

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---------------------------|---------------------------|
| Change in fair value of FVOCI equity & preference instruments (Net of taxes) | | |
| - Balance at the beginning of the year | 4,489.29 | 6,032.65 |
| - Net gains/(losses) on FVTOCI securities during the year | (4,667.31) | (1,436.04) |
| - Reclassified to Statement of Profit and Loss during the year | - | (107.32) |
| Closing balance | (178.02) | 4,489.29 |
| Other Comprehensive income arising from actuarial gain/loss on defined benefit obligation (Net of taxes) | | |
| - Balance at the beginning of the year | (7.62) | (1.73) |
| - Gains/(losses) on arising from actuarial gain/loss on gratuity | 17.86 | (5.89) |
| Closing balance | 10.24 | (7.62) |
| Total | 167.78 | 4481.67 |

(v) Money received against warrants

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---------------------------|---------------------------|
| Balance at the beginning of the year | - | 210.68 |
| Money received against share warrants | - | - |
| Money used for allotting of Shares issued during the year | - | (210.68) |
| Closing balance | - | - |

Nature and purpose of other reserves**Securities premium reserve**

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

General Reserve

The General Reserve is used from time to time to transfer profits from Retained Earnings for appropriation purpose. As General Reserve is created by a transfer from one component of Equity to another and is not an item of other comprehensive income, items included in the General Reserve will not be reclassified subsequently to profit or loss.

FVTOCI instruments

The Company has elected to recognise changes in the fair value of certain investments in equity and preference securities in other comprehensive income. These changes are accumulated within the FVTOCI investments reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant securities are derecognised.

*Lease rents liability as on 01.04.2019 deducted from Retained Earnings:

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



Notes to financial statements for the year ended 31st March, 2020 (Contd...)

(All amounts in Indian Rupees in Lakhs,
except share data and where otherwise stated)

Standalone

NOTE 18: BORROWINGS

| Particulars | As at 31st, March, 2020 | As at 31st, March, 2019 |
|--|----------------------------|----------------------------|
| Non-current borrowings | | |
| Secured | | |
| Term Loans | | |
| From banks | - | 550.34 |
| For vehicles from bank | 94.38 | 44.15 |
| Total taken to Non Current Liabilities in Balance Sheet | 94.38 | 594.49 |
| B. Current borrowings | | |
| Secured | | |
| Working capital demand loans | 3,860.63 | 3,959.11 |
| Total taken to Current Liabilities in Balance Sheet | 3,860.63 | 3,959.11 |

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

Terms of Repayment

| A.Term Loans | As at 31st, March, 2020 | As at 31st, March, 2019 |
|---|----------------------------|----------------------------|
| (a) Monthly EMI of 39,50,000/- payable up to Feb, 2021, ROI @ MCLR + " 3.75%(Spread) | 546.64 | 1025.51 |
| (b) Monthly EMI of 4,59,630/- payable up to Mar, 2020, ROI @11% | 0.00 | 52.00 |
| (c) Monthly EMI of 74,460/- payable up to Oct, 2019, ROI @ 12% | 0.00 | 5.01 |
| (d) Monthly EMI of 53,860/- payable up to Sep, 2019, ROI @ 12% | 0.00 | 3.12 |
| (e) Monthly EMI of 456215/- payable up to Sep, 2019, ROI @ 12% | 0.00 | 26.44 |
| (f) Monthly EMI of 8,172/- payable up to Nov, 2025, ROI @ MCLR +_0.85%(Spread) | 4.28 | 4.83 |
| B. Vehicle Loans | | |
| (a) Monthly EMI of 77,258/- payable up to Feb, 2021, ROI @ 9.60% | 8.24 | 15.72 |
| (b) Monthly EMI of 2,00,520/- payable up to Jul, 2021, ROI @ 9.36% | 30.05 | 50.27 |
| (c) Monthly EMI of 20,580/- payable up to Apr, 2020, ROI @10.25% | 0.20 | 2.52 |
| (d) Monthly EMI of 17,951/- payable up to Aug, 2021, ROI @ 10.25% | 1.05 | 2.98 |
| (e) Monthly EMI of 21,021/- payable up to Sep, 2021, ROI @ 10.25% | 1.42 | 3.67 |
| (f) Monthly EMI of 2,45,211/- payable up to Feb, 2020, ROI @ 12% | 0.00 | 25.66 |
| (g) Monthly EMI of 1,07,760/- payable up to June, 2020, ROI @ 8.50% | 3.19 | 15.28 |
| (h) Monthly EMI of 1,94,635/- payable up to June, 2024, ROI @ 8.50% | 82.20 | 0.00 |


Notes to financial statements for the year ended 31st March, 2020 (Contd...)

(All amounts in Indian Rupees in Lakhs,
except share data and where otherwise stated)

Standalone
Security

- (a) The term loan from banks are secured by exclusive charge on specific fixed assets.
- (b) The loan repayable on demand from banks are cash credits, bills purchases, discountings, letter of credits limits and bank guarantees are secured by Hypothecation of Raw-material, Stock in process, Finished goods, consumable Spares, Book debts and receivables.
- (c) The working capital and Term loans from banks are also secured by first and second charge on some of the fixed assets of the company.
- (d) The working capital and Term loans are further secured by guarantee from Managing Director and a promoter in individual capacities.

NOTE 19: OTHER NON-CURRENT FINANCIAL LIABILITIES

| Particulars | As at 31st, March, 2020 | As at 31st, March, 2019 |
|----------------------------------|----------------------------|----------------------------|
| Security deposits from customers | 127.99 | 130.74 |
| Total | 127.99 | 130.74 |

NOTE 20: LEASE LIABILITY

| Particulars | As at 31st, March, 2020 | As at 31st, March, 2019 |
|---------------------------------|----------------------------|----------------------------|
| Lease Liability (Refer Note.44) | 928.05 | - |
| Total | 928.05 | - |

The above Lease Liability is calculated in compliance of new IND AS 116 Leases which is notified with effect from 01.04.2019. Separate Note No.44 is enclosed disclosing details of its recognition and measurement.



Notes to financial statements for the year ended 31st March, 2020 (Contd...)

(All amounts in Indian Rupees in Lakhs,
except share data and where otherwise stated)

Standalone

NOTE 21: DEFERRED TAX LIABILITY

| Particulars | As at 31st, March, 2020 | As at 31st, March, 2019 |
|--|----------------------------|----------------------------|
| The balance comprises temporary differences attributable to: | | |
| Deferred tax liabilities | | |
| Property, plant and equipment | 758.17 | 2,010.53 |
| Unwinding of interest on assets discounted | (4.87) | 1.82 |
| Deferred government grant | 11.04 | 8.09 |
| Provision for gratuity | 5.16 | (0.85) |
| Less: | | |
| Deferred tax assets | | |
| Borrowing costs measured at amortised cost | (2.91) | (2.16) |
| Provision for Expected Credit Loss (ECL) | (5.89) | (4.59) |
| MAT Credit entitlement | (294.84) | (294.84) |
| Net deferred tax liability | 465.85 | 1,718.00 |

Reconciliation of net deferred tax liabilities

| Particulars | As at 31st, March, 2020 | As at 31st, March, 2019 |
|--|----------------------------|----------------------------|
| Opening balance as at the beginning of the year | 1,718.00 | 446.48 |
| Recognised in Statement of profit and loss during the period | (1,258.16) | 1,274.65 |
| Recognised in Other comprehensive income during the period | 6.01 | (3.13) |
| Closing balance as at end of the year | 465.85 | 1,718.00 |

NOTE 22: GOVERNMENT GRANTS

| Particulars | As at 31st, March, 2020 | As at 31st, March, 2019 |
|------------------------|----------------------------|----------------------------|
| Capital subsidy | 101.95 | 107.95 |
| Closing balance | 101.95 | 107.95 |



Notes to financial statements for the year ended 31st March, 2020 (Contd...)

(All amounts in Indian Rupees in Lakhs,
except share data and where otherwise stated)

Standalone

NOTE 23: LONG-TERM PROVISIONS

| Particulars | As at 31st, March, 2020 | As at 31st, March, 2019 |
|------------------------|----------------------------|----------------------------|
| Provision for Gratuity | 98.08 | 93.23 |
| Total | 98.08 | 93.23 |

NOTE 24: TRADE PAYABLES

| Particulars | As at 31st, March, 2020 | As at 31st, March, 2019 |
|--------------------------------------|----------------------------|----------------------------|
| Micro, Small and Medium Enterprises* | 143.31 | 180.25 |
| Others | 2,355.91 | 4,002.18 |
| Total | 2,499.22 | 4,182.43 |

*(Refer Notes 48 for details of Dues to Micro, Small & Medium Enterprises as required under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act"))

NOTE 25: OTHER CURRENT FINANCIAL LIABILITIES

| Particulars | As at 31st, March, 2020 | As at 31st, March, 2019 |
|--|----------------------------|----------------------------|
| Secured | | |
| From Banks (Current maturities of long term debt*) | 582.93 | 638.54 |
| UnSecured | | |
| Others | | |
| Trade payables for capital assets | 95.19 | 95.19 |
| Unpaid dividend | 153.16 | 118.66 |
| Security deposits - others | 82.51 | 73.07 |
| Dealers commission payable | 167.19 | 132.79 |
| Overseas commission | 58.99 | 175.73 |
| Payable towards services availed | 341.58 | 598.49 |
| Others | 15.20 | 14.30 |
| Total | 1,496.76 | 1,846.78 |

*Represents repayments falling due in next twelve months.

| | | |
|---------------------------------|---------------|----------|
| Lease liability (Refer Note.44) | 257.18 | - |
| | 257.18 | - |

NOTE 26: OTHER CURRENT LIABILITIES

| Particulars | As at 31st, March, 2020 | As at 31st, March, 2019 |
|-------------------------|----------------------------|----------------------------|
| Advances from customers | 1,730.21 | 1,004.55 |
| Statutory Dues | 143.96 | 200.41 |
| Total | 1,874.18 | 1,204.96 |



Notes to financial statements for the year ended 31st March, 2020 (Contd...)

(All amounts in Indian Rupees in Lakhs,
except share data and where otherwise stated)

Standalone

NOTE 27: SHORT-TERM PROVISIONS

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|-------------------|---------------------------|---------------------------|
| Employee benefits | 95.49 | 91.12 |
| Total | 95.49 | 91.12 |

NOTE 28: CURRENT TAX LIABILITY/(ASSET) (NET)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|--|---------------------------|---------------------------|
| Current tax liability | | |
| Provision for income tax | 4,274.89 | 2,263.03 |
| Current tax asset | | |
| Tax deducted at source & Advance tax | (2,847.13) | (1,741.50) |
| Closing balance liability/(asset) (Net) | 1,427.75 | 521.53 |

NOTE 29: REVENUE FROM OPERATIONS

| Particulars | Year ended 31st March, 2020 | Year ended 31st March, 2019 |
|---|--------------------------------|--------------------------------|
| Sale of Manufactured Products (Net of Returns / Reversals) | | |
| Trading sales | 55,433.53 | 56,487.30 |
| Sale of Energy | 9,707.26 | 10,122.20 |
| | 3,111.04 | 3,031.51 |
| Other operating revenue | | |
| Sale of Scrap | 172.35 | 139.07 |
| Export Incentives | 486.04 | 433.97 |
| Total | 68,910.22 | 70,214.05 |

NOTE 30: OTHER INCOME

| Particulars | Year ended 31st March, 2020 | Year ended 31st March, 2019 |
|---|--------------------------------|--------------------------------|
| Insurance claim received | 0.00 | 38.62 |
| Net gains/(losses) on FVTPL instruments | 10.49 | 40.84 |
| Interest on Bank and other deposits and customers | 182.19 | 55.16 |
| Lease Rent Receipts | 23.58 | 20.67 |
| Unwinding of interest on assets discounted | 21.13 | 18.21 |
| Profit on sale of investments /assets | 1.00 | - |
| Deferred Government grant income | 6.00 | 6.00 |
| Exchange Gain | 106.48 | - |
| Other non operating Incomes | 40.82 | 27.28 |
| Total | 391.69 | 206.78 |



Notes to financial statements for the year ended 31st March, 2020 (Contd...)

(All amounts in Indian Rupees in Lakhs,
except share data and where otherwise stated)

Standalone

NOTE 31: COST OF MATERIALS CONSUMED

| Particulars | Year ended 31st March, 2020 | Year ended 31st March, 2019 |
|---|--------------------------------|--------------------------------|
| Consumption of raw materials | 28,426.83 | 29,544.26 |
| Consumption of stores, spares, Chemicals & Packing Materials | 5,910.11 | 6,554.47 |
| Total | 34,336.95 | 36,098.74 |

NOTE 32 : Purchase of stock in trade

| Particulars | Year ended 31st March, 2020 | Year ended 31st March, 2019 |
|----------------------------|--------------------------------|--------------------------------|
| Purchase of stock-in-trade | 9,931.63 | 9,465.74 |
| Total | 9,931.63 | 9,465.74 |

Note 33: Changes in inventories of finished goods and stock-in-process

| Particulars | Year ended 31st March, 2020 | Year ended 31st March, 2019 |
|--|--------------------------------|--------------------------------|
| Closing Stock | | |
| Finished Goods | 1,644.55 | 1,097.71 |
| Stock-in-process | 197.54 | 134.01 |
| Total Closing Stock | 1,842.09 | 1,231.72 |
| Opening Stock | | |
| Finished goods | 1,097.71 | 1,756.78 |
| Stock-in-process | 134.01 | 125.82 |
| Total Opening Stock | 1,231.72 | 1,882.59 |
| Total changes in inventories of stock-in-process and finished goods | 610.37 | (650.87) |


Notes to financial statements for the year ended 31st March, 2020 (Contd...)
*(All amounts in Indian Rupees in Lakhs,
except share data and where otherwise stated)*
Standalone
NOTE 34: EMPLOYEE BENEFIT EXPENSE

| Particulars | Year ended 31st March, 2020 | Year ended 31st March, 2019 |
|---------------------------------------|--|--|
| Salaries, Wages, Bonus and Allowances | 1,692.47 | 1,651.55 |
| Contribution to ESI & Provident Fund | 68.21 | 74.28 |
| Staff Welfare expenses | 492.05 | 421.79 |
| TOTAL | 2,252.72 | 2,147.61 |

NOTE 35: FINANCE COST

| Particulars | Year ended 31st March, 2020 | Year ended 31st March, 2019 |
|---------------------------------------|--|--|
| Interest expenses | | |
| On Term loans | 101.10 | 297.58 |
| On Working capital Loans/Cash credits | 51.03 | 444.13 |
| Bank Charges | 147.52 | 201.31 |
| Others | 613.59 | 633.33 |
| lease liability | 103.24 | - |
| Total | 1,016.48 | 1,576.35 |



Notes to financial statements for the year ended 31st March, 2020 (Contd...)

(All amounts in Indian Rupees in Lakhs,
except share data and where otherwise stated)

Standalone

NOTE 36: OTHER EXPENSES

| Particulars | Year ended 31st March, 2020 | Year ended 31st March, 2019 |
|--|--------------------------------|--------------------------------|
| Repairs & Maintenance | | |
| a) Buildings | 2,028.26 | 1,672.16 |
| b) Plant & Machinery | 1,960.44 | 1,775.49 |
| c) Others | 190.40 | 203.05 |
| Insurance | 176.81 | 153.63 |
| Rents | 32.25 | 240.62 |
| Travelling and conveyance | 188.84 | 104.29 |
| Printing and stationery | 23.56 | 24.69 |
| Postage Telegrams and Telephones | 36.07 | 40.84 |
| Freight outward & Incidental Expenses | 5,936.33 | 5,110.74 |
| Commission on sales | 246.14 | 303.16 |
| Advertisement | 16.66 | 12.65 |
| Fee and Expenses | 210.71 | 215.66 |
| Audit fees & Expenses | | |
| Statutory audit fees | 2.00 | 2.00 |
| Out of pocket expenses | 0.16 | 0.13 |
| Tax audit fees | 1.00 | 1.00 |
| Cost audit fees | 0.50 | 0.50 |
| Secraterial audit fees | 0.80 | 0.60 |
| Security & other Service Charges | 822.59 | 711.25 |
| Legal Expenses | 15.94 | 23.25 |
| Power and Fuel | 35.06 | 75.15 |
| Other Expenses | 636.42 | 681.83 |
| Bad Debts written off | - | 454.48 |
| Corporate Social Responsibility Expenses | 95.74 | 89.82 |
| ECL allowance | 5.18 | 11.49 |
| Amortization of prepaid lease expense | 20.32 | 15.18 |
| Other Selling expenses | 120.06 | 101.18 |
| Total | 12,802.23 | 12,024.83 |

Disclosure relating to Corporate Social Responsibility (CSR)

1. As per Section 135 read with the Companies Act, 2013, the amount required to be spent towards CSR Norms amount to Rs.62.48 Lakhs for the Financial Year 2019-20 (based on 2% of average net profits of the preceeding three financial years). The Board of Directors allocated total budget of Rs.62.48 Lakhs for the Financial year 2019-20, against which the company has spent Rs.62.48 lakhs during current year. An amount of Rs. Nil remained unspent.

2. Break up of CSR expenditure under various heads of expenses is as below:

| S.No. | Naure of expenses constituting CSR expenditure | Spent for the Year ended | |
|-------|--|--------------------------|--------------|
| | | 31.03.2020 | 31.03.2019 |
| 1 | Health care sanitation | | |
| 2 | Education & Skill Development | 12.00 | 12.00 |
| 3 | Women empowerment/seniour citizen | 5.00 | 0.00 |
| 4 | Environment | Nil | Nil |
| 5 | Art & Culture | Nil | Nil |
| 6 | Ex - armed forces | Nil | Nil |
| 7 | Sports | 0.00 | 29.58 |
| 8 | National welfare Fund | Nil | Nil |
| 9 | Rural development | Nil | Nil |
| 10 | capacity Building | Nil | Nil |
| 11 | Swacch Bharat abhiyan | Nil | Nil |
| 12 | Drinking water to people of nearby areas | 36.03 | 45.84 |
| 13 | Animal Welfare | 42.70 | 2.40 |
| | Total | 95.73 | 89.82 |



Notes to financial statements for the year ended 31st March, 2020 (Contd...)

(All amounts in Indian Rupees in Lakhs,
except share data and where otherwise stated)

Standalone

3. Unspent amount

| S.No. | Particulars | For the year ended | |
|-------|-------------------------------------|--------------------|----------------|
| | | 31.03.2020 | 31.03.2019 |
| 1 | Unspent amount of earlier years | Nil | Nil |
| 2 | Liability for the current year | 62.48 | 51.35 |
| 3 | Amount spent during the year | 95.73 | 89.82 |
| | Amount un spent/(over spent) | (33.25) | (38.47) |

NOTE 37: TAX EXPENSES

| Particulars | Year ended 31st March, 2020 | Year ended 31st March, 2019 |
|---|--------------------------------|--------------------------------|
| a) Income tax expense | | |
| Current tax on profits for the year | 2,011.86 | 1,689.78 |
| Earlier year tax adjustment | - | 22.70 |
| Total current tax expenses | 2,011.86 | 1,712.48 |
| Deferred tax | | |
| Decrease/(Increase) in deferred tax assets | (2.05) | (5.06) |
| (Decrease)/Increase in deferred tax liabilities | (1,250.10) | 467.52 |
| Total Deferred tax expense/(benefit) | (1,252.15) | 462.46 |
| Recognised in Other comprehensive income | 6.01 | (3.13) |
| Income tax expenses | 753.70 | 2,178.08 |

During the Current Year, the Company has decided to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation laws (Amendment) Ordinance, 2019 from the current financial year and current tax expenses are provided accordingly.

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

Tax under normal provisions of Income tax act, 1961:

| Particulars | Year ended 31st March, 2020 | Year ended 31st March, 2019 |
|--|--------------------------------|--------------------------------|
| Net profit before taxes | 4,544.90 | 3,964.82 |
| Exceptional items | - | 255.78 |
| (A) Total Net profit before taxes | 4,544.90 | 4,220.60 |
| (B) Applicable tax rate under normal provisions | 25.17% | 34.944% |
| (C) Tax payable under normal provisions as per applicable rate "= (A*B)" | 1,143.95 | 1,474.85 |
| (D) Increase/decrease in tax on account of : | | |
| Exempt income | - | (14.27) |
| Depreciation as per books | 1,265.39 | 1,569.64 |
| Depreciation as per income tax act, 1961 | (417.74) | (690.76) |
| Income considered separately | - | (89.38) |
| Expenses disallowed | 24.79 | 32.02 |
| Section 43B | (4.48) | - |
| Investment allowance | - | (100.05) |
| Deduction under section 80IA | - | (492.19) |
| Ind AS adjustments | (0.05) | (0.07) |
| Tax as per normal provision under Income Tax (C+D) | 2,011.86 | 1,689.78 |
| Tax under provisions of MAT: | | |

**Notes to financial statements for the year ended 31st March, 2020 (Contd...)**

(All amounts in Indian Rupees in Lakhs,
except share data and where otherwise stated)

Standalone**NOTE 37: TAX EXPENSES (Contd..)**

| Particulars | Year ended 31st March, 2020 | Year ended 31st March, 2019 |
|--|--------------------------------|--------------------------------|
| Net profit before taxes | 4,544.90 | 3,964.82 |
| Exceptional items | - | 255.78 |
| (A) Total Net profit before taxes | 4,544.90 | 4,220.60 |
| (B) Applicable tax rate under MAT provisions | 1,7.47% | 21.55% |
| (C) Tax payable under under provisions as per applicable rate " = (A*B) | 794.08 | 909.54 |
| (D) Increase/decrease in tax on account of : | | |
| Exempt income | - | (8.80) |
| Diminution in value of asset | 0.90 | 2.48 |
| 1/5 of the transition amount u/s 115JB (2C) | 0.53 | 0.53 |
| Redemption of preference shares effect | - | (20.73) |
| Tax as per MAT provisions under Income Tax (C+D) | 795.51 | 883.01 |
| Income tax expense recognised in statement of profit and loss at effective rate of 44.27% (31 March, 2019: 40.04%) (Tax as per normal provisions or Tax as per MAT provisions whichever is higher) | 2,011.86 | 1,689.78 |

NOTE 38: OTHER COMPREHENSIVE INCOME (OCI)

| Particulars | Year ended 31st March, 2020 | Year ended 31st March, 2019 |
|--|--------------------------------|--------------------------------|
| Re-measurement gains/(losses) on defined benefit plan | 23.87 | 9.05 |
| Tax effect on gains/(losses) on defined benefit plan | (6.01) | (3.13) |
| Net gains/(losses) on FVTOCI equity securities | (6,237.05) | (2,207.39) |
| Tax effect on FVTOCI equity securities | 1,569.74 | 763.93 |
| Total | (4,649.44) | (1,437.54) |

NOTE 39: EARNING PER SHARE (EPS)

| Particulars | Year ended 31st March, 2020 | Year ended 31st March, 2019 |
|---|--------------------------------|--------------------------------|
| Basic Earning per Share | | |
| Net Profit After Tax available for Equity Shareholders | 3791.20 | 2,042.57 |
| Weighted Average Number of Equity Shares of Rs.10/- each | 171.65 | 171.65 |
| Basic Earning per Share | 22.09 | 11.90 |
| Diluted Earning per Share | | |
| Weighted Average Number of Equity Shares of Rs.10/- each | 171.65 | 171.65 |
| Diluted Earning per Share | 22.09 | 11.90 |



Notes to financial statements for the year ended 31st March, 2020 (Contd...)

(All amounts in Indian Rupees in Lakhs,
except share data and where otherwise stated)

Standalone

Note 40: Fair value measurements

a) Financial Instruments by category

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

| Particulars | FVTPL | FVTOCI | Amortised cost | Total |
|--|----------|-----------------|------------------|------------------|
| Financial assets | | | | |
| Investments | | | | |
| Equity instruments | - | 1,842.49 | 1.00 | 1,843.49 |
| Government securities | - | - | 0.10 | 0.10 |
| Trade receivables | - | - | 8,203.01 | 8,203.01 |
| Cash and cash equivalents | - | - | 4,163.96 | 4,163.96 |
| Bank balances other than Cash and cash equivalents | - | - | 4,477.54 | 4,477.54 |
| Loans | - | - | 83.31 | 83.31 |
| Other financial assets | - | - | 710.99 | 710.99 |
| Total Financial assets | - | 1,842.49 | 17,639.91 | 19,482.40 |
| Financial liabilities | | | | |
| Borrowings | - | - | 3,955.02 | 3,955.02 |
| Trade payables | - | - | 2,499.22 | 2,499.22 |
| Other financial liabilities | - | - | 1,977.52 | 1,977.52 |
| Total Financial liabilities | - | - | 8,431.76 | 8,431.76 |

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

| Particulars | FVTPL | FVTOCI | Amortised cost | Total |
|--|----------|-----------------|------------------|------------------|
| Financial assets | | | | |
| Investments | | | | |
| Equity instruments | - | 6,509.80 | - | 6,509.80 |
| Preference shares | - | 397.89 | - | 397.89 |
| Government securities | - | - | 0.10 | 0.10 |
| Mutual funds | - | - | - | - |
| Trade receivables | - | - | 8,789.57 | 8,789.57 |
| Cash and cash equivalents | - | - | 177.62 | 177.62 |
| Bank balances other than Cash and cash equivalents | - | - | 1,340.98 | 1,340.98 |
| Loans | - | - | 131.84 | 131.84 |
| Other financial assets | - | - | 443.51 | 443.51 |
| Total Financial assets | - | 6,907.69 | 10,883.63 | 17,791.31 |



Notes to financial statements for the year ended 31st March, 2020 (Contd...)

(All amounts in Indian Rupees in Lakhs,
except share data and where otherwise stated)

Standalone

Note 41 : Fair value measurements (Contd...)

a) Financial Instruments by category

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

| Particulars | FVTPL | FVTOCI | Amortised cost | Total |
|------------------------------------|----------|----------|------------------|------------------|
| Financial liabilities | | | | |
| Borrowings | - | - | 4,553.60 | 4,553.60 |
| Trade payables | - | - | 4,182.43 | 4,182.43 |
| Other financial liabilities | - | - | 1,977.52 | 1,977.52 |
| Total Financial liabilities | - | - | 10,713.55 | 10,713.55 |

b) Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets as at 31st March 2020:

| Fair value measurement using | Level 1 | Level 2 | Level 3 | Total |
|---|-----------------|-----------------|----------|-----------------|
| Financial assets | | | | |
| Financial instruments at FVTOCI | | | | |
| Investment in quoted equity instruments | 1,842.49 | - | - | 1,842.49 |
| Investment property | - | 5,099.22 | - | 5,099.22 |
| Total Financial assets | 1,842.49 | 5,099.22 | - | 6,941.71 |

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

| Fair value measurement using | Level 1 | Level 2 | Level 3 | Total |
|---|-----------------|----------|----------|-----------------|
| Financial assets | | | | |
| Financial instruments at FVTOCI | | | | |
| Investment in quoted equity instruments | 6,509.80 | - | - | 6,509.80 |
| Total Financial assets | 6,509.80 | - | - | 6,509.80 |

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

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

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

There are no transfers between levels 1 and 2 during the year.


Notes to financial statements for the year ended 31st March, 2020 (Contd...)

(All amounts in Indian Rupees in Lakhs,
except share data and where otherwise stated)

Standalone
Note 41: Capital Management & Risk management
Capital Management

The Company being in a capital intensive industry, its objective is to maintain a strong credit rating healthy capital ratios and establish a capital structure that would maximise the return to stakeholders through optimum mix of debt and equity. "The Company's capital requirement is mainly to fund its capacity expansion, repayment of principal and interest on its borrowings. The principal source of funding of the Company has been, and is expected to continue to be, cash generated from its operations supplemented by funding from bank borrowings. The Company is not subject to any externally imposed capital requirements. "The Company regularly considers other financing and refinancing opportunities to diversify its debt profile, reduce interest cost and align maturity profile of its debt commensurate with life of the assets, and closely monitors its judicious allocation amongst competing capital expansion projects to capture market opportunities at minimum risk.

Gearing ratio

The Company monitors its capital using gearing ratio as given below:

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---------------------------|---------------------------|
| Total Debt* | 677.31 | 1,233.03 |
| Equity share capital | 1,716.48 | 1,716.48 |
| Other equity | 29,440.20 | 30,815.02 |
| Total equity | 31,156.68 | 32,531.50 |
| Total debt to Total equity ratio | 0.02 | 0.04 |

*Total Debt is defined as secured long-term including current maturities of borrowings.

Financial risk management and objectives and policies

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact in the financial statements.

A Special Team with Senior Executives having exposure in various fields has been formed to assist Chief Financial Officer (CFO) in "(a) Overseeing and approving the Company's enterprise wide risk management framework, and"(b) Overseeing that all the risks that the organisation faces such as market risk(including currency risk, interest rate risk and other price risk), Credit risk and liquidity risk have been identified and assessed and there is an adequate risk management infrastructure in place capable of addressing those risks. "The CFO, monitors and reports on the principal risks and uncertainties that can impact the company and its ability to achieve strategic objectives. The Company's management systems, organisational structures, processes, standards, code of conduct and behaviors together form the Management and business of the Company.

A. Market risk

The Company is exposed to market risk through changes in foreign currency exchange rates and changes in interest rates. Financial assets/liabilities affected by this risk are borrowings, letter of credits and trade receivables.

The Company's investments in equity securities are susceptible to price risk arising from uncertainties about future value of the investment securities. The Company's non-current

**Notes to financial statements for the year ended 31st March, 2020 (Contd...)**

(All amounts in Indian Rupees in Lakhs,
except share data and where otherwise stated)

Standalone**41. Capital Management & Risk management (Cont..)**

Investment in equity shares are strategic investments and hence are considered as Fair Value through Other Comprehensive Income. The company's Board of Directors reviews and approves all equity investment decisions.

Foreign Currency risk management

The Company operates internationally and is exposed to foreign currency risk arising from foreign currency transactions, primarily with respect to the US\$. Foreign exchange risk arises from import as well as exports of goods. The risk is measured through a forecast of highly probable foreign currency cash flows.

The special team as mentioned above analysis the options for hedging. Based on the analysis the management takes decision regarding hedging of foreign currency exposures. Currently, the Company has not hedged any of the foreign currency transactions in the view of the natural hedging. The natural hedging is sufficient to manage the current foreign currency risk management.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities are restated at the end of each reporting period. The same at the end of the reporting period are as follows :

| Particulars | As at 31st March, 2020 | | As at 31st March, 2019 | |
|------------------------|------------------------|--------------|------------------------|--------------|
| | Currency | Amount in FC | Currency | Amount in FC |
| Receivables for export | USD | 33.38 | USD | 39.04 |
| Payables for imports | USD | 72.92 | USD | 57.38 |

Foreign Currency Sensitivity Analysis

The Company is mainly exposed to US Dollar.

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

| | As at 31st March, 2020 | As at 31st March, 2019 |
|------------------------------------|---------------------------|---------------------------|
| Impact on profit before tax | | |
| USD Sensitivity | | |
| Impact due to increase by 5% | (149.04) | (59.17) |
| Impact due to decrease by 5% | 149.04 | 59.17 |

Interest Rate Risk Management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's borrowings with floating base interest rates. Based on the interest rate sensitivity the Company decides on the management of interest rate risk. The Company manages by having a balanced portfolio of variable and fixed interest rate borrowings.

Interest Rate Sensitivity:

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating base rate borrowings, as follows:


Notes to financial statements for the year ended 31st March, 2020 (Contd...)

(All amounts in Indian Rupees in Lakhs, except share data and where otherwise stated)

Standalone
41. Capital Management & Risk management (Cont..)

| | As at 31st March, 2020 | As at 31st March, 2019 |
|---|------------------------------------|---------------------------|
| | Impact on profit before tax | |
| Increase/decrease in base points | | |
| 50 base points higher | (2.75) | (5.15) |
| 50 base points lower | 2.75 | 5.15 |

B. Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is operating through network of dealers based at different locations. Regular monitoring of the receivables is undertaken by the Marketing Department and in case the limits are exceeded, steps will be taken by the Marketing departments and after discussing with the management the Company will decide whether to stop or not further supplies to the concerned dealer till the amount outstanding is recovered. For the export made by the Company, the sales are backed by letters of credit or advance receipts. The internal risk management committee of the Company meets regularly to discuss the dealers and credit risks, measures taken to address them and the status and level of risk after the measures taken. "Export sales are fully secured through letters of credit or against advance receipts. (refer Note No.8(a) for Trade Receivables outstanding)

C. Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company maintains flexibility in funding by maintaining availability under committed credit lines.

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.



Notes to financial statements for the year ended 31st March, 2020 (Contd...)

(All amounts in Indian Rupees in Lakhs,
except share data and where otherwise stated)

Standalone

(i) Financing arrangements

The table below provides details regarding the remaining contractual maturities of financial liabilities as at reporting date

| Particulars | On demand | < 1 year | 1 - 5 years | 5 + years | Total |
|---|---------------|-----------------|---------------|-----------|------------------|
| As at 31st March, 2020 | | | | | |
| Bank borrowings | - | - | 94.38 | - | 94.38 |
| Others - Security deposits | 127.99 | - | - | - | 127.99 |
| Total non-current financial liabilities | 127.99 | - | 94.38 | - | 222.38 |
| Current borrowings | - | 3,860.63 | - | - | 3,860.63 |
| Trade payables | - | 2,499.22 | - | - | 2,499.22 |
| Other current financial liabilities | - | 1,496.76 | - | - | 1,496.76 |
| Total current financial liabilities | - | 7,856.61 | - | - | 7,856.61 |
| Total | 127.99 | 7,856.61 | 94.38 | - | 8,078.99 |
| As at 31st March, 2019 | | | | | |
| Bank borrowings | - | - | 594.49 | - | 594.49 |
| Others - Security deposits | 130.74 | - | - | - | 130.74 |
| Total non-current financial liabilities | 130.74 | - | 594.49 | - | 725.23 |
| Current borrowings | - | 3,959.11 | - | - | 3,959.11 |
| Trade payables | - | 4,182.43 | - | - | 4,182.43 |
| Other current financial liabilities | - | 1,846.78 | - | - | 1,846.78 |
| Total current financial liabilities | - | 9,988.31 | - | - | 9,988.31 |
| Total | 130.74 | 9,988.31 | 594.49 | - | 10,713.55 |

The following table shows summary of the sources of risk which the entity is exposed to and how the entity manages the risk and the impact in the financial statements:

| Exposure arising from | Risk | Measurement | Management |
|---|--------------------------------|---|---|
| Foreign currency transactions | Market risk - foreign exchange | Cash flow forecasting Sensitivity analysis | Natural hedging |
| Borrowings with floating interest rates | Market risk - interest rate | Sensitivity analysis | Balanced variable and fixed interest rates |
| Cash and cash equivalents, trade receivables, financial instruments, financial assets measured at amortised cost. | Credit risk | Aging analysis Credit ratings | Diversification of bank deposits, credit limits and letters of credit |

42. Contingent Liabilities and Commitments: (to the extent not provided for)

| Particulars | Year Ended 31st March, 2020 | Year Ended 31st March, 2019 |
|---|-----------------------------------|-----------------------------------|
| Contingent Liabilities | | |
| a) Claims against company not acknowledged as debts | 96.72 | 206.76 |
| b) Guarantees issued by banks on behalf of the company and outstanding at end of the year | 168.94 | 63.31 |
| Commitments | | |
| a) Consumers cheques / bills discounted with Banks | 0.00 | 0.00 |
| b) Unexpired Letters of Credit established by the Company | 6000.00 | 5181.79 |



Notes to financial statements for the year ended 31st March, 2020 (Contd...)

(All amounts in Indian Rupees in Lakhs,
except share data and where otherwise stated)

Standalone

43. Employee Benefits:

A) Defined Contribution Plans

Employees contribution to provident fund and Employees state insurance are recognized as expenditure in statement of profit and loss account, as they are incurred. There are no other obligation other than the contribution payable to aforesaid respective Trust/ Government Authorities

B) Defined Benefit Plan

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

| Particulars | Year ended 31st | Year ended 31st |
|---|-----------------|-----------------|
| | March, 2020 | March, 2019 |
| 1. Changes in present value of Obligations | | |
| Present value at the beginning of the year | 221.71 | 199.52 |
| Interest cost | 7.20 | 15.44 |
| Current Service Cost | 37.96 | 15.96 |
| Cost PSC - Vested | 0.00 | 0.00 |
| Benefits paid | (7.12) | (9.57) |
| Actuarial (gain)/loss on obligations | 0.34 | 0.03 |
| Present value at the end of the year | 240.20 | 221.71 |
| 2. Changes in fair value of planned assets | | |
| Fair value of plan assets at the beginning of the year | 128.49 | 118.40 |
| Expected return on plan assets | 9.27 | 9.28 |
| Contributions | 5.10 | 10.41 |
| Benefits paid | (7.12) | (9.57) |
| Actuarial (gain)/loss on planned assets | (0.34) | (0.03) |
| Fair value of plan assets at the end of the year | 135.39 | 128.49 |
| 3. Amount recognized in the balance sheet | | |
| Present value of obligations as at the end of year | 240.20 | 221.71 |
| Fair value of plan assets as at the end of year | 135.39 | 128.49 |
| Net asset/(liability) recognized in balance sheet | 104.81 | 93.22 |
| 4. Expenses recognized in Statement of Profit and Loss | | |
| Current service cost | 37.96 | 15.96 |
| Interest cost | 7.20 | 15.44 |
| Expected return on plan assets | (9.27) | (9.28) |
| Total Actuarial Gain/Loss. | (6.78) | (9.54) |
| PSC – Non vested | (0.00) | 15.69 |
| 5. Amount recognised in Other Comprehensive Income | | |
| Actuarial (gain)/ loss on obligations | 0.34 | 0.03 |
| Actuarial (gain)/loss - plan assets | (0.34) | (0.03) |
| Actuarial (gain)/loss recognized in the year | (6.78) | (9.54) |


Notes to financial statements for the year ended 31st March, 2020 (Contd...)

(All amounts in Indian Rupees in Lakhs,
except share data and where otherwise stated)

Standalone
44. Operating lease:

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

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of Rs. 609.06 Lakhs, and a lease liability of Rs. 711.77 Lakhs. The cumulative effect of applying the standard, amounting to Rs. 102.71 Lakhs was debited to retained earnings. The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share. Ind AS 116 has resulted in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The borrowing rate that is applied to lease liabilities as at 1st April, 2019 is 9.50%

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

| Particulars | Buildings |
|--|-----------|
| Balance as at 1 st April 2019 | 609.06 |
| Additions | 628.34 |
| Deletions | - |
| Depreciation | (194.56) |
| Balance as at 31 st March, 2020 | 1,042.84 |

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

(₹ in lakhs)

| Particulars | As at 31 st March, 2020 |
|--------------------------------|------------------------------------|
| Current lease liabilities | 257.18 |
| Non- Current lease liabilities | 928.05 |
| Total | 1,185.23 |

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

(₹ in lakhs)

| Particulars | Buildings |
|--|-----------|
| Balance as at 1 st April 2019 | 711.77 |
| Additions | 628.34 |
| Deletions | - |
| Finance cost during the year | 103.24 |
| Payment of lease | (258.13) |
| Balance as at 31 st March, 2020 | 1,185.23 |

**Notes to financial statements for the year ended 31st March, 2020 (Contd...)**

(All amounts in Indian Rupees in Lakhs,
except share data and where otherwise stated)

Standalone

The Company has taken a portion of factory land, office premises and movable assets (hydrozen cylinders) on operating lease. And the company has given a portion of land, hatchery unit on operating lease.

A. The total future commitments on Lease Payments on an undiscounted basis are detailed hereunder:

| Particulars | Year Ended 31st March, 2020 |
|--|--------------------------------|
| (i) Not later than one year | 300.53 |
| (ii) Later than one year and not later than five years | 664.91 |
| (iii) Later than five years | 998.60 |

B. The total future Receivables on Lease Receipts are detailed hereunder:

| Particulars | Year Ended 31st March, 2020 |
|--|--------------------------------|
| (i) Not later than one year | 19.20 |
| (ii) Later than one year and not later than five years | 46.50 |
| (iii) Later than five years | 0.00 |

C. Lease Receipts recognized in the Profit and Loss Account is Rs. 23.58 Lakhs during the year 2019-20.

45. Segment Reporting:

| Particulars | Year Ended 31 st March, 2020 | Year Ended 31 st March, 2019 |
|----------------------------------|--|--|
| Segment Revenue | | |
| a) Chemicals and Trading | 65,694.72 | 67,265.28 |
| b) Power generation | 6,765.20 | 6,983.48 |
| c) unallocated | 391.69 | 206.78 |
| TOTAL | 72,851.61 | 74,455.54 |
| Less: Inter segment revenue | 3,549.70 | 4,034.72 |
| Net Sales/Income from Operations | 69,301.91 | 70,420.82 |
| Segment Results Profit/(Loss) | | |
| Before tax and interest: | | |
| a) Chemicals and Trading | 4,727.40 | 5,271.22 |
| b) Power generation | 442.29 | 318.95 |
| c) unallocated | 391.69 | 206.78 |
| TOTAL | 5,561.38 | 5796.95 |
| Less: I) a) Interest Expenses | (1,016.48) | (1576.35) |
| Total Profit before Tax | 4,544.90 | 4,220.60 |
| Segment Assets | | |
| a) Chemicals and Trading | 37,772.32 | 33,532.08 |
| b) Power generation | 4,868.29 | 6,939.86 |
| c) Others | 1,843.59 | 6,509.90 |
| TOTAL | 44,484.20 | 46,981.84 |
| Segment Liabilities | | |
| a) Chemicals and Trading | 12311.47 | 11,602.72 |
| b) Power generation | 550.20 | 1,129.61 |
| c) Others | 465.85 | 1,718.00 |
| TOTAL | 13,327.52 | 14,450.33 |


Notes to financial statements for the year ended 31st March, 2020 (Contd...)

(All amounts in Indian Rupees in Lakhs,
except share data and where otherwise stated)

Standalone
46. Related Party Disclosures

As required under Ind As 24, Related Party Disclosures, the following are the related parties identified, transactions with such related parties during the year ended 31st March, 2020 and the balances as on that date are given below:

Related party Transactions:

| 1. | Related Parties | Transactions during the year |
|-----|---|------------------------------|
| 1.1 | Subsidiary Company | |
| | TGV Sodium & Electrolite Private Limited | Yes |
| 1.2 | Person has control or significant influence on the Company | |
| | T G Bharath | Yes |
| 1.3 | Close members of family of T G Bharath | |
| | T G Venkatesh – Father | Yes |
| 1.4 | Entities controlled by T G Bharath and close members of his family | |
| | TGV SRAAC Limited | Yes |
| | T G V Projects & Investments Private Limited | Yes |
| | Sree Rayalaseema Galaxy Projects Private Limited | Yes |
| | Gowri Gopal Hospitals Private Limited | Yes |
| | Brilliant Bio-Pharma Private Limited | Yes |
| | Brilliant Industries Private Limited | No |
| | Sree Guru Raghavendra Film Exhibitors Private Limited | No |
| | T G V Securities Private Limited | No |
| | Vibhu Cement Private Limited | No |
| | SreeMaruthiAgrotech Private Limited | No |
| | Nectar Laboratories Private Limited | No |
| | SreeMaruthi Marine Industries Limited | No |
| | SreeRayalaseema Dutch Kassenbouw Private Limited | No |
| | GGICU LLP | Yes |
| | TGV Industries Private Limited | Yes |
| 1.5 | Key Managerial Personnel | |
| | T G Bharath – Chairman and Managing Director | Yes |
| | V Surekha – Company Secretary | Yes |
| | Shaik Iftekhar Ahmed – Chief Financial Officer | Yes |



Notes to financial statements for the year ended 31st March, 2020 (Contd...)

(All amounts in Indian Rupees in Lakhs,
except share data and where otherwise stated)

Standalone

46. Related Party Disclosures (Contd...)

a. Transactions during the year :

| Particulars | Related Parties as per para 1.1,1.2,1.3,1.4,1.5 | | | | |
|--|--|--------|--------|----------|-------|
| | 1.1 | 1.2 | 1.3 | 1.4 | 1.5 |
| Purchase / subscriptions in investments | 1.00 | Nil | Nil | Nil | Nil |
| Redemption of investments(CRPS) | Nil | Nil | Nil | Nil | Nil |
| Net loans and advances given / received | Nil | Nil | Nil | 1030.00 | Nil |
| Revenue from operations | Nil | Nil | Nil | 6461.16 | Nil |
| Purchase of raw material / Material consumed | Nil | Nil | Nil | 13319.41 | Nil |
| Employee benefits | Nil | 201.29 | Nil | Nil | 16.68 |
| Rent | Nil | 47.11 | 63.14 | 228.39 | Nil |
| Services Received | Nil | 260.00 | 260.00 | 679.54 | Nil |
| Rental Deposit | Nil | Nil | Nil | Nil | Nil |

b. Outstanding balances

| Particulars | Year ended 31st March, 2020 | Year ended 31st March, 2019 |
|---|--------------------------------|--------------------------------|
| Other Current Assets - Advances to Related Parties | 1132.75 | 1484.95 |
| Other Current Financial Liability | 0.00 | (145.19) |
| Other Non Current Assets | 294.81 | 308.52 |
| Vehicle Loans | 0.00 | 0.10 |
| Rental Deposit to Key Managerial Personnel (KMP) and Relative of KMP | 160.00 | 160.00 |



Notes to financial statements for the year ended 31st March, 2020 (Contd...)

(All amounts in Indian Rupees in Lakhs,
except share data and where otherwise stated)

Standalone

c) Summary of transactions with the above related parties as follows:

Enterprises where significant influence of key managerial personnel or their relatives exists:

| Name of the party | Nature of Transaction | For the year ended 31.03.20 | For the year ended 31.03.19 |
|---|------------------------|-----------------------------|-----------------------------|
| TGV SRAAC Ltd | Purchases | 13,291.50 | 12,649.19 |
| | Sales/Lease | 6,320.02 | 6,135.80 |
| | Rentals | 6.53 | 05.69 |
| Gowri Gopal Hospitals Pvt Limited | Purchases | 1.55 | 1.32 |
| | Sales | 2.87 | 0.71 |
| | Lease Rentals | 19.04 | 19.04 |
| | Services Received | 18.66 | 27.15 |
| TGV Projects and Investments Pvt Ltd., | Purchases | 0.05 | 0.00 |
| | Sales | 1.04 | 0.09 |
| | Lease Rentals | 202.80 | 192.50 |
| | Services Received | 164.16 | 166.10 |
| Sree Rayalaseema Galaxy Projects Ltd., | Purchases | 26.30 | 23.31 |
| | Sales | 137.23 | 167.10 |
| | Services Received | 492.03 | 486.74 |
| Shri TG Venkatesh, | Rent paid | 63.14 | 16.19 |
| | Services Received | 260.00 | 260.00 |
| Shri. TG BHARATH, Chairman and Managing Director | Rent paid | 47.11 | 42.83 |
| | Remuneration Employers | 201.29 | 232.90 |
| | Contribution to P.F. | 0.59 | 0.71 |
| | Services Received | 260.00 | 250.00 |
| Smt. V. Surekha Company Secretary | Remuneration Employers | 7.39 | 7.17 |
| | Contribution to P.F. | 0.36 | 0.22 |
| | | | |
| Sri S Iftekhar Ahmed Chief Financial Officer | Remuneration Employers | 8.57 | 8.33 |
| | Contribution to P.F. | 0.36 | 0.18 |
| | | | |

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

Earnings in Foreign Currency

(₹ in lakhs)

| Particulars | As at 31 st March, 2020 | As at 31 st March, 2019 |
|----------------------|------------------------------------|------------------------------------|
| FOB value of exports | 24,076.77 | 21,288.61 |



Notes to financial statements for the year ended 31st March, 2020 (Contd...)

(All amounts in Indian Rupees in Lakhs,
except share data and where otherwise stated)

Standalone

Expenditure in Foreign Currency

(₹ in lakhs)

| Particulars | As at 31 st March, 2020 | As at 31 st March, 2019 |
|---------------------------------------|---------------------------------------|---------------------------------------|
| i) Commission Paid | 71.48 | 86.45 |
| ii) Freight and CFS | 2925.75 | 2534.49 |
| iii) Machinery and Spares | 725.16 | 250.62 |
| iv) Printing and Stationery | 0.00 | 0.00 |
| v) Subscriptions & others | 0.00 | 0.00 |
| vi) Sports Development (CSR Activity) | 0.00 | 29.58 |

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

(₹ in lakhs)

| Particulars | As at 31 st March, 2020 | As at 31 st March, 2019 |
|----------------------|---------------------------------------|---------------------------------------|
| Raw Materials & Coal | 8,519.82 | 11,105.59 |

48. Dues to Micro, small and medium enterprises

The Company is required to furnish required details under section 22(i) to clause (v) of Micro, Small and Medium Enterprises Development Act, 2006 (MSMED ACT) read with para FV of General Instructions for balancesheet in Division II of Schedule III to the Companies Act, 2013 (the ACT). As per the said regulations required information in respect of MSMED entities are, as per information submitted by the suppliers to the company, furnished below:

(₹ in lakhs)

| Particulars | As at 31 st March, 2020 | As at 31 st March, 2019 |
|---|---------------------------------------|---------------------------------------|
| a) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end. (all dues were paid before year end) | 143.31 | 40.19 |
| b) Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end; | Nil | 0.10 |
| c) Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year | Nil | Nil |
| d) Principal payment made to suppliers registered under the MSMED Act, beyond the appointed day during the year; | Nil | Nil |
| e) Interest paid, other than under section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year | Nil | Nil |
| f) Interest due and payable for the year amount of interest accrued and remaining unpaid at the end of each year towards suppliers registered under MSMED Act, for payments already made; and | Nil | Nil |
| g) Further interest remaining due and payable for even in succeeding years. | Nil | Nil |


Notes to financial statements for the year ended 31st March, 2020 (Contd...)

(All amounts in Indian Rupees in Lakhs,
except share data and where otherwise stated)

Standalone
49. Revenue from contracts with customers:

The Company is producer of Calcium Hypochlorite, Sulphuric Acid, Stable Bleaching Powder, Hydrogen Gas, Sodium Methoxide, Sodium Hydride and also in coal trading and Generation and Distribution of Power.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

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

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

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

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

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

The Company represents revenue net of indirect taxes in its Statement of Profit and Loss.

A. Disaggregate Revenue Information

The disaggregated revenue from contracts with the customers for the year ended March 31, 2020 by offerings and contract type.

(₹ in lakhs)

| Sl.No. | Revenue by contract type | As at 31st March, 2020 | As at 31st March, 2019 |
|--------|--------------------------|---------------------------|---------------------------|
| 1 | Fixed time frame | 65,140.79 | 66,609.5 |
| 2 | Time and material | 3134.62 | 3052.18 |

B. Remaining Performance Obligations

The remaining performance obligation disclosure provides the aggregate amount of transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue.

Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of entity's performance completed to date.

The aggregate amount of transaction price allocated to remaining performance obligations as per the requirements of Ind AS 115 is Rs.7532.92 Lakhs out of which, approximately 100% is expected to be recognized as revenues within one year and the balance beyond one year.



Notes to financial statements for the year ended 31st March, 2020 (Contd...)

(All amounts in Indian Rupees in Lakhs,
except share data and where otherwise stated)

Standalone

| PARTICULARS | As at 31 st March, 2020 | | As at 31 st March, 2019 | |
|---------------|------------------------------------|---------------|------------------------------------|---------------|
| | Rs in lakhs | % | Rs in lakhs | % |
| a) Imported | 8,519.82 | 29.97 | 11,105.59 | 37.59 |
| b) Indigenous | 19,907.01 | 70.03 | 18,438.67 | 62.41 |
| Total | 28,426.83 | 100.00 | 29,544.26 | 100.00 |

50. Value of Raw materials consumed

51. Confirmation of Balances

Confirmation of Balances from certain parties for amounts due to them or due from them is yet to be received Confirmation letters were received from some of the parties. No material discrepancies are observed.

52. Previous figures have been regrouped/rearranged to make them comparable with current year figures.

53. Rounding off

Figures shown in the Financial Statements have been rounded off to the nearest lakhs.

As per our report of even date attached.

For T. Adinarayana & Co.,
Chartered Accountants (Regn.No.000041S)

Sd/-
C.A. Y. Pulla Rao
Proprietor
Membership No.25266
UDIN No: 20025266AAAABE9587
Place: Kurnool
Date : June 30, 2020

For and on behalf of the Board

Sd/-
Sri T.G.Bharath
Chairman & Managing Director

Sd/-
Smt. V.Surekha
Company Secretary

Sd/-
Smt. D. S. Sai Leela
Director

Sd/-
Sri S. Ifthekhar Ahmed
Chief Financial Officer

Place : Kurnool
Date : June 30, 2020



Consolidated



INDEPENDENT AUDITOR'S REPORT

To
The Members of
Sree Rayalaseema Hi-Strength Hypo limited
Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated financial statements of Sree Rayalaseema Hi-Strength Hypo Limited (the 'Parent Company') and its subsidiary (the Company and its subsidiary together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at 31st March, 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidate Financial Statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'the Consolidated financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2020, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for opinion

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

Key audit matters

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated financial statements of the current period. These matters were addressed in the context of our audit of the Consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

| SNo. | Key Audit Matter | Auditor's Response |
|------|--|--|
| 1 | <p>Revenue Recognition</p> <p>The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period.</p> | <p>Principal Audit Procedures</p> <p>We reviewed the Company's implementation of Ind AS 115, including recognition of the effect on opening equity and changes to procedures, accounting guidelines, disclosures and systems to support correct revenue recognition. We reviewed and discussed the accounting policy including the key accounting estimates and judgements made by management.</p> |



| SNo. | Key Audit Matter | Auditor's Response |
|------|---|--|
| | <p>Revenue from sale of goods is recognized when control of the products being sold is transferred to our customer and when there are no longer any unfulfilled obligations. The application of the new revenue accounting standard involves certain significant judgements and estimates made by the management including identification of distinct performance obligations, determination of transaction price of the identified performance obligations, determination of transaction price, the appropriateness of the basis used to measure revenue recognized over a period. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur. Accumulated expenses are used to estimate provisions of discounts, rebates. Refer note 2.12 of the financial statements.</p> | <p>We tested the relevant internal controls used to ensure the completeness, accuracy and timing of revenue recognised. We read a sample of contracts to assess whether the method for recognition of revenue was relevant and consistent with Ind AS 115, and had been applied consistently. We focused on contract classification, allocation of income and cost to the individual performance obligations and timing of transfer of control. We evaluated the significant judgements and estimates made by management in applying accounting policy to sample of contracts and we obtained evidence to support them, including contractual agreements, delivery records. We also considered the historical outturns of estimates used in prior periods. We applied Audit Techniques to establish, whether any revenue has been recognized where no corresponding accounts receivable or cash has been recorded in the general ledger.</p> |
| 2 | <p>As on 31st March, 2020 the Company has a Gross Block of Rs. 14,079.05 Lakhs In Plant and Machinery, During the previous years the company adopted revised useful lives and residual value for plant and machinery as in last year. The estimation of the useful lives and residual values, as recommended by Third Party Technical experts, involves management judgement, consideration of historical experience, exposure of plant to corrosive chemicals in process etc., hence this is considered as a key audit matter.</p> | <p>The audit procedure included and not limited to the following:</p> <ol style="list-style-type: none"> 1. Evaluating the reasonableness of the assumptions considered by the management in estimating of useful lives and residual value of Plant and Machinery. 2. Examining the useful economic life and residual life with reference to industrial experience technical evaluation by Third Party Technical experts, and our understanding of the future utilisation of assets of the company. 3. Assessing whether the impact on account of change in estimates has been appropriately recognised in the financial statements. 4. Review of disclosures made in the financial statements in this regard. |

**Information Other than the Consolidated Financial Statements and Auditor's Report Thereon**

The Parent Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Consolidated financial statements and our auditor's report thereon.

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

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

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

Management's Responsibility for the Consolidated Financial Statements

The Parent Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these Consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the entities included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the directors of the Parent Company, as aforesaid.

In preparing the Consolidated financial statements, the respective management and Board of Directors of the entities included in the Group are responsible for assessing the ability of each entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the entities included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and



are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated financial statements.

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

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

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

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

We communicate with those charged with governance of the Parent Company and such other entities included in the consolidated financial statements of which we are the independent auditor's regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



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

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

Other Matters

We did not audit the financial statements / financial information of a Wholly-owned subsidiary , whose financial statements / financial information (before eliminating inter company balances) reflects total assets of Rs. 1,09,934/- as at 31st March 2020, total revenues of Rs. NIL and net cash inflows amounting to Rs. . 1,09,934/- /-for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net Loss (including other comprehensive income) of Rs. 48,061/- for the year ended 31 March 2020, as considered in the consolidated financial statements in respect of one subsidiary, whose financial statements have been audited by other auditors but report is awaited for technical reasons. These unaudited financial statements have been approved by the Board of Directors and furnished to us by the Management of the subsidiary whose reports and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on such unaudited financial statements. In our opinion and according to the information and explanation given to us by the Management, the financial statements are not material to the Group.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that :
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
 - c. the consolidated Balance Sheet, the consolidated Statement of Profit and Loss including Other Comprehensive Income, consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - d. In our opinion, the aforesaid Consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



- e. On the basis of the written representations received from the directors of the Parent Company and its subsidiary which are incorporated in India as on 31st March, 2020 taken on record by the Board of Directors of respective companies, none of the directors of the Group Companies incorporated in India is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
2. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Consolidated financial statements disclose the impact of pending litigations on its financial position of the Group
- ii. Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent Company and its subsidiary incorporated in India.
- 3. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of amendments to section 197(16) of the Act:**

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid during the current year by the Parent Company and its subsidiary, which are incorporated in India is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director by the Parent Company and its subsidiary, which are incorporated in India is not in excess of the limit laid down under Section 197 of the Act.

For **T. Adinarayana & Co.**
Chartered Accountants
Regn. No. 000041S
Sd/-

Y. Pullarao
Proprietor

Membership No. 25266

UDIN:20025266AAAABF4024

Place : Kumool
Date : June 30, 2020

**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT****(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)****Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the Consolidated financial statements of Sree Rayalseema Hi-Strength Hypo Limited ("the Parent Company") as of 31st March, 2020, We have audited the internal financial controls over financial reporting of the Parent Company and its subsidiary which are incorporated in India for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent Company and its subsidiary which are incorporate in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Parent Company and its subsidiary, which are incorporated in India, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent Company and its subsidiary which are incorporate in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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



We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent Company and its subsidiary which are incorporate in India.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Parent Company and its subsidiary companies, which are incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2020, based on the internal control over financial reporting criteria established by the Parent Company and its subsidiary which are incorporate in India considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For T. Adinarayana & Co.
Chartered Accountants
Regn. No. 000041S
Sd/-

Y. Pullarao

Proprietor

Membership No. 25266

UDIN:20025266AAAABF4024

Place : Kumool
Date : June 30, 2020



Consolidated Balance sheet as at 31st March, 2020

(All amounts in Lakhs, except otherwise stated)

| Particulars | Note No. | As at 31st March 2020 |
|--|----------|-----------------------|
| ASSETS | | |
| Non-current assets | | |
| (a) Property, Plant and Equipment | 3 | 12,730.72 |
| (b) Right-to-use assets on lease | 3 | 1,042.84 |
| (c) Capital work-in-progress | 3 | 305.49 |
| (d) Investment properties | 4 | 2,375.00 |
| (e) Financial assets | | |
| i) Investments | 5 | 1,842.59 |
| ii) Other financial assets | 6 | 416.05 |
| (f) Other non-current assets | 7 | 1,009.32 |
| Total Non-current assets | | 19,722.02 |
| Current assets | | |
| (a) Inventories | 8 | 3,670.83 |
| (b) Financial assets | | |
| i) Trade receivables | 9 | 8,203.01 |
| ii) Cash and cash equivalents | 10 | 4,165.06 |
| iii) Bank balances other than Cash and cash equivalents | 11 | 4,477.54 |
| iv) Loans | 12 | 83.31 |
| v) Other financial assets | 13 | 294.93 |
| (c) Current Tax Assets (Net) | 14 | - |
| (d) Other current assets | 15 | 3,867.60 |
| Total Current assets | | 24,762.29 |
| TOTAL ASSETS | | 44,484.30 |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| (a) Equity Share capital | 16 | 1,716.48 |
| (b) Other equity | 17 | 29,439.72 |
| Total Equity | | 31,156.20 |
| Liabilities | | |
| Non-current liabilities | | |
| (a) Financial liabilities | | |
| i) Borrowings | 18 | 94.38 |
| ii) Others | 19 | 127.99 |
| iii) Lease Liability | 20 | 928.05 |
| (b) Deferred tax liabilities (Net) | 21 | 465.86 |
| (c) Deferred Government grants | 22 | 101.95 |
| (d) Provisions | 23 | 98.08 |
| Total Non-current liabilities | | 1,816.31 |
| Current liabilities | | |
| (a) Financial liabilities | | |
| i) Borrowings | 18 | 3,860.63 |
| ii) Trade payables | | |
| (A) total outstanding dues of micro enterprises and small enterprises; and | 24 | 143.31 |
| (B) total outstanding dues of creditors other than micro enterprises and small enterprises." | 24 | 2,355.91 |
| iii) Other financial liabilities | 25 | 1,496.76 |
| iv) Lease Liability | 25 | 257.18 |
| (b) Other current liabilities | 26 | 1,874.76 |
| (c) Provisions | 27 | 95.49 |
| (d) Current tax liability (Net) | 28 | 1,427.75 |
| Total Current liabilities | | 11,511.79 |
| TOTAL LIABILITIES | | 13,328.10 |
| TOTAL EQUITY AND LIABILITIES | | 44,484.30 |
| General information | 1 | |
| Summary of significant accounting policies | 2 | |
| Notes to Financial Statements | 40-51 | |
| See accompanying notes forming part of financial statements | | |

As per our report of even date attached.

For T. Adinarayana & Co.,

Chartered Accountants (Regn.No.000041S)

Sd/-

C.A. Y. Pulla Rao

Proprietor

Membership No.25266

UDIN No: 20025266AAAABF4024

Place: Kurnool

Date : June 30, 2020

For and on behalf of the Board

Sd/-

Sri T.G.Bharath
Chairman & Managing Director

Sd/-

Smt. D. S. Sai Leela
Director

Sd/-

Smt. V.Surekha
Company Secretary

Sd/-

Sri S. Ifthekhar Ahmed
Chief Financial Officer

Place : Kurnool

Date : June 30, 2020


Consolidated Statement of Profit and Loss for the year ended 31st March, 2020
(All amounts in Lakhs, except otherwise stated)

| Particulars | Note No. | As at 31st March 2020 |
|---|----------|-----------------------|
| I Revenue from operations | 29 | 68,910.22 |
| II Other income | 30 | 391.69 |
| III Total revenue (I + II) | | 69,301.91 |
| IV Expenses | | |
| Cost of materials consumed | 31 | 34,336.95 |
| Purchase of stock-in-trade | 32 | 9,931.63 |
| Changes in inventories of finished goods, work in progress and stock-in-trade | 33 | (610.37) |
| Employee benefit expense | 34 | 2,252.72 |
| Finance cost | 35 | 1,016.48 |
| Depreciation and amortisation expense | 3 | 5,027.37 |
| Other expense | 36 | 12,802.71 |
| Total expenses (IV) | | 64,757.49 |
| V Profit/ (loss) before exceptional items and tax (III-IV) | | 4,544.42 |
| VI Exceptional items | | - |
| VII Profit/ (loss) before tax (V-VI) | | 4,544.42 |
| VIII Tax expense | | |
| Current tax | 37 | 2,011.86 |
| Deferred tax | 37 | (1,258.16) |
| Earlier year tax adjustments | | - |
| Total Tax expense | | 753.70 |
| IX Profit/ (loss) for the period After Tax (VII-VIII) | | 3,790.72 |
| X Other comprehensive income | 38 | |
| Items not to be reclassified to profit or loss in subsequent periods: | | |
| Net gain /(losses) on FVTOCI financial instruments | | (6,237.05) |
| Re-measurement gains/ (losses) on defined benefit plans | | 23.87 |
| Tax effect | | 1,563.73 |
| Other comprehensive income/(loss) for the year | | (4,649.44) |
| XI Total comprehensive income for the period (IX+X) | | (858.73) |
| XII Earnings per equity share | 39 | |
| a) Basic | | 22.08 |
| b) Diluted | | 22.08 |
| General information | 1 | |
| Summary of significant accounting policies | 2 | |
| Notes to Financial Statements | 40-51 | |
| See accompanying notes forming part of financial statements. | | |

As per our report of even date attached.

For T. Adinarayana & Co.,

Chartered Accountants (Regn.No.000041S)

Sd/-
C.A. Y. Pulla Rao
 Proprietor

 Membership No.25266
 UDIN No: 20025266AAAABF4024
 Place: Kurnool
 Date : June 30, 2020

For and on behalf of the Board

| | |
|------------------------------|-------------------------------|
| Sd/- | Sd/- |
| Sri T.G.Bharath | Smt. D. S. Sai Leela |
| Chairman & Managing Director | Director |
| Sd/- | Sd/- |
| Smt. V.Surekha | Sri S. Ifthekhar Ahmed |
| Company Secretary | Chief Financial Officer |

 Place : Kurnool
 Date : June 30, 2020



Consolidated Cash flow statement for the period ended 31st March, 2020

(All amounts in Lakhs, except otherwise stated)

| Particulars | Year ended 31st March 2020 |
|---|-------------------------------|
| Cash flow from operating activities | |
| Profit before tax | 4,544.42 |
| Profit before exceptional items and tax | 4,544.42 |
| Adjustments to reconcile profit before tax to net cash flows: | |
| Depreciation and amortisation expenses | 5,027.37 |
| Interest received | (182.19) |
| Allowance for expected credit loss on trade receivables | - |
| Interest paid | 1,016.48 |
| Interest expense due to amortisation of processing fees | 0.74 |
| Interest income & expenses due to amortisation of rent deposits | (8.62) |
| Income due to government grant recognised | (6.00) |
| Net gains/(losses) on FVTPL instruments | - |
| Profit on sale of investments/property | - |
| Operating profit before working capital changes | 10,392.20 |
| Working capital adjustments: | |
| (Decrease)/Increase in trade payables | (1,683.22) |
| (Decrease)/Increase in non-current financial liabilities | (2.75) |
| (Decrease)/Increase in current financial liabilities | (350.02) |
| (Decrease)/Increase in other current liabilities | 669.80 |
| (Decrease)/Increase in short term provisions | 4.37 |
| (Decrease)/Increase in long term provisions | 28.72 |
| (Increase)/Decrease in non-current financial asset | (10.55) |
| (Increase)/Decrease in other non-current assets | 176.60 |
| (Increase)/Decrease in trade receivables | 586.56 |
| (Increase)/Decrease in inventories | 34.00 |
| (Increase)/Decrease in other current assets | 1,386.06 |
| (Increase)/Decrease in financial assets | (194.70) |
| Cash generated from operating activities | 11,037.08 |
| Direct taxes paid (net) | (1,105.64) |
| Net cash flow from operating activities (A) | 9,931.44 |
| Cash flows from investing activities | |
| Purchase of fixed assets, including CWIP | (805.83) |
| Investment in subsidiary | - |
| Sale of investment | - |
| Interest received | 182.19 |
| Redemption/(Investment) of margin money deposit | (3,255.22) |
| Earmarked for dividend | 118.66 |
| Net cash flow from/ (used in) investing activities (B) | (3,760.19) |
| Cash flows from financing activities | |
| Proceeds from equity | - |
| Interest paid | (913.23) |
| (Repayment)/Proceeds of long term borrowings | (500.11) |
| (Repayment)/Proceeds from short term borrowings | (98.47) |
| Dividend paid | (413.86) |
| (Repayment)/Proceeds of lease liability | (258.13) |
| Net cash flow from/ (used in) financing activities (C) | (2,183.81) |
| Net increase/(decrease) in cash and cash equivalents (A + B + C) | 3,987.44 |
| Cash and cash equivalents at the beginning of the year | 177.62 |
| Cash and cash equivalents at the end of the year | 4,165.06 |
| Components of cash and cash equivalents | |
| Cash on hand | 8.24 |
| Balances with banks | - |
| in Current Account | 4,156.83 |
| Total cash and cash equivalents (Note 10) | 4,165.06 |

Note:

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

As per our report of even date attached.

For T. Adinarayana & Co.,

Chartered Accountants (Regn.No.000041S)

Sd/-
C.A. Y. Pulla Rao
Proprietor

Membership No.25266
UDIN No: 20025266AAAABF4024
Place: Kurnool
Date : June 30, 2020

For and on behalf of the Board

Sd/-
Sri T.G.Bharath
Chairman & Managing Director

Sd/-
Smt. D. S. Sai Leela
Director

Sd/-
Smt. V.Surekha
Company Secretary

Sd/-
Sri S. Ifthekhar Ahmed
Chief Financial Officer

Place : Kurnool
Date : June 30, 2020


Notes to financial statements for the year ended 31st March, 2020 (Contd...)

(All amounts in Indian Rupees in Lakhs,
except share data and where otherwise stated)

Consolidated
Note 1: General Information

Sree Rayalaseema Hi – Strength Hypo Limited incorporated on 28th March, 2005 it is the leading producer of Calcium Hypo Chloride, Stable Bleaching Powder, Sulphuric Acid and other chemicals.

The Company is a public limited company domiciled in India. The address off its registered office and principal place of business are disclosed in the introduction to the Annual Report. The equity shares of the Company are listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE).

The financial statements are approved for issue by the Company's Board of Director's on 30th June, 2020.

Note 2: Significant Accounting Policies
2.1 Statement of Compliance

These Consolidated Financial statements are separate financial statements of the company (Also called Consolidated Financial Statements)

The Consolidated Financial statements have been prepared in accordance with Indian Accounting Standards (as amended) (Ind AS) as notified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 together with comparative period data as at the year end March, 31st 2019.

2.2 Basis of consolidation

The Consolidated Financial statements comprise the Financial Statements of Sree Rayalaseema Hi-Strength Hypo Limited and its wholly owned subsidiary company TGV Sodium & Electrolyte Private Limited

All Intercompany transactions, balances, incomes and expenses are eliminated in full on consolidation.

Following are the subsidiary companies as at 31st March, 2019 and 31st March, 2020 and the same are consolidated for the purpose of this Consolidated Financial Statements.

| Name of the Company | Country of Incorporation | % Holding as on 31 st March, 2020 | % Holding as on 31 st March, 2019 |
|---|--------------------------|--|--|
| TGV Sodium & Electrolytes Private Limited | India | 100% | Nil |

The Company holds more than 20% in investee company viz. TGV SRAAC Ltd but not considered for consolidation for reasons given in detail in the note 2.10 and Annexure to Div.II in schedule III to the Companies Act 2013.

2.3 Basis of preparation of Consolidated Financial Statements.

These Consolidated Financial Statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

**Notes to financial statements for the year ended 31st March, 2020 (Contd...)**

*(All amounts in Indian Rupees in Lakhs,
except share data and where otherwise stated)*

Consolidated

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The Consolidated Financial statements are prepared in Indian Rupees and all values are rounded off nearest to nearest lakhs.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes in to account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transaction that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36 Impairment of Assets.

The Statement of Cash Flow have been prepared in Indirect Method.

2.3 Use of estimates and judgements

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

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

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

2.4 Operating cycle.

Operating cycle is the time between the acquisition of assets for processing and their in cash and cash equivalents. The company has ascertained its operating cycle as twelve months for the purpose of current/noncurrent classification of assets and liabilities.

**Notes to financial statements for the year ended 31st March, 2020 (Contd...)**

*(All amounts in Indian Rupees in Lakhs,
except share data and where otherwise stated)*

Consolidated**2.5 Current and Non-Current Classification.**

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

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

The company classifies all the assets as noncurrent.

A liability is current when:

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

The company classifies all other liabilities as noncurrent.

Deferred tax asset and liability are classified as non-current asset and liability

2.6 Critical Accounting Judgements and Key source of estimation uncertainty operating cycle:

In the application of the company's accounting policies, the management of the company are required to make judgements, estimates, and assumptions about the carrying amounts of the asset and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods in the revision affects both current and future periods.

The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

**Notes to financial statements for the year ended 31st March, 2020 (Contd...)**

*(All amounts in Indian Rupees in Lakhs,
except share data and where otherwise stated)*

Consolidated**Provision and contingent liability**

On an ongoing basis, Company reviews pending cases, claims by third parties and other. For contingent losses that are considered probable an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting. As at March 31, 2017 management assessed that the useful lives represent the expected utility of the assets to the company. Further, there is no significant change in the useful lives as compared to previous year.

2.7 Functional Currency:

The Financial Statements are prepared in Indian Rupees, which is the functional currency of the company, functional currency of an entity is the currency of the primary economic environment in which the entity operates.

All amounts in the financial statements are stated in Indian Currency unless otherwise stated.

2.8 Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interests issued by the Company in exchange of control of the acquire. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- Deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively;
- Liabilities or equity instruments related to share-based payment arrangements of the acquire or share-based payment arrangements of the Company entered into to replace share-based payment arrangements of the of the Company entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 2 at the acquisition date (see note 2.17); and

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- Assets (or disposal Company's) that are classified as held for sale in accordance with Ind AS 105 (Non- current Assets Held for Sale and Discontinued Operations) are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

In case of a bargain purchase, before recognising a gain in respect thereof, the Company whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Company reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that reassessment. The Company then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Company recognises it in order comprehensive income and accumulates the same in equity as capital reserve. This gain is attributed to the acquirer. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Company recognises the gain, after reassessing and reviewing(as described above), directly in equity as capital reserve.

Non-controlling interests that are present ownership interests and entitle their holders to a share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Ind AS.

When the consideration transferred by the Company in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends

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on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with Ind AS 39, or Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Company's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

2.9 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Company's cash-generating units (or Companies of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Company's policy for goodwill arising on the acquisition of an associate and a joint venture is described at note 2.21 below.

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An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Company's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Company's share of losses of an associate or a joint venture exceeds the Company's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Company's net investment in the associate or joint venture), the Company discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Company's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

After application of the equity method of accounting, the Company determines whether there any is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate or a joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Company's investment in an associate or a joint venture.

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When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Company discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Company retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Company measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with Ind AS 109 (Financial Instruments). The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Company accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Company reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Company continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Company reduces its ownership interest in an associate or a joint venture but the Company continues to use the equity method, the Company reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a Company entity transacts with an associate or a joint venture of the Company, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Company's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Company.


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2.11 Non-current assets held for sale/ distribution to owners and discontinued operations

The Company classifies non-current assets and disposal Company's as held for sale/ distribution to owners if their carrying amounts will be recovered principally through a sale/ distribution rather than through continuing use. Actions required to complete the sale/ distribution should indicate that it is unlikely that significant changes to the sale/ distribution will be made or that the decision to sell/ distribute will be withdrawn. Management must be committed to the sale/ distribution expected within one year from the date of classification.

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

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

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

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

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

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

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

Additional disclosures are provided in Note 30. All other notes to the financial statements mainly include amounts for continuing operations, unless otherwise mentioned.

2.12 Revenue Recognition

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

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

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

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

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

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

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

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

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

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

2.13 Leasing

Ind AS 116 'Leases' was notified on 30th March, 2019 and it replaces Ind AS 17 'Leases', including appendices thereto. Ind AS 116 is effective for annual

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periods beginning on or after 1st April, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-Balance Sheet model similar to the accounting for finance leases under Ind AS 17.

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

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

Asset that is the subject of lease, for which the right to use that asset has been provided by a lessor or lessee.

Measurement of lease liability

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

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

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

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

Right-of-use asset (ROU)

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

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

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

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

2.14 Foreign currencies

In preparing the financial statements of each individual Company entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks (see 3.28 below for hedging accounting policies); and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purposes of presenting these financial statements, the assets and liabilities of the Company's foreign operations are translated into Currency Units using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non- controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Company's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest

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in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Company losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

2.15 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.16 Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

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

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

2.17 Employee benefits

Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- Remeasurement.

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the consolidated statement of financial position represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

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A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

Contributions from employees or third parties to defined benefit plans

Discretionary contributions made by employees or third parties reduce service cost upon payment of these contributions to the plan.

When the formal terms of the plans specify that there will be contributions from employees or third parties, the accounting depends on whether the contributions are linked to service, as follows:

- If the contributions are not linked to services (e.g. contributions are required to reduce a deficit arising from losses on plan assets or from actuarial losses), they are reflected in the remeasurement of the net defined benefit liability (asset).
- If contributions are linked to services, they reduce service costs. For the amount of contribution that is dependent on the number of years of service, the entity reduces service cost by attributing the contributions to periods of service using the attribution method required by Ind AS 19 for the gross benefits. For the amount of contribution that is independent of the number of years of service, the entity [reduces service cost in the period in which the related service is rendered / reduces service cost by attributing contributions to the employees' periods of service in accordance with Ind AS 19

Share-based payment arrangementsShare-based payment transactions of the Company

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

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The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

2.18 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated [statement of profit or loss and other comprehensive income/ statement of profit or loss] because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a

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transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

2.19 Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated Balance Sheet at cost less accumulated depreciation and accumulated impairment losses. Free hold land is not depreciated.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in

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accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Freehold land is not depreciated.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

For transition to Ind AS, the Company as elected to continue with the carrying value of all of its property, plant and equipment recognised as of 01.04.2016(Transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Depreciation and amortisation

The Company depreciates property, plant and equipment over their estimated useful lives as specified in Schedule II to the Companies act, 2013 using the straight-line method.

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

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The useful life as prescribed

**Notes to financial statements for the year ended 31st March, 2020 (Contd...)**

*(All amounts in Indian Rupees in Lakhs,
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under Schedule II of the Companies Act have been followed except in respect of the following categories of assets, in whose case the life of the assets has been assessed asunder based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

- Thermal power plant – 8years
- New Hypo Plant – 6 years

2.20 Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16 requirements for cost model.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

For transition to Ind AS, the Company has elected to continue with the carrying value of its investment property recognised as of 01.04.2016 (transition date) measured as per the previous GAAP and used that carrying value as its deemed cost as of the transition date.

2.21 Intangible assetsIntangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Internally-generated intangible assets - research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

**Notes to financial statements for the year ended 31st March, 2020 (Contd...)**

*(All amounts in Indian Rupees in Lakhs,
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An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in profit or loss when the asset is derecognised.

Deemed cost on transition to Ind AS

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as of 01.04.2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

**Notes to financial statements for the year ended 31st March, 2020 (Contd...)**

*(All amounts in Indian Rupees in Lakhs,
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Consolidated**2.22 Impairment of tangible and intangible assets other than goodwill**

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.23 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average cost basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Carrying value of inventories pledged as securities against loans are disclosed.

2.24 Provisions and contingencies**Provisions**

A Provision is recognised when the company has a present obligation (legal or constructive) as a result of past event i.e., it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the

**Notes to financial statements for the year ended 31st March, 2020 (Contd...)**

*(All amounts in Indian Rupees in Lakhs,
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effect of the time value of money is material, provisions are discounted using a current pre-tax rate reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingencies

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.
- Contingent liabilities and assets are not recognised in financial statements. A disclosure of the contingent liability is made when there is a possible or a present obligation that may, but probably will not, require an outflow of resources.

2.25 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets**Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of financial asset. Purchase or sales of financial assets that requires delivery of asset within the time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the company commits to purchase or sell the asset

Subsequent Measurement

For purpose of subsequent measurement, financial assets are classified in to four categories:

- Debt instruments at amortised cost
- Equity instruments measured at FVTPL

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

**Notes to financial statements for the year ended 31st March, 2020 (Contd...)**

*(All amounts in Indian Rupees in Lakhs,
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- The asset is held within a business model whose objective is to hold assets for Collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely Payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

Debt instruments included within the FVTOCI category are measured at amortised initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified to the Statement of Profit and Loss. Interest earned while holding FVTOCI debt instrument is reported as interest income using the EIR method.

Equity instruments at fair value through profit or loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

Debt instruments included within the FVTPL, category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

2.26 Earning per equity share

Basic earnings per equity share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per equity share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

2.27 Segment Reporting

The management has assessed the identification of reportable segments in accordance with the requirements of Ind AS 108 'Operating Segments' and the

**Notes to financial statements for the year ended 31st March, 2020 (Contd...)**

*(All amounts in Indian Rupees in Lakhs,
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Consolidated

company has disclosed only two reportable segments namely (i) Chemical Manufacturing and (ii) Power Generation. Further, the Board of directors have designated the Managing Director as Chief Operating Decision Marker ('CODM').

2.28 Cash flow Statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payment and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.29 Estimates and assumptions

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

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

Revenue recognition:

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

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

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

Allowance for expected credit losses:

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

**Notes to financial statements for the year ended 31st March, 2020 (Contd...)**

*(All amounts in Indian Rupees in Lakhs,
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Consolidated**Fair value of investments:**

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

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Contingent liability judgement:

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



Consolidated

Notes to financial statements for the year ended 31st March, 2020 (Contd...)
(All amounts in Indian Rupees in Lakhs,
except share data and where otherwise stated)

NOTE 3: PROPERTY, PLANT AND EQUIPMENT

| Particulars | land | Factory Buildings | Furniture and fixtures | Wind Power Plants | Plant and machinery | Other Assets | Total | Right to Use Asset |
|---|------------------------|--------------------------|------------------------|-------------------|---------------------|--------------|-----------|--------------------|
| GROSS BLOCK | | | | | | | | |
| Opening gross carrying amount as at 1st April, 2019 | 5,315.39 | 3,432.73 | 196.38 | 7,407.72 | 21,619.64 | 951.67 | 38,923.53 | 609.06 |
| Additions | 258.80 | 68.00 | 0.46 | - | - | 198.92 | 526.18 | 628.34 |
| Disposals | - | - | - | - | -5.70 | -90.03 | -95.73 | - |
| Reclassified to Investment in Note No. 4 of Balance sheet | -2,375.00 | - | - | - | - | - | - | - |
| Closing gross carrying amount as at 31st March, 2020 | 3,199.19 | 3,500.73 | 196.84 | 7,407.72 | 21,613.94 | 1,060.56 | 36,978.98 | 1237.40 |
| ACCUMULATED DEPRECIATION | | | | | | | | |
| Opening Accumulated depreciation as at 1st April, 2019 | - | 2,025.55 | 99.62 | 4,850.65 | 11,757.70 | 751.82 | 19,485.34 | - |
| Depreciation charge during the year 19-20 | - | 432.27 | 45.49 | 1,145.10 | 2,992.27 | 217.67 | 4,832.80 | 194.56 |
| Disposals during the year 19-20 | - | - | - | - | - | -69.89 | -69.89 | - |
| Closing Accumulated depreciation as at 31st March, 2020 | - | 2,457.82 | 145.11 | 5,995.75 | 14,749.97 | 899.60 | 24,248.25 | 194.56 |
| NET BLOCK | | | | | | | | |
| Net Carrying amount as at 1st April, 2019 | 5,315.39 | 1,407.18 | 96.76 | 2,557.07 | 9,861.94 | 199.85 | 19,438.19 | - |
| Net Carrying amount as at 31st March, 2020 | 3,199.19 | 1,042.91 | 51.73 | 1,411.97 | 6,863.97 | 160.96 | 12,730.73 | 1042.84 |
| Capital work-in-progress: | | | | | | | | |
| Particulars | Civil work in progress | Machinery under erection | Total | | | | | |
| As at 1st April, 2019 | - | - | - | | | | | |
| As at 31st March, 2020 | - | 305.49 | 305.49 | | | | | |

a) Title to some of the properties acquired by the Company under Scheme of Arrangement are in the process of being transferred in the Company's name. During Financial Year 2018-19, the Company has undertaken technical study to analyze the future working of various machines in the present prevailing environment and working condition. Based on this study, the useful life of some of the assets are revised with effect from 01.04.2018.

b) The land, Building and Plant & Machinery have been secured by a charge in favour of Lending Bank.

c) The vehicles have been hypothecated in favour of banks who have lent against these vehicles.

d) Right of Use Assets(ROU)

e) ROU is disclosed with effect from current Financial year 2019-20 in compliance to new Indian Accounting Standard 116 - Leases which is notified by Ministry of Corporate Affairs with effect from 01.04.2019. The company adopted modified retrospective method for accounting leases. The details are provided in Note No.44


Notes to financial statements for the year ended 31st March, 2020 (Contd...)

(All amounts in Indian Rupees in Lakhs,
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Consolidated
Note 4: Investment property

| Particulars | As at 31st, March, 2020 |
|---|----------------------------|
| Cost or Deemed Cost | |
| Opening gross amount | - |
| Additions | 2,375.00 |
| Disposal | - |
| Closing gross amount | 2,375.00 |
| Accumulated depreciation | |
| Opening accumulated depreciation | - |
| Depreciation charge | - |
| Depreciation reversed on disposal | - |
| Closing accumulated depreciation | - |
| Net carrying amount | 2,375.00 |

Fair value of Investment properties

5,099.22

Estimation of fair value

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

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

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



Notes to financial statements for the year ended 31st March, 2020 (Contd...)

(All amounts in Indian Rupees in Lakhs,
except share data and where otherwise stated)

Consolidated

Note 5: Financial assets - Non-current Investments

| Particulars | As at 31st, March, 2020 |
|---|----------------------------|
| Investments in equity instruments at fair value through other comprehensive income (fully paid) | |
| Investments in Other Companies | |
| Quoted and Fully Paid Up | |
| TGV SRACC Ltd* | 1,694.69 |
| 2,05,44,496 (March 31, 2019:2,05,44,496) Equity shares of Rs.10/- each (15,000 shares pledged as security) | |
| The South Indian Bank Ltd | 30.59 |
| 7,07,000 (March 31, 2019:7,07,000) Equity shares of Rs.1/- each | |
| Roopa Industries Ltd | 107.53 |
| 13,72,455 (March 31, 2019:13,72,455) Equity shares of Rs.10/- each | |
| Kabson Industries Ltd | 0.27 |
| 10,100 (March 31, 2019:10,100) Equity shares of Rs.10/- each | |
| Karnataka Bank Ltd | 1.60 |
| 3,700 (March 31, 2019:3,700) Equity shares of Rs.10/- each | |
| Lotus Chcolates Ltd | 5.30 |
| 56,800 (March 31, 2019:56,800) Equity shares of Rs.10/- each | |
| NEPC Micon Ltd | 0.02 |
| 200 (March 31, 2019:200) Equity shares of Rs.10/- each | |
| BNR Udyog Ltd | 0.05 |
| 500 (March 31, 2019:500) Equity shares of Rs.10/- each | |
| Consom Biotech Ltd | 0.02 |
| 300 (March 31, 2019:300) Equity shares of Rs.10/- each | |
| Neha International Ltd | 0.01 |
| 1,700 (March 31, 2019:1,700) Equity shares of Rs.10/- each | |
| Indo Wind Energy Ltd | 2.40 |
| 42,000 (March 31, 2019:42,000) Equity shares of Rs.10/- each | |
| Quoted and Partly Paid Up | |
| Surya Jyothi Spinning Mills Ltd | 0.01 |
| 100 (March 31, 2019:100) Equity shares of Rs.10/- each | |
| Investment in Government securities (at amortised cost) | |
| Unquoted | |
| National Saving Certificates | 0.10 |
| Total equity investments | 1,842.59 |
| | - |
| Total non-current investments | 1,842.59 |

**Notes to financial statements for the year ended 31st March, 2020 (Contd...)**

(All amounts in Indian Rupees in Lakhs,
except share data and where otherwise stated)

Consolidated

| | |
|---|----------|
| Aggregate amount of quoted investments and market value thereof | 1,842.59 |
| Aggregate amount of un-quoted investments | 0.10 |
| Aggregate amount of impairment in the value of investments | |

* The Company has 20.19% (as at 31march 2019: 21.26%) holding in equity share capital of M/s TGV SRAAC LTD Ltd. It is clearly demonstrated by an agreement that there will not be any participation by the Company for voting in any policy-making/decision making processes of TGV SRAAC Ltd and also the Company learnt that the holding of the Company in TGV SRAAC LTD might be reduced to below 20%. As evidenced by such understandings, the Company does not exercise any control or have significant influence over the TGV SRAAC Ltd. Hence investment in TGV SRAAC Ltd is not considered as an associate of the Company for accounting investment under equity method under Ind-AS 28 "Investments in Associates and Joint Ventures"

NOTE 6: OTHER NON-CURRENT FINANCIAL ASSETS

| Particulars | As at 31st, March, 2020 |
|--|----------------------------|
| Security Deposits with Govt. departments | 28.12 |
| Rental deposits | 387.94 |
| Total | 416.05 |

NOTE 7: OTHER NON-CURRENT ASSETS

| Particulars | As at 31st, March, 2020 |
|---------------------------|----------------------------|
| Capital Advances | 1,009.32 |
| Prepaid charges and rents | 0.00 |
| Total | 1,009.32 |

**Notes to financial statements for the year ended 31st March, 2020 (Contd...)**

(All amounts in Indian Rupees in Lakhs,
except share data and where otherwise stated)

Consolidated**NOTE 8: INVENTORIES**

| Particulars | As at 31st, March, 2020 |
|--|----------------------------|
| Raw Materials | 611.98 |
| Work-in-progress | 197.54 |
| Finished Goods | 1,251.66 |
| Stores and spares, Chemicals, fuel and packing materials | 1,216.76 |
| Goods in transit | 392.89 |
| Total | 3,670.83 |

NOTE 9: TRADE RECEIVABLES

| Particulars | As at 31st, March, 2020 |
|--|----------------------------|
| Unsecured and considered good* | 8,203.01 |
| Unsecured and considered doubtful | 31.43 |
| | 8,234.44 |
| Expected Credit Loss Allowance (allowance for bad and doubtful debts)** | (31.43) |
| Total trade receivables | 8,203.01 |

The Average credit period on sales is 60 days

No interest is charged on Trade Receivables for delay in payment beyond credit period from the due date of the Invoice.

The Company has used a practical expedient by computing the expected credit loss allowance for Trade Receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates are given in the provision matrix. The provision matrix at the end of the Reporting Period is as follows :

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Before accepting any new customer, the company uses an external credit scoring system and other potential information to assess the customer credit quality and defines credit limit. The limit and scoring attributable to customer are reviewed periodically.

Expected credit loss

| Aging : | As at 31st, March, 2020 |
|-----------------------------|----------------------------|
| With credit period | 0.00% |
| Upto 60 days past due | 0.25% |
| 61-90 days past due | 0.50% |
| 91-180 days past due | 0.75% |
| more than 180 days past due | 1.00% |


Notes to financial statements for the year ended 31st March, 2020 (Contd...)
(All amounts in Indian Rupees in Lakhs, except share data and where otherwise stated)
Consolidated
NOTE 9 (a): Trade receivables (Cont..)

Aging of receivables

| Particulars | As at 31st, March, 2020 |
|--|-------------------------|
| With credit period | 3,468.91 |
| Upto 60 days past due | 1,791.52 |
| 61-90 days past due | 1,076.69 |
| 91-180 days past due | 886.67 |
| more than 180 days past due | 1,010.66 |
| Total trade receivables (before impairment allowance) | 8,234.45 |

Movement in Expected Credit Loss Allowance :

| Particulars | As at 31st, March, 2020 |
|---|-------------------------|
| Balance at beginning of the year | 26.25 |
| Movement in Expected Credit Loss Allowance on trade receivables calculated at lifetime expected credit losses | 5.18 |
| Balance at end of the year | 31.43 |

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

NOTE 10: CASH AND CASH EQUIVALENTS

| Particulars | As at 31st, March, 2020 |
|--|-------------------------|
| Balances with banks in Current Account | 4,156.83 |
| Cash on hand | 8.24 |
| Total | 4,165.06 |

NOTE 11: Bank balances other than Cash and cash equivalents

| Particulars | As at 31st, March, 2020 |
|---|-------------------------|
| LC-Margin deposit with bank | 4,324.37 |
| Balances with banks in Current Account earmarked for dividend | 153.16 |
| Total | 4,477.54 |



Notes to financial statements for the year ended 31st March, 2020 (Contd...)

(All amounts in Indian Rupees in Lakhs,
except share data and where otherwise stated)

Consolidated

NOTE 12: LOANS

| Particulars | As at 31st, March, 2020 |
|-------------------------------|----------------------------|
| Loans / advances to Employees | 83.31 |
| Total | 83.31 |

NOTE 13: OTHER FINANCIAL ASSETS

| Particulars | As at 31st, March, 2020 |
|----------------------------|----------------------------|
| Other deposits | 291.60 |
| Insurance claim receivable | 3.33 |
| Total | 294.93 |

NOTE 14: CURRENT TAX LIABILITY/(ASSET) (NET)

| Particulars | As at 31st, March, 2020 |
|-------------------|----------------------------|
| Current Tax Asset | 0.00 |
| Total | 0.00 |

NOTE 15: OTHER CURRENT ASSETS

| Particulars | As at 31st, March, 2020 |
|--------------------------------------|----------------------------|
| Amounts receivable and tax advances | 2,043.78 |
| Advance to related parties | 830.13 |
| Advance to Suppliers | 113.25 |
| Prepaid Insurance and other Expenses | 121.55 |
| Export incentives receivable | 298.60 |
| Short term advances | 460.28 |
| Total | 3,867.60 |



Notes to financial statements for the year ended 31st March, 2020 (Contd...)

(All amounts in Indian Rupees in Lakhs,
except share data and where otherwise stated)

Consolidated

NOTE 16: EQUITY SHARE CAPITAL AND OTHER EQUITY

10(a) Equity share capital

| Particulars | As at 31st, March, 2020 |
|---|----------------------------|
| (a) Authorised Share Capital : | |
| 4,90,00,000 Equity shares of Rs.10/- each (as at 31st March 2019 4,90,00,000 Equity shares of Rs.10/- each) | 4,900.00 |
| (b) Issued: | |
| 1,71,64,821 Equity shares of Rs.10/- each issued (as at 31st March 2019 1,71,64,821 Equity shares of Rs.10/- each issued) | 1,716.48 |
| (c) Subscribed and fully paid | |
| 1,71,64,821 Equity shares of Rs.10/- each issued (as at 31st March 2019 1,71,64,821 Equity shares of Rs.10/- each issued) | 1,716.48 |
| Total | 1,716.48 |

Reconciliation of the number of equity shares outstanding

| Particulars | As at 31st, March, 2020 |
|-------------------------------------|----------------------------|
| At the beginning of the year | 171.65 |
| Add: Issued during the year | - |
| At the end of the year | 171.65 |

Terms/ rights attached to equity shares

The company has only one class of equity shares having par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share. "In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Details of shareholders holding more than 5% shares in the company

| Name of the shareholder | As at March 31, 2020 | |
|--|-------------------------|-----------------|
| | No.of shares | % of holding |
| Gowri Gopal Hospitals Pvt Ltd | 3668639 | 21.37% |
| Sree Rayalaseema Galaxy Projects Pvt Ltd | 1513989 | 8.82% |
| TGV Projects and Investments Pvt Ltd | 2405383 | 14.01% |



Notes to financial statements for the year ended 31st March, 2020 (Contd...)

(All amounts in Indian Rupees in Lakhs,
except share data and where otherwise stated)

Consolidated

NOTE 17: OTHER EQUITY

| Particulars | As at 31st March, 2020 |
|---|---------------------------|
| Share premium (i) | 3,026.59 |
| Retained earnings (ii) | 23,818.16 |
| Other reserve (iii) | 2,762.76 |
| Reserve for other comprehensive income items (iv) | (167.78) |
| Money received and outstanding against share warrants (v) | - |
| Total | 29,439.72 |

Reserves and Surplus

| | |
|---|-----------------------------------|
| (i) Share premium Reserve | As at 31st March, 2020 |
| Balance at the beginning of the year | 3,026.59 |
| Add: Addition on preferential issue during the year | 0.00 |
| Closing Balance | 3,026.59 |
| (ii) Retained earnings | As at 31st March, 2020 |
| Balance at the beginning of the year | 20,544.02 |
| Lease rents*(see Note given below this note) | (102.71) |
| Net profit for the period | 3,790.72 |
| Payment of Dividend and Dividend distribution tax | (413.86) |
| Transfer to General Reserve | - |
| Closing balance | 23,818.16 |

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

| | |
|--|-----------------------------------|
| (iii) Other Reserve | As at 31st March, 2020 |
| General Reserve | |
| Balance at the beginning of the year | 334.09 |
| Add: Transfer from surplus in statement of profit & loss | - |
| Closing balance | 334.09 |
| Amalgamation Reserve | |
| Balance at the beginning of the year | 2,428.67 |
| Add: Additions | - |
| Closing balance | 2,428.67 |



Notes to financial statements for the year ended 31st March, 2020 (Contd...)

(All amounts in Indian Rupees in Lakhs,
except share data and where otherwise stated)

Consolidated

(iv) Reserve for other comprehensive income items

| Particulars | As at 31st March, 2020 |
|---|---------------------------|
| Change in fair value of FVOCI equity & preference instruments (Net of taxes) | |
| - Balance at the beginning of the year | 4,489.29 |
| - Net gains/(losses) on FVTOCI securities during the year | (4,667.31) |
| - Reclassed to Statement of Profit and Loss during the year | - |
| Closing balance | (178.02) |
| Other Comprehensive income arising from actuarial gain/loss on defined benefit obligation (Net of taxes) | |
| - Balance at the beginning of the year | (7.62) |
| - Gains/(losses) on arising from actuarial gain/loss on gratuity | 17.86 |
| Closing balance | 10.24 |
| Total balance | 167.20 |

(v) Money received against warrants

| Particulars | As at 31st March, 2020 |
|---|---------------------------|
| Balance at the beginning of the year | - |
| Money received against share warrants | - |
| Money used for allotting of Shares issued during the year | - |
| Closing balance | - |

Closing balance**Nature and purpose of other reserves****Securities premium reserve**

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

General Reserve

The General Reserve is used from time to time to transfer profits from Retained Earnings for appropriation purpose. As General Reserve is created by a transfer from one component of Equity to another and is not an item of other comprehensive income, items included in the General Reserve will not be reclassified subsequently to profit or loss.

FVTOCI intruments

The Company has elected to recognise changes in the fair value of certain investments in equity and preference securities in other comprehensive income. These changes are accumulated within the FVTOCI investments reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant securities are derecognised.



Notes to financial statements for the year ended 31st March, 2020 (Contd...)

(All amounts in Indian Rupees in Lakhs,
except share data and where otherwise stated)

Consolidated

NOTE 18: BORROWINGS

| Particulars | As at 31st March, 2020 |
|--|---------------------------|
| Non-current borrowings | |
| Secured | |
| Term Loans | |
| From banks | - |
| For vehicles from bank | 94.38 |
| Total taken to Non Current Liabilities in Balance Sheet | 94.38 |
| B. Current borrowings | |
| Secured | |
| Working capital demand loans | 3,860.63 |
| Total taken to Current Liabilities in Balance Sheet | 3,860.63 |

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

Terms of Repayment

| Particulars | As at 31st March, 2020 |
|---|---------------------------|
| (a) Monthly EMI of 39,50,000/- payable up to Feb, 2021, ROI @ MCLR + 3.75%(Spread)* | 546.64 |
| (b) Monthly EMI of 8,172/- payable up to Nov, 2025, ROI @ MCLR +_0.85%(Spread)" | 4.28 |
| B. Vehicle Loans | |
| (a) Monthly EMI of 77,258/- payable up to Feb, 2021, ROI @ 9.60% | 8.24 |
| (b) Monthly EMI of 2,00,520/- payable up to Jul, 2021, ROI @ 9.36% | 30.05 |
| (c) Monthly EMI of 20,580/- payable up to Apr, 2020, ROI @ 10.25% | 0.20 |
| (d) Monthly EMI of 17,951/- payable up to Aug, 2021, ROI @ 10.25% | 1.05 |
| (e) Monthly EMI of 21,021/- payable up to Sep, 2021, ROI @ 10.25% | 1.42 |
| (f) Monthly EMI of 1,07,760/- payable up to Jun, 2020, ROI @ 8.50% | 3.19 |
| (g) Monthly EMI of 1,94,635/- payable up to Jun, 2024, ROI @ 8.50% | 82.20 |


Notes to financial statements for the year ended 31st March, 2020 (Contd...)

*(All amounts in Indian Rupees in Lakhs,
except share data and where otherwise stated)*

Consolidated
Security

- (a) The term loan from banks are secured by exclusive charge on specific fixed assets.
- (b) The loan repayable on demand from banks are cash credits, bills purchases, discountings, letter of credits limits and bank guarantees are secured by Hypothecation of Raw-material, Stock in process, Finished goods, consumable Spares, Book debts and receivables.
- (c) The working capital and Term loans from banks are also secured by first and second charge on some of the fixed assets of the company.
- (d) The working capital and Term loans are further secured by guarantee from Managing Director and a promoter in individual capacities

NOTE 19: OTHER NON-CURRENT FINANCIAL LIABILITIES

| Particulars | As at 31st March, 2020 |
|----------------------------------|---------------------------|
| Security deposits from customers | 127.99 |
| Total | 127.99 |

NOTE 20: LEASE LIABILITY

| Particulars | As at 31st March, 2020 |
|---------------------------------|---------------------------|
| Lease Liability (Refer Note.44) | 928.05 |
| Total | 928.05 |

The above Lease Liability is calculated in compliance of new IND AS 116 Leases which is notified w.e.f 01.04.2019. Separate Note No.44 is enclosing disclosing details of its recognition and measurement.



Notes to financial statements for the year ended 31st March, 2020 (Contd...)

(All amounts in Indian Rupees in Lakhs,
except share data and where otherwise stated)

Consolidated

NOTE 21: DEFERRED TAX LIABILITY

| Particulars | As at 31st March, 2020 |
|--|------------------------|
| The balance comprises temporary differences attributable to: | |
| Deferred tax liabilities | |
| Property, plant and equipment | 758.17 |
| Unwinding of interest on assets discounted | (4.87) |
| Deferred government grant | 11.04 |
| Provision for gratuity | 5.16 |
| Less: | |
| Deferred tax assets | |
| Borrowing costs measured at amortised cost | (2.91) |
| Provision for Expected Credit Loss (ECL) | (5.89) |
| MAT Credit entitlement | 465.86 |
| Net deferred tax liability | 465.86 |

Reconciliation of net deferred tax liabilities

| Particulars | As at 31st March, 2020 |
|--|------------------------|
| Opening balance as at the beginning of the year | 1,718.00 |
| Recognised in Statement of profit and loss during the period | (1,258.16) |
| Recognised in Other comprehensive income during the period | 6.01 |
| Closing balance as at end of the year | 465.85 |

NOTE 22: GOVERNMENT GRANTS

| Particulars | As at 31st March, 2020 |
|------------------------|------------------------|
| Capital subsidy | 101.95 |
| Closing balance | 101.95 |



Notes to financial statements for the year ended 31st March, 2020 (Contd...)

(All amounts in Indian Rupees in Lakhs,
except share data and where otherwise stated)

Consolidated

NOTE 23: LONG-TERM PROVISIONS

| Particulars | As at 31st March, 2020 |
|------------------------|---------------------------|
| Provision for Gratuity | 98.08 |
| Total | 98.08 |

NOTE 24: TRADE PAYABLES

| Particulars | As at 31st March, 2020 |
|----------------------------------|---------------------------|
| Micro, Small Medium Enterprises* | 143.31 |
| Others | 2,355.91 |
| Total | 2,499.22 |

*(Refer Notes 48 for details of Dues to Micro, Small & Medium Enterprises as required under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act"))

NOTE 25: OTHER CURRENT FINANCIAL LIABILITIES

| Particulars | As at 31st March, 2020 |
|--|---------------------------|
| Secured | |
| From Banks (Current maturities of long term debt*) | 582.93 |
| UnSecured | |
| Others | |
| Trade payables for capital assets | 95.19 |
| Unpaid dividend | 153.16 |
| Security deposits - others | 82.51 |
| Dealers commission payable | 167.19 |
| Overseas commission | 58.99 |
| Payable towards services availed | 341.58 |
| Others | 15.20 |
| Total | 1,496.76 |

*Represents repayments falling due in next twelve months.

| | |
|----------------------------------|---------------|
| Lease liability (Refer Note. 44) | 257.18 |
| | <u>257.18</u> |

NOTE 26: OTHER CURRENT LIABILITIES

| Particulars | As at 31st March, 2020 |
|-------------------------|---------------------------|
| Advances from customers | 1,730.79 |
| Statutory Dues | 143.96 |
| Total | 1,874.76 |



Notes to financial statements for the year ended 31st March, 2020 (Contd...)

(All amounts in Indian Rupees in Lakhs,
except share data and where otherwise stated)

Consolidated

NOTE 27: SHORT-TERM PROVISIONS

| Particulars | As at 31st March, 2020 |
|-------------------|---------------------------|
| Employee benefits | 95.49 |
| Total | 95.49 |

NOTE 28: CURRENT TAX LIABILITY/(ASSET) (NET)

| Particulars | As at 31st March, 2020 |
|--|---------------------------|
| Current tax liability | |
| Provision for income tax | 4,274.89 |
| Current tax asset | |
| Tax deducted at source & Advance tax | (2,847.13) |
| Closing balance liability/(asset) (Net) | 1,427.75 |

NOTE 29: REVENUE FROM OPERATIONS

| Particulars | Year ended 31st March, 2020 |
|---|--------------------------------|
| Sale of Manufactured Products (Net of Returns / Reversals) | 55,433.53 |
| Trading sales | 9,707.26 |
| Sale of Energy | 3,111.04 |
| Other operating revenue | |
| Sale of Scrap | 172.35 |
| Export Incentives | 486.04 |
| Total | 68,910.22 |

NOTE 30: OTHER INCOME

| Particulars | Year ended 31st March, 2020 |
|--|--------------------------------|
| Net gains/(losses) on FVTPL instruments | 10.49 |
| Interest on Bank and other deposits and customers | 182.19 |
| Lease Rent Receipts | 23.58 |
| Unwinding of interest on assets discounted | 21.13 |
| Net gain/loss on sale of investments/ASSETS | 1.00 |
| Deferred govt grant income | 6.00 |
| Exchange Gain | 106.48 |
| Other non operating Incomes | 40.82 |
| Total | 391.69 |



Notes to financial statements for the year ended 31st March, 2020 (Contd...)

(All amounts in Indian Rupees in Lakhs,
except share data and where otherwise stated)

Consolidated

NOTE 31: COST OF MATERIALS CONSUMED

| Particulars | Year ended 31st March, 2020 |
|---|--------------------------------|
| Consumption of raw materials | 28,426.83 |
| Consumption of stores,spares,Chemicals & Packing Materials | 5,910.11 |
| Total | 34,336.95 |

NOTE 32: Purchase of stock-in-trade

| Particulars | Year ended 31st March, 2020 |
|----------------------------|--------------------------------|
| Purchase of stock-in-trade | 9,931.63 |
| Total | 9,931.63 |

Note 33: Changes in inventories of finished goods and stock-in-process

| Particulars | Year ended 31st March, 2020 |
|--|--------------------------------|
| Closing Stock | |
| Finished Goods | 1,644.55 |
| Stock-in-process | 197.54 |
| Total Closing Stock | 1,842.09 |
| Opening Stock | |
| Finished goods | 1,097.71 |
| Stock-in-process | 134.01 |
| Total Opening Stock | 1,231.72 |
| Total changes in inventories of stock-in-process and finished goods | 610.37 |


Notes to financial statements for the year ended 31st March, 2020 (Contd...)
*(All amounts in Indian Rupees in Lakhs,
except share data and where otherwise stated)*
Consolidated
NOTE 34: EMPLOYEE BENEFIT EXPENSE

| Particulars | Year ended 31st March, 2020 |
|---------------------------------------|--------------------------------|
| Salaries, Wages, Bonus and Allowances | 1,692.47 |
| Contribution to ESI & Provident Fund | 68.21 |
| Staff Welfare expenses | 492.05 |
| Total | 2,252.72 |

NOTE 35: FINANCE COST

| Particulars | Year ended 31st March, 2020 |
|---------------------------------------|--------------------------------|
| Interest expenses | |
| On Term loans | 101.10 |
| On Working capital Loans/Cash credits | 51.03 |
| Bank Charges | 147.52 |
| Others | 613.59 |
| lease liability | 103.24 |
| Total | 1,016.48 |



Notes to financial statements for the year ended 31st March, 2020 (Contd...)

(All amounts in Indian Rupees in Lakhs,
except share data and where otherwise stated)

Consolidated

NOTE 36: OTHER EXPENSES

| Particulars | Year ended 31st March, 2020 |
|--|--------------------------------|
| Repairs & Maintenance | |
| a) Buildings | 2,028.26 |
| b) Plant & Machinery | 1,960.44 |
| c) Others | 190.40 |
| Insurance | 176.81 |
| Rents | 32.57 |
| Travelling and conveyance | 188.84 |
| Printing and stationery | 23.56 |
| Postage Telegrams and Telephones | 36.07 |
| Freight outward & Incidental Expenses | 5,936.33 |
| Commission on sales | 246.14 |
| Advertisement | 16.66 |
| Fee and Expenses | 210.71 |
| Audit fees & Expenses | |
| Statutory audit fees | 2.10 |
| Out of pocket expenses | 0.16 |
| Tax audit fees | 1.00 |
| Cost audit fees | 0.50 |
| Secraterial audit fees | 0.80 |
| Security & other Service Charges | 822.59 |
| Legal Expenses | 15.94 |
| Power and Fuel | 35.06 |
| Other Expenses | 636.48 |
| Corporate Social Responsibility Expenses | 95.74 |
| ECL allowance | 5.18 |
| Amortization of prepaid lease expense | 20.32 |
| Other Selling expenses | 120.06 |
| Total | 12,802.71 |

Disclosure relating to Corporate Social Responsibility (CSR)

- As per Section 135 read with the Companies Act, 2013, the amount required to be spent towards CSR Norms amount to Rs.62.48 Lakhs for the Financial Year 2019-20 (based on 2% of average net profits of the preceeding three financial years). The Board of Directors allocated total budget of Rs.62.48 Lakhs for the Financial year 2019-20, against which the company has spent Rs.62.48 lakhs during current year. An amount of Rs. Nil remained unspent.
- Break up of CSR expenditure under various heads of expenses is as below:

| S.No. | Nature of expenses constituting CSR expenditure | Spent for the Year ended |
|-------|---|--------------------------|
| | | 31.03.2020 |
| 1 | Health care sanitation | |
| 2 | Education & Skill Development | 12.00 |
| 3 | Women empowerment/senior citizen | 5.00 |
| 4 | Environment | Nil |
| 5 | Art & Culture | Nil |
| 6 | Ex - armed forces | Nil |
| 7 | Sports | 0.00 |
| 8 | National welfare Fund | Nil |
| 9 | Rural development | Nil |
| 10 | capacity Building | Nil |
| 11 | Swacch Bharat abhiyan | Nil |
| 12 | Drinking water to people of nearby areas | 36.03 |
| 13 | Animal Welfare | 42.70 |
| | Total | 95.73 |



Notes to financial statements for the year ended 31st March, 2020 (Contd...)

(All amounts in Indian Rupees in Lakhs,
except share data and where otherwise stated)

Consolidated

3. Unspent amount

| S.No. | Particulars | For the year ended |
|-------------------------------------|---------------------------------|--------------------|
| | | 31.03.2020 |
| 1 | Unspent amount of earlier years | Nil |
| 2 | Liability for the current year | 62.48 |
| 3 | Amount spent during the year | 95.73 |
| Amount un spent/(over spent) | | (33.25) |

NOTE 37: TAX EXPENSES

| Particulars | Year ended 31st March, 2020 |
|---|--------------------------------|
| a) Income tax expense | |
| Current tax on profits for the year | 2,011.86 |
| Earlier year tax adjustment | - |
| Total current tax expenses | 2,011.86 |
| Deferred tax | |
| Decrease/(Increase) in deferred tax assets | (2.05) |
| (Decrease)/Increase in deferred tax liabilities | (1,250.10) |
| Total Deferred tax expense/(benefit) | (1,252.15) |
| Recognised in Other comprehensive income | 6.01 |
| Income tax expenses | 753.70 |

During the Current Year, the Company has decided to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation laws (Amendment) Ordinance, 2019 from the current financial year and current tax expenses are provided accordingly.

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

Tax under normal provisions of Income tax act, 1961:

| Particulars | Year ended 31st March, 2020 |
|---|--------------------------------|
| Net profit before taxes | 4,544.42 |
| Exceptional items | - |
| (A) Total Net profit before taxes | 4,544.42 |
| (B) Applicable tax rate under normal provisions | 25.17% |
| (C) Tax payable under normal provisions as per applicable rate " = (A*B)" | 1,143.95 |
| (D) Increase/decrease in tax on account of : | |
| Exempt income | - |
| Depreciation as per books | 1,265.39 |
| Depreciation as per income tax act, 1961 | (417.74) |
| Income considered separately | - |
| Expenses disallowed | 24.79 |
| Section 43B | (4.48) |
| Investment allowance | - |
| Deduction under section 80IA | - |
| Ind AS adjustments | (0.05) |
| Tax as per normal provision under Income Tax (C+D) | 2,011.86 |
| Tax under provisions of MAT: | |

**Notes to financial statements for the year ended 31st March, 2020 (Contd...)**

(All amounts in Indian Rupees in Lakhs,
except share data and where otherwise stated)

Consolidated**NOTE 37: TAX EXPENSES (Contd..)**

| Particulars | Year ended 31st March, 2020 |
|--|--------------------------------|
| Net profit before taxes | 4,544.42 |
| Exceptional items | - |
| (A) Total Net profit before taxes | 4,544.42 |
| (B) Applicable tax rate under MAT provisions | 17.47% |
| (C) Tax payable under other provisions as per applicable rate " = (A*B) | 794.00 |
| (D) Increase/decrease in tax on account of : | |
| Exempt income | - |
| Diminution in value of asset | 0.90 |
| 1/5 of the transition amount u/s 115JB (2C) | 0.53 |
| Redemption of preference shares effect | - |
| Tax as per MAT provisions under Income Tax (C+D) | 795.43 |
| Income tax expense recognised in statement of profit and loss at effective rate of 44.27% (31 March, 2019: 40.04%) (Tax as per normal provisions or Tax as per MAT provisions whichever is higher) | 2,011.86 |

NOTE 38: OTHER COMPREHENSIVE INCOME (OCI)

| Particulars | Year ended 31st March, 2020 |
|--|--------------------------------|
| Re-measurement gains/(losses) on defined benefit plan | 23.87 |
| Tax effect on gains/(losses) on defined benefit plan | (6.01) |
| Net gains/(losses) on FVTOCI equity securities | (6,237.05) |
| Tax effect on FVTOCI equity securities | 1,569.74 |
| Total | (4,649.44) |

NOTE 39: EARNING PER SHARE (EPS)

| Particulars | Year ended 31st March, 2020 |
|---|--------------------------------|
| Basic Earning per Share | |
| Net Profit After Tax available for Equity Shareholders | 3790.72 |
| Weighted Average Number of Equity Shares of Rs.10/- each | 171.65 |
| Basic Earning per Share | 22.08 |
| Diluted Earning per Share | |
| Weighted Average Number of Equity Shares of Rs.10/- each | 171.65 |
| Diluted Earning per Share | 22.08 |



Notes to financial statements for the year ended 31st March, 2020 (Contd...)

(All amounts in Indian Rupees in Lakhs,
except share data and where otherwise stated)

Consolidated

Note 40: Fair value measurements

a) Financial Instruments by category

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

| Particulars | FVTPL | FVTOCI | Amortised cost | Total |
|---|-------|-----------------|-------------------|------------------|
| Financial assets | | | | |
| Investments | | | | |
| Equity instruments | - | 1,842.49 | - | 1,842.49 |
| Government securities | - | - | 0.10 | 0.10 |
| Trade receivables | - | - | 8,203.01 | 8,203.01 |
| Cash and cash equivalents | - | - | 4,165.06 | 4,165.06 |
| Bank balances other than Cash and cash equivalents | - | - | 4,477.54 | 4,477.54 |
| Loans | | | 83.31 | 83.31 |
| Other financial assets | - | - | 710.99 | 710.99 |
| Total Financial assets | - | 1,842.49 | 17,640.01 | 19,482.50 |
| Financial liabilities | | | | |
| Borrowings | - | - | 3,955.02 | 3,955.02 |
| Trade payables | - | - | 2,499.22 | 2,499.22 |
| Other financial liabilities | - | - | 1,624.76 | 1,624.76 |
| Total Financial liabilities | - | - | 8,078.99 | 8,078.99 |


Notes to financial statements for the year ended 31st March, 2020 (Contd...)

(All amounts in Indian Rupees in Lakhs,
except share data and where otherwise stated)

Consolidated
b) Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets as at 31st March 2020:

| Fair value measurement using | Level 1 | Level 2 | Level 3 | Total |
|---|-----------------|-----------------|----------|-----------------|
| Financial assets | | | | |
| Financial instruments at FVTOCI | | | | |
| Investment in quoted equity instruments | 1,842.49 | - | - | 1,842.49 |
| Investment property | - | 5,099.22 | - | 5,099.22 |
| Total Financial assets | 1,842.49 | 5,099.22 | - | 6,941.71 |

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

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

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

There are no transfers between levels 1 and 2 during the year.


Notes to financial statements for the year ended 31st March, 2020 (Contd...)

(All amounts in Indian Rupees in Lakhs,
except share data and where otherwise stated)

Consolidated
Note 41: Capital Management & Risk management
Capital Management

The Company being in a capital intensive industry, its objective is to maintain a strong credit rating healthy capital ratios and establish a capital structure that would maximise the return to stakeholders through optimum mix of debt and equity. "The Company's capital requirement is mainly to fund its capacity expansion, repayment of principal and interest on its borrowings. The principal source of funding of the Company has been, and is expected to continue to be, cash generated from its operations supplemented by funding from bank borrowings. The Company is not subject to any externally imposed capital requirements. "The Company regularly considers other financing and refinancing opportunities to diversify its debt profile, reduce interest cost and align maturity profile of its debt commensurate with life of the assets, and closely monitors its judicious allocation amongst competing capital expansion projects to capture market opportunities at minimum risk.

Gearing ratio

The Company monitors its capital using gearing ratio as given below:

| Particulars | As at 31st March, 2020 |
|---|---------------------------|
| Total Debt* | 677.31 |
| Equity share capital | 1,716.48 |
| Other equity | 29,439.72 |
| Total equity | 31,156.20 |
| Total debt to Total equity ratio | 0.02 |

*Total Debt is defined as secured long-term including current maturities of borrowings.

Financial risk management and objectives and policies

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact in the financial statements.

A Special Team with Senior Executives having exposure in various fields has been formed to assist Chief Financial Officer (CFO) in "(a) Overseeing and approving the Company's enterprise wide risk management framework, and"(b) Overseeing that all the risks that the organisation faces such as market risk(including currency risk, interest rate risk and other price risk), Credit risk and liquidity risk have been identified and assessed and there is an adequate risk management infrastructure in place capable of addressing those risks."The CFO, monitors and reports on the principal risks and uncertainties that can impact the company and its ability to achieve strategic objectives. The Company's management systems, organisational structures, processes, standards, code of conduct and behaviors together form the Management and business of the Company.

A. Market risk

The Company is exposed to market risk through changes in foreign currency exchange rates and changes in interest rates. Financial assets/liabilities affected by this risk are borrowings, letter of credits and trade receivables.

The Company's investments in equity securities are susceptible to price risk arising from uncertainties about future value of the investment securities. The Company's non-current


Notes to financial statements for the year ended 31st March, 2020 (Contd...)

(All amounts in Indian Rupees in Lakhs,
except share data and where otherwise stated)

Consolidated
41. Capital Management & Risk management (Cont..)

Investment in equity shares are strategic investments and hence are considered as Fair Value through Other Comprehensive Income. The company's Board of Directors reviews and approves all equity investment decisions.

Foreign Currency risk management

The Company operates internationally and is exposed to foreign currency risk arising from foreign currency transactions, primarily with respect to the US\$. Foreign exchange risk arises from import as well as exports of goods. The risk is measured through a forecast of highly probable foreign currency cash flows.

The special team as mentioned above analysis the options for hedging. Based on the analysis the management takes decision regarding hedging of foreign currency exposures. Currently, the Company has not hedged any of the foreign currency transactions in the vein of the natural hedging. The natural hedging is sufficient to manage the current foreign currency risk management.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities are restated at the end of each reporting period. The same at the end of the reporting period are as follows :

| Particulars | As at 31st March, 2020 | |
|------------------------|------------------------|--------------|
| | Currency | Amount in FC |
| Receivables for export | USD | 33.38 |
| Payables for imports | USD | 72.92 |

Foreign Currency Sensitivity Analysis

The Company is mainly exposed to US Dollar.

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

**As at 31st
March, 2020**

Impact on profit before tax
USD Sensitivity

Impact due to increase by 5%
Impact due to decrease by 5%

(149.04)
149.04

Interest Rate Risk Management

Interest rate risk is the risk that the fair value or future cash flows of a financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's borrowings with floating base interest rates. Based on the interest rate sensitivity the Company decides on the management of interest rate risk. The Company manages by having a balanced portfolio of variable and fixed interest rate borrowings.

Interest Rate Sensitivity:

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating base rate borrowings, as follows:



Notes to financial statements for the year ended 31st March, 2020 (Contd...)

(All amounts in Indian Rupees in Lakhs,
except share data and where otherwise stated)

Consolidated

41. Capital Management & Risk management (Cont..)

As at 31st
March, 2020

Impact on profit before tax

Increase/decrease in base points

50 base points higher

(2.75)

50 base points lower

2.75

B. Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is operating through network of dealers based at different locations. Regular monitoring of the receivables is undertaken by the Marketing Department and in case the limits are exceeded, steps will be taken by the Marketing departments and after discussing with the management the Company will decide whether to stop or not further supplies to the concerned dealer till the amount outstanding is recovered. For the export made by the Company, the sales are backed by letters of credit or advance receipts. The internal risk management committee of the Company meets regularly to discuss the dealers and credit risks, measures taken to address them and the status and level of risk after the measures taken. "Export sales are fully secured through letters of credit or against advance receipts. (refer Note No.9 for Trade Receivables outstanding)

C. Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company maintains flexibility in funding by maintaining availability under committed credit lines.

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(i) Financing arrangements

The table below provides details regarding the remaining contractual maturities of financial liabilities as at reporting date

| Particulars | On demand | < 1 year | 1 - 5 years | 5 + years | Total |
|---|---------------|-----------------|--------------|-----------|-----------------|
| As at 31st March, 2020 | | | | | |
| Bank borrowings | - | - | 94.38 | - | 94.38 |
| Others - Security deposits | 127.99 | - | - | - | 127.99 |
| Total non-current financial liabilities | 127.99 | - | 94.38 | - | 222.38 |
| Current borrowings | - | 3,860.63 | - | - | 3,860.63 |
| Trade payables | - | 2,499.22 | - | - | 2,499.22 |
| Other current financial liabilities | - | 1,496.76 | - | - | 1,496.76 |
| Total current financial liabilities | - | 7,856.61 | - | - | 7,856.61 |
| Total | 127.99 | 7,856.61 | 94.38 | - | 8,078.99 |

s Exposure arising from

| Exposure arising from | Risk | Measurement | Management |
|---|--------------------------------|---|---|
| Foreign currency transactions | Market risk - foreign exchange | Cash flow forecasting Sensitivity analysis | Natural hedging |
| Borrowings with floating interest rates | Market risk - interest rate | Sensitivity analysis | Balanced variable and fixed interest rates |
| Cash and cash equivalents, trade receivables, financial instruments, financial assets measured at amortised cost. | Credit risk | Aging analysis Credit ratings | Diversification of bank deposits, credit limits and letters of credit |


Notes to financial statements for the year ended 31st March, 2020 (Contd...)

(All amounts in Indian Rupees in Lakhs,
except share data and where otherwise stated)

Consolidated
42. Contingent Liabilities and Commitments:

(to the extent not provided for)

| Particulars | Year Ended 31st March, 2020 |
|---|--------------------------------|
| Contingent Liabilities | |
| a) Claims against company not acknowledged as debts | 96.72 |
| b) Guarantees issued by banks on behalf of the company and outstanding at end of the year | 168.94 |
| Commitments | |
| a) Consumers cheques / bills discounted with Banks | 0.00 |
| b) Unexpired Letters of Credit established by the Company | 6000.00 |

43. Employee Benefits:
A) Defined Contribution Plans

Employees contribution to provident fund and Employees state insurance are recognized as expenditure in statement of profit and loss account, as they are incurred. There are no other obligation other than the contribution payable to aforesaid respective Trust/ Government Authorities

B) Defined Benefit Plan

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

| Particulars | Year Ended 31st March, 2020 |
|--|--------------------------------|
| 1. Changes in present value of Obligations | |
| Present value at the beginning of the year | 221.71 |
| Interest cost | 7.20 |
| Current Service Cost | 37.96 |
| Cost PSC - Vested | 0.00 |
| Benefits paid | (7.12) |
| Actuarial (gain)/loss on obligations | 0.34 |
| Present value at the end of the year | 240.20 |
| 2. Changes in fair value of planned assets | |
| Fair value of plan assets at the beginning of the year | 128.49 |
| Expected return on plan assets | 9.27 |
| Contributions | 5.10 |
| Benefits paid | (7.12) |
| Actuarial (gain)/loss on planned assets | (0.34) |
| Fair value of plan assets at the end of the year | 135.39 |
| 3. Amount recognized in the balance sheet* | |
| Present value of obligations as at the end of year | 240.20 |
| Fair value of plan assets as at the end of year | 135.39 |
| Net asset/(liability) recognized in balance sheet | 104.81 |



Notes to financial statements for the year ended 31st March, 2020 (Contd...)

(All amounts in Indian Rupees in Lakhs,
except share data and where otherwise stated)

Consolidated

| | |
|---|--------|
| 4. Expenses recognized in Statement of Profit and Loss | |
| Current service cost | 37.96 |
| Interest cost | 7.20 |
| Expected return on plan assets | (9.27) |
| Total Actuarial Gain/Loss. | (6.78) |
| PSC – Non vested | (0.00) |
| 5. Amount recognised in Other Comprehensive Income* | |
| Actuarial (gain)/ loss on obligations | 0.34 |
| Actuarial (gain)/loss - plan assets | (0.34) |
| Actuarial (gain)/loss recognized in the year | (6.78) |

44. Operating lease:

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

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of Rs. 609.06 Lakhs, and a lease liability of Rs. 711.77 Lakhs. The cumulative effect of applying the standard, amounting to Rs. 102.71 Lakhs was debited to retained earnings. The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share. Ind AS 116 has resulted in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The borrowing rate that is applied to lease liabilities as at 1st April, 2019 is 9.50%

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

(₹ in lakhs)

| Particulars | Buildings |
|---------------------------------------|-----------------|
| Balance as at 1st April 2019 | 609.06 |
| Additions | 628.34 |
| Deletions | - |
| Depreciation | (194.56) |
| Balance as at 31st March, 2020 | 1,042.84 |

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

(₹ in lakhs)

| Particulars | As at 31st March, 2020 |
|--------------------------------|------------------------|
| Current lease liabilities | 257.18 |
| Non- Current lease liabilities | 928.05 |
| Total | 1,185.23 |


Notes to financial statements for the year ended 31st March, 2020 (Contd...)

(All amounts in Indian Rupees in Lakhs,
except share data and where otherwise stated)

Consolidated

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

| Particulars | (₹ in lakhs) | |
|--------------------------------|--------------|--|
| | Buildings | |
| Balance as at 1st April 2019 | 711.77 | |
| Additions | 628.34 | |
| Deletions | - | |
| Finance cost during the year | 103.24 | |
| Payment of lease | (258.13) | |
| Balance as at 31st March, 2020 | 1,185.23 | |

The Company has taken a portion of factory land, office premises and movable assets (hydrogen cylinders) on operating lease. And the company has given a portion of land, hatchery unit on operating lease.

A. The total future commitments on Lease Payments on an undiscounted basis are detailed hereunder:

| Particulars | (₹ in lakhs) | |
|--|-----------------------------|--|
| | Year Ended 31st March, 2020 | |
| (i) Not later than one year | 300.53 | |
| (ii) Later than one year and not later than five years | 664.91 | |
| (iii) Later than five years | 998.60 | |

B. The total future Receivables on Lease Receipts are detailed hereunder:

| Particulars | (₹ in lakhs) | |
|--|-----------------------------|--|
| | Year Ended 31st March, 2020 | |
| (i) Not later than one year | 19.20 | |
| (ii) Later than one year and not later than five years | 46.50 | |
| (iii) Later than five years | 0.00 | |

C. Lease Receipts recognized in the Profit and Loss Account is Rs.23.58 Lakhs during the year 2019-20.



Notes to financial statements for the year ended 31st March, 2020 (Contd...)

(All amounts in Indian Rupees in Lakhs,
except share data and where otherwise stated)

Consolidated

45. Segment Reporting:

| Particulars | Year Ended 31st March, 2020 |
|---|--------------------------------|
| Segment Revenue | |
| a) Chemicals and Trading | 65,694.72 |
| b) Power generation | 6,765.20 |
| c) unallocated | 391.69 |
| TOTAL | 72,851.61 |
| Less: Inter segment revenue | 3,549.70 |
| Net Sales/Income from Operations | 69,301.91 |
| Segment Results Profit/(Loss) Before tax and interest: | |
| a) Chemicals and Trading | 4,726.92 |
| b) Power generation | 442.29 |
| c) unallocated | 391.69 |
| TOTAL | 5,560.90 |
| Less: I) a) Interest Expenses | (1016.48) |
| Total Profit before Tax | 4544.42 |
| Segment Assets | |
| a) Chemicals and Trading | 37,772.32 |
| b) Power generation | 4,868.29 |
| c) Others | 1,843.59 |
| TOTAL | 44,484.20 |
| Segment Liabilities | |
| a) Chemicals and Trading | 12311.47 |
| b) Power generation | 550.20 |
| c) Others | 465.85 |
| TOTAL | 13,327.52 |


Notes to financial statements for the year ended 31st March, 2020 (Contd...)

(All amounts in Indian Rupees in Lakhs,
except share data and where otherwise stated)

Consolidated
46. Related Party Disclosures

As required under Ind As 24, Related Party Disclosures, the following are the related parties identified, transactions with such related parties during the year ended 31st March, 2020 and the balances as on that date are given below:

| Sl.No | Related Parties | Transaction during the year |
|-------|---|---|
| 1.1 | Subsidiary Company TGV Sodium &Electrolite Private Limited | Yes |
| 1.2 | Person has control or significant influence on the Company T G Bharath | Yes |
| 1.3 | Close members of family of T G Bharath T G Venkatesh – Father | Yes |
| 1.4 | Entities controlled by T G Bharath and close members of his family TGV SRAAC Limited T G V Projects & Investments Private Limited SreeRayalaseema Galaxy Projects Private Limited Gowri Gopal Hospitals Private Limited Brilliant Bio-Pharma Private Limited Brilliant Industries Private Limited Sree Guru Raghavendra Film Exhibitors Private Limited T G V Securities Private Limited Vibhu Cement Private Limited SreeMaruthiAgrotech Private Limited Nectar Laboratories Private Limited SreeMaruthi Marine Industries Limited SreeRayalaseema Dutch Kassenbouw Private Limited GGICU LLP TGV Industries Private Limited | Yes Yes Yes Yes Yes No No No No No No No No No No Yes Yes |
| 1.5 | Key Managerial Personnel T G Bharath – CMD V Surekha – Company Secretary Shaik Iftekhar Ahmed – Chief Financial Officer | Yes Yes Yes |



Notes to financial statements for the year ended 31st March, 2020 (Contd...)

(All amounts in Indian Rupees in Lakhs,
except share data and where otherwise stated)

Consolidated

46. Related Party Disclosures (Contd..)

a. Transactions during the year:

(Rs.in.Lakhs)

| Particulars | Related Parties as per para 1.1,1.2,1.3,1.4,1.5 | | | | |
|---|--|--------|--------|----------|-------|
| | 1.1 | 1.2 | 1.3 | 1.4 | 1.5 |
| Purchase / subscriptions in investments | 1.00 | Nil | Nil | Nil | Nil |
| Redemption of investments(CRPS) | Nil | Nil | Nil | Nil | Nil |
| Net loans and advances given / received | Nil | Nil | Nil | 1030.00 | Nil |
| Revenue from operations | Nil | Nil | Nil | 6461.16 | Nil |
| Purchase of raw material / Material consumed | Nil | Nil | Nil | 13319.41 | Nil |
| Employee benefits | Nil | 201.29 | Nil | Nil | 16.68 |
| Rent | Nil | 47.11 | 63.14 | 228.39 | Nil |
| Services Received | Nil | 260.00 | 260.00 | 679.54 | Nil |
| Rental Deposit | Nil | Nil | Nil | Nil | Nil |

b. Outstanding balances

(Rs.in.Lakhs)

| Particulars | As at 31st March, 2020 |
|---|------------------------|
| Other Current Assets - Advances to Related Parties | 1132.75 |
| Other Current Financial Liability | 0.00 |
| Other Non Current Assets | 294.81 |
| Trade Payables | 0.00 |
| Trade Receivables | 0.00 |
| Vehicle Loans | 0.00 |
| Rental Deposit to Key Managerial Personnel (KMP) and Relative of KMP | 160.00 |



Notes to financial statements for the year ended 31st March, 2020 (Contd...)

(All amounts in Indian Rupees in Lakhs,
except share data and where otherwise stated)

Consolidated

c) Summary of transactions with the above related parties as follows:

Enterprises where significant influence of key managerial personnel or their relatives exists:

| Name of the party | Nature of Transaction | For the year ended 31.03.20 |
|--|--|-----------------------------------|
| TGV SRAAC Ltd | Purchases Sales Lease Rentals | 13,291.50 6,320.02 6.53 |
| Gowri Gopal Hospitals Pvt Limited | Purchases Sales Lease Rentals Services Received | 1.55 2.87 19.04 18.66 |
| TGV Projects and Investments Pvt Ltd., | Purchases Sales Lease Rentals Services Received | 0.05 1.04 202.80 164.16 |
| SreeRayalaseema Galaxy Projects Ltd., | Purchases Sales Services Received | 26.30 137.23 492.03 |
| Shri TG Venkatesh, | Rent paid Services Received | 63.14 260.00 |
| Shri.TG BHARATH, Chairman and Managing Director | Rent paid Remuneration Employers Contribution to P.F. Services Received | 47.11 201.29 0.59 260.00 |
| Smt. V. Surekha Company Secretary | Remuneration Employers Contribution to P.F. | 7.39 0.36 |
| Sri S Iftekhar Ahmed Chief Financial Officer | Remuneration Employers Contribution to P.F. | 8.57 0.36 |

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

Earnings in Foreign Currency

(Rs.in.Lakhs)

| Particulars | As at 31st March, 2020 |
|----------------------|------------------------|
| FOB value of exports | 24,076.77 |

**Notes to financial statements for the year ended 31st March, 2020 (Contd...)**

(All amounts in Indian Rupees in Lakhs,
except share data and where otherwise stated)

Consolidated

Expenditure in Foreign Currency

(Rs.in.Lakhs)

| Particulars | As at 31st March, 2020 |
|---------------------------------------|------------------------|
| i) Commission Paid | 71.48 |
| ii) Freight and CFS | 2925.75 |
| iii) Machinery and Spares | 725.16 |
| iv) Printing and Stationery | 0.00 |
| v) Subscriptions & others | 0.00 |
| vi) Sports Development (CSR Activity) | 0.00 |

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

| Particulars | As at 31st March, 2020 |
|----------------------|------------------------|
| Raw Materials & Coal | 8,519.82 |

48. Dues to Micro, small and medium enterprises

The Company is required to furnish required details under section 22(i) to clause (v) of Micro, Small and Medium Enterprises Development Act, 2006 (MSMED ACT) read with para FV of General Instructions for balancesheet in Division II of Schedule III to the Companies Act, 2013 (the ACT). As per the said regulations required information in respect of MSMED entities are, as per information submitted by the suppliers to the company, furnished below:

| Particulars | 31st Mar, 2020 |
|---|----------------|
| a) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end. (all dues were paid before year end) | 143.31 |
| b) Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end; | Nil |
| c) Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year | Nil |
| d) Principal payment made to suppliers registered under the MSMED Act, beyond the appointed day during the year; | Nil |
| e) Interest paid, other than under section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year | Nil |
| f) Interest due and payable for the year amount of interest accrued and remaining unpaid at the end of each year towards suppliers registered under MSMED Act, for payments already made; and | Nil |
| g) Further interest remaining due and payable for even in succeeding years. | Nil |


Notes to financial statements for the year ended 31st March, 2020 (Contd...)

(All amounts in Indian Rupees in Lakhs, except share data and where otherwise stated)

Consolidated
49. Revenue from contracts with customers:

The Company is producer of Calcium Hypochlorite, Sulphuric Acid, Stable Bleaching Powder, Hydrogen Gas, Sodium Methoxide, Sodium Hydride and also in coal trading and Generation and Distribution of Power.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

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

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

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

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

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

The Company represents revenue net of indirect taxes in its Statement of Profit and Loss.

A. Disaggregate Revenue Information

The disaggregated revenue from contracts with the customers for the year ended March 31, 2020 by offerings and contract type.

(Rs in lakhs)

| Sl.No. | Revenue by contract type | As at 31st March, 2020 |
|--------|--------------------------|---------------------------|
| 1 | Fixed time frame | 65,140.79 |
| 2 | Time and material | 3134.62 |

B. Remaining Performance Obligations

The remaining performance obligation disclosure provides the aggregate amount of transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue.

Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of entity's performance completed to date.

The aggregate amount of transaction price allocated to remaining performance obligations as per the requirements of Ind AS 115 is Rs.7532.92 Lakhs out of which, approximately 100% is expected to be recognized as revenues within one year and the balance beyond one year.



Notes to financial statements for the year ended 31st March, 2020 (Contd...)

(All amounts in Indian Rupees in Lakhs, except share data and where otherwise stated)

Consolidated

50. Value of Raw materials consumed

| PARTICULARS | As at 31st March, 2020 | |
|---------------|------------------------|---------------|
| | Rs in lakhs | % |
| a) Imported | 8,519.82 | 29.97 |
| b) Indigenous | 19,907.01 | 70.03 |
| Total | 28,426.83 | 100.00 |

51. Additional information as required under Schedule III to the Companies Act, 2013 of enterprises consolidates as subsidiaries, Associates and Joint Ventures:

Rs. In Lakhs

| Name of the Entity | Net Assets i.e. Total Assets-Total Liabilities | | Share in Profit or Loss | |
|---|--|------------------|---------------------------------|-----------------|
| | As % of Consolidated Net Assets | Amount | As % of Consolidated Net Profit | Amount |
| Parent | | | | |
| Indian | | | | |
| Sree Rayalaseema Hi-Strength Hypo Limited | 100.01% | 31,156.68 | 100.01% | 37,91.20 |
| Subsidiaries | | | | |
| Indian | | | | |
| TGV Sodium & Electrolite Private Limited | -0.01% | -0.48 | -0.01% | -0.48 |
| Minority interest in Subsidiary | 00.00% | 0.00 | 0.00% | 0.00 |
| Associate | | | | |
| Indian | | | | |
| TGV SRAAC Limited (see note below) | - | - | - | - |
| Total | 100.00% | 31,156.20 | 100.00% | 37,90.72 |

Note : Reason for not consolidating of Associate in Consolidated Financial Statements as below:

The Company holds more than 20% of Share Capital in TGV SRAAC Limited as on 31.03.2020. It does not exercise any control and or does not have significant influence over TGV SRAAC Limited and the companies holding is expected to be reduced below 20% in next Financial Year. Hence it is not considered as Associate of the Company as per Ind AS-28. The investments have been accounted as per AS-109- Investments.

52. Previous year figures have not been provided as consolidated financial statements were not prepared in previous year.

53. Rounding off

Figures shown in the Financial Statements have been rounded off to the nearest lakhs.

As per our report of even date attached.

For T. Adinarayana & Co.,
Chartered Accountants (Regn.No.000041S)

Sd/-
C.A. Y. Pulla Rao
Proprietor
Membership No.25266
UDIN No: 20025266AAAABF4024
Place: Kurnool
Date : June 30, 2020

For and on behalf of the Board

Sd/-
Sri T.G.Bharath
Chairman & Managing Director

Sd/-
Smt. D. S. Sai Leela
Director

Sd/-
Smt. V.Surekha
Company Secretary

Sd/-
Sri S. Ifthekhar Ahmed
Chief Financial Officer

Place : Kurnool
Date : June 30, 2020



If undelivered, please return to :

Sree Rayalaseema Hi-Strength Hypo Limited

T.G.V. Mansion, 6-2-1012, 4th Floor,

Above ICICI Bank, Khairatabad,

Hyderabad - 500 004.

Telangana State. India.