SREE RAYALASEEMA
HI-STRENGTH HYPO LTD.

Dt: 04.09.2023

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

Dear Sir

Sub: Submission of 18th 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 Annual report of the Company for financial year ending March 31, 2023 along with notice of 18th Annual General Meeting scheduled to be held on Tuesday, 26th September, 2023 at 12 noon (IST) through Video Conference (VC) / Other Audio Visual Means (OAVM) .

Kindly take the same in your records.

Thanking you

Yours faithfully

For Sree Rayalaseema Hi-Strength Hypo Limited

SUREKHA VOBUGARI

Digitally signed by SUREKHA VOBUGARI
Date: 2023.09.04 16:48:54 +05'30'

V Surekha
Company Secretary

# Sree Rayalaseema Hi-Strength Hypo Limited

(CIN : L24110AP2005PLC045726)

18th

Annual Report

2022-23

**BOARD OF DIRECTORS**

Sri. T.G. Bharath
Chairman & Managing Director

Sri. A.Kailashnath
Independent Director

Sri. P.Ramachandra Gowd
Independent Director

Smt R. Triveni
Independent Woman Director

Sri Krishnamoorthy Chandraiah Naik
Non-Executive Director (up to 18-09-2022)

Sri H. Gurunath Reddy
Non-Executive Director

Sri Satyam Gadwal
Non-Executive Director (from 13-10-2022)

**G.M. & Company Secretary**
Smt. V. Surekha

**G.M. & Chief Financial Officer**
Sri Shaik Ifthekhar Ahmed

**Statutory Auditors**
M/s. S.T. Mohite & Co.,
Chartered Accountants
Hyderabad.

**BANKERS**
State Bank of India

**REGISTERED OFFICE & WORKS**
Gondiparla, Kurnool - 518004.
Andhra Pradesh - India

**REGISTRARS & SHARE TRANSFER AGENT**
Aarthi 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@aarthiconsultants.com

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# NOTICE

NOTICE is hereby given that the 18th Annual General Meeting (AGM) of the Members of SREE RAYALASEEMA HI-STRENGTH HYPO LIMITED (CIN : L24110AP2005PLC045726) will be held on Tuesday, September 26, 2023 at 12 Noon through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") and deemed venue of AGM is at the Registered Office of the Company to transact the following business:

**ORDINARY BUSINESS :**

1. **To consider and adopt**

   **(a) The audited standalone financial statement of the Company for the financial year ended March 31, 2023 and the reports of the Board of Directors and Auditors thereon and**

   **(b) The audited consolidated financial statement of the Company for the financial year ended March 31, 2023 and the report of Auditors thereon and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolutions as Ordinary Resolutions:**

   a) **"RESOLVED THAT** the audited standalone financial statement of the Company for the financial year ended March 31, 2023 and the reports of the Board of Directors and Auditors thereon, as circulated to the members, be and are hereby considered and adopted."

   b) **"RESOLVED THAT** the audited consolidated financial statement of the Company for the financial year ended March 31, 2023 and the report of the Auditors thereon, as circulated to the members, be and are hereby considered and adopted."

2. **To declare a dividend on equity shares for the financial year ended March 31, 2023 and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

   **"RESOLVED THAT** a dividend at the rate of Rs.4/- (Four Rupees only) per equity share of Rs. 10/- (Ten rupees) each fully paid-up of the Company, as recommended by the Board of Directors, be and is hereby declared for the financial year ended March 31, 2023 and the same be paid out of the profits of the Company for the financial year ended March 31, 2023."

3. **To appoint Sri. H Gurunath Reddy (DIN: 07211326), who retires by rotation as a Director and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

"**RESOLVED THAT** in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Sri. H Gurunath Reddy who retires by rotation in this meeting be appointed as a Director of the Company."

4. **To appoint Sri. Satyam Gadwal (DIN: 09762624), who retires by rotation as a Director and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

   "**RESOLVED THAT** in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Sri. Satyam Gadwal who retires by rotation in this meeting be appointed as a Director of the Company."

**SPECIAL BUSINESS :**

5. **To ratify the remuneration of the Cost Auditors for the financial year ending March 31, 2024 .**

   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 members be and hereby ratifies the remuneration of Rs. 60,000/- (Rupees Sixty Thousand only) payable to Sri. Thota SSV Santhosh Kumar , 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, 2024.

   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."

6. **Approval of Material related party transactions with related party.**

   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), for the transaction(s) between the Company and M/s TGV SRAAC Limited, a related party to be entered in the ordinary course of business and on arm's length basis under relevant provisions of SEBI, Listing Regulations, 2015 as specified in the explanatory statement, whether by way of entering into new contract(s) / agreement(s) / arrangement(s) / transaction(s) or renewal(s) or continuation or extension(s) or modification(s) of earlier contract(s) /agreement(s) / arrangement(s)/ transaction(s) or otherwise on such terms and conditions as the management of these Companies may deem fit, for the financial year 2023-24, effective from 1st April, 2023 for an amount not exceeding Rs. 455 crores. (Subject to intercharge if required among purchases, sales, lease rentals and others)

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."

By Order of the Board
**Sd/-**
**(V. Surekha)**
Company Secretary

Place : Kurnool
Date : August 14, 2023

**NOTES :**

1. In compliance of General Circular Nos. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 read with Circular No. 20/2020 dated May 05, 2020 ,General Circular No. 21/2021 dated December 14, 2021 and General Circular No. 2/2022 dated May 05,2022 and subsequent circular 10/2022 dated December 28, 2022 issued by the Ministry of Corporate Affairs ('MCA') (collectively referred to as 'MCA Circulars') and SEBI circular dated January 05, 2023, the Company is convening the Annual General Meeting ('AGM') through VC/OAVM without the physical presence of the Members. The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM.

2. In compliance with applicable provisions of the Companies Act, 2013 (the Act) read with aforesaid MCA circulars and SEBI (LODR) Regulations, 2015, the 18th Annual General Meeting of the Company being conducted through Video Conferencing (VC) (hereinafter called as AGM).

3. The attendance of the Members attending the AGM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

4. 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 has also been dispensed with, hence the Proxy Form and Attendance Slip are not annexed to this Notice.

5. The related Explanatory Statement pursuant to Section 102 of the Act, in respect of Special Businesses as set out above to be transacted at the Meeting is annexed hereto.

6. Corporate members intending to send their authorized representatives to attend & vote at the Meeting are requested to send a certified true copy of the Board Resolution authorizing them in this behalf.

7. 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 shall remain closed for 7 days from 20th September, 2023 to 26th September,2023(both days inclusive) for the purpose of the Annual General Meeting and Dividend.

8. As per Regulation 40 of SEBI Listing Regulations, as amended from time to time, securities of listed companies can be transferred only in dematerialised form with effect from, April 1, 2019. Members who are still holding shares in

physical form are advised to dematerialize their shareholding since trading is permitted only in dematerialized form.

9. The Non-Resident Indian shareholders are requested to inform the company immediately about:

   a. The change in the residential status on return to India for permanent settlement.

   b. The particulars of NRO bank Account in India, if not, furnished earlier.

10. The members are requested to address all their communications to M/s Aarthi Consultants Private Limited , Hyderabad, the common agency to handle electronic connectivity and the shares in physical mode .

11. Pursuant to Section 72(1) of the Act, individual shareholders holding shares in the Company singly or jointly may nominate an individual to whom all the rights in the Shares of the Company shall vest in the event of death of the sole / all joint shareholders.

12. In compliance with the aforesaid MCA Circulars, Notice of the AGM along with the Annual Report and Audited Financial Statements for the financial year 2022-2023 is being sent only through electronic mode to those Members whose email addresses are registered with the Company or the Depository Participant(s). The Notice can also be accessed on the websites of the Stock Exchanges i.e. BSE Ltd. and National Stock Exchange of India Ltd. at www.bseindia.com and www.nseindia.com respectively and also available on the website of E-voting agency CDSL at www. evotingindia.com and Company's website at www.tgvgroup.com.

13. Since the AGM will be held through VC / OAVM, the Route Map and Attendance Sheet are not required to be annexed to this notice.

14. Members seeking any information with regard to the accounts or any other information are requested to write to the Company atleast 7 days before the meeting. The same will be replied by the company suitably.

15. Pursuant to the provisions of Section 108 of the Act 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) 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 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.

I. The Board of Directors of the Company has appointed MNM & Associates, practicing Company Secretary as Scrutinizer to scrutinize the voting and remote e-voting process in a fair & transparent manner and they have communicated their willingness to the said appointment and will be available for same purpose.

II. The voting period begins on September 22, 2023 from 09:00 AM and ends on September 25, 2023 to 5:00 PM. During this period, the Shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on September 19, 2023 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

III. Shareholders who have already voted prior to the meeting date would not be entitled to vote during the meeting.

IV. Voting rights shall be reckoned on the paid up value of shares registered in the name of the member / beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. September 19, 2023.

V. Any person, who acquires shares of the Company & becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com. However, if he/she is already registered with CDSL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.

VI. The Scrutinizer, after scrutinizing the votes cast at the meeting and through remote e-voting, will, not later than two working days from the conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the scrutinizer's report shall be placed on the website of the Company www.tgvgroup.com and on the website of CDSL www.evotingindia.com.

16. 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 October 21, 2023 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 September 19, 2023.

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 on September19, 2023.

17. 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. Member/claimants are requested to claim their unpaid / unclaimed dividends from Financial Year 2015-16 till date, on or before 4th November, 2023.

18. 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 September 19, 2023. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

19. 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.

20. 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 September 19, 2023.

21. **Updation of PAN and other details:** SEBI vide Circular dated 3rd November, 2021 and 14th December, 2021 has mandated furnishing of PAN, KYC details (i.e., Postal Address with Pin Code, e-mail address, mobile number, bank account details) and nomination details by holders of physical securities through Form ISR-1, Form ISR-2 and Form ISR-3 (as applicable) and these forms can be downloaded from company's website www.tgvgroup.com. PAN details are to be compulsorily linked to Aadhaar by 30$^{th}$ September, 2023 or any other date specified by Central Board of Direct Taxes.

From 1st October, 2023, in respect of folios wherein any of the above cited documents / details are not available, shall be frozen as per the aforesaid circular. Effective from 1st January, 2022, any service requests/ complaints received from a Member holding physical securities will not be processed by the Registrar till the aforesaid details/documents are provided to the Registrar.

22. The Company has sent individual letters to all the Members holding shares of the Company in physical form for furnishing their PAN, KYC details and Nomination.

23. Members may please note that SEBI vide its Circular dated 25th January, 2022 has mandated Listed Companies to issue securities in demat form only while processing service requests viz., issue of duplicate securities certificate; renewal/ exchange of securities certificate; endorsement; sub-division/ splitting of securities certificate; consolidation of securities certificates/ folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR-4, the format of which is available on the Company's website under the 'Investors' section.

**CDSL e-Voting System – For Remote e-voting and e-voting during AGM and joining virtual meeting**

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 and General Circular No.2/2022 dated 05.05.2022 and General Circular no. 10/22 dated December 28, 2022 and SEBI Circular no. SEBI/HO/CFD/POD/CIR/P/CIR/2023/4 dated January 05, 2023. The forthcoming AGM will thus be held 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, 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. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, read with circular no. 02/2022 dated May 05, 2022 the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.

6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM 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.

7. 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, MCA Circular No.02/2022 dated May 05, 2022, MCA circular no. 10/22 dated December 28, 2022 and SEBI circular dated January 05, 2023.

8. In continuation of this Ministry's General Circular No. 20/2020, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January,13,2021 and MCA Circular No.02/2022 dated May 05, 2022 and General Ciruclar No. 10/ 2022 dated December 28, 2022.

**THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:**

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

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

(i) The voting period begins on 22nd September,2023 at 9.00 A.M and ends on 25th September,2023 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 19 September,2023 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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

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

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

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

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

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

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

| **Type of shareholders** | **Login Method** |
|---|---|
| Individual Shareholders holding securities in Demat mode with **CDSL Depository** | 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi.<br>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.<br>3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration<br>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers. |

| Type of shareholders | Login Method |
|---|---|
| Individual Shareholders holding securities in demat mode with NSDL Depository. | 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.<br>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp<br>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting |

| Type of shareholders | Login Method |
|---|---|
| Individual Shareholders holding securities in demat mode with NSDL/ CDSL Depository. | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/ CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

| Login type | Helpdesk details |
|---|---|
| Individual Shareholders holding securities in Demat mode with **CDSL** | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800225533. |
| Individual Shareholders holding securities in Demat mode with **NSDL** | Members facing any technical issue in login can ontact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |

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

(v) Login method for e-Voting and joining virtual meeting for **physical shareholders and shareholders other than individual holding in Demat form.**

1) The shareholders should log on to the e-voting website www.evotingindia.com.
2) Click on “Shareholders” module.
3) 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.

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

5) 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.

6) If you are a first-time user follow the steps given below:

| **For Shareholders holding shares in Demat Form other than individual and Physical Form** | |
|---|---|
| PAN | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)<br>• 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) | 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<br>• 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 |

(vi) After entering these details appropriately, click on "SUBMIT" tab.

(vii) 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.

(viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(ix) Click on the EVSN of Sree Rayalaseema Hi-Strength Hypo Limited on which you choose to vote.

(x) 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.

(xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xii) 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.

(xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(ivx) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(vx) 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.

(vixx) There is also an optional provision to upload BR / POA if any uploaded, which will be made available to scrutinizer for verification.

(xvii) **Additional Facility for Non – Individual Shareholders and Custodians –for Remote Voting only.**

- 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 will be mapped automatically & can be delink in case of any wrong mapping.
- It is mandatory that 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@srhhl.com , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. 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.
7. 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.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

9. 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.

10. The Company reserves the right to restrict the number of questions and number of speakers as appropriate for smooth conduct of the AGM.

11. 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.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

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 update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

   If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no.1800225533.

   All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. 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 toll free no.1800225533.

By Order of the Board
**Sd/-**
**(V. Surekha)**
Company Secretary

Place : Kurnool
Date : August 14, 2023

## EXPLANATORY STATEMENT

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

**Item No.5**

On the recommendation of Audit Committee , the Board of Directors has approved the appointment of Sri Thota SSV Santhosh Kumar as Cost Auditor to conduct the audit of the cost records of the Company for financial year ending March 31, 2024.

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. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2024.

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.5 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the shareholders .

**Item No.6**

The provisions of the Regulation 23 of the Listing Regulations, stipulate that a transaction with a related party shall be considered material, if the transaction(s) entered into/to be entered into individually or taken together with the previous transactions during a financial year, exceeds Rs. 1,000 crores or 10% of annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower, and will require prior approval of Members by means of an ordinary resolution. The said limits are applicable, even if the transactions are in the ordinary course of business of the concerned company and at an arm's length basis.

Pursuant to the provisions of Section 188 of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 and Regulation 23(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations"), the transactions under consideration and are proposed to be entered into by the Company with the related party M/s TGV SRAAC Limited which are in the ordinary course of business and at arm's length basis are material and hence requires members approval.

Pursuant to Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014 and SEBI circular SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021 the particulars of transactions to be entered into by the Company with related party are as under:

(₹. in Crores)

| Name of the related party | Actuals for the financial year 2022-23 | | | | | Estimated for financial year 2023-24 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Purchases | Sales | Lease Rentals | Services | Total | Purchases | Sales | Lease Rentals | Services | Total |
| TGV SRAAC Limited | 156.76 | 123.95 | 0.06 | 2.42 | 283.19 | 250.00 | 200.00 | 1.00 | 4.00 | 455.00 |

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. 6 of this Notice for your approval.

By Order of the Board

**Sd/-**

**(V. Surekha)**
Company Secretary

Place : Kurnool
Date : August 14, 2023

## 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 | Gadwal Satyam |
|---|---|---|
| Director Identification Number(DIN) | 07211326 | 09762624 |
| Nationality | Indian | Indian |
| Date of Birth/Age | 10-06-1960 / 63 years | 10-07-1950 /73 years |
| Qualification | M.Sc. (Chemistry | B.A. |
| Experience and Expertise | More than 35 years of experience in chemical and paper industry | He is having more than 35 years of experience in chemical industry. |
| Date of Appointment on the Board of the Company | 15th June,2015 | 13th October, 2022 |
| Shareholding in the Company | NIL | NIL |
| List of Directorship held in other Listed Companies | NIL | NIL |
| Membership(M)/Chairmanship(C) in Committees of other listed Companies as on date | NIL | NIL |
| Board Meetings attended | 7 | 4 |
| Committee positions in the Company | NIL | NIL |
| Relationships between Director inter-se | There is no inter-se relationship among the directors. | There is no inter-se relationship among the directors. |
| Details of resignations, if any, from the Boards of other listed companies, in the last 3 years | NIL | NIL |

## DIRECTORS' REPORT

To

The Members

Your Directors take immense pleasure in presenting 18th Annual Report on the business and operations of the Company along with the audited financial statements (Standalone and consolidated) for the financial year ended March 31, 2023.

**Financial Results:**

( Rs. in lakhs )

| Particulars | Standalone | | Consolidated | |
|---|---|---|---|---|
| | **2022-23** | **2021-22** | **2022-23** | **2021-22** |
| Profit before interest, Depreciation and Tax | 21,457.89 | 15,942.20 | 21,451.36 | 15,941.45 |
| Less: Interest | 474.95 | 320.82 | 474.96 | 320.82 |
| Depreciation | 1,934.66 | 1,922.72 | 1,934.66 | 1,922.72 |
| Profit before Tax | 19,048.28 | 13,698.67 | 19,041.74 | 13,697.92 |
| Provision for Taxation & Deferred Income Tax | 3,616.33 | 3,420.07 | 3,616.33 | 3,420.07 |
| Profit after Tax | 15,431.94 | 10,278.60 | 15,425.40 | 10,277.85 |
| Add: Balance brought forward from previous year | 39,212.51 | 29,448.85 | 39,208.91 | 29,446.00 |
| Less: Other adjustments | 600.95 | 514.94 | 600.95 | 514.94 |
| Balance carried forward to next year | 54,043.51 | 39,212.51 | 54,033.37 | 39,208.91 |

**Performance:**

During the year under review, the Company achieved turnover of **Rs. 1650.11 Crores** against previous year turnover of Rs. 1267.27 crores. The profit before tax stood at **Rs.190.48 Crores** as against Rs. 136.98 crores for the previous year.

**Division / Segment Wise Operations**

(a) The net sales of Calcium Hypo Chloride during financial year 2022-23 is Rs.468.88 crores as against 331.80 crores in previous year representing an increase of 41.31%.

(b) The net sales of Stable Bleaching Powder during financial year 2022-23 is Rs. 79.42 crores as against 91.34 crores in previous year representing a decrease of 13.04%.

(c) The net sales of Sodium Methoxide during financial year 2022-23 is 67.69 crores as against Rs. 43.17 crores in previous year representing an increase of 56.78% and the net sales of Sodium Hydride during financial year 2022-23 is 5.24 crores as against Rs. 7.73 crores during previous financial year representing a decrease of 32.21%.

(d) The trading activity in coal had fetched an amount of Rs. 652.74 crores as against Rs. 448.92 crores during previous year.

(e) The net sales of Sulphuric acid during financial year 2022-23 is 217.39 crores as against Rs. 298.54 crores during previous financial year representing a decrease of 27.18%.

(f) Total power generated, sold through Thermal, Wind and Solar during the year under review is Rs. 44.12 Crores.

**Dividend:**

The Board of Directors at their meeting held on 30th May,2023 has recommended a final dividend of Rs.4/- per equity share of face value Rs.10/- each (i.e.,40% on paid up share capital) for the financial year ended 31st March,2023 . 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 2022-23 would aggregate Rs. 6,86,59,284 /-. 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 October,2023

In view of the changes made under the Income-tax Act, 1961, by the Finance Act, 2020, dividends paid or distributed by the Company shall be taxable in the hands of the Shareholders. The Company shall, accordingly, make the payment of the final dividend after deduction of tax at source.

**Transfer of Unclaimed dividend to Investor Education and Protection Fund (IEPF):**

In terms of section 124 and 125 of the companies act, 2013 read with the IEPF Authority ( Accounting, Audit, Transfer and Refund Rules) 2016, ('the Rules'), unpaid or unclaimed dividend pertaining to the financial year 2015-16 will be transferred to the Investor Education and Protection Fund (IEPF) during the financial year 2023-24.

The Company had transferred unclaimed or unpaid dividend to IEPF relating to financial year 2010-11 amounting to Rs. 19,49,114/- on 08.06.2018. Further, 29,896 corresponding shares were transferred as per the requirements of the IEPF Rules. The unclaimed or unpaid dividend of financial year 2014-15 amounting to Rs. 26,87,557 transferred to IEPF on 3rd December,2022 and corresponding 10,29,911 shares were transferred to IEPF. 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 |
|---|---|---|---|---|---|
| 2015-16 | 15% | 28.09.2016 | 04.11.2023 | 27,41,488 | 05-11-2023 |
| 2016-17 | 15% | 27.09.2017 | 03.11.2024 | 26,90,974 | 04-11-2024 |
| 2017-18 | 20% | 28.09.2018 | 04.11.2025 | 36,02,088 | 05-11-2025 |
| 2018-19 | 20% | 30.09.2019 | 06.11.2026 | 34,16,997 | 07-11-2026 |
| 2019-20 | 25% | 30.11.2020 | 06.01.2028 | 36,55,774 | 07-01-2028 |
| 2020-21 | 30% | 30-09-2021 | 06-11-2028 | 43,74,781 | 07-11-2028 |
| 2021-22 | 35 % | 29-09-2022 | 05-11-2029 | 51,00,431 | 06-11-2029 |

*Amount unclaimed as on July 31, 2023.

**Share Capital:**

During the year under review , there was no change in the Authorized, Subscribed and Paid up share capital of the company. The Paid up Equity share capital as on 31st March,2023 was Rs.17,16,48,210 comprising of 1,71,64,821 equity shares of Rs.10/- each.

**Weblink of Annual Return :**

The Annual Return of the Company for the financial year 2022-23 as required under section 92(3) of the Companies Act, 2013 is available on the website of the company at the link http://www.tgvgroup.com/download/hypo/Annual-Return-2022-23-file..pdf

**Board Meetings and its committees conducted during the period under review:**

During the year under review, Seven ( 7 ) meetings of the Board of Directors, four (4) meetings of Audit Committee, two(2) meetings of Nomination and remuneration committee, four(4) meeting s of stakeholders relationship committee and one(1) meeting of Corporate Social Responsibility Committee and two(2) meetings of risk management committee were held. Further, the details of same have been enumerated are mentioned in the Corporate Governance Report annexed herewith.

**Compliance with Secretarial Standards**

The Company is in compliance with applicable secretarial standards issued by the Institute of Company Secretaries of India

**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 , 2023, 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, 2023 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.

**Directors and Key Managerial Personnel:**

In accordance with the provisions of Section 152 of the companies Act,2013 and Articles of Association of the Company, Sri. H Gurunath Reddy (DIN 07211326), and Sri Satyam Gadwal (DIN: 09762624 ) Directors of the Company are liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers themselves for reappointment. The Board recommends their reappointment for the consideration of the Members of the Company at the forthcoming Annual General Meeting. Brief profiles of Sri. H Gurunath Reddy and Sri Satyam Gadwal are being given in the Notice convening the Annual General Meeting .

The Key Managerial Personnel of the Company pursuant to Section 2(51) and 203 of the Companies Act,2013 are (1) Sri T G Bharath, Chairman and Managing Director (2) Smt V Surekha, Company Secretary and (3) Sri Shaik Ifthekhar Ahmed , Chief Financial Officer .

**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. To familiairze with Company Operations, Programmes were undertaken to Independent and Non-Executive Directors at regular intervals.

**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.

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

During the year under review, the Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as stipulated in Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and that their names are included in the data bank as per Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules,2014. During the year, the Independent Directors of the Company had no pecuniary relationship or transactions with the Company other than sitting fees.

**Transfer to Reserves:**

The Company has not transferred any amount to its Reserves during the year under review.

**Subsidiaries, Joint Ventues and Associate Companies :**

As on March 31, 2023 your Company has one Wholly owned subsidiary Company M/s TGV Sodium & Electrolite Private Limited and one subsidiary Company M/s TGV Metals and Chemicals Private Limited formed on 10th February,2022. Although Company holds more than 20% of shareholding in M/s MV Salts & Chemicals Pvt Limited, it is not an associate Company within the meaning of Section 2(6) of the Companies Act,2013 and the Company has 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 Companies 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 Companies 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. A Separate statement is annexed explaining salient features of the financial statements of the subsidiary 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.

M/s TGV Sodium & Electrolite Private Limited ceases to be Wholly owned subsidiary Company with effect from April 01,2023.

**Insurance:**

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

**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.

**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 2023-24.

**Internal control systems and their adequacy:**

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board. The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company and its subsidiaries. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

**Change in nature of business:**

There is no change in nature of business of the Company.

**Significant and material orders passed by the regulators or court:**

There are no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations.

**Industrial Relations:**

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

**Particulars of loans, guarantees or investments under section 186 of the Companies Act, 2013 :**

The Company had made some investments and given loans covered under Section 186 of the Companies Act, 2013 during the financial year under review. The details in respect of investments and loans as per section 186(4) made have been disclosed in the notes to the financial statements.

**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 is annexed to this report as Form AOC-2 **(Annexure-B).** The Company had formulated a policy on dealing with related party transactions which has been uploaded on the Company's website http://www.tgvgroup.com/download/hypo/Related-Party-Transaction-Policy-pdf...pdf

**Risk management policy:**

Risk Management Policy was approved by the Board in its meeting held on 30th June,2021. The policy is placed on Company's website http://www.tgvgroup.com/download/hypo/risk-management-policy.pdf .

The management takes necessary steps for implementation of the Policy by identifying potential threats to the organization and the likelihood of their occurrence and then taking appropriate actions to address the most likely threats. The process involved in Risk Management are identifications of Risk/Evaluation/Assessment, Prevention & Control, Financing, Measure and Monitor effectiveness, reviewing and reporting.

**Dividend Distribution Policy**

Under the regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Company has formulated a Dividend Distribution Policy. The Policy sets out the Parameters and circumstances that will be taken into account by the Board in determining the distribution of dividend to its shareholders. As a green initiative, the Policy has been uploaded on the Company's website and can be accessed at http://www.tgvgroup.com/download/hypo/dividend-distribution-policy.pdf .

**Vigil Mechanism / Whistle Blower Policy:**

The company has adopted a vigil mechanism in the form of a Whistle Blower Policy to provide adequate safeguards to deal with instances of fraud and mismanagement and to report concerns about unethical behavior or any violation of the Company's code of conduct in pursuance of provisions of Section 177(10) of the Companies Act,2013. During the year under review, no complaints received under this mechanism. The policy can be accessed on Company's Website at the link: https://www.tgvgroup.com/download/hypo/VIGIL_MECHANISM_POLICY.pdf

**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, 2023 is annexed to this Report **(Annexure -C).**

**Business Responsibility and Sustainability Report :**

The Business Responsibility and Sustainability Report ("BRSR") of the Company for the year 2022-23 forms part of this Annual Report as required under Regulation 34(2) (f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to this report **(Annexure -D).**

**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)** .

**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 )**.

**Corporate Social Responsibility :**

To comply with Section 135 of Companies Act,2013 and other applicable provisions, CSR policy has been approved by the Board and constituted a CSR Committee to monitor the implementation of CSR activities. The details of CSR expenditure, constitution of CSR committee are annexed to this report. **(Annexure – G).**

**Auditors:**

**Statutory Auditors:**

M/s S T Mohite & Co., Chartered Accountants (Firm registration number 011410S) were appointed as the statutory auditors of the Company to hold office for five consecutive years from the conclusion of the 17th Annual General Meeting of the Company held on September 29, 2022, till the conclusion of 22nd Annual General Meeting to be held in 2027, as required under Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014.

There are no qualifications , reservation or adverse remark or disclaimer made in the audit report for the financial year 2022-23.

**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. Geeta Serwani & Associates, Practicing Company Secretary, Hyderabad to undertake the Secretarial Audit of the Company for the Financial Year 2022-23. The Report of the Secretarial Audit Report is annexed to this report **(Annexure- I ).** The report does not contain any qualification , reservation or any adverse remark.

**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 Sri Thota SSV Santhosh Kumar , 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 18th Annual General Meeting of your Company.

The cost audit report for the financial year ended March 31, 2022 issued by M/s. Santhosh & 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 , 2023 is being submitted shortly.

**Prevention of Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013**

As per the requirement of the Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH Act ) and rules made thereunder, your Company has adopted a policy .

During the year under review , no case was filed under the POSH Act.

**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.

**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.

**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 | 189.15 |
| Sri. A.Kailashnath, Director | 0.14 |
| Sri. H.Gurunath Reddy, Director | 0.07 |
| Smt. R Triveni, Director | 0.14 |
| Sri. P.Ramachandra Gowd , Director | 0.14 |
| Sri. Krishnamoorthy Chandraiah Naik, Director * | 0.03 |
| Sri. Satyam Gadwal ** | 0.04 |

* Demise on 18th September,2022

** inducted on the Board on 13th October, 2022

(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 | 25% |
| Smt.V Surekha, Company Secretary | 11.62% |
| Sri.Ifthekhar Ahmed, Chief Financial Officer | 12.70% |

(iii) The percentage increase in the median remuneration of employees in the financial year - 25.19%.

(iv) The number of permanent employees on the rolls of Company - 414.

(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 2022-23 was 25.19%.

Percentage increase in the managerial remuneration for the year is 25%.

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

**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.

For and on behalf of the Board

**Sd/-**
**T.G. Bharath**
Chairman & Managing Director
(DIN : 00125087)

Place : Kurnool
Date : August 14, 2023

## 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 and one subsidiary company M/s TGV Metals and Chemicals Private Limited during the financial year 2022-23.

| Name of the Company | TGV Sodium & Electrolite Private Limited | TGV Metals and Chemicals Private Limited |
|---|---|---|
| Financial year beginning | April 1, 2022 | April 1, 2022 |
| Financial year ending | March 31, 2023 | March 31, 2023 |
| Reporting Currency | Indian Rupee | Indian Rupee |
| Share Capital | 11,00,000 | 50,00,000 |
| Reserves & Surplus | (3,14,654) | (17,04,046) |
| Total Assets | 9,38,012 | 16,23,91,982 |
| Total Liabilities | 1,52,666 | 15,90,96,028 |
| Investments | 0.00 | 0.00 |
| Turnover | 0.00 | 0.00 |
| Profit Before Tax | (10,654) | (12,86,392) |
| Provision For Tax | 0.00 | 0.00 |
| Profit after Tax | (10,654) | (12,86,392) |
| Proposed Dividend | 0 | 0 |
| % of Shareholding | 100 | 50 |

## Part "B": Associates and Joint Ventures

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

| Name of associates/Joint Ventures | MV Salt and Chemicals Private Limited |
|---|---|
| 1. Latest audited Balance Sheet Date | ----- |
| 2. Shares of Associate/Joint Ventures held by the company on the year end | ---- |
| No. | 12,00,000 |
| Amount of Investment in Associates/Joint Venture | |
| Extend of Holding% | 22.31 |
| 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 MV Salt and Chemicals Private Limited . The Company does not exercise any control or does not have significant influence over MV Salt and Chemicals Private Limited and is expected to reduce below 20% due to corporate action in near furture and not considered as Associate of the Company as per Ind AS-28. The investment 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 2020-21**

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

1. Subsidiaries formed/acquired or ceased : **Refer para of Subsidiaries, Joint Ventues and Associate Companies on page no. 25**

2. Associate Companies formed / acquired or ceased :

For and on behalf of the Board
**Sd/-**
**T.G. Bharath**
Chairman & Managing Director
(DIN : 00125087)

Place : Kurnool
Date : August 14, 2023

## 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/ arrange ments/ transa-ctions | (c) Duration of the contracts/ arrange ments/ transa-ctions | (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<br>Sales<br>Rent Paid<br>Services rendered<br>Services received | Annual Contracts | 156,76,11,284<br>123,95,77,483<br>6,54,458<br>2,42,65,745<br>- | May 30, 2022 | Nil |
| 2. | TGV Projects & Investments Pvt Ltd | Purchases<br>Sales<br>Rent Paid<br>Services Received | Annual Contracts | 9,78,678<br>1,75,97,285<br>2,00,50,943<br>1,34,68,181 | | |
| 3. | Gowri Gopal Hospitals Pvt Ltd | Purchases<br>Sales<br>Rent Paid<br>Services Received | Annual Contracts | 1,74,214<br>88,38,490<br>16,14,000<br>56,23,629 | | |
| 4 | Sree Rayalaseema Galaxy Projects Pvt Ltd | Purchases<br>Sales<br>Services Received | Annual Contracts | 23,86,644<br>190,00,052<br>5,90,89,876 | | |
| 5 | T G Venkatesh | Rent paid | Lease | 56,18,592 | | |
| 6 | T G Bharath | Rent paid | Lease | 53,14,683 | | |
| 7. | TGV Industries Private Limited | Purchases<br>Sales<br>Rent | Annual Contracts | 49,16,44,443<br>2,29,78,800<br>24,40,000 | | |
| 8 | GGICU | Services received | Annual Contracts | 76,266 | | |

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

For and on behalf of the Board
**Sd/-**
**T.G. Bharath**
Chairman & Managing Director
(DIN : 00125087)

Place : Kurnool
Date : August 14, 2023

## ANNEXURE - C TO DIRECTORS REPORT

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

**I. Conservation of Energy:**

1. During the stoppage of 10 MW Power Plant steam is catered by Sulphuric Acid Plant - 2 or 3 through PRDS.

   To utilise the energy available in steam it is proposed to install a back pressure steam Turbine in place of PRDS in SAP-3.

2. In Sulphuric Acid Plant 2 & 3 Low Pressure Heaters were introduced to pre-heat CEP outlet water before it goes to Deareator by Sulphur Melter Condensate so as to reduce steam consumption in deareators.

3. In Sulphuric Acid Plant -2 & 3 steam requirement to Deareators is met by enabling **bleed steam from** Steam Turbines of respective plants. Earlier Power Plant steam was used for this purpose by using some quantity of power. With the present system there is power saving.

4. In Stable Bleaching Powder Unit-I Plant , Scrubber Circulation Pumping system was modified in order to reduce power consumption by 10 HP.

5. In Stable Bleeching Powder Unit- I & Unit-III Plants Energy Efficient Pumps were installed & commissioned for Cooling Water service.

6. In Stable Bleaching Powder Unit-I & Unit-III Plants, the speed of Dust Return Screw Conveyors was increased in order to reduce/avoid the lime carrying over problem.

7. In order to improve the safety in the Plant, 17 nos Self Contained Breathing Apparatus were procured and kept in all plants for combating emergencies.

8. In order to reduce the fresh raw water consumption in all Plants, centralised Cooling Tower Blow Down water recycle system was implemented and being followed.

9. In order to improve the illumination in the Plant, three High Mast lighting systems were introduced.

10. As a preventive maintenance activity, the entire Chlorine pipe line between M/s TGV SRAAC Limited and Company Cal Hypo Plants was changed with new piple line.

11. A proposal is being reviewed in order to utilize Chlorine generated from the propsed Sodium Metal Plant Electrolyzers in MOL preparation section of Cal Hypo Plant.

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

1. A proposal was made to recover Sulphur from Sulphur sludge and in turn to make salable product from recovered Sulphur, an outside agency was apporached to wok out of this proposal.

**III. BENEFITS DERIVED OUT OF R & D**

**1.** Improved utilization of Cal Hypo Mother water in Milk of Lime preparation for certain local customer of Cal Hypo achieved. This will reduce dependency in the Market for Mother Water/Treatment.

**2.** New source for supply of Hydrated Lime for Cal Hypo was identified.

**IV. FUTURE PLANS IN R & D**

1. CSIR – IICT, Hyderabad has developed a technology to produce DiCyana Di Amide (DCDA) by using Calcium Carbide as raw material, for the first time in India. SRHHL is the Technology Partner which is seeking exclusivity for commercializing this process .
2. Green Hydrogen production from the electrolysis of water is being planned to reduce the environmental impact of present route of Hydrogen production.
3. Implementation of Surge Protection for all Weighbridge Load Cells and Power Source to take care of Surges during heavy Rains was completed.
4. Implementation of Auto Control Loop for Sulphuric Acid Strength in SAP1 was completed.
5. Flow Measurement System for Cooling Tower Blow Down Water for better Control is planned.
6. In Cal Hypo Plant, existing 10 HP – low speed Reactor motors (03 nos) shall be changed to 5 HP motors by end of June-2023. This is mainly conserved power.

**V. OTHER IMPROVEMENTS :**

1. One Induced Draft Fan was fabricated inhouse for Cal Hypo Plant purpose, so as to avoid dependency on outside vendors, whose trial is yet to be taken.
2. One Cadmill is being fabricated inhouse for Cal Hypo Plant Compact machine purpose. At present Cadmills are being procured from outside vendors.
3. Upgradation of Sulphuric Acid Plant 71 DCS System with 902 F COntroller to take care of additional Input / Output Process Parameters.
4. Implementation of Automatic Block and BleedValve System for Process Condensate in Sulphuric Acid Plant 1& 2.
5. Implementation of Interlock System for Air Blowers in all Sulphuric Acid Plants
6. Implementation of Interlock System with respect to Acid Flows to trip Sulphuric Acid Plant-01.
7. Centralisation of all Sulphuric Acid Plant DCS Systems at one Location for close monitoring.
8. Implementation of Flow Metering for all Acid Coolers' Cooling water in Sulphuric Acid Plant 1.
9. Provided Camel Joint Digital Temperature Indication at Field Operator Location in parallel with DCS for Safety Purpose.
10. In 10 MW Power Plant, existing 4 ESP fields of 40 Ka rating each modified as per consultant advice to ascending order as 40 Ka , 26 Ka, 22 Ka, 20 Ka that will be effective in reduction in power consumption to a tune of approximately 80 Kw power saving in a day.
11. In DM Plant, existing Raw water pumps of 30 HP x 2 changed with energy efficient Pump of 50 HP motor rating.

12. Erected and commissioned 5 MW Solar Power Plant, to reduce the load on Thermal Power Plant due to rise in Coal price.

13. In 10 MW Power Plant, existing Boiler Feed Water Pumps of 200 Kw x 2 rating at 80% load, were replaced with only one energy efficient Pump of 250 Kw rating. With this there is a saving of 80 Kw per day.

**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 has continued to maintain focus and avail of export opportunities based on economic consideration.

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

(Rs. in lakhs)

| | |
|---|---|
| i. Foreign Exchanged earned | 39,357.40 |
| ii. Foreign Exchange used | 36,263.11 |

*Annexure D to Directors Report*

## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

## SECTION A: GENERAL DISCLOSURES

### I. Details of the listed entity

| | | | |
|---|---|---|---|
| 1. | Corporate Identity Number (CIN) of the Listed Entity | : | L24110AP2005PLC045726 |
| 2. | Name of the Listed Entity | : | Sree Rayalaseema Hi-Strength Hypo Limited |
| 3. | Year of incorporation | : | 28th March, 2005 |
| 4. | Registered office address | : | Gondiparla, Kurnool-518004 (A.P.) |
| 5. | Corporate address | : | 40-304, K J S Complex, Bhagya Nagar, Kurnool-518004 |
| 6. | E-mail | : | companysecretary@srhhl.com |
| 7. | Telephone | : | 040-23313964 |
| 8. | Website | : | www.tgvgroup.com |
| 9. | Financial year for which reporting is being done | : | 2022-23 |
| 10. | Name of the Stock Exchange(s) where shares are listed | : | BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) |
| 11. | Paid-up Capital | : | 17,16,48,210 ( 1,71,64,821 Equity shares of Rs. 10/- each). |
| 12. | Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report | : | Mrs. Surekha Vobugari<br>Tel : 040-23313964<br>Mail: companysecretary@srhhl.com |
| 13. | Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together). | : | Standalone |

### II. Products/services

**14. Details of business activities *(accounting for 90% of the turnover)***

| S. No. | Description of Main Activity | Description of Business Activity | % of Turnover of the entity |
|---|---|---|---|
| 1 | Manufacturing of Chemicals | Manufacturing | 52.60 |
| 2 | Trading of Coal | Trading | 39.56 |

**15. Products/Services sold by the entity *(accounting for 90% of the entity's Turnover):***

| S. No. | Product / Service | NIC Code | % of total Turnover contributed |
|---|---|---|---|
| 1 | Sodium Methoxide | 20119 | 4.10 |
| 2. | Stable Bleaching Powder | 20119 | 4.81 |
| 3. | Calcium Hypo Clorite | 20119 | 28.41 |
| 4. | Sulphuric Acid | 20119 | 13.17 |
| 5. | Coal Trading | 05101 | 39.56 |
| | **Total** | | **90.06** |

**III. Operations**

**16. Number of locations where plants and/or operations/offices of the entity are situated:**

| Location | Number of plants | Number of offices | Total |
|---|---|---|---|
| National | 1 | 4 | 5 |
| International | Nil | Nil | Nil |

**17. Markets served by the entity:**

**a. Number of locations**

| Locations | Number |
|---|---|
| National (No. of States) | **21** |
| International (No. of Countries) | **42** |

**b. What is the contribution of exports as a percentage of the total turnover of the entity? : 29.29%**

**c. A brief on types of customers**

The company's products are industrial inputs and hence majority of customers are industrial units the company hence operates a B2B marketing directly to its indsutrial customers and marketing and through traders for other customers.

## IV. Employees

**18. Details as at the end of Financial Year:**

**a. Employees and workers (including differently abled):**

| S. No. | Particulars | Total (A) | Male | | Female | |
|---|---|---|---|---|---|---|
| | | | No. (B) | % (B / A) | No. (C) | % (C / A) |
| **EMPLOYEES** | | | | | | |
| 1. | Permanent (D) | 380 | 378 | 99.47% | 2 | 0.53% |
| 2. | Other thanPermanent (E) | 53 | 53 | 100.00% | 0 | 0 |
| 3. | **Total employees(D + E)** | 433 | 431 | 99.54% | 2 | 0.46% |
| **WORKERS** | | | | | | |
| 4. | Permanent (F) | 136 | 136 | 100.00% | 0 | 0 |
| 5. | Other thanPermanent (G) | 19 | 19 | 100.00% | 0 | 0 |
| 6. | **Total workers(F + G)** | 155 | 155 | 100.00% | 0 | 0 |

**b. Differently abled Employees and workers:**

| S. No. | Particulars | Total (A) | Male | | Female | |
|---|---|---|---|---|---|---|
| | | | No. (B) | % (B / A) | No. (C) | % (C / A) |
| **DIFFERENTLY ABLED EMPLOYEES** | | | | | | |
| 1. | Permanent (D) | Nil | Nil | | Nil | |
| 2. | Other than Permanent (E) | Nil | Nil | | Nil | |
| 3. | **Total differently abled employees(D + E)** | Nil | Nil | | Nil | |
| **DIFFERENTLY ABLED WORKERS** | | | | | | |
| 4. | Permanent (F) | Nil | Nil | | Nil | |
| 5. | Other than permanent (G) | Nil | Nil | | Nil | |
| 6. | **Total differently abled workers(F + G)** | Nil | Nil | | Nil | |

**19. Participation/Inclusion/Representation of women**

| Particulars | Total (A) | No. and percentage of Females | |
|---|---|---|---|
| | | No. (B) | % (B / A) |
| Board of Directors | 6 | 1 | 16.67% |
| Key Management Personnel | 3 | 1 | 33.33% |

**20. Turnover rate for permanent employees and workers**

***(Disclose trends for the past 3 years)***

| | FY 22-23 | | | FY 21-22 | | | FY 20-21 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| Permanent Employees | 0.02 | 0 | 0.02 | 0.03 | 0 | 0.03 | 0.04 | 0 | 0.04 |
| Permanent Workers | 0.01 | 0 | 0.01 | 0.01 | 0 | 0.01 | 0.01 | 0 | 0.01 |

## V. Holding, Subsidiary and Associate Companies (including joint ventures)

**21. (a) Names of holding/subsidiary/associate companies/joint ventures**

| S.No. | Name of the holding /subsidiary /associate companies / joint ventures (A) | Indicate whether holding/ Subsidiary/ Associate/ Joint Venture | % of shares held by listed entity | Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No) |
|---|---|---|---|---|
| 1 | TGV Sodium & Electrolite Private Limited | Wholly owned subsidiary company | 100% | No |
| 2 | TGV Metals and Chemicals Private Limited | Subsidiary Company | 50% | No |
| 3 | MV Salts and Chemicals Private Limited | Associate Company | 22.31% | No |

## VI. CSR Details

**22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes**

(ii) Turnover (in Rs.) : 1650.12 Crores

(iii) Net worth (in Rs.) : 751.04 Crores

## VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

| Stakeholder group from whom complaint is received | Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy) | FY 22-23 | | | FY 21-22 | | |
|---|---|---|---|---|---|---|---|
| | | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks |
| Communities | Yes, www.tgvgroup.com | NIL | NIL | | NIL | NIL | |
| Investors (other than shareholders) | Yes, www.tgvgroup.com | NIL | NIL | | NIL | NIL | |

| Stakeholder group from whom complaint is received | Grievance Redressal Mechanism in Place (Yes/No) | FY 22-23 | | | FY 21-22 | | |
|---|---|---|---|---|---|---|---|
| | | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks |
| Shareholders | Yes, www.tgvgroup.com | 15 | 0 | | 18 | 0 | |
| Employees and workers | Yes, www.tgvgroup.com | NIL | NIL | | NIL | NIL | |
| Customers | Yes, www.tgvgroup.com | NIL | NIL | | NIL | NIL | |
| Value Chain Partners | NA | NIL | NIL | | NIL | NIL | |
| Other (please specify) | NA | NIL | NIL | | NIL | NIL | |

**24. Overview of the entity's material responsible business conduct issues**

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format.

| S. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|---|---|---|---|---|---|
| 1 | Air Pollution | Risk | Dust emissions during crushing of Coal | Dust Extraction systems are provided near Coal Crushers, Water Sprinklers are also provided to spray water on roads to avoid dust pollution | Negative |
| 2 | Noise Pollution | Risk | Noise is anticipated from turbine, compressors and DG Set. | Providing Noise minimising barriers, shields, and ear muffs. | Negative |

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

| Disclosure Questions | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|---|---|---|---|---|---|---|---|---|---|
| 1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| b. Has the policy been approved by the Board? (Yes/No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| c. Web Link of the Policies, if available | http://www.tgvgroup.com | | | | | | | | |
| 2. Whether the entity has translated the policy into procedures. (Yes / No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 3. Do the enlisted policies extend to your value chain partners? (Yes/No) | Yes. The company extends its quality, safety and Human Rights policy to its value chain partners | | | | | | | | |
| 4. Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by yourentity and mapped to each principle. | Quality Management System - ISO 9001:2015, Occupational Health & Safety Management System - ISO 45001:2018, Environmental Management System : ISO 14001:2015 | | | | | | | | |
| 5. Specific commitments, goals and targets set by the entity with defined timelines, if any. | The performance of the company against each principle is stated in **Performance indicators against specific Commitments. www.tgvgroup.com** | | | | | | | | |

| | |
|---|---|
| 6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met. | The company has achieved the targets set for the year. The performance of the company against eachprinciple is stated in **Performance Indicators against specific commitments. www.tgvgroup.com** |
| **Governance, leadership and oversight** | |
| 7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (*listed entity has flexibility regarding the placement of this disclosure)* | Sree Rayalaseema Hi-Strength Hypo Ltd.is driven by the philosophy of achieving growth with sustainability. The company's foundation rests on the pillars of trust, transparency and value creation leading tosustained stakeholder relationships.The Company is committed to provide a safe and healthyworking environment for its employees. The company has been instrumental in the development of the region through employment generation and impactful CSR. The company generates solar energy as a clean energy initiative. The environmental practices adopted by the company is a testimony to its commitment to environmental protection.The company has embarked on the journey to integrate ESG into the organization culture and governance. It aims to achieve consistent ESG performance through a goal oriented approach. |
| 8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies). | Sri. T.G. Bharath<br>Chairman & Managing Director<br>DIN : 00125087 |
| 9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details. | Sri. T.G. Bharath<br>Chairman & Managing Director<br>DIN : 00125087 |

**10. Details of Review of NGRBCs by the Company:**

<table>
<tr><th rowspan="2">Subject for Review</th><th colspan="9">Indicate whether review was undertaken by Director / Committee of the Board/Any other Committee</th><th colspan="9">Frequency (Annually / Half yearly/ Quarterly / Any other – please specify)</th></tr>
<tr><th>P 1</th><th>P 2</th><th>P 3</th><th>P 4</th><th>P 5</th><th>P 6</th><th>P 7</th><th>P 8</th><th>P 9</th><th>P 1</th><th>P 2</th><th>P 3</th><th>P 4</th><th>P 5</th><th>P 6</th><th>P 7</th><th>P 8</th><th>P 9</th></tr>
<tr><td>Performance against above policies and follow up action</td><td colspan="9">The Performance of the Policies is undertaken by Board, Department heads and by the Relevant Committees</td><td colspan="9" rowspan="2">The Review is undertaken Annually or as and when the need arises</td></tr>
<tr><td>Compliance with statutory requirements of relevance to the principles, and, rectification of anynon-compliances</td><td colspan="9">The policies are in conformance to the prevailing statutory requirements</td></tr>
<tr><td colspan="10" rowspan="2">11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.</td><td>P 1</td><td>P 2</td><td>P 3</td><td>P 4</td><td>P 5</td><td>P 6</td><td>P 7</td><td>P 8</td><td>P 9</td></tr>
<tr><td colspan="9">No</td></tr>
</table>

12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:

<table>
<tr><th>Questions</th><th>P 1</th><th>P 2</th><th>P 3</th><th>P 4</th><th>P 5</th><th>P 6</th><th>P 7</th><th>P 8</th><th>P 9</th></tr>
<tr><td>The entity does not consider the Principles material to its business (Yes/No)</td><td colspan="9" rowspan="5">The policies of the Company cover all Principles on NGRBCs</td></tr>
<tr><td>The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)</td></tr>
<tr><td>The entity does not have the financial or/human and technical resources available for the task (Yes/No)</td></tr>
<tr><td>It is planned to be done in the next financial year (Yes/No)</td></tr>
<tr><td>Any other reason (please specify)</td></tr>
</table>

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

**PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.**

### Essential Indicators

1. **Percentage coverage by training and awareness programmes on any of the Principles during the financial year:**

| Segment | Total number of training and awareness programmes held | Topics/ principles covered under the training and its impact | %age of persons in respective category covered by the awareness programmes |
|---|---|---|---|
| Board of Directors | 4 | Familiarization Programme | 100% |
| Key Managerial Personnel | 4 | Statutory and Management | 100% |
| Employees other than BoD and KMPs | 12 | Safety, Environment and Management | 90% |
| Workers | 12 | Safety and work related | 75% |

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law eforcement agencies/ judicial institutions, in the financial year, in the following format Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on e entity's website):

| Monetary | | | | | |
|---|---|---|---|---|---|
| | NGRBC Principle | Name of the regulatory/ enforce-ment agencies/ judicial institutions | Amount (In INR) | Brief of the Case | Has an appeal been preferred? (Yes/No) |
| Penalty/ Fine | Nil | Nil | Nil | | No |
| Settlement | Nil | Nil | Nil | | No |
| Compoundingfee | Nil | Nil | Nil | | No |

| Non-Monetary | | | | |
|---|---|---|---|---|
| | NGRBC Principle | Name of the regulatory/ enforce-ment agencies/judicial institutions | Brief of the Case | Has an appeal been preferred? (Yes/No) |
| Imprisonment | No | | | No |
| Punishment | No | | | No |

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

| Case Details | Name of the regulatory/ enforcement agencies/ judicial institutions |
|---|---|
| Not Applicable | |

**4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

The Company has adopted a Whistleblower Policy and Vigil Mechanism to provide a formal mechanism to the Directors, employees and other external stakeholders to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. The company has established an Ethics and compliance task force to process and investigate protected disclosures. The policy can be accessed on Company's website at the link : https://www.tgvgroup.com/download/hypo/VIGIL_MECHANISM_POLICY.pdf

| | FY 22-23 | FY 21-22 |
|---|---|---|
| Directors | NIL | NIL |
| KMPs | | |
| Employees | | |
| Workers | | |

**6. Details of complaints with regard to conflict of interest:**

| | FY 22-23 | | FY 21-22 | |
|---|---|---|---|---|
| | Number | Remarks | Number | Remarks |
| Number of complaints received in relation to issues of Conflict of Interest of the Directors | NIL | | NIL | |
| Number of complaints received in relation to issues of Conflict of Interest of the KMPs | NIL | | NIL | |

**7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.**

Not applicable

**Leadership Indicators**

**1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:**

The company provides awareness on quality, environment, and safety to the suppliers

**2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.**

Yes, the company's Code of Conduct for Directors outlines the principles of confidentiality, disclosure of interests and the conduct to avoid /manage conflict of interests.

**PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe**

**Essential Indicators**

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

| | 22-23 | 21-22 | Details of improvements in environmental and social impacts |
|---|---|---|---|
| R&D | NIL | NIL | - |
| Capex | NIL | NIL | - |

2. **a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

   No.

   Any inorganic chemical manufacturer depends on inputs from nature. We therefore get our raw materials from mineral sources which of course is not permanent. However, we also get raw materials which is derived from sea salt which is a permanent natural resource. Therefore, there is limited choice for the company to source inputs always from sustainable sources. Still company has set up solar and wind farm for sustainable energy sourcing. As such there is no such policy at the present.

   **b. If yes, what percentage of inputs were sourced sustainably?** Not Applicable

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

| | FY 22-23 | | | FY 21-22 | | |
|---|---|---|---|---|---|---|
| | Re-used | Recycled | Safely disposed | Re-used | Recycled | Safely disposed |
| **Plastics (including Packaging)** | Nil | Nil | Nil | Nil | Nil | Nil |
| **E-Waste** | Nil | Nil | Nil | Nil | Nil | Nil |
| **Hazarduos Waste -** | | | | | | |
| Sulphur Sludge | Nil | Nil | 150.00MT | Nil | Nil | 150.00MTS |
| ETP Sludge | Nil | Nil | 140.00MT | Nil | Nil | 423.400MTS |
| Spent Catalyst | Nil | Nil | Nil | Nil | Nil | 250 Liters |
| Waste Oil | Nil | Nil | 265 litres | Nil | Nil | 280 Litres |
| Other | Nil | Nil | Nil | Nil | Nil | Nil |

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No).**

   No

   **If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

   Not Applicable

**Leadership Indicators**

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

| NIC Code | Name of Product/ Service | % of total Turnover contributed | Boundary for which the Life Cycle Perspective / Assessment was conducted | Whether conducted by independent external agency(Yes/ No) | Results communicated in public domain (Yes/ No)If yes, provide the web-link. |
|---|---|---|---|---|---|
| NIL | | | | | |

2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

| Name of Product / Service | Description of the risk / concern | Action Taken |
|---|---|---|
| Coal Handling | Dust emission during crushing of coal | Dust Extraction systems are provided near Coal Crushers.Water Sprinklers are arranged to spray water on roads to avoid dust pollution during vehicle moments |
| Chlorine Vent | Emissions of Chlorine vent | Usage plants are connected to indvidual wet scrubber with Caustic circulation to absorb chlorine vent |

3. **Percentage of recycled or reused input material to total material (by value) used in Products (for manufacturing industry) or providing services (for service industry).**

| Indicate input material | Recycled or re-used input material to total material | |
|---|---|---|
| | FY 22-23 | FY 21-22 |
| NIL | | |

4. **of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

   Not applicable

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**Sree Rayalaseema Hi-strength Hypo Ltd advises all customers to dispose the unutilized/left over material.

**PRINCIPLE 3 Businesses should respect and promote the well-being of all employees including those in their value chains**

**Essential Indicators**

1. a. Details of measures for the well-being of employees:

| Category | % of employees covered by | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | Health insurance | | Accident insurance | | Maternity benefits | | Paternity Benefits | | Day Care facilities | |
| | | Number (B) | % (B / A) | Number (C) | % (C / A) | Number (D) | % (D / A) | Number (E) | % (E / A) | Number (F) | % (F / A) |
| **Permanent employees** | | | | | | | | | | | |
| Male | 378 | — | — | 378 | 100.00% | NA | NA | — | — | — | — |
| Female | 2 | — | — | 2 | 100.00% | 2 | 100.00% | — | — | — | — |
| **Total** | 380 | — | — | 380 | 100.00% | 2 | 100.00% | — | — | — | — |
| **Other than Permanent employees** | | | | | | | | | | | |
| Male | 53 | — | — | 53 | 100.00% | NA | NA | — | — | — | — |
| Female | — | — | — | — | — | — | — | — | — | — | — |
| **Total** | 53 | — | — | 53 | 100.00% | — | — | — | — | — | — |

b. Details of measures for the well-being of workers:

| Category | % of employees covered by | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | Health insurance | | Accident insurance | | Maternity benefits | | Paternity Benefits | | Day Care facilities | |
| | | Number (B) | % (B / A) | Number (C) | % (C / A) | Number (D) | % (D / A) | Number (E) | % (E / A) | Number (F) | % (F / A) |
| **Permanent workers** | | | | | | | | | | | |
| Male | 136 | — | — | 136 | 100.00% | NA | NA | — | — | — | — |
| Female | — | — | — | — | — | — | — | — | — | — | — |
| **Total** | 136 | — | — | 136 | 100.00% | — | — | — | — | — | — |
| **Other than Permanent workers** | | | | | | | | | | | |
| Male | 19 | — | — | 19 | 100.00% | NA | NA | — | — | — | — |
| Female | — | — | — | — | — | — | — | — | — | — | — |
| **Total** | 19 | — | — | 19 | 100.00% | — | — | — | — | — | — |

**2. Details of retirement benefits, for Current FY and Previous Financial Year.**

| Benefits | FY 22-23 | | | FY 21-22 | | |
|---|---|---|---|---|---|---|
| | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) |
| PF | 100.00% | 100.00% | Yes | 100% | 100% | Yes |
| Gratuity | 90.76% | 83.23% | Yes | 92.03% | 86.45% | Yes |
| ESI | 24.02% | 29.03% | Yes | 56.58% | 90% | Yes |
| Others - Please specify | — | — | | — | — | |

**Accessibility of workplaces**

**3. Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.**

The company's offices are equipped with facilities for differently abled employees . The company's Indiscrimination policy providing equal opportunity for all, is inclusive in its approach. The company is prepared to make available the required facilities in the event of differently abled workers/ employees joining the company.

**4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

Yes. The company has an Indiscrimination policy providing fair and equal opportunity for all including the differently abled.www.tgvgroup.com

**5. Return to work and Retention rates of permanent employees and workers that took parental leave.**

The company does not have parental leave policy.

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

| | Yes, (If Yes, then give details of the mechanism in brief) |
|---|---|
| Permanent Workers | The company has a mechanism to address grievances of employees and workers in a prompt and fair manner. |
| Other than Permanent Workers | |
| Permanent Employees | |
| Other than Permanent Employees | |

**7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:**

The leadership and governance of the organization has promoted a culture of harmonious work environment.There is no trade union in the company and no employee or worker is a member of any trade union.

**8. Details of training given to employees and workers:**

| Category | FY 22-23 | | | | | FY 21-22 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | On Health and safety measures | | On Skill upgradation | | Total (A) | On Health and safety measures | | On Skill upgradation | |
| | | No.(B) | % (B/ A) | No.( C ) | % (C /A) | | No.(B) | % (B/ A) | No.( C ) | % (C /A) |
| **Employees** | | | | | | | | | | |
| Male | 250 | 50 | 20.00% | 200 | 80.00% | 210 | 30 | 14.29% | 180 | 85.71% |
| Female | — | — | — | — | — | — | — | — | — | — |
| **Total** | 250 | 50 | 20.00% | 200 | 80.00% | 210 | 30 | 14.29% | 180 | 85.71% |
| **Workers** | | | | | | | | | | |
| Male | 100 | 30 | 30.00% | 70 | 70.00% | 80 | 25 | 31.25% | 55 | 68.75% |
| Female | — | — | — | — | — | — | — | — | — | — |
| **Total** | 100 | 30 | 30.00% | 70 | 70.00% | 80 | 25 | 31.25% | 55 | 68.75% |

**9. Details of performance and career development reviews of employees and worker:**

| Category | FY 22-23 | | | FY 21-22 | | |
|---|---|---|---|---|---|---|
| | Total (A) | No. (B) | % (B / A) | Total (C) | No. (D) | % (D / C) |
| **Employees** | | | | | | |
| Male | 431 | 431 | 100.00% | 437 | 437 | 100.00% |
| Female | 2 | 2 | 100.00% | 2 | 2 | 100.00% |
| **Total** | 433 | 433 | 100.00% | 439 | 439 | 100.00% |
| **Workers** | | | | | | |
| Male | 155 | 155 | 100.00% | 155 | 155 | 100.00% |
| Female | 0 | 0 | — | 0 | 0 | — |
| **Total** | 155 | 155 | 100.00% | 155 | 155 | 100.00% |

**10. Health and safety management system:**

**a Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?**

Yes.The Safety & Health Management system covers activities across all manufacturing locations and offices ensuring the protection of environment and health & safety of its employees and relevant stakeholders.

**b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity? Explain what is the process for identification**

Well Defined Standard Operating procedures are in place for risk assessment.

**c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)**

Yes, through the safety committee meetings, all unsafe acts and conditions encountered at workplace will be addressed and acted on immediately.

**d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)**

Yes, our Group manages a multi Specialty hospital with modern and advances facilities. It offers medical services at subsidized charges.

**11. Details of safety related incidents, in the following format:**

| Safety Incident/Number | Category | FY 22-23 | FY 21-22 |
|---|---|---|---|
| Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) | Employees | 0.000002 | 0.000003 |
| | Workers | 0 | 0 |
| Total recordable work-related injuries | Employees | 0.000002 | 0.000003 |
| | Workers | 0 | 0 |
| No. of fatalities | Employees | Nil | Nil |
| | Workers | Nil | Nil |
| High consequence work-related injury or ill-health (excluding fatalities) | Employees | Nil | Nil |
| | Workers | Nil | Nil |

**12. Describe the measures taken by the entity to ensure a safe and healthy work place.**

To ensure safety related aspects awareness among all related stakeholders, and equip the staff with innovative and new technologies and equipment, regular mock drills and exercises were conducted and concerned technical committees hold regular meetings periodically to review and ensure full proof execution of plans and procedures for better results in these matters. Further the company is complying with all statutory and non- statutory provisions relating to Safety. We are adhering to ensure a safe and healthy work place by providing necessary safety PPE's , by strict implementation of operating Procedures, Incident and accident reporting system available, OHC, 2 Ambulances, frequent Heart Check ups are available at the work place.

**13. Number of Complaints on the following made by employees and workers:**

| Benefits | FY 22-23 | | | FY 21-22 | | |
|---|---|---|---|---|---|---|
| | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Working Conditions | 30 | 25 | - | 25 | 20 | - |
| Health & Safety | - | - | - | - | - | - |

**14. Assessments for the year:**

| | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|---|---|
| Health and safety practices | 100% |
| Working Conditions | 100% |

15. **Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.**

All incidents will be investigated by the safety team. All critical factors involved in an incident are determined through root cause analysis & investigation and corrective / preventive actions are identified to prevent recurrence. The detailed investigation and root causes identified by the safety team are reviewed by the Senior Management.

## Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

   Yes,The Company extends Group accidental Insurance Scheme to all it's Employees and Workers.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

   The Company monitors remittance of statutory dues by value chain partners as part of processing their bills on a regular basis.

3. Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

| | **Total no. of affected employees/ workers** | | **No.of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment** | |
|---|---|---|---|---|
| | **FY 22-23** | **FY 21-22** | **FY 22-23** | **FY 21-22** |
| Employees | Nil | Nil | Nil | Nil |
| Workers | Nil | Nil | Nil | Nil |

**4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)**

Not Applicable

**5. Details on assessment of value chain partners:**

| | **% of value chain partners (by value of business done with such partners) that were assessed** |
|---|---|
| Health and safety practices | - |
| Working Conditions | - |

**6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

Nil

**PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders**

**Essential Indicators**

1. **Describe the processes for identifying key stakeholder groups of the entity.**

   The company identifies its key stakeholders, on the basis of the degree of impact of the stakeholder on the company's activities , operations , profitability and growth. The internal and the external processes together help in identifying the key stakeholder. The key stakeholders of the company are the Government and the Regulatory bodies, Customers, Investors and the community.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

| Stakeholder Group | Whether identified as Vulnerable & Marginalized Group (Yes/No) | Channels of communication(Email,SMS, Newspaper, Pamphlets,Advertisement, Community Meetings,Notice Board, Website), Other | Frequency of engagement (Annually/Half yearly/ Quarterly/others – please specify) | Purpose and scope of engagement including key topics and concerns raisedduring such engagement |
|---|---|---|---|---|
| Employees | No | Meetings, Email, Training Programmes, Greivance Redressal | Regular | Employee well being, Skill Development, Health & Safety, Rewards and recognitions Employee satisfaction. |
| Stake holders and Investors | No | Annual General Meeting, Annual Report information through website, Greivance redressal Mechanism | Annually | Performance and growth of the company, transparent Communication ,investor relationships. |

| | | | | |
|---|---|---|---|---|
| Customers | No | Emails and meetings, customer feedback, Plant visits, Greivance Redressal Mechanism | Regular | Quality & Safety, Timely delivery of product and services, Customer relationship. |
| Suppliers | No | Meetings and Emails | Regular | Effective supplier relationships, Regular communication and updates. |
| Community | Yes | CSR projects and activities | Regular | Social Responsibility Human resource Development through Health & education Women Empowerment Regional development through employment and skill development. |
| Government & Regulatory bodies | No | Direct and indirect interaction Inspection/ audit Statutory reports | Annual/Regular | Compliance, Corporate Governance, Transparency. |

## Leadership Indicators

**1. Provide th processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

The Management of the Company interacts regularly with key stakeholders i.e. investors, government customers, suppliers, employees, etc. The Company has established mechanism for stakeholder engagement. Any concerns arising are reported to the Sustainability Committee. The Committee updates the Board on key issues and initiates necessary action.

**2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

Yes. The mechanisms established for stakeholder engagement provide insights and inputs into the environmental and social concerns. Stakeholder consultation is an integral part of the company in planning and implementation of environmental and societal activities.

**3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

NIL

**PRINCIPLE 5 : Business should respect and promote human rights**

## Essential Indicators

**1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

The company has a Human Rights policy and ensures no discrimination and Child labour in its factory and office. There is no specific training programme on human rights issues.

2. **Details of minimum wages paid to employees and workers, in the following format:**

| Category | FY 22-23 | | | | | FY 21-22 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | Equal to Minimum Wage | | More thanMinimum Wage | | Total (D) | Equal to Minimum Wage | | More thanMinimum Wage | |
| | | No.(B) | % (B/ A) | No. (C) | % (C /A) | | No.(E) | % (E/ D) | No. (F | % (F /D) |
| **Employees** | | | | | | | | | | |
| **Permanent** | | | | | | | | | | |
| Male | 378 | - | | 378 | 100.00% | 378 | - | | 378 | 100.00% |
| Female | 2 | - | | 2 | 100.00% | 2 | - | | 2 | 100.00% |
| Other than permanent | | | | | | | | | | |
| Male | 53 | - | | 53 | 100.00% | 59 | - | | 59 | 100.00% |
| Female | 0 | - | | 0 | | 0 | - | | 0 | |
| **Workers** | | | | | | | | | | |
| **Permanent** | | | | | | | | | | |
| Male | 136 | - | | 136 | 100.00% | 136 | | - | 136 | 100.00% |
| Female | 0 | - | | 0 | | 0 | | - | 0 | |
| Other than permanent | | | | | | | | | | |
| Male | 19 | - | | 19 | 100.00% | 19 | | - | 19 | 100.00% |
| Female | 0 | - | | 0 | | 0 | | - | 0 | |

3. **Details of remuneration/salary/wages, in the following format:**

| | Male | | Female | |
|---|---|---|---|---|
| | Number | Median remuneration/ salary/ wages of respective category | Number | Median remuneration/ salary/ wages of respective category |
| Board of Directors (BoD) | 1 | 89,088,716 | - | - |
| Key Managerial Personnel | 1 | 1,108,768 | 1 | 1,005,568 |
| Employees other than BoD and KMP | 430 | 33,442 | 1 | 615,493 |
| Workers | 155 | 28,039 | - | - |

4. **Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

   Yes

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues.**

   Grievance Redressal Committee. www.tgvgroup.com

6. **Number of Complaints on the following made by employees and workers:**

| | FY 22-23 | | | FY 21-22 | | |
|---|---|---|---|---|---|---|
| | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Sexual Harassment | NIL | NIL | | NIL | NIL | |
| Discrimination at workplace | NIL | NIL | | NIL | NIL | |
| Child Labour | NIL | NIL | | NIL | NIL | |
| Forced Labour/ Involuntary Labour | NIL | NIL | | NIL | NIL | |
| Wages | NIL | NIL | | NIL | NIL | |
| Other human rights related issues | NIL | NIL | | NIL | NIL | |

7. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

   The Anti-discrimination and anti-harassment policy is adopted and placed on website www.tgvgroup.com

8. **Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

   No

**9. Assessments for the year:**

| | **% of your plants and offices that were assessed (by entity or statutory authorities or third parties)** |
|---|---|
| Child labour | No assessment of human rights issues are undertaken. However the Company has ensured no Child labour, forced labour,Sexual Harassment, Discrimination at work place |
| Forced/involuntary labour | |
| Sexual harassment | |
| Discrimination at workplace | |
| Wages | |
| Others – please specify | |

**10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.**

There has been no reported violations relating to contents mentioned above at Question 9

**Leadership Indicators**

**1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.**

No such grievances/complaints on Human Rights violations

**2. Details of the scope and coverage of any Human rights due-diligence conducted.**

Not Undertaken

**3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

Our offices are accessible to Persons with Disability

**4. Details on assessment of value chain partners:**

| | **% of value chain partners (by value of business done with such partners) that were assessed** |
|---|---|
| Sexual Harassment | — |
| Discrimination at workplace | — |
| Child Labour | — |
| Forced Labour/Involuntary Labour | — |
| Wages | — |
| Others – please specify | — |

**5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.**

Not applicable

**PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment**

**Essential Indicators**

1. **Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

| Parameter | FY 22-23 | FY 21-22 |
|---|---|---|
| Total electricity consumption (A) | 34629440 | 29204427 |
| Total fuel consumption (B) | 4111322 | 11330951 |
| Energy consumption through other sources (C) Solar | 4622205 | 3352336 |
| **Total energy consumption(A+B+C)** | 43362967 | 43887714 |
| Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees) | 0.0026 | 0.0035 |
| Energy intensity (optional) – therelevant metric may be selected by the entity | | |

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an externalagency? (Y/N) If yes, name of the external agency.**

No

2. **Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

Not Applicable

3. **Provide details of the following disclosures related to water, in the following format:**

| Parameter | FY 22-23 | FY 21-22 |
|---|---|---|
| **Water withdrawal by source (in kilolitres)** | | |
| (i) Surface water | Nil | Nil |
| (ii) Groundwater | Nil | Nil |
| (iii) Third party water | Nil | Nil |
| (iv) Seawater / desalinated water | Nil | Nil |
| (v) Others - River Water | 705061 M3 | 862974 M3 |
| **Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)** | 705061 | 862974 |
| **Total volume of water consumption (in kilolitres)** | 705061 | 862974 |
| **Water intensity per rupee of turnover (Water consumed / turnover)** | 0.000042 | 0.000068 |
| **Water intensity** (optional) – therelevant metric may be selected by the entity | | |

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

No

4. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

Yes

All Effluents from process, washings, softener & DM Plant regeneration. scrubbers and boiler blow along with part of mother liquor from calcium hypochlorite and lean mother liquor from PGSBP process will be sent to collection followed by settling tank. From the equalization tank the clear effluent will be pumped to Dichlorination plant followed by multiple effect evaporator (MEE I). Condensate is reused for cooling towers make-up,. Sodium chloride is separated from concentrate of MEE-I by centrifuge and ML of centrifuge sent to multiple effect evaporator (MEE II) followed by crystallizer and centrifuge to separate remaining Sodiumchloride . Condensate from MEE II is reused for cooling towers make-up, sodium chloride from centrifuge -II will be separated and packed. Overflow from crystallizer -II and MLs from centrifuge – II sent to chlorate destruction plant followed by calcium chloride dryer.

5. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

| Parameter | Please specify unit | FY 22-23 | FY 21-22 |
|---|---|---|---|
| Nox | µg/Nm3 | 44.34 | 40.83 |
| Sox | µg/Nm3 | 40.31 | 32.04 |
| Particulate matter (PM) | µg/Nm3 | 21.84 | 20.72 |
| Persistent organicpollutants (POP) | | — | — |
| Volatile organic compounds(VOC) | µg/Nm3 | 0.53 | Nil |
| Hazardous air pollutants (HAP) | | — | — |
| Others– please specify | | — | — |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. Vasthi Instruments (PVT) Ltd., Guntur . A.P

6. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & itsintensity, in the following format:**

| Parameter | Unit | FY 22-23 | FY 21-22 |
|---|---|---|---|
| **Total Scope 1 emissions** (Break-up of the GHG into $CO_2$, $CH_4$, $N_2O$, HFCs, PFCs, $SF_6$, $NF_3$, if available) | Metric tonnes of $CO_2$ equivalent | Not Applicable | Not Applicable |
| **Total Scope 2 emissions** (Break-up of the GHG into $CO_2$, $CH_4$, $N_2O$, HFCs, PFCs,$SF_6$, $NF_3$, if available) | Metric tonnes of $CO_2$ equivalent | | |
| Total Scope 1 and Scope 2 emissions per rupee of turnover | | | |
| **Total Scope 1 and Scope 2 emission intensity** (optional)– the relevant metric may be selected by the entity | | | |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

7. **Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.**

No

**8. Provide details related to waste management by the entity, in the following format:**

| Parameter | FY 22-23 | FY 21-22 |
|---|---|---|
| **Total Waste generated** | | |
| Plastic waste (A) | Nil | Nil |
| E-waste (B) | Nil | Nil |
| Bio-medical waste (C) | 14.952 kgs | 17.769 kgs |
| Construction and demolition waste (D) | Nil | Nil |
| Battery waste (E) | 2820 kgs | 1600 kgs |
| Radioactive waste (F) | Nil | Nil |
| Other Hazardous waste. Pleasespecify, if any. (G) | Nil | Nil |
| Other Non-hazardous waste generated (H). Please specify, if any.(Break-up by composition i.e. bymaterials relevant to the sector) | Nil | Nil |
| **Total (A+B+C+D+E+F+G+H)** | **2834.952** | **1617.769** |
| **For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)** | | |
| **Category of waste** | | |
| (i) Recycled | Nil | Nil |
| (ii) Re-used | | |
| (iii) Other recovery operations | | |
| **Total** | | |
| **For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)** | | |
| **Category of waste** | | |
| (i) Incineration | Nil | Nil |
| (ii) Landfilling | Nil | Nil |
| a. Sulphur Sludge | 150 | 150 |
| b. ETP sludge | 140.1 | 423.4 |
| (iii) Other disposal operations | Nil | Nil |
| **Total** | **290.1** | **573.4** |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

9. **Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

   Not Applicable

10. **If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required,please specify details in the following format:**

    Not Applicable

11. **Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

    Nil

12. **Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:**

    Yes, the entity complied with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules .

**Leadership Indicators**

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

| Parameter | FY 22-23 | FY 21-22 |
|---|---|---|
| **From renewable sources** | | |
| Total electricity consumption (A) | — | — |
| Total fuel consumption (B) | — | |
| Energy consumption through other sources (C) with Solar | 2085381 KWH | 2000630 KWH |
| **Total energy consumed fromrenewable sources (A+B+C)** | 2085381 Kwh | 2085381 Kwh |
| **From non-renewable sources** | | |
| Total electricity consumption (D) | — | — |
| Total fuel consumption • with Coal | 60076835 Kwh | 57292988 Kwh |
| Energy consumption throughother sources (F) | — | — |
| Total energy consumed from non-renewable sources (D+E+F) | 60076835 Kwh | 57292988 Kwh |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

**2. Provide the following details related to water discharged:**

| Parameter | FY 22-23 | FY 21-22 |
|---|---|---|
| **Water discharge by destination and level of treatment (in kilolitres)** | | |
| (i) To Surface water | Nil | Nil |
| - No treatment | | |
| With treatment-please specify level of treatment | | |
| (ii) To Groundwater | | |
| - No treatment | | |
| With treatment-please specify level of treatment | | |
| (iii) To Seawater | | |
| - No treatment | | |
| With treatment-please specify level of treatment | | |
| (iii) To Seawater | | |
| - No treatment | | |
| With treatment-please specify level of treatment | | |
| (iv) Sent to third- parties | | |
| - No treatment | | |
| With treatment-please specify level of treatment | | |
| (v) Others | | |
| - No treatment | | |
| With treatment-please specify level of treatment | | |
| **Total water discharged (in kilolitres)** | | |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area :Gondiparla, Kurnool,A.P

(ii) Nature of operations : Manufacturing

(iii) Water withdrawal, consumption and discharge in the following format:

| Parameter | FY 22-23 | FY 21-22 |
|---|---|---|
| **Water withdrawal by source** | | |
| (i) Surface water | Not Applicable | Not Applicable |
| (ii) Groundwater | | |
| (iii) Third party water | | |
| (iv) Seawater / desalinated water | | |
| (v) Others - River Water | 705061 M3 | 862974 M3 |
| **Total volume of water withdrawal (in kilolitres)** | 705061 M3 | 862974 M3 |
| **Total volume of water consumption (in kilolitres)** | 705061 M3 | 862974 M3 |
| Water intensity per rupee of turnover (Water consumed / turnover) | | |
| **Water intensity (optional)** – the relevant metric may be selected by the entity | | |
| **Water discharge by destination and level of treatment (in kilolitres)** | | |
| (i) Into Surface water | Nil | Nil |
| - No treatment | | |
| With treatment-please specify level of treatment | | |
| (ii) Into Groundwater | Nil | Nil |
| - No treatment | | |
| With treatment-please specify level of treatment | | |
| (iii) Into Seawater | Nil | Nil |
| - No treatment | | |
| With treatment-please specify level of treatment | | |
| (iv) Sent to third-partiesCooling Tower Blowdown water sent to SAARC Ltd. For Treatment | 80664 M3 | 92761 M3 |
| - No treatment | | |
| With treatment-please specify level of treatment | | |
| (v) Others | | |
| - No treatment | | |
| With treatment-please specify level of treatment | | |
| **Total water discharged (in kilolitres)** | | |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an externalagency? (Y/N) If yes, name of the external agency.

No

4. **Please provide details of total Scope 3 emissions & its intensity, in the following format:**

| Parameter | Unit | FY 22-23 | FY 21-22 |
|---|---|---|---|
| **Total Scope 3 emissions** (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs,SF6, NF3, if available) | Metric tonnes of CO2 equivalent | Not Applicable | Not Applicable |
| Total Scope 3 emissionsper rupee of turnover | | | |
| **Total Scope 3 emission intensity** (optional) – the relevant metric may beselected by the entity | | | |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

5. **With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

No Ecologically sensitive areas are reported

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resourceefficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

| Sr. No. | Initiative undertaken | Details of the initiative (Web-link, if any, may be provided along-with summary) | Outcome of the initiative |
|---|---|---|---|
| | | Nil | |

7. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

Yes, the Company has a business continuity and on-site emergency plan for all its locations. This business continuity plan enables the Company to adapt in situations arising from any natural calamity or an unprecedented event which may disrupt the business operations. The Company continuously enhances its existing plan by incorporating interferences and observations from disruptions faced in the unprecedented situations such as the pandemic. Further the Company's risk management plan enables the minimisation of disaster-linked losses, by assessing the potential for major disruption with its consequent risks to the business, and by providing the appropriate mitigation action plans.

**8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**

Not Applicable

**9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

Not available

**PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

**Essential Indicators**

**1. a. Number of affiliations with trade and industry chambers/ associations.**

Four

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

| S. No. | Name of the trade and industry chambers/ associations | Reach of trade and industry chambers/ associations(State/ National) |
|---|---|---|
| 1 | The Federation of Telangana Chambers of Commerce and Industry (FCTTI) | State |
| 2 | Basic Chemicals Cosmetics & Dyes Export promotion council (CHEMXEIL) | National |
| 3 | Federation of Indian Export Organization | National |
| 4 | Indian Wind Power Association | National |

**2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.**

Not Applicable

**Leadership Indicators**

**1. Details of public policy positions advocated by the entity:** NIL

**PRINCIPLE 8 Businesses should promote inclusive growth and equitable development**

**Essential Indicators**

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

| Name and brief details of project | SIA Notification No. | Date of notification | Whether conductedby independent external agency (Yes /No) | Results communicated in public domain (Yes / No) | Relevant Web link |
|---|---|---|---|---|---|
| NIL | | | No | No | |

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

Not Applicable

3. **Describe the mechanisms to receive and redress grievances of the community.**

The Company has set up a framework of multiple mechanisms to receive and redress grievances, for the community. The stakeholder shares a proposal with the needs required. The Company then follows belowsteps:

a. Need Assessment: At the first stage, the proposal is reviewed to assess the need and the proposed outcome and impact. The implementing agency is reviewed for the fulfilment of regulatory criteria and prior experience in working for a similar cause.

b. Regular interactions with community: This is done by physical visits, virtual meetings, feedbacks review of outcomes, third party reports, photos, etc redress

c. In case there is a grievance and can be resolved by the Company, the proposal accounts for this in scope of work and approvals are taken and action is taken.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

Under the Micro, Small and Medium Enterprises Development Act, 2006 and in accordance with the notification issued by the Ministry of Corporate Affairs, certain disclosures are required to be made relating to Micro, Small and Medium Enterprises as defined in the said Act. The company is in the process of compiling the relevant information from its suppliers about their coverage under the said Act and hence required disclosures made to the extent available.

| | FY 22-23 | FY 21-22 |
|---|---|---|
| Directly sourced from MSMEs/ small producers | 5.60% | 4.28% |
| Sourced directly from within the district and neighbouring districts | 1.51% | 0.46% |

## Leadership Indicators

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

   Not Applicable

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

| S. No. | State | Aspirational District | Amount spent (In INR) |
|---|---|---|---|
| 1 | Andhra Pradesh | Kurnool | 50,614,832 |

3. **(a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized / vulnerable groups? (Yes/No)**

   No

   Consumption of resources by the Company is limited to running its operations. The Company believes in equal and fair opportunity to all vendors including marginalized /vulnerable groups.

**(b) From which marginalized /vulnerable groups do you procure?**

Not applicable

**(c) What percentage of total procurement (by value) does it constitute?**

Not applicable

4. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**

| S. No. | Intellectual Property based on traditional knowledge | Owned/ Acquired (Yes/No) | Benefit shared (Yes / No) | Basis of calculating benefitshare |
|---|---|---|---|---|
| NIL | | | | |

5. **Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

| Name of authority | Brief of the Case | Corrective action taken |
|---|---|---|
| Not Applicable | | |

**6. Details of beneficiaries of CSR Projects:**

The CSR activities are conducted in the villages adjoining the plant and the areas of Kurnool town.The Board ensures that the CSR activities undertaken by the company are within the scope of the following:

1 Clean drinking water to the people in the above-mentioned areas

2 Sports development

3 Health and Community Welfare

4 Animal welfare

5 On going project

**PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner**

**Essential Indicators**

**1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

The complaints, if any, are settled within a stipulated time frame on a priority basis by identifying root cause and taking corrective actions accordingly to the satisfaction of customer.We have standard practise as per protocal for Qality Management System - ISO 9001:2015

**2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:**

| | As a percentage to total turnover |
|---|---|
| Environmental and social parameters relevant to the product | Nil |
| Safe and responsible usage | 100% |
| Recycling and/or safe disposal | 100% |

**3. Number of consumer complaints in respect of the following:**

| | FY 22-23 | Remarks | FY 21-22 | Remarks |
|---|---|---|---|---|
| Data privacy | NIL | | NIL | |
| Advertising | NIL | | NIL | |
| Cyber-security | NIL | | NIL | |
| Delivery of essentialservices | NIL | | NIL | |
| Restrictive Trade Practices | NIL | | NIL | |
| Unfair Trade Practices | NIL | | NIL | |
| Other | NIL | | NIL | |

4. **Details of instances of product recalls on account of safety issues:**

| | Number | Reasons for recall |
|---|---|---|
| Voluntary recalls | NIL | NIL |
| Forced recalls | NIL | NIL |

5. **Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

The confidentiality policy includes guidelines with regard to data security

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

There is no instance of any issues and hence no corrective action was needed

**Leadership Indicators**

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).** www.srhhl.comhttp://info.nsf.org/Certified/PwsChemicals/Listings.asp? Company Name = sree & Trade Name = & Chemical Name = & Product Function = & Plant

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

The company provides information regarding the product, its usage, safety aspects and disposal throughMaterial Safety Data Sheet(MSDS) which provides the product specifications and their risks. The MSDS providesinformation on safe storage handling and disposal. The TREME cards also provide product and safetyinformation including a toll free number.

3. **Mechanisms in place to inform consumers of any risk of disruption/ discontinuation of essential services.**

We will prepare standard note and circulate to all consumers respecting their requirements in order to update of new launch ordiscontinuation of the products/ service and submit them by email as and when devlopment on/off takes place.

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief.**

The product information is specified as per regulations

**Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or he entity as a whole? (Yes/No)**

The company has customer feed back in place

**5. Provide the following information relating to data breaches:**

**a. Number of instances of data breaches along-with impact**

NIL

**b. Percentage of data breaches involving personally identifiable information of customers**

NIL

## ANNEXURE-E TO DIRECTORS REPORT

### Report on Corporate Governance

This report is prepared in accordance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### Company's Philosophy On Code Of Governance

Corporate Governance encompasses a set of systems and practices to ensure that the company's affairs are being managed in a manner which ensures accountability, transparency and fairness in all transactions in the widest sense. The objective is to meet stakeholder's aspirations and societal expectations. 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.

### 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, 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 2022 | whether attended last AGM held on September 30,2021 by Video Conferance | 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 | 6 | Yes | 1 | - | - | - |
| 2. | Sri A.Kailashnath | Independent Director | 7 | Yes | - | - | - | - |
| 3 | Sri. P.Ramachandra Gowd | Independent Director | 7 | Yes | - | - | - | - |
| 4. | Smt. R Triveni | Independent Director | 7 | Yes | - | - | - | - |
| 5. | Sri.H.Gurunath Reddy | Non-Executive Director | 7 | Yes | - | - | - | - |
| 6. | Sri.Krishnamoorthy Chandraiah naik* | Non-Executive Director | 3 | No | - | - | - | - |
| 7. | Sri Satyam Gadwal ** | Non-Executive Director | 4 | No | - | - | - | - |

* Demise on 18th September,2022

** inducted on the Board on 13th October, 2022

**Number of Board Meetings:**

During the financial year ended March 31, 2023 Seven (7) Board meetings were held on (1) April 18,2022 (2) May 30,2022 (3) August 13, 2022 (4) October 13, 2022 (5) November 14,2022 (6) November 28, 2022 (7) February14,2023.

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

**3. Committees of The Board**

**(i) 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. R Triveni 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 30,2022 (2) August 13, 2022 (3) November 14 , 2022 (4) February 14, 2023 and all the members attended the meetings.

**(ii) Nomination And Remuneration Committee**

The Nomination and Remuneration Committee comprises of Sri.A.Kailashnath as Chairman, Smt. R Triveni and Sri.P.Ramachandra Gowd as members. The Committee interalia, deals with all elements of remuneration of Chairman & Managing Director's service contracts, notice period, severance of payments etc. Meetings of Nomination and Remuneration committee were held on May 30, 2022, August 13, 2022 and October 13,2022 and all the members attended the meeting. The Non-Executive Directors will be paid sitting fee of Rs. 5,000 per meeting of Board and Audit Committee and Rs. 1500/- per meeting of other committees.

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:

(Amount in Rs.)

| Salary | Perquisites | Commission | Total (Rs.) |
|---|---|---|---|
| Rs. **8,90,88,716** | --- | --- | Rs. **8,90,88,716** |

**(iii) 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 compromises of Sri.A.Kailashnath as Chairman, Smt. R Triveni 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. During the financial year ended March 31, 2023, four meetings were held on (1) June 30, 2022 (2) September 30, 2022 (3) December 31, 2022 (4) March 31, 2023 and all the members attended the meetings.

Details of compliants:

1. No. of complaints at the beginning of the year : Nil
2. No. of Investor queries /complaints received in the year 2022-23 : 15
3. No of complaints pending at the end of the year : Nil

**Name and designation of the Compliance Officer**:

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

**(iv) Risk Management Committee:**

Pursuant to Regulation 21 of SEBI(LODR)Regulations 2015, Risk Management Committee was constituted on 30.06.2021 with Sri T G Bharath as Chairman, Sri A Kailashnath, Sri P Ramachandra Gowd and Sri H Gurunath Reddy as members to visualize internal and external threats, risks. The policy is placed on Company's website http://www.tgvgroup.com/download/hypo/risk-management-policy.pdf. During the year , meetings of Risk Management Committee were held on (1) 3rd September,2022 and (2) 1st March,2023

**(v) Corporate Social Responsibility Committee**

Corporate Social Responsibility Committee comprises of Sri.A.Kailashnath as Chairman, Smt. R Triveni and Sri.P.Ramachandra Gowd as members.

During the year ,meeting of Corporate Social Responsibility Committee was held on May 30, 2022 and all the members attended the meeting.

## 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 |
|---|---|---|---|---|
| 2020 | Held through video conference/ audio visual means. Deemed venue was Regd. Office, Gondiparla, Kurnool-518004 (A.P.) | November 30, 2020 | 11 A.M | 1. Reappointment of independent director for second term. |
| 2021 | Held through video conference / audio visual means. Deemed venue was Regd. Office, Gondiparla, Kurnool-518004 (A.P.) | September 30, 2021 | 1 P.M. | 1. Reappointment of Independent director for second term.<br>2 Appointment of Smt R Triveni as Independent Director<br>3 Appointment of Sri T.G. Bharath as Chairman & Managing Director for a period of 3 years. |
| 2022 | Held through video conference / audio visual means. Deemed venue was Regd. Office, Gondiparla, Kurnool-518004 (A.P.) | September 29, 2022 | 3 P.M. | 1. Approval for giving loan or guarantee or providing security under section 185 of the Companies Act, 2013<br>2 To approve continuation of payment of remuneration to executive director who is promoter in excess of threshold limits prescriber under SEBI(LODR) Regulations,2015 |

**Resolution(s) passed through Postal Ballot :**

**Details of resolution passed through postal ballot during Financial Year 2022-23 and details of the voting pattern.**

The postal ballot is conducted in accordance with the provisions contained in Section 110 and other applicable provisions, if any, of the Companies Act, 2013, read with Rule 22 of the Companies (Management and Administration) Rules, 2014. The shareholders are provided the facility to vote either by physical ballot or through e-voting. The postal ballot notice is sent to shareholders as per the permitted mode wherever applicable. The Company also publishes a notice in the newspapers in accordance with the requirements under the Companies Act, 2013. Shareholders holding equity shares as on the cut-off date may cast their votes through e-voting or through postal ballot during the voting period fixed for this purpose. After completion of scrutiny of votes, the scrutinizer submits his report to the Chairman and the results of voting by postal ballot are announced within 48 hours of conclusion of the voting period. The results are displayed on the website of the Company (www.tgvgroup.com), and communicated to the Stock Exchanges. The resolutions, if passed by the requisite majority, are deemed to have been passed on the last date specified for receipt of duly completed postal ballot forms or e-voting.

The Company sought the approval of shareholders through notice of postal ballot dated November,28, 2022 for appointment of Mr Satyam Gadwal (DIN: 09762624) as non-executive non Independent Director of the Company by way of Ordinary resolution and amendment of objects clause of Memorandum of Association by way of special resolution. The voting period was from 12th December,2022 to January 11 ,2023. The aforesaid resolutions were duly passed and the results of postal ballot/e-voting were announced on January 12, 2023. Smt M Sridevi , partner of MNM & Associates, Practicing Company Secretaries, were appointed as the Scrutinizer to scrutinize the postal ballot and remote e-voting process in a fair and transparent manner.

| Resolution | No of votes polled | No. of Votes Cast in Favour | No. of Votes Cast Against | % of Votes Cast in Favour on Votes Polled | % of Votes Cast Against on Votes Polled |
|---|---|---|---|---|---|
| Appointment of Sri Satyam Gadwal as Non executivenon independent director | 8075201 | 8069870 | 5331 | 99.93 | 0.07 |
| Amendment of objectsclause of Memorandum of Association | 8075173 | 8065883 | 9290 | 99.88 | 0.12 |

**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 in 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**

| | | |
|---|---|---|
| 1. | Date, Time and Venue of the AGM | Tuesday, 26th September, 2023 at 12 Noon by Video Conferencing ("VC")/Other Audio visual means ("OAVM") |
| 2. | Financial Calendar | April 1, 2023 to March 31, 2024 |
| | (i) For the quarter ending June 30, 2023 | On or before August 14, 2023 |
| | (ii) For the quarter and half year ending September 30, 2023 | On or before November 14, 2023 |
| | (iii) For the quarter and nine months ending December 31, 2023 | On or before February 14, 2024 |
| | (iv) For the fourth quarter and financial year ending March 31, 2024 | On or before May 30, 2024 |
| 3. | Trading window closure for financial results | From the 1st day from close of quarter till the completion of 48 hours after the UPSI becomes generally available. |
| 4. | Date of Book Closure | 20th September,2023 to 26th September, 2023 (both days inclusive) for the purpose of Annual General Meeting and Dividend. |
| 5. | Dividend and Dividend Payment Date | Rs. 4/- per equity share for FY 2022-23. The Final dividend will be paid on October 21, 2023, if approved by the Shareholders at the ensuing Annual General Meeting of the Company. The payment of dividend will be subject to deduction of tax at source, as applicable, in compliance with the statutory requirements |

| | | |
|---|---|---|
| 6. | Listing on Stock Exchanges | 1. Name: BSE Limited<br>Address: Phiroze Jeejeebhoy Towers, Dalal Street,Mumbai – 400 001<br>2. Name: National Stock Exchange of India Limited<br>Address: Exchange Plaza, Bandra KurlaComplex, Bandra (East),Mumbai–400051 |
| 7. | Stock Code | 532842 on BSE Limited<br>SRHHYPOLTD on National Stock Exchange of India Limited |
| 8. | ISIN Number for NSDL & CDSL | INE917H01012 |
| 9. | Corporate Identity Number (CIN) | L24110AP2005PLC045726 |

**(g) Market price Data for Financial year 2022-23:**

| Month &Year | BSE | | NSE | |
|---|---|---|---|---|
| | High (Rs.) | Low (Rs.) | High (Rs.) | Low (Rs.) |
| April, 2022 | 492.95 | 430.05 | 493.15 | 438.00 |
| May, 2022 | 494.95 | 362.45 | 494.00 | 365.10 |
| June, 2022 | 496.75 | 387.00 | 498.00 | 385.95 |
| July 2022 | 668.00 | 410.45 | 669.00 | 412.10 |
| August, 2022 | 837.95 | 610.05 | 834.80 | 607.65 |
| September, 2022 | 950.80 | 731.65 | 951.90 | 732.50 |
| October, 2022 | 838.00 | 650.50 | 840.00 | 650.50 |
| November, 2022 | 717.00 | 540.70 | 730.00 | 541.05 |
| December, 2022 | 572.15 | 452.00 | 573.00 | 454.30 |
| January, 2023 | 540.00 | 448.35 | 545.55 | 450.05 |
| February, 2023 | 528.00 | 419.80 | 532.45 | 421.00 |
| March, 2023 | 449.95 | 375.00 | 450.00 | 375.00 |

**(h) Share Transfer System:**

As mandated by SEBI , securities of the Company can be transferred / traded only in dematerialized form except in case of request received for transmission or transposition of securities. Shareholders holding shares in physical form are advised to avail the facility of dematerialization.

**(i) Share Transfer Agents:**

M/s. Aarthi Consultants Pvt. Ltd
Regd.Office: 1-2-285, Domalguda
Hyderabad-500029 (Telangana)
Tel No. 040-27638111 / 4445
Fax No: 040-27632184
Email: info@aarthiconsultants.com

**(j) Distribution of Shareholding as on March 31, 2023 :**

| Sl. No. | Category | Shares | Amount | % |
|---|---|---|---|---|
| 1. | Promoters | 10658385 | 106583850 | 62.09 |
| 2. | Mutual Funds | 2250 | 22500 | 0.01 |
| 3. | Banks | 4551 | 45510 | 0.03 |
| 4. | Bodies Corporate | 124054 | 1240540 | 0.72 |
| 5. | Indian public | 5309532 | 53095320 | 30.94 |
| 6. | Non Resident / OCBS | 928993 | 9289930 | 5.41 |
| 7. | Foreign Portfolio Investors-Category-I | 100775 | 1007750 | 0.59 |
| 8. | IEPF | 29896 | 298960 | 0.17 |
| 9. | Clearing Members | 6385 | 63850 | 0.04 |
| **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, 2023, 85.72 % of shares were held in Demateralised 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, 2023.

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

Place : Kurnool
Date : August 14, 2023

**(n) Plant Locations:**

- Stable Bleaching Powder Plant (2 Nos.) located at Gondiparla, Kurnool District, Andhra Pradesh.
- Sulphuric Acid – 3 plants, Chloro Sulphonic 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 energy generators (7 Nos) units situated in Tamilnadu State .
- Sodium Methoxide and Sodium Hydraxide Plant at Gondiparla, Kurnool.
- 10MW thermal Power Plant at Gondiparla, Kurnool.
- 5MW Solar 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. Aarthi 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. 040-23313964, Fax No.: 040-23313875
e-mail Id : companysecretary@srhhl.com

**8. Non Disqualification Certificate from Company Secretary in Practice:**

Certificate from Geeta Serwani & Associates, Practicing Company Secretaries, confirming that none of the Directors on the Board of the Company 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 statutory authority as stipulated under Regulation 34(3) of the listing regulations is annexed to this report (Annexure-J).

**9. Details of utilization of funds raised through preferential allotment :**

Not Applicable

**10. Details of non- compliance by the listed entity, penalities, 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.

**11. 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 2022-23 for bank facilities are CRISIL A/ Stable for long term and CRISIL A1 for Short term.

**12. Fee paid to Statutory Auditors by the Company and its Subsidiaries :**

Total fees for all services paid by the Company to the Statutory Auditors M/s. S T Mohite& Co.,Chartered Accountants during the year ended March 31,2023 is Rs.10,20,000/- excluding out of pocket expenses.

For and on behalf of the Board

**Sd/-**
**T.G. Bharath**
Chairman & Managing Director
(DIN : 00125087)

Place: Kurnool
Date : August 14, 2023

## CERTIFICATE ON CORPORATE GOVERNANCE

**To,**
**The Members,**
Sree Rayalaseema Hi-Strength Hypo Limited
CIN: L24110AP2005PLC045726

We have examined the compliance of the conditions of Corporate Governance by Sree Rayalaseema Hi-strength Hypo Limited ("the Company") for the year ended March 31, 2023 as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as referred to in Regulation 15 (2) of the Listing Regulations.

The compliance of the condition of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to review of procedures and implementation thereof, as adopted by the company for ensuring compliance with condition 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 explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

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**
COP: 8842

Date : August 14, 2023
Place : Hyderabad

**UDIN : F008991E000821541**

## 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), Sodium Methoxide , bottling of Hydrogen Gas and Power generation through Thermal energy, Power generation through wind. However, there was decline in Stable Bleaching Powder (SBP) , Sulphuric Acid ,Sodium Hydride, Chloro Sulphonic Acid (CSA ) and oleum.

**D) Outlook:**

The Company is exploring possibilities in Real Estate and Trading activities.

**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 2022-23 net profit before Tax is Rs.19,048.28 lakhs against Rs. 13,698.67 lakhs during the previous year. The Company provided Rs. (9.17) lakhs towards deferred tax, Rs.3,625.50 lakhs towards current tax and net profit after Tax is Rs. 15,431.94 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 414 employees on its rolls.

| Ratios | March 31, 2023 | March 31, 2022 | % of Change |
|---|---|---|---|
| **Interest coverage ratio**<br>(Profit before tax + interest + Depreciation) / Interest | 4385.61 | 1965.32 | 123.08 |
| **Debtors turnover ratio**<br>(Receivable + more than 90 days) / Gross Sales | 0.09 | 0.10 | (13.38) |
| **Inventory Turnover ratio**<br>(Inventory) / Cost of goods sold<br>(note: cost of goods sold is excluding interest, selling and other overheads) | 0.23 | 0.33 | (31.26) |
| **Current ratio**<br>Current Assets / Current Liabilities (excluding AMTL) | 4.27 | 2.35 | 81.29 |
| **Debt equity ratio**<br>Long term Debt / Net worth | 0.0004 | 0.001 | (55.90) |
| **Operating profit margin (%)**<br>PBIT / net sales | 0.12 | 0.11 | 6.76 |
| **Net Profit margin (%)**<br>**Net profit / net sales** | 0.09 | 0.08 | 15.30 |
| **Return on Net worth**<br>Net Profit / Net worth | 0.21 | 0.18 | 14.01 |

Note : The better financials achieved by the Company during 2022-23, resulted in overall improvement in the financial ratios named above when compared with previous year 2021-22 and the variance is more than 25%.

## Annexure G-Corporate Social Responsibility

| | |
|---|---|
| 1. Brief outline on CSR Policy of the Company: | 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. 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.In every financial year, at least 2% of average net profits of the company made during the three immediately preceding financial years is earmarked for undertaking CSR activities.<br><br>The Company had undertaken CSR activity during financial year 2022-23 by way of on going project for construction of old age home/ orphanage home at Kurnool . |

2. Composition of CSR Committee:

| Sl. No | Name of Director | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---|---|---|---|---|
| 1. | Sri A kailashnath | Independent Director | 1 | 1 |
| 2. | Sri P Ramachandra Gowd | Independent Director | 1 | 1 |
| 3. | Smt R Triveni | Independent Director | 1 | 1 |

3. Provide the weblink where Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company. http://www.tgvgroup.com/download/hypo/Corporate-Social-Responsibility-Policy-pdf...pdf

4. Provide the details of impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report) **NOT APPLICABLE**

5. (a) Average net profits of the Company as per section 135 (5) : Rs.87,76,75,507

   (b) two percent of average net profit of the Company as per section 135(5) :Rs. 1,75,53,510

   (c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years.: Rs.1,55,248.

   (d ) Amount required to be set off for the financial year, if any : NIL

   (e) Total CSR obligation for the financial year (b+c-d) :Rs. Rs. 1,75,53,510

6 (a) Amount spent on CSR Projects

(both ongoing projects and other than ongoing projects) : Rs. 5,06,14,832

(b) Amount spent in Administrative Overheads :

(c) Amount spent on Impact assessment, if applicable : Not applicable

**(d) Total amount spent for the financial year[(a)+(b)+( c)]** : Rs. 5,06,14,832

(e) CSR amount spent or unspent for the financial year :

| Total amount spent for the financial year (in Rs.) | Amount Unspent(in Rs.) | | | | |
|---|---|---|---|---|---|
| | Total amount transferred to Unspent CSR account as per Section 135(6) | | Amount transferred to any fundspecified under Schedule VII as per second proviso to section 135(5). | | |
| | Amount | Date of transfer | Name of the fund | Amount | Date of transfer |
| 5,06,14,832 | - | - | - | - | - |

(f) Excess amount for set off, if any

| Sl No | Particular | Amount (in Rs.) |
|---|---|---|
| 1 | Two percent of average net profit of the company a per section 135(5) | 1,75,53,510 |
| 2. | Total amount spent for the Financial year | 5,06,14,832 |
| 3. | Excess amount spent for the financial year [(ii)-(i)] | 3,30,61,322 |
| 4. | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | 1,55,248 |
| 5. | Amount available for set off in succeeding financial years [(iii)-(iv)] | 3,32,16,570 |

7. (a)Details of Unspent CSR amount for the preceding three financial years: **NOT APPLICABLE**

| Sl No | Preceding Financial year | Amount transferred to Unspent CSR Account under section 135(6) (in Rs.) | Amount spent in the reporting Financial year (in Rs.) | Amount transferred to any fund specified under schedule VII as per section 135(6), if any | | | Amount remaining to be spent in succeeding financial years.(in Rs.) |
|---|---|---|---|---|---|---|---|
| | | | | Name of the fund | Amount (in Rs.) | Date of Transfer | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |

8. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: **NIL**

   **(Asset-wise details)**

   (a) Date of creation or acquisition of the capital asset(s)

   (b) Amount of CSR spent for creation or acquisition of capital asset.

   (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

   (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

9. Specify the reason(s) if the Company has failed to spend two percent of the average net profit as per section 135(5). **NOT APPLICABLE**

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

**Sd/-**
**A Kailashnath**
(Chairman of CSR Committee)
DIN: 03017003

## ANNEXURE - H

**B) Disclosures as required under Regulation 34 (3) of SEBI LODR (Regulations), 2015.**

| | Particulars | Balance as on | | Maximum Amount outstanding during the period | |
|---|---|---|---|---|---|
| | | **31.03.2023** | 31.03.2022 | **31.03.2023** | 31.03.2022 |
| a) | Loans and advances in the nature of loans to | | | | |
| | (i) Subsidiary Company M/s TGV Metals and Chemicals Private Limited | 1191.75 | - | 1191.75 | - |
| | (ii) Associate Companies | | | | |
| | (iii) Firms/ Companies in which directors are interested | | | | |
| b) | Investment by the loanee in the shares of holding Company and its subsidiary Company | 0.00 | - | - | 0.00 |

## ANNEXURE - I TO DIRECTORS' REPORT:

### Form No. MR - 3

### SECRETARIAL AUDIT REPORT

### FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

[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, 2023 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, 2023 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');
   (a) The Securities and Exchange Board of India( Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   (b) The Securities and Exchange Board of India ( Prohibition of Insider Trading) Regulations, 1992;
   (c) The Securities and Exchange Board of India ( Issue of Capital and Disclosure Requirements) Regulations, 2009;

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines , 1999;

(e) The Securities and Exchange Board of India ( Issue and Listing of Debt Securities) Regulations, 2008 ;

(f) The Securities and Exchange Board of India ( Registration to an Issue and Share Transfers Agents ) Regulations, 1993;

(g) The Securities and Exchange Board of India ( Delisting of Equity Shares) Regulations, 2009;

(h) 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 not undertaken any events 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**
COP: 8842

Date : August 14, 2023
Place : Hyderabad

**UDIN : F008991E000803675**

Note: This report is to be read with letter of even date which is annexed as "ANNEXURE A" and forms an integral part of 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**
COP: 8842

Date : August 14, 2023
Place : Hyderabad

**UDIN : F008991E000803675**

## "ANNEXURE J"

## 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 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, 2023 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 of the Director | Designation | Date of appointment |
|---|---|---|---|---|
| 1 | 00125087 | Mr. Tumbalam Gooty Bharath | Chairman & Managing Director | 25/07/2006 |
| 2 | 03017003 | Mr A Kailashnath | Independent Director | 30/05/2016 |
| 3 | 06948557 | Mr Ramachandra Gowd | Independent Director | 14/08/2014 |
| 4 | 07211326 | Mr H Gurunath Reddy | Non Executive Director | 15/06/2015 |
| 5 | 09045405 | Mrs. R Triveni | Independent Director | 13/02/2021 |
| 6 | 09762624 | Mr. Satyam Gadwal | Non Executive Director | 13/10/2022 |

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**
COP: 8842

Date : August 14, 2023
Place : Hyderabad

**UDIN : F008991E000803708**

## 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 standalone financial statements of Sree Rayalaseema Hi-Strength Hypo Limited ('the Company'), which comprise the Balance Sheet as at 31 March, 2023, 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 then ended, and notes forming part of standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the standalone financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 31 March, 2023 and its profit, 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 Standalone 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 ethical 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 standalone 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 standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone 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.

**Key Audit Matter**

| Sl.No. | Key Audit Matter | Auditor's Response |
|---|---|---|
| 1 | **Revenue Recognition**<br><br>The application of the revenue as per Ind AS 115 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.<br><br>Revenue from sale of goods is recognized when control of the products being sold is transferred to the customer and when there are no longer any unfulfilled obligations.<br><br>Revenue is only recognised to the extent that it is highly probable that significant reversal will not occur. Accumulated experiences are used to estimate provisions of discounts, rebates.<br><br>Hence, we consider this as a Key audit matter.<br><br>We tested related transactions with underlying customer contracts, and other related documentation based on which revenue is recognised.<br><br>We also assessed the revenues related disclosures in the financial statements.<br><br>Refer note no.2.12 of the standalone financial statements. | Our audit procedures included specific evaluation of compliance with requirements of Ind AS 115, "Revenue from Contracts with Customers" including:<br><br>Our audit procedures, among others include the following: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.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. |

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

The 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 and sustainable Report, Corporate Governance and Shareholder's information, but does not include the standalone financial statements and our auditor's report thereon.

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

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

**Responsibility of Management and those charged with Governance for the Standalone Financial Statement**

The 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 of these standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principle generally accepted in India, including Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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 and Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

**Auditor's Responsibility for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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 with reference to standalone financial statements 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 management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone 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 Standalone 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 standalone 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, 2020 ('the Order') issued by the Central Government of India in terms of sub-section (11) of Section 143 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, the 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 standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   e. On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 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 with reference standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure-B'. Our report expresses an unmodified opinion on the adequacy and the operating effectiveness of the company's internal financial controls with reference to Standalone Financial Statements.

g. With respect to other matters to be included in the Auditors Report in accordance with requirements of section 197(6) of the Act, as amended:

   In our opinion and to the best of our information and according to the explanation given to us, the remuneration paid by the company to its director's during the year is within the limits prescribed as per the provisions of section 197 of the Act.

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014(as amended), in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. Refer note.41 to the Standalone Financial Statements.

   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. a. The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

   b. The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. As stated in Note 15(v) to the financial statements the final dividend proposed in the previous year (FY 2021-22), declared and paid by the company during the year (FY 2022- 23) is in compliance with Section 123 of the Act, as applicable.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable with effect from April 1, 2023 to the Company and its subsidiaries, which are companies incorporated in India, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

**For S.T. Mohite & Co.,**
**T.Mohite**
Chartered Accountants
(Regn.No.011410S)
**Sd/-**
**C.A. Sreenivasa Rao T.Mohite**
Partner
Membership No.015635
UDIN No:23015635BGYJLN7564

Place: Kurnool
Date : May 30, 2023

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

*(Referred to in paragraph 1 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)*

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

i) In respect of the Company's property, plant and equipment, right-of-use assets and intangible assets:

a) A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

B) The Company does not have any intangible assets. Accordingly, provisions of clause 3 (i)(a)(B) of the Order are not applicable to the Company for the year under review.

b) The Company has a regular program of physical verification of its Property, Plant and Equipment, and right-of-use assets so to cover all the assets are verified in period of three years, in our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, propionate part of fixed assets were physically verified during the year. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

c) As per the information and explanations given to us the title deeds of all the free hold immovable properties are held in the name of the Company except certain properties which were received in the scheme of Amalgamations in the previous years as mentioned below. The details of those properties are also given in note no. 52 of notes forming part of standalone financial statements.

| Sl. No. | Balance sheet head | Description of property | Gross carrying value (in lakhs) | Title deeds in the name of | Whether title deeds holder is a promoter, director or relative of promoter/director or employee of promoter/ director | Property held since date (Financial Year) | Reason for not being held in the name of the Company |
|---|---|---|---|---|---|---|---|
| 1 | Property, Plant and Equipment | Land | 2,37,576 | Amalga mated company | No | Date of Amalga mation | This was received in scheme ofAmalgamation. Change of title is under process |
| 2 | Property, Plant and Equipment | Land | 14,92,627 | Amalga mated company | No | Date of Amalga mation | No Date of Amalgamation This was received in scheme ofAmalgamation. Change of titleis under process |

| Sl. No. | Balance sheet head | Description of property | Gross carrying value (in lakhs) | Title deeds in the name of | Whether title deeds holder is a promoter, director or relative of promoter/director or employee of promoter/ director | Property held since date (Financial Year) | Reason for not being held in the name of the Company |
|---|---|---|---|---|---|---|---|
| 4 | Property, Plant and Equipment | Land | 23,30,990 | Amalgamated company | No | Date of Amalgamation | This was received in scheme of Amalgamation. Change of title isunder process |
| 5 | Property, Plant and Equipment | Land | 42,54,639 | Amalgamated company | No | Date of Amalgamation | This was received in scheme ofAmalgamation. Change of titleis under process |

a) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) during the year.

b) According to the information and explanation given to us and on the basis of our examination of the records of the Company, there are no Proceeding have been initiated during the year or are pending against the Company as at 31 March 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988(as amended in 2016) and rules made thereunder.

ii) a) The inventories have 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 exceeding 10% or more in the aggregate for each class of inventory on verification between the physical stock and the book records.

b) During the year, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly/monthly returns or statements with such banks, based on physical verification of stocks. Accordingly, there are no discrepancies and are in agreement with the books of accounts.

iii) a) The Company has, during the year, made investments in a partly owned subsidiary and gave an unsecured loan to the partly owned subsidiary company. The aggregate amount granted during the year and balances outstanding at the balance sheet date with respect to such loan to subsidiaries and to parties other than subsidiaries Joint ventures and associates are as per the details given below:

| Particulars | Loans Rs. in Lakhs |
|---|---|
| Aggregate amount granted during the year.<br>- Subsidiaries<br>- Others | <br><br>1171.53 |
| Balance outstanding as at balance sheet date in respect of above cases:<br>- Subsidiaries<br>- Others | <br><br>1191.75<br>- |

The Company has not provided any corporate guarantee or offered security during the year.

The above amounts are included in note 12 to the standalone financial statements.

b) In our opinion, the investments made and the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company's interest.

c) In respect of aforesaid loans, the terms and conditions under which loans were granted are not prejudicial to the company's interest, based on the information and explanation provided by the Company. In respect of loan granted by the Company, the schedule of repayment of principal is not stipulated and payment of interest has been stipulated and receipts of interest have generally been regular as per stipulation.

d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date for more than 90 days.

e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties.

f) The details of loan granted, either repayable on demand or without specifying any term of repayment, are given below:

| Particulars | All Parties ₹ | Promoters ₹ | Related Parties ₹ |
|---|---|---|---|
| Repayable on demand<br>No items or repayments terms are specified | -<br>- | -<br>- | -<br>1191.75 |
| **Total** | - | - | **1191.75** |
| Percentage of the total loans granted | | | 100% |

The above loan is included in note 12 to the standalone financial statements.

ii) In our opinion and according to the information and explanation given to us, the Company has complied the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made as applicable.

iii) The Company has not accepted any deposits or amounts during the year as per provisions of Section 73 or 76 of the Act and relevant Rules framed thereunder. Accordingly, the clause 3 (v) of the Order are not applicable to the Company for the year under review.

iv) Pursuant to the rules made by the Central Government of India, the company is required to maintain cost records as specified under section148(1) of the Act in respect of its products. We have broadly reviewed the same and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

v) In respect of statutory dues:

a) According to the information and explanation given to us by the Company and records of the Company examined by us, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on 31 March 2023 on account of disputes are given below:

| Nature of Statue | Nature of Dues | Forum where the dispute is pending | Period of Dispute | Pending amount lakhs |
|---|---|---|---|---|
| Income tax Act | Income Tax | ITO, Kurnool | 2020-21 | 97.65 |
| Income tax Act | Income Tax | ITO, Kurnool | 2019-20 | 1.15 |
| GST Act | GST | CESTAT | 2015-16 | 3.08 |
| GST Act | GST | CESTAT | 2015-16 | 1.22 |
| GST Act | GST | AC, Kurnool | 2020-21 | 46.49 |

vi) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessment under the Income Tax Act, 1961(43 of 1961).

vii) a) According to the information and explanation given to us by the Company and records of the Company examined by us, The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year. Accordingly, Clause 3(ix) of the order is not applicable to the company for the period under review.

b) The Company has not been declared a wilful defaulter by any bank or financial institution or government or any government authority.

c) The Company has not obtained any term loans. Accordingly reporting under clause 3(ix)(c) of the Order is not applicable to the company for the period under review.

d) According to the information and explanation given to us by the Company and based on the procedures performed by us and on overall examination of Standalone Financial Statements of the Company, we report that no funds raised on short-term basis have been used for long-term purpose of the Company.

e) According to the information and explanation given to us by the Company and on overall examination of Standalone Financial Statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associate or Joint ventures.

f) According to the information and explanation given to us by the Company and based on the procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

viii) a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

b) During the year, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year, and hence the company has is not required to be complied with requirements of section 42 and 62 of the Companies Act, 2013.

ix) a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

c) During our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us. The company has not received any whistle blower complaints during the year. Accordingly, Clause 3(xi)(c) of the Order is not applicable.

x) The company is not a Nidhi Company as prescribed under Section 406 of the Act and Accordingly, clause 3(xii) of the Order is not applicable.

xi) In our opinion, and according to the information given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards (included in note 45 to the standalone financial statements)

xii) a) In our opinion and according to the information given to us, the Company has an adequate internal audit system commensurate with the size and the nature of its business.

b) We have considered the internal audit report for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedure.

xiii) In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xiv) a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

xv) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding the financials year.

xvi) During the year, the statutory auditors retired by rotation as per section 139 of the Companies Act, read with rule 6(3) of the companies (Audit & Auditors rules 2014), after completion of the term of office.

xvii) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xviii) a) According to the information and explanation given to us by the Company has incurred expenditure on Corporate Social Responsibility (CSR) including (on an ongoing project) in excess of the obligation for the year under review. Accordingly, there is no unspent amount liable to be transferred to the fund specified under schedule VII of the Act.

b) According to the information and Explanation given to us Company has incurred excess amount than the obligation to be spent for the period under review. Accordingly transferring of unspent amount on an ongoing project under section 135 of the Act, does not arise. (Details are included in note no. 53 of the standalone financial statements)

xix) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

**For S.T. Mohite & Co.,**
**T.Mohite**
Chartered Accountants
(Regn.No.011410S)
**Sd/-**
**C.A. Sreenivasa Rao T.Mohite**
Partner
Membership No.015635
UDIN No:23015635BGYJLN7564

Place: Kurnool
Date : May 30, 2023

## ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(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 under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to standalone financial statements of Sree Rayalaseema Hi-Strength Hypo Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). 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 the 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 Act.

**Auditor's Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls over to 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 standalone 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 Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls with reference to Financial Statements**

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 with reference to Financial Statements**

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

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2023, based on the criteria for internal financial control over financial reporting 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 ICAI.

**For S.T. Mohite & Co.,**
**T.Mohite**
Chartered Accountants
(Regn.No.011410S)
**Sd/-**
**C.A. Sreenivasa Rao T.Mohite**
Partner
Membership No.015635
UDIN No:23015635BGYJLN7564

Place : Kurnool
Date : May 30, 2023

## Standalone Balance sheet as at 31st March, 2023

*(All amounts in ₹ Lakhs, except otherwise stated)*

| Particulars | Note No. | As at 31st March 2023 | As at 31st March 2022 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| (a) Property, plant and equipment | 3 | 9,726.01 | 12,214.59 |
| (b) Right-to-use assets | 3A | 505.09 | 736.13 |
| (c) Investment properties | 4 | 260.26 | - |
| (d) Financial assets | | | |
| i) Investments | 5 | 21,408.97 | 16,384.91 |
| ii) Other financial assets | 6 | 262.07 | 434.61 |
| (e) Deferred tax asset (net) | 20 | 676.49 | 667.32 |
| (f) Other non-current assets | 7 | 157.14 | 131.90 |
| **Total Non-current assets** | | **32,996.03** | **30,569.47** |
| **Current assets** | | | |
| (a) Inventories | 8 | 12,576.71 | 14,397.98 |
| (b) Financial assets | | | |
| i) Trade receivables | 9 | 14,897.14 | 13,207.76 |
| ii) Cash and cash equivalents | 10 | 2,649.93 | 1,413.51 |
| iii) Bank balances other than Cash and cash equivalents | 11 | 20,223.51 | 9,915.74 |
| iv) Loans | 12 | 1,287.33 | 96.68 |
| v) Other financial assets | 13 | 1,266.32 | 35.12 |
| (c) Other current assets | 14 | 3,442.54 | 9,104.19 |
| **Total current assets** | | **56,343.48** | **48,170.98** |
| **TOTAL ASSETS** | | **89,339.51** | **78,740.45** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| (a) Equity share capital | 15 | 1,716.48 | 1,716.48 |
| (b) Other equity | 16 | 73,387.96 | 55,315.29 |
| **Total Equity** | | **75,104.44** | **57,031.77** |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| (a) Financial liabilities | | | |
| i) Borrowings | 17 | - | 29.27 |
| ii) Others | 18 | 118.25 | 127.99 |
| iii) Lease liabilities | 19 | 607.13 | 794.41 |
| (c) Deferred Government grants | 21 | 83.96 | 89.96 |
| (d) Long Term Provisions | 22 | 226.11 | 208.56 |
| **Total Non-current liabilities** | | **1,035.45** | **1,250.19** |
| **Current liabilities** | | | |
| (a) Financial liabilities | | | |
| i) Borrowings | 17 | 841.99 | 1,832.90 |
| ii) Trade payables | | | |
| (A)dues of micro and small enterprises; and | 23 | 119.43 | 73.72 |
| (B)dues of creditors other than micro and small enterprises | 23 | 6,909.96 | 7,633.35 |
| iii) Other financial liabilities | 24 | 1,982.34 | 1,826.59 |
| iv) Lease liabilities | 25 | 119.90 | 131.51 |
| (b) Other current liabilities | 26 | 2,674.08 | 7,547.33 |
| (c) Current Provisions | 27 | 140.34 | 319.99 |
| (d) Current tax liabilities (net) | 28 | 411.58 | 1,093.11 |
| **Total Current liabilities** | | **13,199.62** | **20,458.49** |
| **TOTAL LIABILITIES** | | **14,235.07** | **21,708.68** |
| **TOTAL EQUITY AND LIABILITIES** | | **89,339.51** | **78,740.45** |
| Corporate information and significant accounting policies | 1 & 2 | | |

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
**For S.T. Mohite & Co.,**
Chartered Accountants (Regn.No.011410S)

**Sd/-**
**C.A. Sreenivasa Rao T.Mohite**
Partner
Membership No.015635
UDIN No:23015635BGYJLN7564

Place : Kurnool
Date : May 30, 2023

**For and on behalf of the Board**

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

**Sd/-**
**Smt. R.Triveni**
Director
DIN: 09045405

**Sd/-**
**Smt. V.Surekha**
Company Secretary

**Sd/-**
**Sri S. Ifthekhar Ahmed**
Chief Financial Officer

Place : Kurnool
Date : May 30, 2023

## Standalone Statement of Profit and Loss for the year ended 31st March, 2023

*(All amounts in ₹ Lakhs, except otherwise stated)*

| | Particulars | Note No. | Year ended 31st March 2023 | Year ended 31st March 2022 |
|---|---|---|---|---|
| I | Revenue from operations | 29 | 165,011.65 | 126,727.24 |
| II | Other income | 30 | 3,410.94 | 1,066.37 |
| III | **Total revenue (I + II)** | | **168,422.59** | **127,793.61** |
| IV | **Expenses** | | | |
| | Cost of materials consumed | 31 | 57,251.33 | 49,463.08 |
| | Purchase of stock-in-trade | 32 | 65,381.47 | 49,365.97 |
| | Changes in inventories of finished goods, work in progress and stock-in-trade | 33 | 1,806.49 | (6,155.99) |
| | Emloyee benefits expense | 34 | 3,878.28 | 2,874.40 |
| | Finance cost | 35 | 474.95 | 320.82 |
| | Depreciation and amortisation expense | 3 | 1,934.66 | 1,922.72 |
| | Other expense | 36 | 18,647.13 | 16,303.96 |
| | **Total expenses (IV)** | | **149,374.31** | **114,094.96** |
| V | **Profit before tax (III-IV)** | | **19,048.28** | **13,698.65** |
| VI | **Tax expense** | | | |
| | Current tax | 37 | 3,625.50 | 3,507.02 |
| | Deferred tax | 37 | (9.17) | (86.95) |
| | **Total Tax expense** | | **3,616.33** | **3,420.07** |
| VII | **Profit after Tax (V-VI)** | | **15,431.95** | **10,278.58** |
| VIII | **Other comprehensive income** | 38 | | |
| | Items not to be reclassified to profit or loss subsequently | | | |
| | Net gain /(losses) on FVTOCI financial instruments | | 4,331.73 | 11,437.38 |
| | Re-measurement gains/ (losses) on defined benefit plans | | 0.15 | (121.79) |
| | Tax effect thereon | | (1,090.21) | (2,847.91) |
| | **Other comprehensive income/(loss) for the year** | | **3,241.67** | **8,467.68** |
| IX | **Total comprehensive income for the year (IX+X)** | | **18,673.61** | **18,746.26** |
| X | **Earnings per equity share** | | | |
| | Basic and Diluted | 39 | 89.90 | 59.88 |
| | Corporate information and significant accounting policies | 1 & 2 | | |
| | The accompanying notes form an integral part of the financial statements | | | |

As per our report of even date attached
**For S.T. Mohite & Co.,**
Chartered Accountants (Regn.No.011410S)

**Sd/-**
**C.A. Sreenivasa Rao T.Mohite**
Partner
Membership No.015635
UDIN No:23015635BGYJLN7564

Place : Kurnool
Date : May 30, 2023

**For and on behalf of the Board**

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

**Sd/-**
**Smt. R.Triveni**
Director
DIN: 09045405

**Sd/-**
**Smt. V.Surekha**
Company Secretary

**Sd/-**
**Sri S. Ifthekhar Ahmed**
Chief Financial Officer

Place : Kurnool
Date : May 30, 2023

## Standalone Cash flow statement for the year ended 31st March, 2023

*(All amounts in ₹ Lakhs, except otherwise stated)*

| Particulars | Year ended 31st March 2023 | Year ended 31st March 2022 |
|---|---|---|
| **Cash flow from operating activities** | | |
| **Profit before tax** | **19,048.28** | **13,698.67** |
| ***Adjustments :*** | | |
| Depreciation and amortisation expenses | 1,934.66 | 1,922.72 |
| Interest received | (907.34) | (444.72) |
| Interest paid | 474.95 | 320.82 |
| Interest income & expenses due to amortisation of rent deposits | 40.38 | 2.51 |
| Income due to government grant recognised | (6.00) | (6.00) |
| Net (gains)/losses on FVTPL instruments | (795.88) | (399.75) |
| **Operating profit before working capital changes** | **19,789.06** | **15,094.25** |
| **Working capital adjustments** | | |
| (Decrease)/Increase in trade payables | (677.68) | 6,503.64 |
| (Decrease)/Increase in non-current financial liabilities | (9.74) | (50.00) |
| (Decrease)/Increase in current financial liabilities | 155.75 | 146.49 |
| (Decrease)/Increase in other current liabilities | (4,873.25) | 5,692.60 |
| (Decrease)/Increase in short term provisions | (179.65) | 225.14 |
| (Decrease)/Increase in long term provisions | 17.70 | 2.49 |
| (Increase)/Decrease in non-current financial asset | 132.15 | (4.65) |
| (Increase)/Decrease in other non-current assets | (25.24) | 882.05 |
| (Increase)/Decrease in trade receivables | (1,689.38) | (3,547.44) |
| (Increase)/Decrease in inventories | 1,821.27 | (10,427.33) |
| (Increase)/Decrease in other current assets | 5,661.66 | (5,540.04) |
| (Increase)/Decrease in financial assets | (2,421.84) | 233.07 |
| **Cash generated from operating activities** | **17,700.79** | **9,210.27** |
| Direct taxes paid (net) | (4,307.02) | (3,199.64) |
| **Net cash flow from operating activities (A)** | **13,393.78** | **6,010.63** |
| **Cash flows from investing activities** | | |
| Purchase of property, plant & equipment (including CWIP) | 524.71 | (1,435.96) |
| Purchase of Investment | (986.66) | (2,377.08) |
| Interest received | 907.34 | 440.78 |
| Redemption/(Investment) of margin money deposit | (10,285.42) | 3,296.10 |
| for dividend accounts | (22.35) | (44.09) |
| **Net cash flow from/ (used in) investing activities (B)** | **(9,862.38)** | **(120.25)** |
| **Cash flows from financing activities** | | |
| Interest paid | (474.95) | (240.07) |
| (Repayment)/Proceeds of long term borrowings | (29.27) | (3.64) |
| (Repayment)/Proceeds from short term borrowings | (990.91) | (4,232.27) |
| Dividend paid | (600.95) | (514.94) |
| (Repayment)/Proceeds of lease liabilities | (198.89) | (171.48) |
| **Net cash flow from/ (used in) in financing activities (C)** | **(2,294.96)** | **(5,162.40)** |
| **Net increase/(decrease) in cash and cash equivalents (A + B + C)** | 1,236.43 | 728.01 |
| Cash and cash equivalents at the beginning of the year | 1,413.51 | 685.50 |
| Cash and cash equivalents at the end of the year | **2,649.93** | **1,413.51** |
| **Components of cash and cash equivalents** | | |
| Cash on hand | 1.54 | 6.39 |
| Balances with banks | | |
| - in Current Account | 2,648.39 | 1,407.12 |
| **Total cash and cash equivalents** | **2,649.93** | **1,413.51** |

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

As per our report of even date attached
**For S.T. Mohite & Co.,**
Chartered Accountants (Regn.No.011410S)
**Sd/-**
**C.A. Sreenivasa Rao T.Mohite**
Partner
Membership No.015635
UDIN No:23015635BGYJLN7564

Place : Kurnool
Date : May 30, 2023

**For and on behalf of the Board**

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

**Sd/-**
**Smt. R.Triveni**
Director
DIN: 09045405

**Sd/-**
**Smt. V.Surekha**
Company Secretary

**Sd/-**
**Sri S. Ifthekhar Ahmed**
Chief Financial Officer

Place : Kurnool
Date : May 30, 2023

**Standalone**

## Stipulative Statement of changes in Equity

*(All amounts in ₹ in Lakhs, except otherwise stated)*

**a. Equity share capital**

| Equity share capital | Note | Amount |
|---|---|---|
| **As at 1st April 2021** | | **1,716.48** |
| Changes in equity share capital during the year | 16 | - |
| **As at 31st March 2022** | | **1,716.48** |
| Changes in equity share capital during the year | 16 | - |
| **As at 31st March 2023** | | **1,716.48** |

**b. Other Equity**

| | | Reserves and Surplus | | | Other Comprehensive income | | | |
|---|---|---|---|---|---|---|---|---|
| Particulars | Note | Securities premium | Retained earnings | Other reserves (Amalgamation & General reserve) | FVOCI - equity & preference instruments | OCI - Actuarial gain/loss on gratuity | Money received against share warrants | Total other equity |
| **Balance at 1st April, 2021** | **17** | **3,026.59** | **29,448.85** | **2,762.75** | **1,813.54** | **32.22** | **-** | **37,083.95** |
| Equity instruments through other comprehensive income | 17(iv) | - | - | - | 8,558.82 | - | - | 8,558.82 |
| Gains/(losses) on arising from actuarial gain/loss on gratuity | 17(iv) | - | - | - | - | (91.14) | - | (91.14) |
| Profit for the year | 17(ii) | - | 10,278.60 | - | - | - | - | 10,278.60 |
| Dividend paid during the year (including taxes) | 17(ii) | - | (514.94) | - | - | - | - | (514.94) |
| **Balance at 31st March, 2022** | | **3,026.59** | **39,212.51** | **2,762.75** | **10,372.36** | **(58.92)** | **-** | **55,315.29** |
| Equity instruments through other comprehensive income | 17(iv) | - | - | - | 3,241.52 | - | - | 3,241.52 |
| Gains/(losses) on arising from actuarial gain/loss on gratuity | 17(iv) | - | - | - | - | 0.15 | - | 0.15 |
| Profit for the year | 17(ii) | - | 15,431.95 | - | - | - | - | 15,431.95 |
| Dividend paid during the year (including taxes) | 17(ii) | - | (600.95) | - | - | - | - | (600.95) |
| **Balance at 31st March, 2023** | | **3,026.59** | **54,043.51** | **2,762.75** | **13,613.88** | **(58.77)** | **-** | **73,387.96** |

As per our report of even date attached.
**For S.T. Mohite & Co.,**
Chartered Accountants (Regn.No.011410S)

**Sd/-**
**C.A. Sreenivasa Rao T.Mohite**
Partner
Membership No.015635
UDIN No:23015635BGYJLN7564

Place: Kurnool
Date : May 30, 2023

**For and on behalf of the Board**

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

**Sd/-**
**Smt. R.Triveni**
Director
DIN: 09045405

**Sd/-**
**Smt. V.Surekha**
Company Secretary

**Sd/-**
**Sri S. Ifthekhar Ahmed**
Chief Financial Officer

Place : Kurnool
Date : May 30, 2023

**Notes to financial statements for the year ended 31st, March 2023**

**Note 1: Corporate Information**

Sree Rayalaseema Hi – Strength Hypo Limited (“ The Company”) 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 equity shares of the Company are listed on BSE Limited (BSE) and National Stock Exchange of India Ltd. (NSE).

The financial statements are approved for issue by the Company’s Board of Director’s on 30thMay, 2023.

**Note 2: Significant accounting policies**

**2.1 Statement of compliance**

These financial statements are separate financial statements of the Company (also called Standalone Financial Statements)

The Standalone 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, 31st2023.

**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 scope of Ind AS 116, and

**Notes to financial statements for the year ended 31st, March 2023**

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.

**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

**Notes to financial statements for the year ended 31st, March 2023**

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 non-current

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.

**Notes to financial statements for the year ended 31st, March 2023**

**Useful lives of depreciable assets**

Management reviews the useful lives of depreciable assets at each reporting. The 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 Rupee 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 102 at the acquisition date and
- 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

**Notes to financial statements for the year ended 31st, March 2023**

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 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

**Notes to financial statements for the year ended 31st, March 2023**

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 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.

**Notes to financial statements for the year ended 31st, March 2023**

## 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 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

**Notes to financial statements for the year ended 31st, March 2023**

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 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.

**Notes to financial statements for the year ended 31st, March 2023**

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:

- 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 Companies 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.

**Notes to financial statements for the year ended 31st, March 2023**

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

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**

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.

**Notes to financial statements for the year ended 31st, March 2023**

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 Leases**

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.

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

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

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

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

**Notes to financial statements for the year ended 31st, March 2023**

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 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

**Notes to financial statements for the year ended 31st, March 2023**

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.

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

## Notes to financial statements for the year ended 31st, March 2023

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

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);

**Notes to financial statements for the year ended 31st, March 2023**

- 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 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.

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

**Notes to financial statements for the year ended 31st, March 2023**

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 IndAS 19

**Share-based payment arrangements**

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.

**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/ 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 transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax

**Notes to financial statements for the year ended 31st, March 2023**

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

**Notes to financial statements for the year ended 31st, March 2023**

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 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.

**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,

**Notes to financial statements for the year ended 31st, March 2023**

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.,

Depreciation is recognised in the statement of profit and loss on a straight line basis over the estimated useful lives of property, plant and equipment. Land is not depreciated but subject to impairment.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and any changes are considered prospectively.

The estimated useful lives are as follows:

| Particulars | Years |
|---|---|
| Buildings | |
| -Factory and administrative buildings | 20 |
| -Ancillary structures | 20 |
| Plant and equipment | 8 |
| Furniture, fixtures and office equipment | 5 |

## 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.

## 2.21 Intangible assets

Intangible 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.

**Notes to financial statements for the year ended 31st, March 2023**

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
- 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 acquiredseparately.

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.

**Notes to financial statements for the year ended 31st, March 2023**

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.

**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.

**Notes to financial statements for the year ended 31st, March 2023**

**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**

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 out flow 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.

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, transaction costs that are attributable to the acquisition of the financial asset.

**Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in two categories:

**Notes to financial statements for the year ended 31st, March 2023**

- Financial assets at amortised cost
- Equity instruments at fair value through other comprehensive income (FVTOCI)

**Financial assets at amortised cost**

'Financial asset' is measured at the amortised cost if both the following conditions are met:

a. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

**Equity investments**

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

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

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

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

**Notes to financial statements for the year ended 31st, March 2023**

**Derecognition**

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

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

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

(a) The Company has transferred substantially all the risks and rewards of the asset, or

(b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset

**Impairment of financial assets**

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

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

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

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

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

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

**Notes to financial statements for the year ended 31st, March 2023**

**Financial liabilities**

**Initial recognition and measurement**

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

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

**Subsequent measurement**

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

**Loans and borrowings**

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

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

**Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

**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

**Notes to financial statements for the year ended 31st, March 2023**

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 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.

**Notes to financial statements for the year ended 31st, March 2023**

**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.

**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.

## Notes to financial statements for the year ended 31st March, 2023

*(All amounts in ₹Lakhs, except otherwise stated)*

**Standalone**

**NOTE 3: PROPERTY, PLANT AND EQUIPMENT**

| Particulars | land | Factory Buildings | Furniture & fixtures | Wind Power Plants | Plant and machinery | Other Assets | Total |
|---|---|---|---|---|---|---|---|
| **(A) Cost** | | | | | | | |
| **As at 1st April, 2021** | **5,124.68** | **3,500.73** | **196.84** | **7,407.72** | **21,913.73** | **1,108.61** | **39,252.31** |
| Additions | 2,573.82 | | - | - | 1,420.00 | 143.95 | 4,137.77 |
| Disposals /transfer | 0.00 | - | | | | -105.90 | -105.90 |
| Transferred to stock in trade | -253.13 | | | | | | -253.13 |
| **As at 1st April, 2022** | **7,445.37** | **3,500.73** | **196.84** | **7,407.72** | **23,333.73** | **1,146.66** | **43,031.05** |
| Additions | 507.01 | | | | 1,145.27 | 147.93 | 1,800.21 |
| Disposals /transfer | -495.44 | -68.00 | - | - | -1,900.83 | - | -2,464.27 |
| Transferred to investment property | -161.65 | | | | | | -161.65 |
| **As at 31st March, 2023** | **7,295.29** | **3,432.73** | **196.84** | **7,407.72** | **22,578.18** | **1,294.59** | **42,205.35** |
| **(B) Accumulated Depreciation** | | | | | | | |
| **As at 1st April, 2021** | **-** | **2,890.09** | **190.60** | **7,140.85** | **17,931.62** | **966.91** | **29,120.07** |
| Depreciation | | 108.08 | | 27.99 | 1,623.15 | 43.08 | 1,802.30 |
| Disposals | | | | | | -105.90 | -105.90 |
| **As at 1st April, 2022** | | **2,998.17** | **190.60** | **7,168.84** | **19,554.77** | **904.09** | **30,816.47** |
| Depreciation | | 108.08 | | 27.99 | 1,518.67 | 48.89 | 1,703.63 |
| Disposals | | | - | - | -40.75 | - | -40.75 |
| **As at 31st March, 2023** | | **3,106.25** | **190.60** | **7,196.83** | **21,032.69** | **952.98** | **32,479.34** |
| **(C) Carrying Value (A-B)** | | | | | | | |
| 31st March, 2022 | 7,445.37 | 502.56 | 6.24 | 238.88 | 3,778.96 | 242.57 | 12,214.58 |
| 31st March, 2023 | 7,295.29 | 326.49 | 6.24 | 210.89 | 1,545.48 | 341.61 | 9,726.01 |

a) Titles some of the properties acquired by the Company under Scheme of Arrangement are in the process of being mutated in the Company's name

b) The land, building and Plant & Machinery have been secured by a charge in favour of working capital bank.

c) The vehicles have been hypothicated in favour of banks who have lent against these vehicles.

d) Depreciation on property plant and equipment is charged on straight line method as per schedule II to the companies Act, 2013.

e) Property Plant and equipment were tested for impairment by the technical experts with in company during the year for any indications of existing impairment. As per their advise for no impairment, the company has not recorded any impairment during the year ending 31st March, 2023.

f) Disposal/transfer of land includes transfer of land for an ongoing project under Corporate Social Responsibility scheme under section 135 of the Companies Act.

## Notes to financial statements for the year ended 31st March, 2023

*(All amounts in ₹Lakhs, except otherwise stated)*

**Standalone**

### NOTE 3A: RIGHT OF USE ASSET

| Particulars | Amount ₹ |
|---|---|
| **(A) Costs** | |
| **As at 1st April, 2021** | **1,237.40** |
| Additions | **-** |
| Disposals | **-** |
| **As at 31st March, 2022** | **1,237.40** |
| Additions | |
| Disposals /transfer | **-** |
| **As at 31st March, 2023** | **1,237.40** |
| **(B) ACCUMULATED AMORTISATION** | |
| **As at 1st April, 2021** | **380.25** |
| Amortisation | **120.42** |
| Disposals | **-** |
| **As at 1st April, 2022** | **501.27** |
| Amortisation | **231.04** |
| Disposals | |
| **As at 31st March, 2023** | **732.31** |
| **(C) CARRYING VALUE** | |
| As at 31st March, 2022 | **736.13** |
| As at 31st March, 2023 | **505.09** |

The details are provided in Note No.43

### NOTE 4: INVESTMENT PROPERTY

| Particulars | As at 31st, March, 2023 | As at 31st, March, 2022 |
|---|---|---|
| **Cost** | | |
| Opening gross amount | - | 2,375.00 |
| Additions | 260.26 | - |
| Converted in to stock intrade | - | (2,375.00) |
| Closing gross amount | 260.26 | - |
| **Accumulated depreciation** | **-** | **-** |
| Opening accumulated depreciation | - | - |
| Depreciation charge | - | - |
| Depreciation reversed on disposal | - | - |
| Closing accumulated depreciation | - | - |
| **Net carrying amount** | **260.26** | **-** |
| Fair value of Investment properties | 1,324.71 | - |

**Estimation of fair value**

The Company obtains independent valuations for its investment properties 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:

(i) current prices in an active market for properties of different nature

(ii) 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, 2023

*(All amounts in ₹Lakhs, except otherwise stated)*

**Standalone**

### NOTE 5: FINANCIAL ASSETS - NON-CURRENT INVESTMENTS

| | Particulars | As at 31st, March, 2023 | As at 31st, March, 2022 |
|---|---|---|---|
| (A) | Investments through fair value through other comprehensive income | 16,155.57 | 12,894.04 |
| (B) | Investments through fair value through profit and loss | 5,253.30 | 3,490.77 |
| (C) | Investments at cost | 0.10 | 0.10 |
| | | **21,408.97** | **16,384.91** |
| **(A)** | **Investments through fair value through other comprehensive income** | | |
| | **(a) Equity instruments (fully Paid up)** | | |
| | **Quoted** | | |
| | **In other Companies** | | |
| | TGV SRACC Ltd<br>2,05,44,496 (March 31, 2022:2,05,44,496) Equity shares of ₹ 10 each<br>(15,000 shares pledged as security) | 14,877.78 | 11,925.99 |
| | The South Indian Bank Ltd<br>7,07,000 (March 31, 2022:7,07,000) Equity shares of ₹ 10 each | 77.47 | 39.90 |
| | Roopa Industries Ltd<br>13,72,455 (March 31, 2022:13,72,455) Equity shares of ₹ 10 each | 421.19 | 256.97 |
| | Kabson Industries Ltd<br>10,100 (March 31, 2022:10,100) Equity shares of ₹10 each | 0.77 | 1.16 |
| | Karnataka Bank Ltd<br>3,700 (March 31, 2022:3,700) Equity shares of ₹ 10 each | 4.20 | 1.96 |
| | Lotus Chcolates Ltd<br>56,800 (March 31, 2022:56,800) Equity shares of ₹ 10 each | 84.53 | 63.23 |
| | NEPC Micon Ltd<br>200 (March 31, 2022:200) Equity shares of ₹ 10 each | 0.01 | 0.02 |
| | BNR Udyog Ltd<br>500 (March 31, 2022:500) Equity shares of ₹ 10 each | 0.03 | 0.03 |
| | Consom Biotech Ltd<br>300 (March 31, 2022:300) Equity shares of ₹ 10 each | 0.02 | 0.02 |
| | Neha International Ltd<br>1,700 (March 31, 2022:1,700) Equity shares of ₹ 10 each | 0.13 | 0.13 |
| | Indo Wind Energy Ltd<br>42,000 (March 31, 2022:42,000) Equity shares of ₹ 10 each | 4.78 | 7.24 |
| | Nazara Technologies Ltd<br>469 (March 31,2022:Nil) Equity share of ₹ 10 each | 3.11 | 7.05 |
| | | **15,474.02** | **12,303.70** |
| | **(b) Equity instruments (partly paid up)** | | |
| | Surya Jyothi Spinning Mills Ltd<br>100 (March 31, 2022:100) Equity shares of ₹ 10 each | 0.01 | 0.01 |
| | **Total of equity Instruments** | **0.01** | 0.01 |
| | **Un quoted** | | |
| | **In Subsidiary Companies** | | |
| | Investment with TGV Sodium & Electrolite Private Ltd<br>110,000 (31st March, 2022:10000) Equity shares of ₹10/- each | 11.00 | 11.00 |
| | Investment with TGV Metals and Chemicals Private Ltd<br>50,000 (31st March,2022:0) Equity shares of ₹10/- each | 25.00 | 5.00 |
| | **In other Companies** | | |
| | MV Salts and Chemicals Private Ltd<br>1200000 (31st March,2022:Nill ) Equity shares of ₹10/-each | 645.54 | 574.33 |
| | | 681.54 | 590.33 |
| | **Total of equity instruments** | **16,155.57** | **12,894.04** |

## Notes to financial statements for the year ended 31st March, 2023

*(All amounts in ₹Lakhs, except otherwise stated)*

**Standalone**

| | | Particulars | As at 31st, March, 2023 | As at 31st, March, 2022 |
|---|---|---|---|---|
| **(B)** | **(i)** | **Investment in Venture Capital Funds at fair value through Profit & Loss** | | |
| | | IIFL Wealth Finance Ltd | 451.28 | 375.00 |
| | | Blume Ventures Fund 1X | 1033.51 | 778.73 |
| | | TVS Shriram Growth Fund 3 | 621.73 | 350.00 |
| | | Sixth sense India opportunites-iii | 438.48 | 290.73 |
| | | Inflexor Technology Fund | 341.83 | 241.00 |
| | | Care Health Insurance Ltd | 69.77 | 100.00 |
| | | Avendus future leaders fund II | 564.97 | 325.00 |
| | | Epiq capital ii | 213.83 | 100.00 |
| | | Gaja capital india fund 2020 | 406.21 | 100.00 |
| | | Blume ventures india fund iv | 174.76 | 100.00 |
| | | Fireside Ventures Investment Fund III | 44.77 | - |
| | | Fearing Capital Growth Fund III | 155.00 | - |
| | | **Total Venture capital fund** | **4,516.14** | **2,760.46** |
| **(B)** | **(ii)** | **Investments through Fair value through profit and loss** | | |
| | | Quant multi asset fund | 183.82 | 175.80 |
| | | Quant small cap fund | 197.09 | 184.53 |
| | | Quant mid cap fund | 184.27 | 183.72 |
| | | Quant Active fund | 171.98 | 186.26 |
| | | **Total Mutual fund** | **737.16** | **730.31** |
| **(C)** | **Investments at cost** | | **0.10** | **0.10** |
| | National Saving Certificates | | 0.10 | 0.10 |
| | **Total non-current investments** | | **21,408.97** | **16,384.91** |
| | **Summary : Aggregate amount of** | | | |
| | Quoted investments at market value thereof | | 15,474.03 | 12,303.71 |
| | Un-quoted investments | | 681.54 | 590.33 |
| | Venture capital Funds | | 4,516.14 | 2,760.46 |
| | Mutual Funds | | 737.16 | 730.31 |
| | Investments at cost | | 0.10 | 0.10 |
| | **Total** | | **21,408.97** | **16,384.91** |

### NOTE 6: OTHER NON-CURRENT FINANCIAL ASSETS

| Particulars | As at 31st, March, 2023 | As at 31st, March, 2022 |
|---|---|---|
| Security deposits with Government authorities | 33.03 | 32.92 |
| Deposits with related parties | 226.19 | 369.88 |
| Others | 2.85 | 31.81 |
| **Total** | **262.07** | **434.61** |

## Notes to financial statements for the year ended 31st March, 2023

*(All amounts in ₹Lakhs, except otherwise stated)*

**Standalone**

### NOTE 7: OTHER NON-CURRENT ASSETS

| Particulars | As at 31st, March, 2023 | As at 31st, March, 2022 |
|---|---|---|
| **Advances for capital assets** | | |
| Capital Advances | 47.43 | 131.90 |
| **Advances other than capital assets** | | |
| Prapaid rental deposit | 109.72 | - |
| **Total** | **157.14** | **131.90** |

### NOTE 8: INVENTORIES

| Particulars | As at 31st, March, 2023 | As at 31st, March, 2022 |
|---|---|---|
| Raw materials | 2,699.89 | 2,978.88 |
| Work-in-progress | 89.95 | 197.88 |
| Finished goods | 8,002.43 | 6,824.36 |
| Stores and spares, Chemicals, fuel and packing materials | 995.67 | 731.44 |
| Goods in transit | 788.78 | 857.23 |
| Stock in trade real estate properties (Plots) | - | 2,808.19 |
| **Total** | **12,576.71** | **14,397.98** |

### NOTE 9: TRADE RECEIVABLES

| Particulars | As at 31st, March, 2023 | As at 31st, March, 2022 |
|---|---|---|
| Unsecured and considered good | 14,897.14 | 13,207.76 |
| Unsecured and considered doubtful | 67.29 | 67.29 |
| | **14,964.43** | **13,275.05** |
| Expected credit loss allowance (allowance for bad anddoubtful debts)** | (67.29) | (67.29) |
| **Total trade receivables** | **14,897.14** | **13,207.76** |

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 experience 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.

## Notes to financial statements for the year ended 31st March, 2023

*(All amounts in ₹Lakhs, except otherwise stated)*

**Standalone**

**NOTE 9 : Trade receivables (Cont..)**

**Trade receivables Ageing Schedule as at March 31, 2023**

| Particulars | Current but not due | < 6 months | 6 months -1 year | 1-2 Year | 2-3 Year | > 3 Year | Total |
|---|---|---|---|---|---|---|---|
| Undisputed Trade Receivables | | | | | | | |
| - Considered Good | 8,038.65 | 4,502.58 | 2,423.20 | - | - | - | **14,964.43** |
| Which have significant increase in Credit Risk | | | | | | | |
| Credit Impaired | | | | | | | |
| Disputed Trade Receivables - Considered Good | | | | | | | |
| Which have significant increase in Credit Risk | | | | | | | |
| Credit Impaired | | | | | | | |
| **Total** | **8,038.65** | **4,502.58** | **2,423.20** | **-** | **-** | **-** | **14,964.43** |

**Trade receivables Ageing Schedule as at March 31, 2022.**

| Particulars | Current but not due | < 6 months | 6 months -1 year | 1-2 Year | 2-3 Year | > 3 Year | Total |
|---|---|---|---|---|---|---|---|
| Undisputed Trade Receivables | | | | | | | |
| - Considered Good | 5,535.38 | 5,314.21 | 2,425.47 | - | - | - | **13,275.06** |
| Which have significant increase in Credit Risk | | | | | | | |
| Credit Impaired | | | | | | | |
| Disputed Trade Receivables - Considered Good | | | | | | | |
| Which have significant increase in Credit Risk | | | | | | | |
| Credit Impaired | | | | | | | |
| **Total** | **5,535.38** | **5,314.21** | **2,425.47** | | | | **13,275.06** |

**Expected credit loss**

| **Aging :** | **As at 31st, March, 2023** | As at 31st, March, 2022 |
|---|---|---|
| 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% |

**Aging of receivables**

| **Particulars** | **As at 31st, March, 2023** | As at 31st, March, 2022 |
|---|---|---|
| With credit period | 8,038.65 | 5,535.39 |
| Upto 60 days past due | 2,540.19 | 2,720.17 |
| 61-90 days past due | 737.41 | 1,282.24 |
| 91-180 days past due | 1,224.99 | 1,311.79 |
| more than 180 days past due | 2,423.20 | 2,425.47 |
| **Total trade receivables (before impairment allowance)** | **14,964.43** | 13,275.06 |

## Notes to financial statements for the year ended 31st March, 2023

*(All amounts in ₹Lakhs, except otherwise stated)*

**Standalone**

**Movement in expected credit loss allowance :**

| Particulars | As at 31st, March, 2023 | As at 31st, March, 2022 |
|---|---|---|
| **Balance at beginning of the year** | **67.29** | 67.29 |
| Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses | **-** | - |
| **Balance at end of the year** | **67.29** | 67.29 |

**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, 2023 | As at 31st, March, 2022 |
|---|---|---|
| Balances with banks | | |
| Current Account | **2,648.39** | 1,407.12 |
| Cash on hand | **1.54** | 6.39 |
| **Total** | **2,649.93** | 1,413.51 |

### NOTE 11: BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

| Particulars | As at 31st, March, 2023 | As at 31st, March, 2022 |
|---|---|---|
| Deposit's with bank including LC-Margin | **19,967.26** | 9,681.84 |
| Balances with banks in Current Account Earmarked for dividend | **256.25** | 233.90 |
| **Total** | **20,223.51** | 9,915.74 |

### NOTE 12: LOANS

| Particulars | As at 31st, March, 2023 | As at 31st, March, 2022 |
|---|---|---|
| Loans/advances to employees | 95.58 | 96.68 |
| Loans to Subsidiary | 1,191.75 | 0.00 |
| Total | **1,287.33** | 96.68 |

## Notes to financial statements for the year ended 31st March, 2023

*(All amounts in ₹Lakhs, except otherwise stated)*

**Standalone**

**NOTES: LOAN REPAYABLE ON DEMAND**

Loan to subsidiary is repayable on demand and the loan carries an interest rate of 9.50% per annum and interest payable quarterly basis

**NOTE 13: OTHER FINANCIAL ASSETS**

| Particulars | As at 31st, March, 2023 | As at 31st, March, 2022 |
|---|---|---|
| Other deposits | 225.82 | 31.79 |
| Insurance claim receivable | 1,040.50 | 3.33 |
| **Total** | **1,266.32** | **35.12** |

**NOTE 14: OTHER CURRENT ASSETS**

| Particulars | As at 31st, March, 2023 | As at 31st, March, 2022 |
|---|---|---|
| Amounts receivable and tax advances | 2,054.55 | 712.58 |
| Advance to related parties | 40.39 | 20.22 |
| Advance to suppliers & others | 1,120.99 | 8,173.53 |
| Prepaid expenses | 146.59 | 25.12 |
| Export incentives receivable | 80.02 | 172.74 |
| **Total** | **3,442.54** | **9,104.19** |

**NOTE 15: EQUITY SHARE CAPITAL**

| | Particulars | As at 31st, March, 2023 | As at 31st, March, 2022 |
|---|---|---|---|
| (a) | **Authorised :** | | |
| | 4,90,00,000 Equity shares of ₹10/- each (as at 31st March 2022 4,90,00,000 Equity shares of ₹10/- each) | **4,900.00** | 4,900.00 |
| | | **4,900.00** | 4,900.00 |
| (b) | **Issued, Subscribed and fully paid:** | | |
| | 1,71,64,821 Equity shares of ₹10/- each fully paid (as at 31st March 2022 1,71,64,821 Equity shares of ₹10/- each fully paid) | **1,716.48** | 1,716.48 |
| | **Total** | **1,716.48** | 1,716.48 |

## Notes to financial statements for the year ended 31st March, 2023

*(All amounts in ₹Lakhs, except otherwise stated)*

**Standalone**

**(i) Reconciliation of the number of equity shares outstanding**

| Particulars | As at 31st, March, 2023 | As at 31st, March, 2022 |
|---|---|---|
| **At the beginning of the year** | **17,164,821** | 17,164,821 |
| Add: Issued during the year | - | - |
| **At the end of the year** | **17,164,821** | 17,164,821 |

**(ii) Terms/ rights attached to equity shares**

The Company has only one class of equity shares having par value of ₹ 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.

**(iii) Details of shareholders holding more than 5% shares in the company**

| Name of the shareholder | As at 31st March, 2023 | | As at 31st March, 2022 | |
|---|---|---|---|---|
| | No.of shares | % of total shares | No.of shares | % of total shares |
| Gowri Gopal Hospitals Pvt Ltd | 3742639 | 21.80% | 3742639 | 21.80% |
| Sree Rayalaseema Galaxy Projects Pvt Ltd | 1513989 | 8.82% | 1513989 | 8.82% |
| TGV Projects and Investments Pvt Ltd | 2619400 | 15.26% | 2619400 | 15.26% |

**(iv) Shares held by promoters at the end of the year**

| Name of the Promoter | Year ended 31st March, 2023 | | | Year ended 31st March, 2022 | | |
|---|---|---|---|---|---|---|
| | No.of shares | % of total shares | % change during the year | No.of shares | % of total shares | % change during the year |
| Gowri Gopal Hospitals Pvt Ltd | 3,742,639 | 21.80% | - | 3,742,639 | 21.80% | 0.43% |
| Sree Rayalaseema Galaxy Projects Pvt Ltd | 1,513,989 | 8.82% | - | 1,513,989 | 8.82% | - |
| TGV Projects and Investments Pvt Ltd | 2,619,400 | 15.26% | - | 2,619,400 | 15.26% | 1.25% |
| T G V Securities Pvt Ltd | 656,414 | 3.82% | - | 656,414 | 3.82% | - |
| Sree Rayalaseema Dutch Kassenbouw Pvt Ltd | 499,422 | 2.91% | - | 499,422 | 2.91% | - |
| Brilliant Industries Pvt Ltd | 9,042 | 0.05% | - | 9,042 | 0.05% | -1.68% |
| T G V SRAAC Ltd | 244,749 | 1.43% | - | 244,749 | 1.43% | - |
| T G Bharath | 515,737 | 3.00% | - | 515,737 | 3.00% | - |
| T G Shilpa Bharath | 425,714 | 2.48% | - | 425,714 | 2.48% | - |
| T G Rajyalakshmi | 415,744 | 2.42% | - | 415,744 | 2.42% | - |
| Boda Mourya | 488 | 0.00% | - | 488 | 0.00% | - |
| Jyothsna S Mysore | 7,047 | 0.04% | - | 7,047 | 0.04% | - |
| TGV Industries Private Ltd | 8,000 | 0.05% | - | 8,000 | 0.05% | - |

## Notes to financial statements for the year ended 31st March, 2023

*(All amounts in ₹Lakhs, except otherwise stated)*

**Standalone**

**(v) Dividends declared and Paid:**

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| During the FY 2022-23: The shareholders of the Company at its 17th Annual General Meeting held on 29th September, 2022 approved payment of dividend of ₹ 3.50/- per share of Face value of ₹10/- (35%) for the year ended 31st March, 2022, and dividend also paid during the year | 600.95 | - |
| During the FY 2021-22: The shareholders of the Company at its 16th Annual General Meeting held on 30th September, 2021 approved payment of dividend of ₹ 3.00/- per share of Face value of ₹10/- (30%) for the year ended 31st March, 2021, and dividend also paid during the year | - | 514.94 |

**NOTE 16: OTHER EQUITY**

| Particulars | | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|---|
| Share premium | (i) | **3,026.59** | 3,026.59 |
| Retained earnings | (ii) | **54,043.51** | 39,212.51 |
| Other reserve (a+b) | (iii) | **2,762.75** | 2,762.75 |
| Reserve for other comprehensive income items | (iv) | **13,555.11** | 10,313.44 |
| **Total** | | **73,387.96** | **55,315.29** |

**Reserves and Surplus**

**(i) Share premium**

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Opening Balance | **3,026.59** | 3,026.59 |
| Add: Addition on preferential issue during the year | **0.00** | 0.00 |
| **Closing Balance** | **3,026.59** | 3,026.59 |

**(ii) Retained earnings**

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Opening balance | 39,212.51 | 29,448.85 |
| Add: Net profit for the year | 15,431.95 | 10,278.60 |
| Less: Payment of Dividend and dividend distribution tax (FY2021-22) | (600.95) | (514.94) |
| **Closing balance** | **54,043.51** | **39,212.51** |

## Notes to financial statements for the year ended 31st March, 2023

*(All amounts in ₹Lakhs, except otherwise stated)*

**Standalone**

**(iii) Other Reserve**

**A. General reserve**

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Opening balance | **334.09** | 334.09 |
| **Closing balance** | **334.09** | **334.09** |

**B. Amalgamation reserve**

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Opening balance | 2,428.67 | 2,428.67 |
| **Closing balance** | **2,428.67** | **2,428.67** |

| | | |
|---|---|---|
| **C. Total of other reserves (A+B)** | **2,762.75** | **2,762.75** |

**(iv) Reserve for other comprehensive income items**

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Change in fair value of FVOCI - equity & preference instruments (Net of taxes) | | |
| - Balance at the beginning of the year | 10,372.36 | 1,813.54 |
| - Net gains/(losses) on FVTOCI securities during the year | 3,241.52 | 8,558.82 |
| - Closing balance | **13,613.88** | **10,372.36** |
| Other Comprehensive income arising from actuarial gain/loss on defined benefit obligation (Net of taxes) | | |
| - Balance at the beginning of the year | (58.92) | 32.22 |
| - Gains/(losses) on arising from actuarial gain/loss on gratuity | 0.15 | (91.14) |
| - Closing balance | (58.77) | (58.92) |
| **Total** | **13,555.11** | **10,313.44** |

**Nature and purpose of other reserves**

**General Reserve**

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.

## Notes to financial statements for the year ended 31st March, 2023

*(All amounts in ₹Lakhs, except otherwise stated)*

**Standalone**

**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.

**NOTE 17: BORROWINGS**

| | Particulars | As at 31st, March, 2023 | As at 31st, March, 2022 |
|---|---|---|---|
| A. | **Non-current borrowings** | | |
| | **Secured** | | |
| | **Term Loans** | | |
| | For vehicles from bank | - | 29.27 |
| | **Non Current Portion** | **-** | **29.27** |
| B. | **Current borrowings** | | |
| | **Secured** | | |
| | Working capital demand loans | **841.99** | 1,832.90 |
| | **Current Portion** | **841.99** | 1,832.90 |

C There are no default as at 31st March, 2023 and 31st March 2022 in repayment of loans and interest payments on Banks.

**D Terms of repayment for total loans**

| Particulars | As at 31st, March, 2023 | As at 31st, March, 2022 |
|---|---|---|
| **Vehicle loans** | | |
| EMI of ₹ 1,94,635 payable up to Jun,2024, ROI @ 8.50% | **27.56** | **47.46** |

**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 thier individual capacities

**NOTE 18: OTHER NON-CURRENT FINANCIAL LIABILITIES**

| Particulars | As at 31st, March, 2023 | As at 31st, March, 2022 |
|---|---|---|
| Security deposits from customers | **118.25** | 127.99 |
| Total | **118.25** | 127.99 |

## Notes to financial statements for the year ended 31st March, 2023

*(All amounts in ₹Lakhs, except otherwise stated)*

**Standalone**

### NOTE 19: LEASE LIABILITIES

| Particulars | As at 31st, March, 2023 | As at 31st, March, 2022 |
|---|---|---|
| Lease liabilities (Refer Note.43) | **607.13** | 794.41 |
| Total | **607.13** | 794.41 |

Refer Note 43 for movement of lease liabilities.

### NOTE 20: DEFERRED TAX ASSET

| Particulars | As at 31st, March, 2023 | As at 31st, March, 2022 |
|---|---|---|
| The balance comprises temporary differences attributable to: | | |
| **Deferred tax liabilities** | | |
| FVTPL Instruments | (301.71) | (74.01) |
| Unwinding of interest on assets discounted | (32.69) | (0.67) |
| Deferred government grant | 0.38 | (2.94) |
| Gratuity | 30.65 | 30.65 |
| **Less:** | | |
| **Deferred tax assets** | | |
| Property, plant and equipment | 630.04 | 418.24 |
| Borrowing costs measured at amortised cost | 36.16 | 1.28 |
| Provision for expected credit loss (ECL) | 18.89 | - |
| MAT Credit entitlement | 294.77 | 294.77 |
| **Net deferred tax asset (net)** | **676.49** | **667.32** |

**Reconciliation of net deferred tax assets**

| Particulars | As at 31st, March, 2023 | As at 31st, March, 2022 |
|---|---|---|
| Opening balance | 667.32 | 549.72 |
| Recognised in Statement of profit and loss during the year | 9.17 | 86.95 |
| Recognised in Other comprehensive income during the year - Gratuity | 0.00 | 30.65 |
| **Closing balance as at end of the year** | **676.49** | **667.32** |

## Notes to financial statements for the year ended 31st March, 2023

*(All amounts in ₹Lakhs, except otherwise stated)*

**Standalone**

### NOTE 21: GOVERNMENT GRANTS

| Particulars | As at 31st, March, 2023 | As at 31st, March, 2022 |
|---|---|---|
| Capital subsidy in solar projects | 83.96 | 89.96 |
| **Closing balance** | **83.96** | 89.96 |

### NOTE 22: LONG-TERM PROVISIONS

| Particulars | As at 31st, March, 2023 | As at 31st, March, 2022 |
|---|---|---|
| Gratuity (refer note 42) | 226.11 | 208.56 |
| **Total** | **226.11** | 208.56 |

### NOTE 23: TRADE PAYABLES

| Particulars | As at 31st, March, 2023 | As at 31st, March, 2022 |
|---|---|---|
| Micro, Small and Medium Enterprieses (Refer Note 48) | 119.43 | 73.72 |
| Others (refer note 47) | 6,909.96 | 7,633.35 |
| **Total** | **7,029.39** | **7,707.07** |

**Trade Payables Ageing Schedule as at March 31, 2023**

| Particulars | Unbilled dues | Current but not due | Outstanding for following periods from due date of payment | | | | Total |
|---|---|---|---|---|---|---|---|
| | | | < 1 | 1-2 Year | 2-3 Years | >3 Years | |
| Total outstanding dues of Micro and Small Enterprise | - | - | 119.43 | | | | 119.43 |
| Total outstanding dues of Creditors other than Micro and Small Enterprise | - | - | 6,909.96 | | | | 6,909.96 |
| Disputed outstanding dues of Creditors of Micro and Small Enterprise | - | - | | | | | |
| Disputed outstanding dues of Creditors other than Micro and Small Enterprise | | - | | | | | |
| **Total** | **-** | **-** | **7,029.39** | | | | **7,029.39** |

**Trade Payables Ageing Schedule as at March 31, 2022**

| Particulars | Unbilled dues | Current but not due | Outstanding for following periods from due date of payment | | | | Total |
|---|---|---|---|---|---|---|---|
| | | | < 1 | 1-2 Year | 2-3 Years | >3 Years | |
| Total outstanding dues of Micro and Small Enterprise | - | - | 73.72 | | | | 73.72 |
| Total outstanding dues of Creditors other than Micro and Small Enterprise | - | - | 7633.35 | | | | 7633.35 |
| Disputed outstanding dues of Creditors of Micro and Small Enterprise | - | - | | | | | |
| Disputed outstanding dues of Creditors other than Micro and Small Enterprise | | - | | | | | |
| **Total** | **-** | **-** | **7,707.07** | | | | **7,707.07** |

**Notes to financial statements for the year ended 31st March, 2023**
*(All amounts in ₹Lakhs, except otherwise stated)*
**Standalone**

### NOTE 24: OTHER CURRENT FINANCIAL LIABILITIES

| | Particulars | As at 31st, March, 2023 | As at 31st, March, 2022 |
|---|---|---|---|
| A | **Current maturities of long term debt** | | |
| | **Secured** | | |
| | From Banks | 27.56 | 18.19 |
| | **Un Secured** | | |
| | **Others** | | |
| | Unpaid dividend | 256.25 | 233.90 |
| | Security deposits - others | 109.35 | 102.83 |
| | Dealers commission payable | 593.06 | 878.83 |
| | Overseas commission | 17.87 | 11.07 |
| | Creditors for services availed | 316.25 | 564.29 |
| | Others | 21.09 | 17.48 |
| | Advance from related parties | 640.90 | - |
| | **Total** | **1,982.34** | **1,826.59** |

For terms of repayment and securities is refer note 17 (D)

### NOTE 25: LEASE LIABILITIES

| Particulars | As at 31st, March, 2023 | As at 31st, March, 2022 |
|---|---|---|
| Lease liabilities (Refer Note.43) | 119.90 | 131.51 |
| **Total** | **119.90** | **131.51** |

### NOTE 26: OTHER CURRENT LIABILITIES

| Particulars | As at 31st, March, 2023 | As at 31st, March, 2022 |
|---|---|---|
| Advances from customers | 2,613.15 | 7,297.77 |
| Statutory remittances | 60.93 | 249.56 |
| **Total** | **2,674.08** | **7,547.33** |

### NOTE 27: CURRENT PROVISIONS

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Employee benefits | **140.34** | 319.99 |
| **Total** | **140.34** | 319.99 |

## Notes to financial statements for the year ended 31st March, 2023

*(All amounts in ₹Lakhs, except otherwise stated)*

**Standalone**

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

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Current tax liability** | | |
| Provision for income tax | **14,458.21** | 10,832.71 |
| **Current tax asset** | | |
| Tax deducted at source & advance tax | **(14,046.63)** | (9,739.60) |
| **Closing balance liability (Net)** | **411.58** | **1,093.11** |

### NOTE 29: REVENUE FROM OPERATIONS

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|
| **Sale of manufactured products** | 86,793.34 | 78,731.65 |
| traded goods | 65,273.73 | 44,892.00 |
| plots | 8,060.15 | - |
| energy | 4,411.74 | 2,652.01 |
| **Other operating revenue** | | |
| Sale of scrap | 153.84 | 144.84 |
| Export incentives | 318.85 | 306.74 |
| **Total** | **165,011.65** | **126,727.24** |

Note : For disaggregation of revenue please refer note 48

### NOTE 30: OTHER INCOME

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|
| Insurance claim received | - | 99.53 |
| Net gains/(losses) on FVTPL instruments | 795.88 | 399.75 |
| Interest on bank and other deposits and customers | 907.34 | 444.72 |
| Rental income | 48.91 | 58.89 |
| Unwinding of interest on assets discounted | 2.84 | 2.65 |
| Profit on sale of investments/assets | 1,522.67 | 3.50 |
| Deferred government grant income | 6.00 | 6.00 |
| Gain on foreign exchange (net) | 138.70 | 34.55 |
| Other non operaing Incomes | 38.08 | 16.78 |
| Loss on sale of asset (net) | (49.48) | - |
| **Total** | **3,410.94** | 1,066.37 |

### NOTE 31: COST OF MATERIALS CONSUMED

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|
| Consumptions | | |
| Raw materials | 49,134.80 | 41,553.19 |
| Stores,spares,chemicals & packing materials | 8,116.53 | 7,909.89 |
| **Total** | **57,251.33** | **49,463.08** |

## Notes to financial statements for the year ended 31st March, 2023

*(All amounts in ₹Lakhs, except otherwise stated)*

**Standalone**

### NOTE 32 : PURCHASE OF STOCK IN TRADE

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|
| Purchase of stock-in-trade | **65,381.47** | 49,365.97 |
| **Total** | **65,381.47** | 49,365.97 |

### NOTE 33: CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|
| **Closing stock** | | |
| Finished goods | 8,791.21 | 7,681.48 |
| Stock-in-process | 89.95 | 197.98 |
| Stock-in-trade | - | 2,808.19 |
| **Total closing Stock: (A)** | **8,881.16** | 10,687.65 |
| **Opening stock** | | |
| Finished goods | 7,681.48 | 1,636.32 |
| Stock-in-process | 197.98 | 87.15 |
| Stock-in-trade | 2,808.19 | |
| **Total Opening stock** | **10,687.65** | 1,723.47 |
| Transferred from investment property to stock in trade | - | 2,808.19 |
| **Total stock: (B)** | **10,687.65** | 4,531.66 |
| Total changes in inventories of work-in-progress, stock-in-trade and finished goods: C(A-B) | (1,806.49) | 6,155.99 |

### NOTE 34: EMPLOYEE BENEFITS EXPENSE

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|
| Salaries, wages, bonus and allowances | 3,153.54 | 2,252.19 |
| Contribution to funds | 83.02 | 71.81 |
| Staff welfare expenses | 641.72 | 550.40 |
| **TOTAL** | **3,878.28** | 2,874.40 |

### NOTE 35: FINANCE COST

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|
| **Interest expenses** | | |
| On working capital loans/cash credits | 4.79 | 7.95 |
| Bank charges | 198.35 | 125.18 |
| On others | 135.08 | 106.94 |
| On lease liabilities | 136.74 | 80.75 |
| **Total** | **474.95** | 320.82 |

## Notes to financial statements for the year ended 31st March, 2023

*(All amounts in ₹Lakhs, except otherwise stated)*

**Standalone**

### NOTE 36: OTHER EXPENSES

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|
| Repairs & maintenance | 5,380.82 | 4,069.47 |
| Insurance | 169.72 | 202.89 |
| Rents | 30.35 | 192.54 |
| Travelling and conveyance | 110.15 | 36.07 |
| Printing and stationery | 6.48 | 3.58 |
| Postage telegrams and telephones | 25.52 | 17.37 |
| Freight outward & incidental expenses | 9,976.57 | 9,141.24 |
| Commission on sales | 1,050.05 | 1,466.84 |
| Advertisement | 11.64 | 2.60 |
| **Remuneration to auditors** | | |
| Statutory audit fees | 9.00 | 2.00 |
| Tax audit fees | 1.00 | 1.00 |
| **Professional expenses** | | |
| Cost audit fees | 0.60 | 0.60 |
| Secretarial audit fees | 0.70 | 0.70 |
| Security & other service charges | 1,007.60 | 938.77 |
| Legal expenses | 36.35 | 10.15 |
| Power and fuel | 53.79 | 55.84 |
| Other expenses | 111.76 | 24.77 |
| Corporate social responsibility expenses (Please see note 52) | 506.15 | 24.66 |
| Other selling expenses | 158.90 | 112.87 |
| **Total** | **18,647.13** | 16,303.96 |

## Notes to financial statements for the year ended 31st March, 2023

*(All amounts in ₹Lakhs, except otherwise stated)*

**Standalone**

### NOTE 37: TAX EXPENSES

| Particulars | **Year ended 31st March, 2023** | Year ended 31st March, 2022 |
|---|---|---|
| **a) Income tax expense** | | |
| Current tax on profits for the year | 3,625.50 | 3,507.02 |
| **Total current tax expenses** | **3,625.50** | 3,507.02 |
| **Deferred tax** | | |
| Decrease/(increase) in deferred tax assets | (265.57) | 33.42 |
| (Decrease)/increase in deferred tax liabilities | 256.40 | (151.03) |
| **Total deferred tax expense/(benefit)** | **(9.17)** | (117.61) |
| Recognised in Other comprehensive income | | |
| - Gratuity | - | (30.65) |
| Income tax expenses | 3,616.34 | 3,420.06 |

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, 2023** | Year ended 31st March, 2022 |
|---|---|---|---|
| **(A)** | **Net profit before taxes** | **19,048.28** | 13,698.65 |
| **(B)** | Applicable tax rate under normal provisions | **25.17%** | 25.17% |
| **(C)** | Tax payable under under provisions as per applicable rate = (A*B) | **4,794.07** | 3,447.68 |
| **(D)** | **Increase/decrease in tax on account of :** | | |
| | Depreciation as per books | 486.95 | 483.95 |
| | Depreciation as per income tax act, 1961 | (218.51) | (307.01) |
| | Expenses disallowed example CSR | 186.34 | 12.26 |
| | Section 43B | 16.18 | (5.50) |
| | Ind AS adjustments | (241.14) | (124.32) |
| | Income considered separately | (1,398.39) | - |
| | **Tax as per normal provision under Income Tax (C+D)** | **3,625.50** | 3,507.05 |

## Notes to financial statements for the year ended 31st March, 2023

*(All amounts in ₹Lakhs, except otherwise stated)*

**Standalone**

### NOTE 38: OTHER COMPREHENSIVE INCOME (OCI)

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|
| Re-measurement gains/(losses) on defined benefit plan | **0.15** | (121.79) |
| Tax effect on gains/(losses) on defined benefit plan | **(0.04)** | 30.65 |
| Net gains/(losses) on FVTOCI equity securities | **4,331.73** | 11,437.38 |
| Tax effect on FVTOCI equity securities | **(1,090.21)** | (2,878.56) |
| **Total** | **3,241.64** | 8,467.69 |

### NOTE 39: EARNING PER SHARE (EPS)

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|
| Basic earning per share (Face value ₹10/-) | | |
| Net profit after tax | 15431.95 | 10278.58 |
| Weighted Average Number of Equity Shares of ₹10/- each | 1,71,64,821 | 1,71,64,821 |
| Basic and diluted ₹ | 89.90 | 59.88 |

### NOTE 40: FAIR VALUE MEASUREMENTS

**Financial Instruments by category**

**The carrying value of financial instruments by categories as of March 31, 2023 is as follows :**

| Particulars | FVTPL | FVTOCI | Amortised cost | Total |
|---|---|---|---|---|
| ***Financial assets*** | | | | |
| Investments | | | | |
| Equity instruments | - | 16,119.56 | 36.00 | 16,155.56 |
| Government securities | - | - | 0.10 | 0.10 |
| Venture capital funds | 4,516.14 | - | - | 4,516.14 |
| Mutual funds | 737.16 | - | - | 737.16 |
| Trade receivables | - | - | 14,897.14 | 14,897.14 |
| Cash and cash equivalents | - | - | 2,649.93 | 2,649.93 |
| Bank balances other than Cash and cash equivalents | - | - | 20,223.51 | 20,223.51 |
| Loans | | | 1,287.33 | 1,287.33 |
| Other financial assets | - | - | 1,528.39 | 1,528.39 |
| **Total Financial assets** | **5,253.30** | **16,119.56** | **40,622.40** | **61,995.27** |
| Financial liabilities | | | | |
| Borrowings | - | - | 869.55 | 869.55 |
| Trade payables | - | - | 7,029.39 | 7,029.39 |
| Other financial liabilities | - | - | 2,073.03 | 2,073.03 |
| **Total Financial liabilities** | **-** | **-** | **9,971.97** | **9,971.97** |

## Notes to financial statements for the year ended 31st March, 2023

*(All amounts in ₹Lakhs, except otherwise stated)*

**Standalone**

**The carrying value of financial instruments by categories as of March 31, 2022 is as follows:**

| Particulars | FVTPL | FVTOCI | Amortised cost | Total |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Investments | | | | |
| Equity instruments | - | 12,878.03 | 16.00 | 12,894.03 |
| Government securities | - | - | 0.10 | 0.10 |
| Venture capital funds | 2,760.46 | - | - | 2,760.46 |
| Mutual funds | 730.31 | - | - | 730.31 |
| Trade receivables | | - | 13,207.76 | 13,207.76 |
| Cash and cash equivalents | - | - | 1,413.51 | 1,413.51 |
| Bank balances other than Cash and cash equivalents | - | - | 9,915.74 | 9,915.74 |
| Loans | - | - | 96.68 | 96.68 |
| Other financial assets | - | - | 469.73 | 469.73 |
| **Total Financial assets** | **3,490.77** | **12,878.03** | **25,119.52** | **41,488.32** |
| Financial liabilities | | | | |
| Borrowings | - | - | 1,862.17 | 1,862.17 |
| Trade payables | - | - | 7,707.07 | 7,707.07 |
| Other financial liabilities | - | - | 1,954.58 | 1,954.58 |
| **Total Financial liabilities** | **-** | **-** | **11,523.82** | **11,523.82** |

**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 2022:

| Fair value measurement using | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **Financial assets** | | | | |
| ***Financial instruments at FVTOCI*** | | | | |
| Financial instruments at FVTOCI | | | | |
| Investment in quoted equity instruments | 16,119.56 | - | - | 16,119.56 |
| Investment in mutual funds | 737.16 | | | 737.16 |
| Investment in venture capital funds | 4,516.14 | | - | 4,516.14 |
| Investment property | - | 1,324.71 | - | 1,324.71 |
| **Total Financial assets** | **21,372.86** | **1,324.71** | **-** | **22,697.57** |
| Quantitative disclosures fair value measurement hierarchy for assets as at 31st March 2022: | | | | |
| Fair value measurement using | | | | |
| **Financial assets** | | | | |
| ***Financial instruments at FVTOCI*** | | | | |
| Investment in quoted equity instruments | 12,878.03 | - | - | 12,878.03 |
| Investment in mutual funds | 730.31 | | | 730.31 |
| Investment in venture capital funds | 2,760.46 | | | 2,760.46 |
| Investment property | - | - | - | - |
| Total financial assets | 16,368.80 | - | - | 16,368.80 |
| **Total Financial assets** | **5,034.22** | **5,099.22** | **-** | **9,418.44** |

**Notes to financial statements for the year ended 31st March, 2023**

*(All amounts in ₹Lakhs, except otherwise stated)*

**Standalone**

**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.

**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.

**Notes to financial statements for the year ended 31st March, 2023**
*(All amounts in ₹Lakhs, except otherwise stated)*

**Standalone**

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

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Total Debt*** | **27.56** | **47.46** |
| Equity share capital | 1,716.48 | 1,716.48 |
| Other equity | 73,387.96 | 55,315.29 |
| Total equity | 75,104.44 | 57,031.77 |
| Total debt to Total equity ratio | 0.0003 | 0.0008 |

*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 Cheif 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 uncertainities about future value of the investment secutities. The Company's non-current investment in equity shares are strategic investments and hence are considered as Fair Value through Other Comprehensive Income. The Company's Board of Directors reviews and approves all equity investment decisions.

**Foreign currency risk management**

The Company operates internationally and is exposed to foreign currency risk arising from foreign currency transactions, primarily with respect to the US$. 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.

## Notes to financial statements for the year ended 31st March, 2023

*(All amounts in ₹Lakhs, except otherwise stated)*

**Standalone**

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 veiw 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, 2023 | | As at 31st March, 2022 | |
|---|---|---|---|---|
| | Currency | Amount in FC | Currency | Amount in FC |
| Receivables for export | USD | 44.24 | USD | 25.00 |
| Payables for imports | USD | 56.04 | USD | 76.56 |

***Foreign currency sensitivity analysis***

The Company is mainly exposed to USD.

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, 2023 | As at 31st March, 2022 |
|---|---|---|
| **USD sensitivity** | | |
| increase by 5% | (47.17) | (195.43) |
| decrease by 5% | 47.17 | 195.43 |

***Interest rate risk management***

Interest rate risk is the risk that the fair value or future cash flows of a financial intruments 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, 2023**
*(All amounts in ₹Lakhs, except otherwise stated)*
**Standalone**

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

| | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| 50 base points higher | - | (0.24) |
| 50 base points lower | - | 0.24 |

### 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 Receivbles 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, 2023

*(All amounts in ₹Lakhs, except otherwise stated)*

**Standalone**

**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, 2023** | | | | | |
| Bank borrowings | - | - | 27.56 | - | 27.56 |
| Others - Security deposits | 118.25 | - | - | - | 118.25 |
| **Total non-current financial liabilities** | **118.25** | **-** | **27.56** | **-** | **145.81** |
| Current borrowings | - | 841.99 | - | - | 841.99 |
| Trade payables | - | 7,029.39 | - | - | 7,029.39 |
| Other current financial liabilities | - | 1,954.78 | - | - | 1,954.78 |
| **Total current financial liabilities** | **-** | **9,826.15** | **-** | **-** | **9,826.15** |
| **Total** | **118.25** | **9,826.15** | **27.56** | **-** | **9,971.97** |
| **As at 31st March, 2022** | | | | | |
| Bank borrowings | - | - | 47.46 | - | 47.46 |
| Others - Security deposits | 127.99 | - | - | - | 127.99 |
| **Total non-current financial liabilities** | **127.99** | **-** | **47.46** | **-** | **175.45** |
| Current borrowings | - | 1,832.90 | - | - | 1,832.90 |
| Trade payables | - | 7,707.07 | - | - | 7,707.07 |
| Other current financial liabilities | - | 1,826.59 | - | - | 1,826.59 |
| **Total current financial liabilities** | **-** | **11,366.56** | **-** | **-** | **11,366.56** |
| **Total** | **127.99** | **11,366.56** | **47.46** | **-** | **11,542.01** |

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 |
| Borrowings and Financial liabilities | Liquidity risk | Rolling cash flow forecasts | Availability of committed credit lines and borrowing facilities |

### 42. CONTINGENT LIABILITIES AND COMMITMENTS:
**(to the extent not provided for)**

| Particulars | Year Ended 31st March, 2023 | Year Ended 31st March, 2022 |
|---|---|---|
| **Contingent liabilities** | | |
| a) Claims against company not acknowledged as debts (Income tax dues under dispute and GST under dispute pending in Appeal) | **149.59** | 50.79 |
| b) Guarantees issued by banks on behalf of the Company and outstanding at end of the year | **152.27** | 12,261.33 |
| **Commitments** | | |
| a) Unexpired letters of credit established by the Company | **4,607.05** | 6,159.11 |

## Notes to financial statements for the year ended 31st March, 2023

*(All amounts in ₹Lakhs, except otherwise stated)*

**Standalone**

### 43. EMPLOYEE BENEFITS:

**A) Defined contribution plans**

Employees contribution to provident fund and employees state insurance (ESI) 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 (Lic) 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 Acturial Valuation:

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|
| **Changes in present value of obligations** | | |
| Present value at the beginning of the year | 388.26 | 246.44 |
| Interest cost | 26.06 | 16.18 |
| Current Service Cost | 28.99 | 18.93 |
| Cost PSC - Vested | | 0.00 |
| Benefits paid | (23.14) | (15.09) |
| Actuarial (gain)/loss on obligations | 1.29 | 121.79 |
| Present value at the end of the year | 421.47 | 388.26 |
| **Changes in fair value of planned assets** | | |
| Fair value of plan assets at the beginning of the year | 181.08 | 162.16 |
| Expected return on plan assets | 12.07 | 11.06 |
| Contributions | 23.90 | 21.85 |
| Benefits paid | (23.14) | (15.09) |
| Actuarial (gain)/loss on planned assets | 1.44 | 1.09 |
| Fair value of plan assets at the end of the year | 195.36 | 181.08 |
| **Amount recognized in the balance sheet*** | | |
| Present value of obligations as at the end of year | 421.47 | 388.26 |
| Fair value of plan assets as at the end of year | 195.36 | 181.08 |
| Net asset/(liability) recognized in balance sheet | 226.11 | 207.17 |
| **Expenses recognized in Statement of Profit and Loss** | | |
| Current service cost | 28.99 | 18.93 |
| Interest cost | 26.07 | 16.18 |
| **Expected return on plan assets** | 12.07 | 11.05 |
| Total Acturial Gain/Loss. | 1.44 | 1.09 |
| **Amount recognised in Other ComprehensiveIncome*** | | |
| **Actuarial (gain)/ loss on obligations** | 1.29 | 121.79 |
| **Actuarial (gain)/loss - plan assets** | 1.44 | 1.09 |
| **Actuarial (gain)/loss recognized in the year** | 1.44 | 1.09 |

## Notes to financial statements for the year ended 31st March, 2023

*(All amounts in ₹Lakhs, except otherwise stated)*

**Standalone**

### 44. LEASES:

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.

**The changes in the carrying value of ROU assets for the year ended 31st March, 2022 are as follows:**

| Particulars | Buildings ₹ |
|---|---|
| Balance as at 1st April 2022 | 736.13 |
| Amortisation | 231.04 |
| Balance as at 31st March, 2023 | 505.09 |

**The break-up of current and non-current lease liabilities as at 31st March, 2023 is as follows**

| Particulars | As at 31st March, 2023 |
|---|---|
| Current lease liabilities | **111.90** |
| Non- Current lease liabilities | **607.13** |
| **Total** | **727.03** |

**The movement in lease liabilities during the year ended 31st March, 2023 is as follows:**

| Particulars | Buildings |
|---|---|
| Balance as at 1st April 2022 | **925.91** |
| Add: Finance cost during the year | **136.73** |
| Less: Payment during the year | **(335.61)** |
| Balance as at 31st March, 2022 | **727.03** |

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, 2023 |
|---|---|
| (i) Not later than one year | **352.04** |
| (ii) Later than one year and not later than five years | **972.89** |
| (iii)Later than five years | **973.38** |

## Notes to financial statements for the year ended 31st March, 2023

*(All amounts in ₹Lakhs, except otherwise stated)*

**Standalone**

**B. The total future receivables on lease Receipts are detailed hereunder:**

| Particulars | Year ended 31st March, 2023 |
|---|---|
| (i) Not later than one year | **57.39** |
| (ii) Later than one year and not later than five years | **226.10** |
| (iii)Later than five years | **Nil** |

**C. Lease receipts recognized in the Profit and Loss Account is ₹48.91 Lakhs during the year ended March 31, 2023.**

**45. SEGMENT REPORTING:**

Ind AS 108, Operating segments, establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographical areas and major customers. The Company's operations predominantly relate to manufacturing of chemicals, real estate, trading of coal and power generation. The Chief Operating Decision Making (CODM) evaluates the company's performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented along business segments.The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segements, and are as set out in the accounting policies.

| Particulars | **Year ended 31st March, 2023** | Year ended 31st March, 2022 |
|---|---|---|
| Segment revenue | | |
| a) Chemicals | 87,345.17 | 79,183.23 |
| b) Real Estate | 8,060.15 | - |
| c) Trading | 71,775.64 | 46,172.07 |
| d) Power generation | 9,499.04 | 4,696.83 |
| e) unallocated | 3,410.94 | 1,066.38 |
| **TOTAL** | **1,80,090.92** | **1,31,118.50** |
| Less: Inter segment revenue | (11,668.34) | (3,324.88) |
| Net Sales/Income from Operations | **1,68,422.59** | **1,27,793.62** |
| **Segment Results Profit/(Loss)** | | |
| **Before tax and interest:** | | |
| a) Chemicals | 9,611.82 | 10,906.67 |
| b) Real Estate | 4,033.10 | - |
| c) Trading | 1,147.42 | 1,336.41 |
| d) Power generation | 1,048.13 | 710.03 |
| e) unallocated | 3,410.94 | 1,066.38 |
| **TOTAL** | **19,251.41** | **14,019.49** |
| Less: Interest Expenses | (203.14) | (320.82) |
| **Total Profit before Tax** | **19,048.28** | **13,698.65** |

## Notes to financial statements for the year ended 31st March, 2023

*(All amounts in ₹Lakhs, except otherwise stated)*

**Standalone**

| | | |
|---|---|---|
| **Segment assets** | | |
| a) Chemicals | 58,014.00 | 52,888.46 |
| b) Tranding | 8,591.59 | 7,060.28 |
| c) Power generation | 3,897.99 | 2,406.79 |
| d) Others | 21,408.97 | 16,384.91 |
| **TOTAL** | **91,912.52** | **78,740.45** |
| **Segment liabilities** | | |
| a) Chemicals and trading | 12,439.25 | 15,325.89 |
| b) Trading | 4,368.84 | 6,381.03 |
| c) Power generation | - | 1.75 |
| d) Others | - | - |
| **TOTAL** | **16,808.09** | **21,708.66** |

**46. RELATED PARTY DISCLOSURES**

As required under Ind As 24, Related Party disclosures, the following are the related parites identified, transactions with such related parties during the year ended 31st March, 2022 and the balances as on that date are given below:

| 1. | **Related Parties** | Transactions during the year |
|---|---|---|
| 1.1 | **Subsidiary Companies** | |
| | TGV Sodium & Electrolite Private Limited | Yes |
| | TGV metals and chemicals 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 Industries Private Limited | Yes |
| | TGV Industries Private Limited | Yes |
| | M V SALTS and chemicals Private Limited | Yes |
| 1.5 | **Key Managerial Personnel** | |
| | T G Bharath – CMD | Yes |
| | V Surekha – Company Secretary | Yes |
| | ShaikIfthekhar Ahmed – Chief Financial Officer | Yes |

## Notes to financial statements for the year ended 31st March, 2023

*(All amounts in ₹Lakhs, except otherwise stated)*

**Standalone**

**a. Transactions during the year: 2022-23**

| 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 | 20.00 | Nil | Nil | Nil | Nil |
| Redemption of investments (CRPS) | Nil | Nil | Nil | Nil | Nil |
| Net loans and advances given / received | Nil | Nil | Nil | Nil | Nil |
| Revenue from operations | Nil | Nil | Nil | 12700.78 | Nil |
| Purchase of raw material / Material consumed | Nil | Nil | Nil | 20627.94 | Nil |
| Employee benefits | Nil | 890.89 | Nil | Nil | 911.27 |
| Rent | Nil | 53.15 | 56.19 | 223.20 | Nil |
| Services Received | Nil | 118.00 | 118.00 | 242.65 | Nil |
| Services Rendered | Nil | Nil | Nil | 242.65 | Nil |
| Rental Deposit | Nil | Nil | Nil | Nil | Nil |

**b. Outstanding balances**

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|
| Advances to related parties | 40.39 | 20.22 |
| Other Current financial liability | 640.39 | 13.69 |
| Other Non Current financial Assets | 209.88 | 209.88 |
| Rental Deposit to Key Managerial Personnel (KMP) and Relative of KMP | 160.00 | 160.00 |

**47. Related Party Disclosures**

**a. Transactions during the year 2021-22 :**

| 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 | 15.00 | Nil | Nil | Nil | Nil |
| Redemption of investments(CRPS) | Nil | Nil | Nil | Nil | Nil |
| Net loans and advances given / received | Nil | Nil | Nil | | Nil |
| Revenue from operations | Nil | Nil | Nil | 5257.51 | Nil |
| Purchase of raw material / Material consumed | Nil | Nil | Nil | 18632.72 | Nil |
| Employee benefits | Nil | 713.89 | Nil | Nil | 17.56 |
| Rent | Nil | 57.01 | 63.14 | 252.24 | Nil |
| Services Received | Nil | 259.60 | 259.60 | 687.99 | Nil |
| Services Rendered | Nil | Nil | Nil | 149.46 | Nil |
| Rental Deposit | Nil | Nil | Nil | Nil | Nil |

## Notes to financial statements for the year ended 31st March, 2023

*(All amounts in ₹Lakhs, except 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 31st March,2023 | For the year ended 31st March,2022 |
|---|---|---|---|
| TGV SRAAC Ltd | Purchases | 15676.11 | 14,350.21 |
| | Sales | 12395.77 | 4905.41 |
| | Lease Rentals | 6.55 | 7.87 |
| | Services rendered | 242.65 | 149.46 |
| | Services received | - | 39.09 |
| Gowri Gopal Hospitals Pvt Limited | Purchases | 1.74 | 1.83 |
| | Sales | 88.39 | 3.16 |
| | Lease Rentals | 16.14 | 19.05 |
| | Serivces Received | 56.23 | 31.32 |
| TGV Projects and Investments Pvt Ltd., | Purchases | 9.79 | 0.00 |
| | Sales | 178.97 | 2.48 |
| | Lease Rentals | 200.51 | 225.32 |
| | Serivces Received | 134.68 | 122.36 |
| SreeRayalaseema Galaxy Projects Ltd., | Purchases | 23.86 | 22.26 |
| | Sales | 190.00 | 247.86 |
| | Serivces Received | 590.90 | 492.28 |
| TGV Industries Pvt Ltd., | Purchases | 4916.44 | 4258.42 |
| | Sales | 229.79 | 98.60 |
| | Rent received | 24.40 | 28.32 |
| GG ICU LLP | Services Received | 0.76 | 2.94 |
| Brilliant Industries Pvt Ltd., | Loan Given | 0.00 | 550.00 |
| | Loan Repaid | 0.00 | (1470.11) |
| TGV Metals and chemical Private Limited | Investment in the Shares capital | 20.00 | 5.00 |
| | Share application | 0.00 | 10.00 |
| | Rent Received | 0.00 | 1.50 |
| | Loan given | 1191.75 | 0.00 |
| Shri TG Venkatesh, | Rent paid | 56.19 | 63.14 |
| | Services Received | 118.00 | 259.60 |
| Shri. TG Bharath, Chairman and Managing Director | Rent paid | 53.15 | 57.01 |
| | Remuneration | 890.89 | 713.89 |
| | Employers Contribution to P.F. | 0.70 | 0.70 |
| | Services Received | 118.00 | 259.60 |
| Smt. V. Surekha Company Secretary | Remuneration | 9.08 | 8.14 |
| | Employers Contribution to P.F. | 0.22 | 0.20 |
| Sri S Ifthekhar Ahmed Chief Financial Officer | Remuneration | 10.16 | 9.02 |
| | Employers Contribution to P.F. | 0.22 | 0.20 |

## Notes to financial statements for the year ended 31st March, 2023

*(All amounts in ₹Lakhs, except otherwise stated)*

**Standalone**

### 47. INCOME AND EXPENDITURE IN FOREIGN CURRENCY

Earnings in Foreign currency

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| FOB value of exports | **24,777.13** | 23,921.55 |

**Expenditure in Foreign Currency**

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| i) Commission paid | **34.49** | 16.54 |
| ii) Freight and CFS | **6,296.87** | 4,887.33 |
| iii) Machinery and spares | **114.98** | 48.73 |
| iv) Fee and charges | **0.00** | 0.94 |
| v) Other | **46.37** | 1.82 |

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

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Raw Materials & Coal** | **29,770.49** | **39,357.40** |

### 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 Schedle III to the Companies Act, 2013 (the Act). As per the said regulations required information inrespect of MSMED entities are, as per information submitted by the suppliers to the company, furnished below:

| | Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|---|
| a) | Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end. (all dues are outstanding within appointed date) | **119.43** | 73.72 |
| b) | Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end; | - | - |
| c) | Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year | - | - |
| d) | Principal payment made to suppliers registered under the MSMED Act, beyond the appointed day during the year; | - | - |
| 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 | - | - |
| 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 | - | - |
| g) | Further interest remaining due and payable for even in succeeding years. | - | - |

## Notes to financial statements for the year ended 31st March, 2023

*(All amounts in ₹Lakhs, except otherwise stated)*

**Standalone**

**49. REVENUE FROM CONTRACTS WITH CUSTOMERS:**

The Company is producer of calcium hypochlorite, sulphuricacid, 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 recognizedbased 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.

**Disclosures as per IndAS-115, Revenue from Contracts with customers**

**A. Disaggregate revenue information**

| | Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|---|---|---|
| 1) | **Type of goods or service** | | |
| | Chemicals | 86,793.34 | 78,731.65 |
| | Real Estate | 8,060.15 | 0.00 |
| | Trading | 65,273.73 | 44,892.00 |
| | Power Generation | 4,411.74 | 2,652.01 |
| | Sale of Scrap | 153.84 | 144.84 |
| | Export Incentives | 318.85 | 306.74 |
| | **Total revenue from contracts with customers** | **1,65,011.65** | **1,26,727.24** |
| 2) | **Geographical** | | |
| | India | 1,16,687.75 | 95,760.80 |
| | Outside India | 48,323.90 | 30,966.44 |
| | **Total revenue from contracts with customers** | **1,65,011.65** | **1,26,727.24** |
| 3) | **Timing of revenue recognition** | | |
| | Sale on transfer of goods to customer at a point in time | 1,52,067.07 | 1,23,623.65 |
| | Service Income as and when services completed | 12,944.58 | 3,103.59 |
| | **Total revenue from contracts with customers** | **1,65,011.65** | **1,26,727.24** |

| | Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|---|---|---|
| 4) | **Revenue** | | |
| | External customer | 1,53,343.31 | 1,23,402.36 |
| | Inter-Unit | 11,668.34 | 3324.88 |
| | **Total revenue from contracts with customers** | **1,65,011.65** | **1,26,727.24** |
| 5) | **Contract balances** | | |
| | Trade receivables* | 14,897.14 | 13,207.76 |
| | Contract Liability Advances from Customers** | 6,238.65 | 7,297.77 |

* Trade receivables are non-interest bearing and on credit allowed to certain customers. There is no significant increase in trade receivable compared to last year. As on March 31, 2023, ₹67.29 lakhs (March 31, 2022 ₹67.29 lakhs) is recognised as allowance for doubtful debts.

** Contract liability represents short term advances received from customer to deliver the goods.

**B. Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price**

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|
| Revenue as per contracted price | 1,64,909.69 | 1,26,689.80 |
| Adjustments: | | |
| Sales return | 101.96 | 37.44 |
| Variable Consideration off invoice | 0.00 | 0.00 |
| Revenue from contract with customers | 1,65,011.65 | 1,26,727.24 |

**C. Reconciliation of the Revenue from Contracts with Customers with the amounts disclosed in the segment information:**

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|
| **Revenue** | | |
| External Sales | 1,65,011.65 | 1,26,727.24 |
| Inter Segment Revenue | 11,668.34 | 3,324.38 |
| **Total** | **1,76,679.99** | **1,30,051.62** |
| **Less: Inter Segment Revenue** | **11,668.34** | **3,324.38** |
| **Revenue from Operations** | **1,65,011.65** | **1,26,727.24** |

**D. Information about Receivables, Contract Assets and Contract Liabilities from Contracts with Customers:**

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|
| Trade Receivables | 14,897.14 | 13,207.76 |
| Contract Liabilities | 0.00 | |
| Advance from Customers | 6,238.65 | 7,297.77 |

## Notes to financial statements for the year ended 31st March, 2023

*(All amounts in ₹Lakhs, except otherwise stated)*

**Standalone**

**E. The transaction price allocated to the remaining performance obligation (unsatisfied or partially unsatisfied) as at Balance Sheet date are, as follows:**

| **Particulars** | **Refer Note No.** | **Year ended 31st March, 2023** | Year ended 31st March, 2022 |
|---|---|---|---|
| Advances from Customers | 25 | 6,238.65 | 7,297.77 |

Management expects that the entire transaction price allotted to the unsatisfied contract as at the end of the reporting period will be recognised as revenue during the next financial year Disclosures

**F. Information about Receivables, Contract Assets and Contract Liabilities from Contracts with Customers:**

| **Particulars** | **Refer Note No.** | **Year ended 31st March, 2023** | Year ended 31st March, 2022 |
|---|---|---|---|
| Trade Receivables | 09 | 14,897.14 | 13,207.76 |
| Advance from Customers | 25 | 6,238.65 | 7,297.77 |

**G. 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 ₹ 6,238.65 Lakhs out of which, 100% is expected to be recognized as revenues within one year.

**50. (A) Particulars of loans, guarantees or investments in accordance with section 186 of the companies act, 2013**

| Name of the entity to whom Relationship, loan/investment/guranee/ if any, of the security was given / made | Relationship, if any, of the entity with the Company | Amount of Investment ₹ in Lakhs | Particualrs of Investments made | Purpose for which the loan or guarantee or security is proposed to be utilized by the recipient. |
|---|---|---|---|---|
| TGV Metals and Chemicals Pvt. Ltd. | Partly owned Subsidiary | 25.00 | Investment in Equity | Not Applicable |
| | | 1191.75 | Unsecured Loan with Interest | Business |

**Notes to financial statements for the year ended 31st March, 2023**
*(All amounts in ₹Lakhs, except otherwise stated)*

**Standalone**

**B) Disclosures as required under Regulation 34 (3) of SEBI LODR (Regulations), 2015.**

| | Particulars | Balance as on | | Maximum Amount outstanding during the period | |
|---|---|---|---|---|---|
| | | **31.03.2023** | 31.03.2022 | **31.03.2023** | 31.03.2022 |
| a) | Loans and advances in the nature of loans to | | | | |
| | (i) Subsidiary Company M/s TGV Metals and Chemicals Private Limited | 1191.75 | - | 1191.75 | - |
| | (ii) Associate Companies | | | | |
| | (iii) Firms/ Companies in which directors are interested | | | | |
| b) | Investment by the loanee in the shares of holding Company and its subsidiary Company | 0.00 | - | - | 0.00 |

## Notes to financial statements for the year ended 31st March, 2023

*(All amounts in ₹Lakhs, except otherwise stated)*

**Standalone**

### 51. VALUE OF RAW MATERIALS CONSUMED

| PARTICULARS | As at 31st March, 2023 | | As at 31st March, 2022 | |
|---|---|---|---|---|
| | Rs. | % | Rs. | % |
| a) Imported | 29,770.49 | 25.99 | 58,154.55 | 63.96% |
| b) Indigenous | 84,745.78 | 74.01 | 32,764.61 | 36.04% |
| Total | 1,14,516.27 | 100% | 90,919.16 | 100% |

### 52. CONFIRMATION OF BALANCES

Confirmation of balances from certain parties for amounts due to them or due from them are yet to be received confirmation letters were received from some of the parties. And as per the letter of confirmation the balances are deemed to be accepted if not responded with in 15 days.

### 53. IMMOVABLE PROPERTY NOT HELD IN THE NAME OF COMPANY

| Sl.No. | Balance sheet head | Description of property | Gross carrying value ₹ | Title deeds in thename of | Whether title deeds holder is a promoter, director or relative of promoter/ director oremployee of promoter/ director | Property held since date(Financial Year) | Reason for notbeing held inthe name of theCompany |
|---|---|---|---|---|---|---|---|
| 1 | Property plantand Equipments | Land | 2,37,576 | Amalgamated company | No | Date of Amalgamation | This was received in scheme ofAmalgamation. Changeof title is under process |
| 2 | Property plantand Equipments | Land | 14,92,627 | Amalgamated company | No | Date of Amalgamation | This was received in scheme of Amalgamation. Changeof title is under process |
| 3 | Property plantand Equipments | Land | 23,30,990 | Amalgamated company | No | Date of Amalgamation | This was received in scheme of Amalgamation. Changeof title is under process |
| 4 | Property plantand Equipments | Land | 42,54,639 | Amalgamated company | No | Date of Amalgamation | This was received in scheme of Amalgamation. Changeof title is under process |

## Notes to financial statements for the year ended 31st March, 2023

*(All amounts in ₹Lakhs, except otherwise stated)*

**Standalone**

**54. Corporate Social Responsibility(CSR) expenses :**

The Company is covered by provisions of Section 135 of Companies Act, 2013 to spend 2% of Average net profits towards CSR. The details of CSR are furnished below:

| S.No. | Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|---|
| 1 | Amount required to be spent by the company during the year | 175.54 | 112.35 |
| 2 | Amount Incurred | | |
| | a) CSR expenditure: | | |
| | i) Construction/acquisition of capital assets | - | - |
| | ii) For purposes other than (i) above | **58.58** | 24.66 |
| | b) CSR expenditure for 'Ongoing Projects' | 447.57 | - |
| | **c) Total CSR Expenditure Incurred during the year** | **506.15** | **24.66** |
| 3 | Excess/(shortfall) at the end of the year {2(c) -1} | 330.61 | (87.69) |
| 4 | Previous years excess/(shortfall) | 1.54 | 89.23 |
| 5 | **Total excess/(shortfall)** | **332.15** | **1.54** |
| 6 | Reasons for shortfall | NA | NA |
| 7 | Details of Related party transactions | Nil | Nil |
| 8 | Provisions made with respect to a liability incurred by entering into a contractual obligation and movement in provisions thereon | NA | NA |
| 9 | **Details showing Activity wise CSR Expenditure** | | |
| | **CSR expenditure:** | | |
| | Health care sanitation | 1.75 | 6.47 |
| | Sports Activities, Education & Skill Development | 19.90 | 0.23 |
| | Animal feed under Animal Welfare | 16.58 | 5.40 |
| | Drinking water to people of nearby areas | 20.35 | 12.56 |
| | **Sub Total** | **58.58** | **24.66** |
| | Cost of land and other capex for Ongoing Project | 447.57 | - |
| | **Total** | **506.15** | **24.66** |

**55. RATIOS**

| | Particulars | 31-Mar-23 | 31-Mar-22 | Variance% | Reasons |
|---|---|---|---|---|---|
| A | Current ratio | 4.27 | 2.35 | 81 | - |
| B | Debt equity ratio | 0.00 | 0.00 | 0 | - |
| C | DebtsServicecoverage ratio | 0.00 | 0.00 | 0 | - |
| D | Return on equity ratio | 0.21 | 0.18 | 14 | - |
| E | Inventory turnover ratio | 0.23 | 0.11 | (36) | - |
| F | Trade receivables turnover ratio | 2.94 | 2.77 | 6 | - |
| G | Trade payables turnover ratio | 6.47 | 9.64 | (31) | - |
| H | Net capital turnover ratio | 3.90 | 4.61 | (15) | - |
| I | Net profit ratio | 0.09 | 0.08 | 14 | - |
| J | Return on capital employed | 0.25 | 0.24 | 6 | - |

Note : The better financials achieved by the Company during 2022-23, resulted in over all improvement in the financial ratios named above when compared with previous year 2021-22 and the variance is more than 25%.

## Notes to financial statements for the year ended 31st March, 2023

*(All amounts in ₹Lakhs, except otherwise stated)*

**Standalone**

**Note:**

1. Total debt = Long term Borrowings (including current maturities of Long term borrowings), Sales tax deferrment loans

   (Current and non-current), short term borrowings and Interest accrued on debts
2. Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + interest+ other adjustments like loss on sale of Fixed assets etc
3. Debt service = Interest & Lease Payments + Principal Repayments
4. Avg. Shareholder's Equity = Average of opening total equity and closing total equity
5. Avg. Inventory = Average of opening inventory and closing inventory
6. Avg. Trade Receivable = Average of opening trade receivables and closing trade receivables
7. Avg. Trade Payables = Average of Opening Trade Payables and Closing Trade Payables
8. Working capital shall be calculated as current assets minus current liabilities
9. Capital employed = Tangible Net Worth (excluding revaluation reserve) + Total debt + Deferred tax liability
10. Average total Assets = Average of opening total assets and closing total assets
11. Average total equity = Average of opening equity share capital + other equity and closing equity share capital + other equity.

**Additional Regulatory Information:**

(1) The Company has not granted any loans or Advances in the nature of Loans to Promoters, Directors, KMPs and other related parties except ₹1171.53 lakhs to subsidiaries (note12) which are without specifying terms and period of repayment and constitutes 100% of total advances.

(2) The Company has no investment property as at the close of the year for fair valuation. The company has not revalued its Property Plant and Equipment (including Right of use Assets).

(3) The Company is not holding any Benami property and no proceeding has been initiated or pending against the company.

(4) The Company has no transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961(such as search or survey or any relevant provisions of Income Tax Act, 1961)

(5) (A) The Company has not advanced or loaned or invested any funds in any other person(s) or entity(ies), including foreign entities (intermediaries) with understanding that the intermediary shall be directly or indirectly lend or invest in other person or entitites on behalf of the company or provide any gurantee or security or the like to or on behalf of the company.

(B) The Company has not received any funds from any person(s) or entity(ies), including foreign entities (funding party) with the understanding that the company shall lend or

## Notes to financial statements for the year ended 31st March, 2023

*(All amounts in ₹Lakhs, except otherwise stated)*

**Standalone**

invest in other person or entity indentified in any manner by or on behalf of the funding party/Ultimate beneficiary or provide any guarantee or security or the like on behalf of the funding party/Ultimate beneficiary.

(6) The Company is not declared as willful defaulter by any Bank or Financial institutions or RBI or other lenders.

(7) The Company has borrowings from Banks or Financial institutions on the basis of security of Current Assets. Quarterly returns or Statement of current assets filed by the company with Banks or Financial Institutions are in agreement with the Books of Accounts.

(8) There are no charges or satisfaction of charges yet to be registered with Registrar of Companies beyond the statutory period.

(9) The company has no transactions and no relationship with companies struck off under Section 248 of the Companies Act, 201 3 or Section 560 of Companies Act, 1956.

(10) The company has not made any investments through any layers of invesmtment companies.

(11) There are no Schemes of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 201 3.

(12) The Company has not invested or traded in crypto currency or virtual currency during the financial year 2021-22.

**55.** Figures have been rounded off to the nearest decimal of lakhs as required under Schedule III.

**56.** Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current Year's classification/ disclosure.

**57.** Approval of financial statements

The standalone financial statements approved by the Board of Directors in their meeting held on May 30, 2023

As per our report of even date attached
**For S.T. Mohite & Co.,**
Chartered Accountants (Regn.No.011410S)

**Sd/-**
**C.A. Sreenivasa Rao T.Mohite**
Partner
Membership No.015635
UDIN No:23015635BGYJLN7564

Place : Kurnool
Date : May 30, 2023

**For and on behalf of the Board**

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

**Sd/-**
**Smt. R.Triveni**
Director
DIN: 09045405

**Sd/-**
**Smt. V.Surekha**
Company Secretary

**Sd/-**
**Sri S. Ifthekhar Ahmed**
Chief Financial Officer

Place : Kurnool
Date : May 30, 2023

# Consolidated Financial Statements

## 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 (here in after referred to as the "Holding Company") and its subsidiaries (Holding Company and its three subsidiaries together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at 31 March, 2023, 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 31 March 2023, 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 opinion.

### 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.

| Sl.No. | Key Audit Matter | Auditor's Response |
|---|---|---|
| 1 | **Revenue Recognition**<br><br>The application of the revenue as per Ind AS 115 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.<br><br>Revenue from sale of goods is recognized when control of the products being sold is transferred to the customer and when there are no longer any unfulfilled obligations.<br><br>Revenue is only recognised to the extent that it is highly probable that significant reversal will not occur. Accumulated experiences are used to estimate provisions of discounts, rebates.<br><br>We tested related transactions with underlying customer contracts, and other related documentation based on which revenue is recognised.<br><br>We also assessed the revenues related disclosures in the financial statements.<br><br>Refer note no. 2.13 of the consolidated financial statements. | Our audit procedures, among others include the following:<br><br>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.<br><br>We tested the relevant internal controls used to ensure the completeness, accuracy and timing of revenue recognised.<br><br>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.<br><br>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. |

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

The Holding 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, Sustainability 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, and the reports of the other auditors as furnished to us, 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.

**Responsibility of Management and Those Charged with Governance for the Consolidated Financial Statements**

The Holding 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 including other 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 Ind AS specified under section 133 of the Act. The respective Board of Directors of the companies 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 Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company 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 Holding Company and its subsidiary companies which are incorporated in India, has adequate internal financial controls with reference to Consolidated financial statements in place 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 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 Holding Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors 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.

**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 of the aforesaid consolidated financial statements.

    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 and the reports of the other auditors.

    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 and records maintained for the purpose of preparation of the consolidated financial statements.

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 Holding Company and its subsidiaries which are incorporated in India as on 31 March 2023 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 31 March 2023 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 with reference to Consolidated Financial Reporting.

g) 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 as on 31 March 2023, on the consolidated financial position of the Group. Refer note 41 of Consolidated Financial Statements.

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 Holding Company and its subsidiaries incorporated in India.

iv) (a) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and the other auditor of such subsidiaries respectively that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and the other auditors of such subsidiaries, that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v) As stated in Note 15(v) to the financial statements the final dividend proposed in the previous year (FY 2021-22), declared and paid by the company during the year (FY 2022- 23) is in compliance with Section 123 of the Act, as applicable.

vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable with effect from April 1, 2023 to the Company and its subsidiaries, which are companies incorporated in India, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

h) 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 Holding Company and its subsidiaries, which are incorporated in India is in accordance with the provisions of section 197 and Schedule V of the Act and not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 ("the Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiaries included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

**For S.T. Mohite & Co.,**
**T.Mohite**
Chartered Accountants
(Regn.No.011410S)
**Sd/-**
**C.A. Sreenivasa Rao T.Mohite**
Partner
Membership No.015635
UDIN No:23015635BGYJLM2134

Place : Kurnool
Date : May 30, 2023

# Annexure A to the Independent Auditors' Report

*(Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)*

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to Consolidated financial statements of Sree Rayalaseema Hi-Strength Hypo Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). 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 the 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 Act.

**Auditor's Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls over to 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 Consolidate 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 Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls with reference to Financial Statements**

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 with reference to Financial Statements**

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

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2023, based on the criteria for internal financial control over financial reporting 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 ICAI.

**For S.T. Mohite & Co.,**
**T.Mohite**
Chartered Accountants
(Regn.No.011410S)
**Sd/-**
**C.A. Sreenivasa Rao T.Mohite**
Partner
Membership No.015635
UDIN No:23015635BGYJLM2134

Place : Kurnool
Date : May 30, 2023

## Consolidated Balance sheet as at 31st March, 2023

*(All amounts in ₹ Lakhs, except otherwise stated)*

| Particulars | Note No. | As at 31st March 2023 | As at 31st March 2022 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| (a) Property, plant and equipment | 3 | 9,726.01 | 12,214.59 |
| (b) Right-to-use assets | 3A | 505.09 | 736.13 |
| (c) Capital work-in-progress | 3B | 1,361.04 | 4.54 |
| (d) Investment properties | 4 | 260.26 | - |
| (e) Financial assets | | | |
| i) Investments | 5 | 21,372.97 | 16,368.91 |
| ii) Other financial assets | 6 | 262.07 | 434.61 |
| (f) Deferred tax asset (net) | 20 | 676.49 | 667.33 |
| (g) Other non-current assets | 7 | 189.11 | 165.64 |
| **Total Non-current assets** | | **34,353.04** | **30,591.75** |
| **Current assets** | | | |
| (a) Inventories | 8 | 12,576.71 | 14,397.98 |
| (b) Financial assets | | | |
| i) Trade receivables | 9 | 14,897.14 | 13,207.76 |
| ii) Cash and cash equivalents | 10 | 2,675.89 | 1,424.79 |
| iii) Bank balances other than Cash and cash equivalents | 11 | 20,223.51 | 9,915.73 |
| iv) Loans | 12 | 95.58 | 96.68 |
| v) Other financial assets | 13 | 1,266.32 | 35.53 |
| (c) Other current assets | 14 | 3,656.87 | 9,104.19 |
| **Total current assets** | | **55,392.02** | **48,182.66** |
| **TOTAL ASSETS** | | **89,745.06** | **78,774.41** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| (a) Equity share capital | 15 | 1,716.48 | 1,716.48 |
| (b) Other equity | 16 | 73,376.29 | 55,311.70 |
| (c) Non Controlling Interest | | 16.48 | 2.91 |
| **Total Equity** | | **75,109.25** | **57,031.09** |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| (a) Financial liabilities | | | |
| i) Borrowings | 17 | 320.53 | 29.27 |
| ii) Others | 18 | 118.25 | 127.99 |
| iii) Lease liabilities | 19 | 607.13 | 794.41 |
| (c) Deferred Government grants | 21 | 83.96 | 89.96 |
| (d) Long term Provisions | 22 | 226.11 | 208.56 |
| **Total Non-current liabilities** | | **1,355.98** | **1,250.19** |
| **Current liabilities** | | | |
| (a) Financial liabilities | | | |
| i) Borrowings | 17 | 841.99 | 1,862.90 |
| ii) Trade payables | | | |
| (A) dues of micro and small enterprises; and | 23 | 119.43 | 73.72 |
| (B) dues of creditors other than micro and small enterprises | 23 | 6,981.53 | 7,633.35 |
| iii) Other financial liabilities | 24 | 1,982.34 | 1,826.58 |
| iv) Lease liabilities | 25 | 119.90 | 131.51 |
| (b) Other current liabilities | 26 | 2,682.72 | 7,551.98 |
| (c) Current Provisions | 27 | 140.34 | 319.99 |
| (d) Current tax liabilities (net) | 28 | 411.58 | 1093.11 |
| **Total Current liabilities** | | **13,279.83** | **20,493.14** |
| **TOTAL LIABILITIES** | | **14,635.81** | **21,743.33** |
| **TOTAL EQUITY AND LIABILITIES** | | **89,745.06** | **78,774.41** |

Corporate information and significant accounting policies 1 & 2

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
**For S.T. Mohite & Co.,**
Chartered Accountants (Regn.No.011410S)

**Sd/-**
**C.A. Sreenivasa Rao T.Mohite**
Partner
Membership No.015635
UDIN No:23015635BGYJLN7564

Place : Kurnool
Date : May 30, 2023

**For and on behalf of the Board**

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

**Sd/-**
**Smt. R.Triveni**
Director
DIN: 09045405

**Sd/-**
**Smt. V.Surekha**
Company Secretary

**Sd/-**
**Sri S. Ifthekhar Ahmed**
Chief Financial Officer

Place : Kurnool
Date : May 30, 2023

## Consolidated Statement of Profit and Loss for the year ended 31st March, 2023

*(All amounts in ₹ Lakhs, except otherwise stated)*

| | Particulars | Note No. | Year ended 31st March 2023 | Year ended 31st March 2022 |
|---|---|---|---|---|
| I | Revenue from operations | 29 | 165,011.65 | 126,727.24 |
| II | Other income | 30 | 3,410.94 | 1,067.91 |
| **III** | **Total revenue (I + II)** | | **168,422.59** | **127,795.15** |
| **IV** | **Expenses** | | | |
| | Cost of materials consumed | 31 | 57,251.33 | 49,463.08 |
| | Purchase of stock-in-trade | 32 | 65,381.47 | 49,365.97 |
| | Changes in inventories of finished goods, work in progress and stock-in-trade | 33 | 1,806.49 | (6,155.99) |
| | Emloyee benefits expense | 34 | 3,880.90 | 2,874.40 |
| | Finance cost | 35 | 474.97 | 320.82 |
| | Depreciation and amortisation expense | 3 | 1,934.66 | 1,922.72 |
| | Other expense | 36 | 18,651.03 | 16,306.24 |
| | **Total expenses (IV)** | | **149,380.85** | **114,097.23** |
| **V** | **Profit before tax (III-IV)** | | **19,041.74** | **13,697.92** |
| **VI** | **Tax expense** | | | |
| | Current tax | 37 | 3,625.50 | 3,507.02 |
| | Deferred tax | 37 | (9.17) | (86.95) |
| | **Total Tax expense** | | **3,616.33** | **3,420.07** |
| **VII** | **Profit for the year after Tax (V-VI)** | | **15,425.41** | **10,277.85** |
| **VIII** | **Other comprehensive income** | 38 | | |
| | Items not to be reclassified to profit or loss subsequently | | | |
| | Net gain /(losses) on FVTOCI financial instruments | | 4,331.73 | 11,437.38 |
| | Re-measurement gains/ (losses) on defined benefit plans | | (1.37) | (121.79) |
| | Tax effect thereon | | (1,090.21) | (2,847.91) |
| | **Other comprehensive income/(loss) for the year** | | **3,240.15** | **8,467.68** |
| **IX** | **Total comprehensive income for the year (IX+X)** | | **18,665.56** | **18,745.53** |
| **X** | **Earnings per equity share** | | | |
| | Basic and Diluted | 39 | 89.97 | 59.88 |
| | Corporate information and significant accounting policies | 1 & 2 | | |
| | The accompanying notes form an integral part of the financial statements | | | |

As per our report of even date attached
**For S.T. Mohite & Co.,**
Chartered Accountants (Regn.No.011410S)

Sd/-
**C.A. Sreenivasa Rao T.Mohite**
Partner
Membership No.015635
UDIN No:23015635BGYJLN7564

Place : Kurnool
Date : May 30, 2023

**For and on behalf of the Board**

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

Sd/-
**Smt. R.Triveni**
Director
DIN: 09045405

Sd/-
**Smt. V.Surekha**
Company Secretary

Sd/-
**Sri S. Ifthekhar Ahmed**
Chief Financial Officer

Place : Kurnool
Date : May 30, 2023

## Consolidated Cash flow statement for the year ended 31st March, 2023

*(All amounts in ₹ Lakhs, except otherwise stated)*

| Particulars | Year ended 31st March 2023 | Year ended 31st March 2022 |
|---|---|---|
| **Cash flow from operating activities** | | |
| **Profit before tax** | **19,041.74** | **13,697.92** |
| ***Adjustments :*** | | |
| Depreciation and amortisation expenses | 1,934.66 | 1,922.72 |
| Interest received | (907.34) | (444.72) |
| Interest paid | 474.97 | 320.82 |
| Interest income & expenses due to amortisation of rent deposits | 40.38 | 2.51 |
| Income due to government grant recognised | (6.00) | (6.00) |
| Net (gains)/losses on FVTPL instruments | (795.88) | (399.75) |
| **Operating profit before working capital changes** | **19,782.53** | **15,093.50** |
| **Working capital adjustments** | | |
| (Decrease)/Increase in trade payables | (606.11) | 6,503.64 |
| (Decrease)/Increase in non-current financial liabilities | (9.74) | (50.00) |
| (Decrease)/Increase in current financial liabilities | 155.75 | 138.74 |
| (Decrease)/Increase in other current liabilities | (4,866.74) | 5,692.60 |
| (Decrease)/Increase in short term provisions | (179.65) | 225.14 |
| (Decrease)/Increase in long term provisions | 17.70 | 2.49 |
| (Increase)/Decrease in non-current financial asset | 132.15 | (4.65) |
| (Increase)/Decrease in other non-current assets | (27.54) | 848.31 |
| (Increase)/Decrease in trade receivables | (1,689.38) | (3,547.44) |
| (Increase)/Decrease in inventories | 1,821.27 | (10,427.33) |
| (Increase)/Decrease in other current assets | 6,639.48 | (5,538.05) |
| (Increase)/Decrease in financial assets | (2,421.84) | 237.73 |
| **Cash generated from operating activities** | **18,747.89** | **9,174.68** |
| Direct taxes paid (net) | (4307.02) | (3,199.64) |
| **Net cash flow from operating activities (A)** | **14,440.88** | **5,975.04** |
| **Cash flows from investing activities** | | |
| **Non controlling interest** | **(6.43)** | **2.91** |
| Purchase of property, plant & equipment (including CWIP) | (831.79) | (1,440.50) |
| Purchase of Investment | (986.66) | (2,372.08) |
| Interest received | 907.34 | 440.78 |
| Redemption/(Investment) of margin money deposit | (10,285.42) | 3,296.10 |
| For dividend | (22.35) | (44.09) |
| **Net cash flow from/ (used in) investing activities (B)** | **(11,225.31)** | **(116.88)** |
| **Cash flows from financing activities** | | |
| Proceeds from equity | 10.00 | - |
| Interest paid | (474.95) | (240.07) |
| (Repayment)/Proceeds of long term borrowings | 291.26 | 26.36 |
| (Repayment)/Proceeds from short term borrowings | (990.91) | (4,232.27) |
| Dividend paid | (600.95) | (514.94) |
| (Repayment)/Proceeds of lease liabilities | (198.89) | (171.48) |
| **Net cash flow from/ (used in) in financing activities (C)** | **(1,964.43)** | **(5,132.39)** |
| **Net increase/(decrease) in cash and cash equivalents (A + B + C)** | 1,251.11 | 725.77 |
| Cash and cash equivalents at the beginning of the year | 1,424.78 | 699.01 |
| Cash and cash equivalents at the end of the year | **2,675.89** | **1,424.78** |
| **Components of cash and cash equivalents** | | |
| Cash on hand | 1.55 | 6.39 |
| Balances with banks | | |
| - in Current Account | 2,674.34 | 1,418.39 |
| **Total cash and cash equivalents** | **2,675.89** | **1,424.78** |

**Note:**

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

As per our report of even date attached
**For S.T. Mohite & Co.,**
Chartered Accountants (Regn.No.011410S)

**Sd/-**
**C.A. Sreenivasa Rao T.Mohite**
Partner
Membership No.015635
UDIN No:23015635BGYJLN7564

Place : Kurnool
Date : May 30, 2023

**For and on behalf of the Board**

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

**Sd/-**
**Smt. R.Triveni**
Director
DIN: 09045405

**Sd/-**
**Smt. V.Surekha**
Company Secretary

**Sd/-**
**Sri S. Ifthekhar Ahmed**
Chief Financial Officer

Place : Kurnool
Date : May 30, 2023

## Statement of changes in Equity

*(All amounts in ₹ in Lakhs, except otherwise stated)*

**Consolidated**

a. Equity share capital

| Equity share capital | Note | Amount |
|---|---|---|
| **As at 1st Apr 2021** | | **1,716.48** |
| Changes in equity share capital during the year | 16 | - |
| **As at 31st Mar 2022** | | **1,716.48** |
| Changes in equity share capital during the year | 16 | - |
| **As at 31st Mar 2023** | | **1,716.48** |

b. Other Equity

| Particulars | Note | Reserves and Surplus: Securities premium | Reserves and Surplus: Retained earnings | Reserves and Surplus: Other reserves (Amalgamation & General reserve) | Other Comprehensive income: FVOCI - equity & preference instruments | Other Comprehensive income: OCI - Actuarial gain/loss on gratuity | Money received against share warrants | Total other equity |
|---|---|---|---|---|---|---|---|---|
| **Balance at 1st April, 2021** | **17** | **3,026.59** | **29,446.00** | **2,762.75** | **1,813.54** | **32.22** | **-** | **37,081.10** |
| Equity instruments through other comprehensive income | 17(iv) | - | - | - | 8,558.82 | - | - | 8,558.82 |
| Gains/(losses) on arising from actuarial gain/loss on gratuity | 17(iv) | - | - | - | - | (91.14) | - | (91.14) |
| Profit for the year | 17(ii) | - | 10,277.85 | - | - | - | - | 10,277.85 |
| Dividend paid during the year (Incl.Taxes) | 17(ii) | - | (514.94) | - | - | - | - | (514.94) |
| **Balance at 31st March, 2022** | | **3,026.59** | **39,208.91** | **2,762.75** | **10,372.36** | **(58.92)** | **-** | **55,311.69** |
| Equity instruments through other comprehensive income | 17(iv) | - | - | - | 3,241.52 | - | - | 3,241.52 |
| Gains/(losses) on arising from actuarial gain/loss on gratuity | 17(iv) | - | - | - | - | (1.37) | - | (1.37) |
| Profit for the year | 17(ii) | - | 15,425.40 | - | - | - | - | 15,425.40 |
| Dividend paid during the year (Incl.Taxes) | 17(ii) | - | (600.95) | - | - | - | - | (600.95) |
| **Balance at 31st March, 2023** | | **3,026.59** | **54,033.36** | **2,762.75** | **13,613.88** | **(60.29)** | **-** | **73,376.29** |

As per our report of even date attached.
**For S.T. Mohite & Co.,**
Chartered Accountants (Regn.No.011410S)

**Sd/-**
**C.A. Sreenivasa Rao T.Mohite**
Partner
Membership No.015635
UDIN No:23015635BGYJLM2134

Place: Kurnool
Date : May 30, 2023

**For and on behalf of the Board**

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

**Sd/-**
**Smt. R.Triveni**
Director
DIN: 09045405

**Sd/-**
**Smt. V.Surekha**
Company Secretary

**Sd/-**
**Sri S. Ifthekhar Ahmed**
Chief Financial Officer

Place : Kurnool
Date : May 30, 2023

## Notes to financial statements for the year ended 31st, March 2023

### Note 1: Corporate Information

Sree Rayalaseema Hi – Strength Hypo Limited ("the company") 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 equity shares of the Company are listed on BSE Limited (BSE) and National Stock Exchange of India Ltd. (NSE).

The financial statements are approved for issue by the Company's Board of Director's on 30thMay, 2023.

### Note 2: Significant accounting policies

#### 2.1 Statement of compliance

These Financial statements are separate financial statements of the Company (also called Standalone Financial Statements)

The Standalone 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 2023.

#### 2.2 Basis of consolidation

The Consolidation Financial Statements comprise the Financial Statement of Sree Rayalaseema Hi-Strength Hypo Limited and its wholly owned subsidiary company TGV Sodium & Electrolite Private Limited, TGV Metals and Chemicals Pvt. LTd.,

All Intercompany transaction, Balances, income and expenses are eliminated in full on consolidation.

Following are subsidiary companies as on 31st March 2023 and 31st March 2022 and the same are consolidated for the purpose of this Consolidated Financial Statements.

| Name of the Company | Country of Incorporation | % Holding as on 31 March 2023 | % Holding as on 31 March 2022 |
|---|---|---|---|
| TGV Sodium & Electrolites Private Limited | India | 100% | 100% |
| TGV Metals and Chemicals Private Limited | India | 50% | 50% |

**Notes to financial statements for the year ended 31st, March 2023**

## 2.3 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 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.

## 2.4 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.

**2.5 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.

**2.6 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 non current.

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

**2.7 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.

**Notes to financial statements for the year ended 31st, March 2023**

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. The 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.

**2.8 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 Rupees unless otherwise stated.

**2.9 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.

**Notes to financial statements for the year ended 31st, March 2023**

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 102 at the acquisition date and
- 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

**Notes to financial statements for the year ended 31st, March 2023**

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 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.

**Notes to financial statements for the year ended 31st, March 2023**

## 2.10 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 unitandthen 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.

## 2.11 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 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

**Notes to financial statements for the year ended 31st, March 2023**

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

**Notes to financial statements for the year ended 31st, March 2023**

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.

**2.12 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

**Notes to financial statements for the year ended 31st, March 2023**

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 Companies 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.

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.

**Notes to financial statements for the year ended 31st, March 2023**

## 2.13 Revenue Recognition

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.

## 2.14 Leases

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.

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.

**Notes to financial statements for the year ended 31st, March 2023**

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

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

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

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

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

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

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

**2.15 Foreign currencies**

In preparing the financial statements of each individual Company entity, transactions in currencies other than the entity’s functional currency (foreign

**Notes to financial statements for the year ended 31st, March 2023**

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 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

**Notes to financial statements for the year ended 31st, March 2023**

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.

## 2.16 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.

## 2.17 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.

**Notes to financial statements for the year ended 31st, March 2023**

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.

## 2.18 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.

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.

**Notes to financial statements for the year ended 31st, March 2023**

### 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 arrangements

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.

**Notes to financial statements for the year ended 31st, March 2023**

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.

### 2.19 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 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.

## Notes to financial statements for the year ended 31st, March 2023

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.

### 2.20 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

**Notes to financial statements for the year ended 31st, March 2023**

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.

**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.,

**Depreciation**

Depreciation is recognised in the statement of profit and loss on a straight line basis over the estimated useful lives of property, plant and equipment. Land is not depreciated but subject to impairment.

**Notes to financial statements for the year ended 31st, March 2023**

Depreciation methods, useful lives and residual values are reviewed at each reporting date and any changes are considered prospectively. The estimated useful lives are as follows:

| Particulars | Years |
|---|---|
| Buildings | |
| Factory and administrative buildings | 20 |
| Ancillary structures | 20 |
| Plant and equipment | 8 |
| Furniture, fixtures and office equipment | 5 |

**2.21 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.

**2.22 Intangible assets**

Intangible 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 2023**

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 acquiredseparately.

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.

**Notes to financial statements for the year ended 31st, March 2023**

## 2.23 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.

## 2.24 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.

**Notes to financial statements for the year ended 31st, March 2023**

## 2.25 Provisions and contingencies

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.

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.

## 2.26 Financial instruments:

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

**Financial assets**

**Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

**Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in two categories:

- Financial assets at amortised cost
- Equity instruments at fair value through other comprehensive income (FVTOCI)

**Financial assets at amortised cost**

'Financial asset' is measured at the amortised cost if both the following conditions are met:

**Notes to financial statements for the year ended 31st, March 2023**

a. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

**Equity investments**

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

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

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

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

**Derecognition**

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

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

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

**Notes to financial statements for the year ended 31st, March 2023**

(a) The Company has transferred substantially all the risks and rewards of the asset, or

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

**Impairment of financial assets**

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

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

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

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

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

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

**Financial liabilities**

**Initial recognition and measurement**

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

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

**Notes to financial statements for the year ended 31st, March 2023**

**Subsequent measurement**

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

**Loans and borrowings**

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

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

**Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

**2.27 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.

**2.28 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)

**Notes to financial statements for the year ended 31st, March 2023**

Chemical Manufacturing and (ii) Power Generation. Further, the Board of directors have designated the Managing Director as Chief Operating Decision Marker ('CODM').

**2.29 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.

**2.30 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

**Notes to financial statements for the year ended 31st, March 2023**

receivables which are past due and the rates derived based on past history of defaults in the provision matrix.

**Fair value of investments:**

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

**Taxes**

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

**Contingent liability judgement:**

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, 2023

**Consolidated**

*(All amounts in ₹Lakhs, except otherwise stated)*

**NOTE 3: PROPERTY, PLANT AND EQUIPMENT**

| Particulars | land | Factory Buildings | Furniture & fixtures | Wind Power Plants | Plant and machinery | Other Assets | Total |
|---|---|---|---|---|---|---|---|
| **(A) Cost** | | | | | | | |
| **As at 1st April, 2021** | **5,124.68** | **3,500.73** | **196.84** | **7,407.72** | **21,913.73** | **1,108.61** | **39,252.31** |
| Additions | 2,573.82 | | - | - | 1,420.00 | 143.95 | 4,137.77 |
| Disposals /transfer | 0.00 | - | | | | -105.90 | -105.90 |
| Transferred to stock in trade | -253.13 | | | | | | -253.13 |
| **As at 1st April, 2022** | **7,445.37** | **3,500.73** | **196.84** | **7,407.72** | **23,333.73** | **1,146.66** | **43,031.05** |
| Additions | 507.01 | | | | 1,145.27 | 147.93 | 1,800.21 |
| Disposals /transfer | -495.44 | -68.00 | - | - | -1,900.83 | - | -2,464.27 |
| Transferred to investment property | -161.65 | | | | | | -161.65 |
| **As at 31st March, 2023** | **7,295.29** | **3,432.73** | **196.84** | **7,407.72** | **22,578.18** | **1,294.59** | **42,205.35** |
| **(B) Accumulated Depreciation** | | | | | | | |
| **As at 1st April, 2021** | **-** | **2,890.09** | **190.60** | **7,140.85** | **17,931.62** | **966.91** | **29,120.07** |
| Depreciation | | 108.08 | | 27.99 | 1,623.15 | 43.08 | 1,802.30 |
| Disposals | | | | | | -105.90 | -105.90 |
| **As at 1st April, 2022** | | **2,998.17** | **190.60** | **7,168.84** | **19,554.77** | **904.09** | **30,816.47** |
| Depreciation | | 108.08 | | 27.99 | 1,518.67 | 48.89 | 1,703.63 |
| Disposals | | | - | - | -40.75 | - | -40.75 |
| **As at 31st March, 2023** | | **3,106.25** | **190.60** | **7,196.83** | **21,032.69** | **952.98** | **32,479.34** |
| **(C) Carrying Value (A-B)** | | | | | | | |
| At 31st March, 2022 | 7,445.37 | 502.56 | 6.24 | 238.88 | 3,778.96 | 242.57 | 12,214.58 |
| At 31st March, 2023 | 7,295.29 | 326.49 | 6.24 | 210.89 | 1,545.48 | 341.61 | 9,726.01 |

a) Titles of some properties acquired by the Company under Scheme of Arrangement are in the process of being mutated in the Company's name
b) The land, building and Plant & Machinery have been secured by a charge in favour of working capital bank.
c) The vehicles have been hypothicated in favour of banks who have lent against these vehicles.
d) Depreciation of property plant and equipment is charged on straight line method as per schedule II to the companies Act, 2013.
e) Property Plant and equipment were tested for impairment by the technical experts with in company during the year for any indications of existing impairment. As per their advise for no impairment, the company has not recorded any impairment during the year ending 31st March, 2023.
f) Disposal/transfer of land includes transfer of land for an ongoing project under Corporate Social Responsibility scheme under section 135 of the Companies Act.

## Notes to financial statements for the year ended 31st March, 2023

*(All amounts in ₹Lakhs, except otherwise stated)*

**Consolidated**

### NOTE 3A: RIGHT OF USE ASSET

| | Particulars | Amount ₹ |
|---|---|---|
| (A) | **Costs** | |
| | **As at 1st April, 2021** | **1,237.40** |
| | Additions | - |
| | Disposals | - |
| | **As at 31st March, 2022** | **1,237.40** |
| | Additions | - |
| | Disposals /transfer | - |
| | **As at 31st March, 2023** | **1,237.40** |
| (B) | **ACCUMULATED AMORTIZATION** | |
| | **As at 1st April, 2021** | **380.25** |
| | Amortization | **120.42** |
| | Disposals | - |
| | **As at 1st April, 2022** | **501.27** |
| | Amortization | **231.04** |
| | Disposals | - |
| | **As at 31st March, 2023** | **732.31** |
| (C) | **CARRYING VALUE** | |
| | At 31st March, 2022 | **736.13** |
| | At 31st March, 2023 | **505.09** |

The details are provided in Note No.44

### NOTE 3B: CAPITAL WORK-IN-PROGRESS

| Particulars | As at 31st, March, 2023 | As at 31st, March, 2022 |
|---|---|---|
| **(A) Costs** | | |
| Opening carrying value | 4.54 | 44.49 |
| Additions | 1356.50 | 4.54 |
| Transfer to property, plant and equipment | - | (44.49) |
| Closing carrying value | 1,361.04 | 4.54 |

**Ageing schedule**

| Particulars | As at 31st, March, 2023 | As at 31st, March, 2022 |
|---|---|---|
| **Opening work in progress** | | |
| Less than 1 year | 1356.50 | 4.54 |
| 1-2 years | 4.54 | - |
| 2-3 years | - | - |
| More than 3 years | - | - |
| **Total** | 1,361.04 | 4.54 |

## Notes to financial statements for the year ended 31st March, 2023

*(All amounts in ₹Lakhs, except otherwise stated)*

**Consolidated**

### NOTE 4: INVESTMENT PROPERTY

| Particulars | As at 31st, March, 2023 | As at 31st, March, 2022 |
|---|---|---|
| **Cost** | | |
| Opening gross amount | - | 2,375.00 |
| Additions | 260.26 | - |
| Converted in to stock intrade | - | (2,375.00) |
| Closing gross amount | 260.26 | - |
| **Accumulated depreciation** | **-** | **-** |
| Opening accumulated depreciation | - | - |
| Depreciation charge | - | - |
| Depreciation reversed on disposal | - | - |
| Closing accumulated depreciation | - | - |
| **Net carrying amount** | **260.26** | **-** |
| Fair value of Investment properties | 1,324.71 | - |

**Estimation of fair value**

The Company obtains independent valuations for its investment properties 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:

(i) current prices in an active market for properties of different nature

(ii) recent prices of similar properties in less active markets, adjusted to reflect those differences

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

### NOTE 5: FINANCIAL ASSETS - NON-CURRENT INVESTMENTS

| | | | |
|---|---|---|---|
| (A) | Investments through fair value through othercomprehensive income | 16,119.57 | 12,878.04 |
| (B) | Investments through fair value through profit and loss | 5,253.30 | 3,490.77 |
| (C) | Investments at cost | 0.10 | 0.10 |
| | | 21,372.97 | 16,368.91 |

## Notes to financial statements for the year ended 31st March, 2023

*(All amounts in ₹Lakhs, except otherwise stated)*

**Consolidated**

| | Particulars | As at 31st, March, 2023 | As at 31st, March, 2022 |
|---|---|---|---|
| **(A)** | **Investments through fair value through other comprehensive income** | | |
| | **(a) Equity instruments (fully Paid up)** | | |
| | **Quoted** | | |
| | **In Other Companies** | | |
| | TGV SRACC Ltd | 14,877.78 | 11,925.99 |
| | 2,05,44,496 (March 31, 2022:2,05,44,496) Equity shares of ₹ 10 each | | |
| | (15,000 shares pledged as security) | | |
| | The South Indian Bank Ltd | 77.47 | 39.90 |
| | 7,07,000 (March 31, 2022:7,07,000) Equity shares of ₹ 10 each | | |
| | Roopa Industries Ltd | 421.19 | 256.97 |
| | 13,72,455 (March 31, 2022:13,72,455) Equity shares of ₹ 10 each | | |
| | Kabson Industries Ltd | 0.77 | 1.16 |
| | 10,100 (March 31, 2022:10,100) Equity shares of ₹10 each | | |
| | Karnataka Bank Ltd | 4.20 | 1.96 |
| | 3,700 (March 31, 2022:3,700) Equity shares of ₹ 10 each | | |
| | Lotus Chcolates Ltd | 84.53 | 63.23 |
| | 56,800 (March 31, 2022:56,800) Equity shares of ₹ 10 each | | |
| | NEPC Micon Ltd | 0.01 | 0.02 |
| | 200 (March 31, 2022:200) Equity shares of ₹ 10 each | | |
| | BNR Udyog Ltd | 0.03 | 0.03 |
| | 500 (March 31, 2022:500) Equity shares of ₹ 10 each | | |
| | Consom Biotech Ltd | 0.02 | 0.02 |
| | 300 (March 31, 2022:300) Equity shares of ₹ 10 each | | |
| | Neha International Ltd | 0.13 | 0.13 |
| | 1,700 (March 31, 2022:1,700) Equity shares of ₹ 10 each | | |
| | Indo Wind Energy Ltd | 4.78 | 7.24 |
| | 42,000 (March 31, 2022:42,000) Equity shares of ₹ 10 each | | |
| | Nazara Technologies Ltd | 3.11 | 7.05 |
| | 469 (March 31,2022:Nil) Equity share of ₹ 10 each | | |
| | | **15,474.02** | **12,303.70** |
| | **(b) Equity instruments (partly paid up)** | | |
| | Surya Jyothi Spinning Mills Ltd | 0.01 | 0.01 |
| | 100 (March 31, 2022:100) Equity shares of ₹ 10 each | | |
| | **Total of equity Instruments** | **0.01** | 0.01 |
| | **In Other Companies** | | |
| | MV Salts and Chemicals Private Ltd | 645.54 | 574.33 |
| | 1200000 (31st March,2022:Nill ) Equity shares of ₹10/-each | | |
| | **Total of equity instruments** | **16,119.57** | **12,878.04** |

## Notes to financial statements for the year ended 31st March, 2023

*(All amounts in ₹Lakhs, except otherwise stated)*

**Consolidated**

| | | Particulars | As at 31st, March, 2023 | As at 31st, March, 2022 |
|---|---|---|---|---|
| (B) | (i) | **Investment in Venture Capital Funds at fair value through Profit & Loss** | | |
| | | IIFL Wealth Finance Ltd | 451.28 | 375.00 |
| | | Blume Ventures Fund 1X | 1033.51 | 778.73 |
| | | TVS Shriram Growth Fund 3 | 621.73 | 350.00 |
| | | Sixth sense India opportunites-iii | 438.48 | 290.73 |
| | | Inflexor Technology Fund | 341.83 | 241.00 |
| | | Care Health Insurance Ltd | 69.77 | 100.00 |
| | | Avendus future leaders fund II | 564.97 | 325.00 |
| | | Epiq capital ii | 213.83 | 100.00 |
| | | Gaja capital india fund 2020 | 406.21 | 100.00 |
| | | Blume ventures india fund iv | 174.76 | 100.00 |
| | | Fireside Ventures Investment Fund III | 44.77 | - |
| | | Fearing Capital Growth Fund III | 155.00 | - |
| | | **Total Venture capital fund** | **4,516.14** | **2,760.46** |
| | (ii) | **Investments through Fair value through profit and loss** | | |
| | | Quant multi asset fund | 183.82 | 175.80 |
| | | Quant small cap fund | 197.09 | 184.53 |
| | | Quant mid cap fund | 184.27 | 183.72 |
| | | Quant Active fund | 171.98 | 186.26 |
| | | **Total Mutual fund** | **737.16** | **730.31** |
| (C) | **Investments at cost** | | **0.10** | **0.10** |
| | National Saving Certificates | | 0.10 | 0.10 |
| | **Total non-current investments** | | **21,372.97** | **16,368.91** |
| | **Summary : Aggregate amount of** | | | |
| | Quoted investments at market value thereof | | 15,474.03 | 12,303.71 |
| | Un-quoted investments | | 645.54 | 574.33 |
| | Venture capital Funds | | 4,516.14 | 2,760.46 |
| | Mutual Funds | | 737.16 | 730.31 |
| | Investments at cost | | 0.10 | 0.10 |
| | **Total** | | **21,372.97** | **16,368.91** |

### NOTE 6: OTHER NON-CURRENT FINANCIAL ASSETS

| Particulars | As at 31st, March, 2023 | As at 31st, March, 2022 |
|---|---|---|
| Security deposits with Government authorities | 33.03 | 32.92 |
| Deposits with related parties | 226.19 | 369.88 |
| Others | 2.85 | 31.81 |
| **Total** | **262.07** | **434.61** |

## Notes to financial statements for the year ended 31st March, 2023

*(All amounts in ₹Lakhs, except otherwise stated)*

**Consolidated**

### NOTE 7: OTHER NON-CURRENT ASSETS

| Particulars | As at 31st, March, 2023 | As at 31st, March, 2022 |
|---|---|---|
| **Advances for capital assets** | | |
| Capital Advances | 79.40 | 165.64 |
| **Advances other than capital assets** | | |
| Prapaid rental deposit | 109.72 | - |
| **Total** | **189.11** | **165.64** |

### NOTE 8: INVENTORIES

| Particulars | As at 31st, March, 2023 | As at 31st, March, 2022 |
|---|---|---|
| Raw materials | 2,699.89 | 2,978.88 |
| Work-in-progress | 89.95 | 197.88 |
| Finished goods | 8,002.43 | 6,824.36 |
| Stores and spares, Chemicals, fuel and packing materials | 995.67 | 731.44 |
| Goods in transit | 788.78 | 857.23 |
| Stock in trade real estate properties (Plots) | - | 2,808.19 |
| **Total** | **12,576.71** | **14,397.98** |

### NOTE 9: TRADE RECEIVABLES

| Particulars | As at 31st, March, 2023 | As at 31st, March, 2022 |
|---|---|---|
| Unsecured and considered good* | 14,897.14 | 13,207.76 |
| Unsecured and considered doubtful | 67.29 | 67.29 |
| | **14,964.43** | **13,275.05** |
| Expected credit loss allowance (allowance for bad anddoubtful debts)** | (67.29) | (67.29) |
| **Total trade receivables** | **14,897.14** | **13,207.76** |

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 experience 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.

## Notes to financial statements for the year ended 31st March, 2023

*(All amounts in ₹Lakhs, except otherwise stated)*

**Consolidated**

### Trade receivables Ageing Schedule as at March 31, 2023

| Particulars | Current but not due | < 6 months | 6 months -1 year | 1-2 Year | 2-3 Year | > 3 Year | Total |
|---|---|---|---|---|---|---|---|
| Undisputed Trade Receivables - Considered Good | 8,038.65 | 4,502.58 | 2,423.20 | - | - | - | **14,964.43** |
| Which have significant increase in Credit Risk | | | | | | | |
| Credit Impaired | | | | | | | |
| Disputed Trade Receivables - Considered Good | | | | | | | |
| Which have significant increase in Credit Risk | | | | | | | |
| Credit Impaired | | | | | | | |
| **Total** | **8,038.65** | **4,502.58** | **2,423.20** | **-** | **-** | **-** | **14,964.43** |

### Trade receivables Ageing Schedule as at March 31, 2022.

| Particulars | Current but not due | < 6 months | 6 months -1 year | 1-2 Year | 2-3 Year | > 3 Year | Total |
|---|---|---|---|---|---|---|---|
| Undisputed Trade Receivables - Considered Good | 5,535.38 | 5,314.21 | 2,425.47 | - | - | - | **13,275.06** |
| Which have significant increase in Credit Risk | | | | | | | |
| Credit Impaired | | | | | | | |
| Disputed Trade Receivables - Considered Good | | | | | | | |
| Which have significant increase in Credit Risk | | | | | | | |
| Credit Impaired | | | | | | | |
| **Total** | **5,535.38** | **5,314.21** | **2,425.47** | | | | **13,275.06** |

### Expected credit loss

| **Aging :** | **As at 31st, March, 2023** | As at 31st, March, 2022 |
|---|---|---|
| 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% |

### Aging of receivables

| **Particulars** | **As at 31st, March, 2023** | As at 31st, March, 2022 |
|---|---|---|
| With credit period | 8,038.65 | 5,535.39 |
| Upto 60 days past due | 2,540.19 | 2,720.17 |
| 61-90 days past due | 737.41 | 1,282.24 |
| 91-180 days past due | 1,224.99 | 1,311.79 |
| more than 180 days past due | 2,423.20 | 2,425.47 |
| **Total trade receivables (before impairment allowance)** | **14,964.43** | 13,275.06 |

**Notes to financial statements for the year ended 31st March, 2023**

*(All amounts in ₹Lakhs, except otherwise stated)*

**Consolidated**

**Movement in expected credit loss allowance :**

| Particulars | As at 31st, March, 2023 | As at 31st, March, 2022 |
|---|---|---|
| **Balance at beginning of the year** | **67.29** | 31.43 |
| Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses | - | 35.86 |
| **Balance at end of the year** | **67.29** | 67.29 |

**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, 2023 | As at 31st, March, 2022 |
|---|---|---|
| Balances with banks | | |
| Current Account | **2,674.34** | 1,418.39 |
| Cash on hand | **1.54** | 6.39 |
| **Total** | **2,675.88** | 1,424.78 |

### NOTE 11: BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

| Particulars | As at 31st, March, 2023 | As at 31st, March, 2022 |
|---|---|---|
| Deposit's with bank including LC Margin | **19,967.26** | 9,681.83 |
| Balances with banks in Current Account Earmarked for dividend | **256.25** | 233.90 |
| **Total** | **20,223.51** | 9,915.73 |

### NOTE 12: LOANS

| Particulars | As at 31st, March, 2023 | As at 31st, March, 2022 |
|---|---|---|
| Loans/advances to employees | 95.58 | 96.68 |
| Total | **95.58** | 96.68 |

## Notes to financial statements for the year ended 31st March, 2023

*(All amounts in ₹Lakhs, except otherwise stated)*

**Consolidated**

**NOTES: LOAN REPAYABLE ON DEMAND**

Loan to subsidiary is repayable on demand and the loan carries an interest rate of 9.50% per annum and interest payable quarterly basis

**NOTE 13: OTHER FINANCIAL ASSETS**

| Particulars | As at 31st, March, 2023 | As at 31st, March, 2022 |
|---|---|---|
| Other deposits | 225.82 | 32.20 |
| Insurance claim receivable | 1,040.50 | 3.33 |
| **Total** | **1,266.32** | **35.53** |

**NOTE 14: OTHER CURRENT ASSETS**

| Particulars | As at 31st, March, 2023 | As at 31st, March, 2022 |
|---|---|---|
| Amounts receivable and tax advances | 2,268.89 | 712.58 |
| Advance to related parties | 40.39 | 20.22 |
| Advance to suppliers & others | 1,120.99 | 8,173.53 |
| Prepaid expenses | 146.59 | 25.12 |
| Export incentives receivable | 80.02 | 172.74 |
| **Total** | **3,656.87** | **9,104.19** |

**NOTE 15: EQUITY SHARE CAPITAL**

| | Particulars | As at 31st, March, 2023 | As at 31st, March, 2022 |
|---|---|---|---|
| (a) | **Authorised :** | | |
| | 4,90,00,000 Equity shares of ₹10/- each (as at 31st March 2022 4,90,00,000 Equity shares of ₹10/- each) | **4,900.00** | 4,900.00 |
| | | **4,900.00** | 4,900.00 |
| (b) | **Issued, Subscribed and fully paid:** | | |
| | 1,71,64,821 Equity shares of ₹10/- each fully paid (as at 31st March 2022 1,71,64,821 Equity shares of ₹10/- each fully paid) | **1,716.48** | 1,716.48 |
| | **Total** | **1,716.48** | 1,716.48 |

## Notes to financial statements for the year ended 31st March, 2023

*(All amounts in ₹Lakhs, except otherwise stated)*

**Consolidated**

### (i) Reconciliation of the number of equity shares outstanding

| Particulars | As at 31st, March, 2023 | As at 31st, March, 2022 |
|---|---|---|
| **At the beginning of the year** | **17,164,821** | 17,164,821 |
| Add: Issued during the year | **-** | - |
| **At the end of the year** | **17,164,821** | 17,164,821 |

### (ii) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 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.

### (iii) Details of shareholders holding more than 5% shares in the company

| Name of the shareholder | As at 31st March, 2023 | | As at 31st March, 2022 | |
|---|---|---|---|---|
| | No.of shares | % of total shares | No.of shares | % of total shares |
| Gowri Gopal Hospitals Pvt Ltd | 37,42,639 | 21.80% | 37,42,639 | 21.80% |
| Sree Rayalaseema Galaxy Projects Pvt Ltd | 15,13,989 | 8.82% | 15,13,989 | 8.82% |
| TGV Projects and Investments Pvt Ltd | 26,19,400 | 15.26% | 26,19,400 | 15.26% |

### (iv) Shares held by promoters at the end of the year

| Name of the Promoter | Year ended 31st March, 2023 | | | Year ended 31st March, 2022 | | |
|---|---|---|---|---|---|---|
| | No.of shares | % of total shares | % change during the year | No.of shares | % of total shares | % change during the year |
| Gowri Gopal Hospitals Pvt Ltd | 3,742,639 | 21.80% | - | 3,742,639 | 21.80% | 0.43% |
| Sree Rayalaseema Galaxy Projects Pvt Ltd | 1,513,989 | 8.82% | - | 1,513,989 | 8.82% | - |
| TGV Projects and Investments Pvt Ltd | 2,619,400 | 15.26% | - | 2,619,400 | 15.26% | 1.25% |
| T G V Securities Pvt Ltd | 656,414 | 3.82% | - | 656,414 | 3.82% | - |
| Sree Rayalaseema Dutch Kassenbouw Pvt Ltd | 499,422 | 2.91% | - | 499,422 | 2.91% | - |
| Brilliant Industries Pvt Ltd | 9,042 | 0.05% | - | 9,042 | 0.05% | -1.68% |
| T G V SRAAC Ltd | 244,749 | 1.43% | - | 244,749 | 1.43% | - |
| T G Bharath | 515,737 | 3.00% | - | 515,737 | 3.00% | - |
| T G Shilpa Bharath | 425,714 | 2.48% | - | 425,714 | 2.48% | - |
| T G Rajyalakshmi | 415,744 | 2.42% | - | 415,744 | 2.42% | - |
| Boda Mourya | 488 | 0.00% | - | 488 | 0.00% | - |
| Jyothsna S Mysore | 7,047 | 0.04% | - | 7,047 | 0.04% | - |
| TGV Industries Private Ltd | 8,000 | 0.05% | - | 8,000 | 0.05% | - |

**Notes to financial statements for the year ended 31st March, 2023**
*(All amounts in ₹Lakhs, except otherwise stated)*

**Consolidated**

**(v) Dividends declared and Paid:**

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| During the FY 2022-23: The shareholders of the company at its 17th Annual General Meeting held on 29th September, 2022 approved payment of dividend of ₹ 3.50/- per share of Face value of ₹10/- (35%) for the year ended 31st March, 2022, and dividend also paid during the year | 600.95 | - |
| During the FY 2021-22: The shareholders of the company at its 16th Annual General Meeting held on 30th September, 2021 approved payment of dividend of ₹ 3.00/- per share of Face value of ₹10/- (30%) for the year ended 31st March, 2021,and dividend also paid during the year | - | 514.94 |

**NOTE 16: OTHER EQUITY**

| Particulars | | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|---|
| Share premium | (i) | **3,026.59** | 3,026.59 |
| Retained earnings | (ii) | **54,033.56** | 39,208.11 |
| Other reserve (a+b) | (iii) | **2,762.75** | 2,762.75 |
| Reserve for other comprehensive income items | (iv) | **13,553.59** | 10,313.44 |
| **Total** | | **73,376.29** | **55,311.69** |

**Reserves and Surplus**

**(i) Share premium**

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Opening Balance | **3,026.59** | 3,026.59 |
| Add: Addition on preferential issue during the year | **0.00** | 0.00 |
| **Closing Balance** | **3,026.59** | 3,026.59 |

**(ii) Retained earnings**

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Opening balance | 39,208.91 | 29,446.00 |
| Add: Net profit for the year | 15,425.40 | 10,277.85 |
| Less: Payment of Dividend and dividend distribution tax (FY2021-22) | (600.95) | (514.94) |
| **Closing balance** | **54,033.36** | **39,208.91** |

## Notes to financial statements for the year ended 31st March, 2023

*(All amounts in ₹Lakhs, except otherwise stated)*

**Consolidated**

### (iii) Other Reserve

#### A. General reserve

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Opening balance | **334.09** | 334.09 |
| **Closing balance** | **334.09** | **334.09** |

#### B. Amalgamation reserve

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Opening balance | 2,428.67 | 2,428.67 |
| **Closing balance** | **2,428.67** | **2,428.67** |

| | | |
|---|---|---|
| **C. Total of other reserves (A+B)** | **2,762.75** | **2,762.75** |

### (iv) Reserve for other comprehensive income items

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Change in fair value of FVOCI - equity & preference instruments (Net of taxes) | | |
| - Balance at the beginning of the year | 10,372.36 | 1,813.54 |
| - Net gains/(losses) on FVTOCI securities during the year | 3,241.52 | 8,558.82 |
| - Closing balance | **13,613.88** | **10,372.36** |
| Other Comprehensive income arising from actuarial gain/loss on defined benefit obligation (Net of taxes) | | |
| - Balance at the beginning of the year | (58.92) | 32.22 |
| - Gains/(losses) on arising from actuarial gain/loss on gratuity | (1.37) | (91.14) |
| - Closing balance | (60.29) | (58.92) |
| **Total** | **13,553.59** | **10,313.44** |

### Nature and purpose of other reserves

#### General Reserve

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.

## Notes to financial statements for the year ended 31st March, 2023

*(All amounts in ₹Lakhs, except otherwise stated)*

**Consolidated**

**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.

**NOTE 17: BORROWINGS**

| | Particulars | As at 31st, March, 2023 | As at 31st, March, 2022 |
|---|---|---|---|
| **A.** | **Non-current borrowings** | | |
| | **Secured** | | |
| | **Term Loans** | | |
| | For vehicles from bank | - | 29.27 |
| | Subsidiary company borrowings from TGV Industries Pvt. Ltd., | 320.53 | - |
| | **Non Current Portion** | **320.53** | **29.27** |
| **B.** | **Current borrowings** | | |
| | **Secured** | | |
| | Working capital demand loans | **841.99** | 1,832.90 |
| | **Current Portion** | **841.99** | 1,832.90 |

**C.** There is no default as at 31st March, 2023 and 31st March 2022 in repayment of loans and interest payments on Banks.

**D. Terms of repayment for total loans**

| Particulars | As at 31st, March, 2023 | As at 31st, March, 2022 |
|---|---|---|
| **Vehicle loans** | | |
| EMI of ₹ 1,94,635 payable up to Jun,2024, ROI @ 8.50% | **27.56** | **47.46** |

**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 thier individual capacities

**NOTE 18: OTHER NON-CURRENT FINANCIAL LIABILITIES**

| Particulars | As at 31st, March, 2023 | As at 31st, March, 2022 |
|---|---|---|
| Security deposits from customers | **118.25** | 127.99 |
| Total | **118.25** | 127.99 |

## Notes to financial statements for the year ended 31st March, 2023

*(All amounts in ₹Lakhs, except otherwise stated)*

**Consolidated**

### NOTE 19: LEASE LIABILITIES

| Particulars | As at 31st, March, 2023 | As at 31st, March, 2022 |
|---|---|---|
| Lease liabilities (Refer Note.44) | **607.13** | 794.41 |
| Total | **607.13** | 794.41 |

Refer note 44 for movement of Leases Liabilities.

### NOTE 20: DEFERRED TAX ASSET

| Particulars | As at 31st, March, 2023 | As at 31st, March, 2022 |
|---|---|---|
| The balance comprises temporary differences attributable to: | | |
| **Deferred tax liabilities** | | |
| FVTPL Instruments | 301.71 | 74.01 |
| Unwinding of interest on assets discounted | 32.69 | 0.67 |
| Deferred government grant | (0.38) | 2.94 |
| Gratuity | (30.65) | (30.65) |
| **Less:** | | |
| **Deferred tax assets** | | |
| Property, plant and equipment | (630.04) | (418.24) |
| Borrowing costs measured at amortised cost | (36.16) | (1.28) |
| Provision for expected credit loss (ECL) | (18.89) | - |
| MAT Credit entitlement | (294.77) | (294.77) |
| **Net deferred tax asset (net)** | **676.49** | **667.32** |

**Reconciliation of net deferred tax assets**

| Particulars | As at 31st, March, 2023 | As at 31st, March, 2022 |
|---|---|---|
| Opening balance | (667.32) | (549.72) |
| Recognised in Statement of profit and loss during the year | (9.17) | (86.95) |
| Recognised in Other comprehensive income during the year - Gratuity | 0.00 | (30.65) |
| **Closing balance as at end of the year** | **676.49** | **667.32** |

## Notes to financial statements for the year ended 31st March, 2023

*(All amounts in ₹Lakhs, except otherwise stated)*

**Consolidated**

### NOTE 21: GOVERNMENT GRANTS

| Particulars | As at 31st, March, 2023 | As at 31st, March, 2022 |
|---|---|---|
| Capital subsidy in solar projects | 83.96 | 89.96 |
| **Closing balance** | **83.96** | 89.96 |

### NOTE 22: LONG-TERM PROVISIONS

| Particulars | As at 31st, March, 2023 | As at 31st, March, 2022 |
|---|---|---|
| Gratuity (Refer note 42) | 226.11 | 208.56 |
| **Total** | **226.11** | 208.56 |

### NOTE 23: TRADE PAYABLES

| Particulars | As at 31st, March, 2023 | As at 31st, March, 2022 |
|---|---|---|
| Micro, Small and Medium Enterprieses (Refer Note 48) | 119.43 | 73.72 |
| Others | 6,981.53 | 7,633.35 |
| **Total** | **7,100.96** | **7,707.07** |

**Trade Payables Ageing Schedule as at March 31, 2023**

| Particulars | Unbilled dues | Current but not due | Outstanding for following periods from due date of payment | | | | Total |
|---|---|---|---|---|---|---|---|
| | | | < 1 | 1-2 Year | 2-3 Years | >3 Years | |
| Dues of Micro and Small Enterprise | - | - | 119.43 | | | | 119.43 |
| Dues of Creditors other than Micro and Small Enterprise | - | - | 6,909.96 | | | | 6,909.96 |
| Disputed outstanding Creditors of Micro and Small Enterprise | - | - | | | | | |
| Creditors other than Micro and Small Enterprise | | - | | | | | |
| **Total** | **-** | **-** | **7,029.39** | | | | **7,029.39** |

**Trade Payables Ageing Schedule as at March 31, 2022**

| Particulars | Unbilled dues | Current but not due | Outstanding for following periods from due date of payment | | | | Total |
|---|---|---|---|---|---|---|---|
| | | | < 1 | 1-2 Year | 2-3 Years | >3 Years | |
| Dues of Micro and Small Enterprise | - | - | 73.72 | | | | 73.72 |
| Dues of Creditors other than Micro and Small Enterprise | - | - | 7633.35 | | | | 7633.35 |
| Disputed outstanding Creditors of Micro and Small Enterprise | - | - | | | | | |
| Dues of Creditors other than Micro and Small Enterprise | | - | | | | | |
| **Total** | **-** | **-** | **7,707.07** | | | | **7,707.07** |

**Notes to financial statements for the year ended 31st March, 2023**

*(All amounts in ₹Lakhs, except otherwise stated)*

**Consolidated**

## NOTE 24: OTHER CURRENT FINANCIAL LIABILITIES

| | Particulars | As at 31st, March, 2023 | As at 31st, March, 2022 |
|---|---|---|---|
| A | **Current maturities of long term debt** | | |
| | **Secured** | | |
| | From Banks | 27.56 | 18.19 |
| | **Un Secured** | | |
| | **Others** | | |
| | Unpaid dividend | 256.25 | 233.90 |
| | Security deposits - others | 109.35 | 102.83 |
| | Dealers commission payable | 593.06 | 878.83 |
| | Overseas commission | 17.87 | 11.07 |
| | Creditors for services availed | 316.25 | 564.29 |
| | Others | 21.09 | 17.48 |
| | Advance from related parties | 640.90 | - |
| | **Total** | **1,982.34** | **1,826.58** |

For terms of repayment and securities please refer note 17 (D)

## NOTE 25: LEASE LIABILITIES

| Particulars | As at 31st, March, 2023 | As at 31st, March, 2022 |
|---|---|---|
| Lease liabilities (Refer Note.44) | 119.90 | 131.51 |
| **Total** | **119.90** | **131.51** |

## NOTE 26: OTHER CURRENT LIABILITIES

| Particulars | As at 31st, March, 2023 | As at 31st, March, 2022 |
|---|---|---|
| Advances from customers | 2,621.79 | 7,302.42 |
| Statutory remittances | 60.93 | 249.56 |
| **Total** | **2,682.72** | **7,551.98** |

## NOTE 27: CURRENT PROVISIONS

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Employee benefits | **140.34** | 319.99 |
| **Total** | **140.34** | 319.99 |

## Notes to financial statements for the year ended 31st March, 2023

*(All amounts in ₹Lakhs, except otherwise stated)*

**Consolidated**

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

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Current tax liability** | | |
| Provision for income tax | **14,458.21** | 10,832.71 |
| **Current tax asset** | | |
| Tax deducted at source & advance tax | **(14,046.63)** | (9,739.60) |
| **Closing balance liability (Net)** | **411.58** | **1,093.11** |

### NOTE 29: REVENUE FROM OPERATIONS

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|
| **Sale of manufactured products** | 86,793.34 | 78,731.65 |
| traded goods | 65,273.73 | 44,892.00 |
| plots | 8,060.15 | - |
| energy | 4,411.74 | 2,652.01 |
| **Other operating revenue** | | |
| Sale of scrap | 153.84 | 144.84 |
| Export incentives | 318.85 | 306.74 |
| **Total** | **165,011.65** | **126,727.24** |

Note : For Disaggregation of revenue refer no. 49

### NOTE 30: OTHER INCOME

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|
| Insurance claim received | - | 99.53 |
| Net gains/(losses) on FVTPL instruments | 795.88 | 399.75 |
| Interest on bank and other deposits and customers | 907.34 | 444.72 |
| Rental income | 48.91 | 58.89 |
| Unwinding of interest on assets discounted | 2.84 | 2.65 |
| Profit on sale of investments/assets | 1,522.67 | 3.50 |
| Deferred government grant income | 6.00 | 6.00 |
| Gain on foreign exchange (net) | 138.70 | 34.55 |
| Other non-operating Income | 38.08 | 18.31 |
| Loss on sale of Asset (net) | (49.48) | - |
| **Total** | **3,410.94** | 1,067.91 |

### NOTE 31: COST OF MATERIALS CONSUMED

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|
| Consumption | | |
| Raw materials | 49,134.80 | 41,553.19 |
| Stores,spares,chemicals & packing Materials | 8,116.53 | 7,909.89 |
| **Total** | **57,251.33** | **49,463.08** |

## Notes to financial statements for the year ended 31st March, 2023

*(All amounts in ₹Lakhs, except otherwise stated)*

**Consolidated**

### NOTE 32: PURCHASE OF STOCK IN TRADE

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|
| Purchase of stock-in-trade | **65,381.47** | 49,365.97 |
| **Total** | **65,381.47** | 49,365.97 |

### NOTE 33: CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|
| **Closing stock** | | |
| Finished goods | 8,791.21 | 7,681.48 |
| Stock-in-process | 89.95 | 197.98 |
| Stock-in-trade | - | 2,808.19 |
| **Total closing Stock: (A)** | **8,881.16** | **10,687.65** |
| **Opening stock** | | |
| Finished goods | 7,681.48 | 1,636.32 |
| Stock-in-process | 197.98 | 87.15 |
| Stock-in-Trade | 2,808.19 | |
| **Total Opening Stock** | **10,687.65** | **1,723.47** |
| Transferred from investment property to stock in trade | - | 2,808.19 |
| **Total stock: (B)** | **10,687.65** | **4,531.66** |
| Total changes in inventories of work-in-progress, stock-in-trade and finished goods: C(A-B) | - (1,806.49) | 6,155.99 |

### NOTE 34: EMPLOYEE BENEFITS EXPENSE

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|
| Salaries, wages, bonus and allowances | 3,156.17 | 2,252.19 |
| Contribution to funds | 83.02 | 71.81 |
| Staff welfare expenses | 641.72 | 550.40 |
| **TOTAL** | **3,880.90** | **2,874.40** |

### NOTE 35: FINANCE COST

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|
| **Interest expenses** | | |
| On working capital loans/Cash credits | 4.79 | 7.95 |
| Bank charges | 198.35 | 125.18 |
| On others | 135.08 | 106.94 |
| On lease liabilities | 136.74 | 80.75 |
| **Total** | **474.95** | **320.82** |

**Notes to financial statements for the year ended 31st March, 2023**

*(All amounts in ₹Lakhs, except otherwise stated)*

**Consolidated**

**NOTE 36: OTHER EXPENSES**

| **Particulars** | **Year ended 31st March, 2023** | Year ended 31st March, 2022 |
|---|---|---|
| Repairs & maintenance | 5,380.82 | 4,069.47 |
| Insurance | 169.72 | 202.89 |
| Rents | 30.35 | 192.54 |
| Travelling and conveyance | 110.15 | 36.07 |
| Printing and stationery | 6.48 | 3.58 |
| Postage telegrams and telephones | 25.52 | 17.37 |
| Freight outward & incidental expenses | 9,976.57 | 9,141.24 |
| Commission on sales | 1,050.05 | 1,466.84 |
| Advertisement | 11.64 | 2.60 |
| **Remuneration to auditors** | | |
| Statutory audit fees | 9.10 | 2.10 |
| Tax audit fees | 1.00 | 1.00 |
| **Professional expenses** | | |
| Cost audit fees | 0.60 | 0.60 |
| Secraterial audit fees | 0.70 | 0.70 |
| Security & other Service Charges | 1,007.60 | 938.77 |
| Legal expenses | 36.35 | 10.15 |
| Power and fuel | 53.79 | 55.84 |
| Other expenses | 115.56 | 26.95 |
| Corporate Social Responsibility Expenses (Please see note 53) | 506.15 | 24.66 |
| Other selling expenses | 158.90 | 112.87 |
| **Total** | **18,651.03** | **16,306.24** |

## Notes to financial statements for the year ended 31st March, 2023

*(All amounts in ₹Lakhs, except otherwise stated)*

**Consolidated**

### NOTE 37: TAX EXPENSES

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|
| **a) Income tax expense** | | |
| Current tax on profits for the year | 3,625.50 | 3,507.02 |
| **Total current tax expenses** | **3,625.50** | **3,507.02** |
| **Deferred tax** | | |
| Decrease/(increase) in deferred tax assets | (265.57) | 33.42 |
| (Decrease)/increase in deferred tax liabilities | 256.40 | (151.03) |
| **Total deferred tax expense/(benefit)** | **(9.17)** | **(117.61)** |
| Recognised in Other comprehensive income | | |
| - Gratuity | - | (30.65) |
| Income tax expenses | 3,616.33 | 3,420.60 |

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, 2023 | Year ended 31st March, 2022 |
|---|---|---|---|
| **(A)** | **Net profit before taxes** | **19,041.74** | 13,697.92 |
| **(B)** | Applicable tax rate under normal provisions | **25.17%** | 25.17% |
| **(C)** | Tax payable under under provisions as per applicable rate = (A*B) | **4,792.43** | 3,447.49 |
| **(D)** | **Increase/decrease in tax on account of :** | | |
| | Depreciation as per books | 486.95 | 483.95 |
| | Depreciation as per income tax act, 1961 | (218.51) | (307.01) |
| | Expenses disallowed example CSR | 187.98 | 12.26 |
| | Section 43B | 16.18 | (5.50) |
| | Ind AS adjustments | (241.14) | (124.32) |
| | Income considered separately | (1,398.39) | - |
| | **Tax as per normal provision under Income Tax (C+D)** | **3,625.50** | **3,507.02** |

## Notes to financial statements for the year ended 31st March, 2023

*(All amounts in ₹Lakhs, except otherwise stated)*

**Consolidated**

### NOTE 38: OTHER COMPREHENSIVE INCOME (OCI)

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|
| Re-measurement gains/(losses) on defined benefit plan | **(1.37)** | (121.79) |
| Tax effect on gains/(losses) on defined benefit plan | **0.34** | 30.65 |
| Net gains/(losses) on FVTOCI equity securities | **4,331.73** | 11,437.38 |
| Tax effect on FVTOCI equity securities | **(1,090.21)** | (2,878.56) |
| **Total** | **3,240.50** | 8,467.69 |

### NOTE 39: EARNING PER SHARE (EPS)

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|
| Basic earning per share (Face value ₹ 10/-) | | |
| Net Profit After Tax | 15,425.41 | 10,277.85 |
| Weighted Average Number of Equity Shares of ₹10/- each | 1,71,64,821 | 1,71,64,821 |
| Basic and diluted ₹ | 89.87 | 59.88 |

### NOTE 40: FAIR VALUE MEASUREMENTS

**Financial Instruments by category**

**The carrying value of financial instruments by categories as of March 31, 2023 is as follows :**

| Particulars | FVTPL | FVTOCI | Amortised cost | Total |
|---|---|---|---|---|
| ***Financial assets*** | | | | |
| Investments | | | | |
| Equity instruments | - | 16,119.56 | - | 16,119.56 |
| Government securities | - | - | 0.10 | 0.10 |
| Venture capital funds | 4,516.14 | - | - | 4,516.14 |
| Mutual funds | 737.16 | - | - | 737.16 |
| Trade receivables | - | - | 14,897.14 | 14,897.14 |
| Cash and cash equivalents | - | - | 2,649.93 | 2,649.93 |
| Bank balances other than Cash and cash equivalents | - | - | 20,223.51 | 20,223.51 |
| Loans | | | 1,287.33 | 95.58 |
| Other financial assets | - | - | 1,528.39 | 1,528.39 |
| **Total Financial assets** | **5,253.30** | **16,119.56** | **39,420.60** | **60,793.46** |
| Financial liabilities | | | | |
| Borrowings | - | - | 1,190.08 | 1,190.08 |
| Trade payables | - | - | 7,100.96 | 7,100.96 |
| Other financial liabilities | - | - | 2,073.03 | 2,073.03 |
| **Total Financial liabilities** | **-** | **-** | **10,364.07** | **10,364.07** |

## Notes to financial statements for the year ended 31st March, 2023

*(All amounts in ₹Lakhs, except otherwise stated)*

**Consolidated**

**The carrying value of financial instruments by categories as of March 31, 2022 is as follows:**

| Particulars | FVTPL | FVTOCI | Amortised cost | Total |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Investments | | | | |
| Equity instruments | - | 12,878.03 | - | 12,878.03 |
| Government securities | - | - | 0.10 | 0.10 |
| Venture capital funds | 2,760.46 | - | - | 2,760.46 |
| Mutual funds | 730.31 | - | - | 730.31 |
| Trade receivables | | - | 13,207.76 | 13,207.76 |
| Cash and cash equivalents | - | - | 1,424.78 | 1,424.78 |
| Bank balances other than Cash and cash equivalents | - | - | 9,915.74 | 9,915.74 |
| Loans | - | - | 96.68 | 96.68 |
| Other financial assets | - | - | 470.14 | 470.14 |
| **Total Financial assets** | **3,490.77** | **12,878.03** | **25,115.20** | **41,484.00** |
| Financial liabilities | | | | |
| Borrowings | - | - | 1,862.17 | 1,862.17 |
| Trade payables | - | - | 7,707.07 | 7,707.07 |
| Other financial liabilities | - | - | 1,954.58 | 1,954.58 |
| **Total Financial liabilities** | **-** | **-** | **11,523.82** | **11,523.82** |

**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 2022:

| Fair value measurement using | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **Financial assets** | | | | |
| ***Investment in Financial instruments at FVTOCI*** | | | | |
| Financial instruments at FVTOCI | | | | |
| Quoted equity instruments | 16,119.56 | - | - | 16,119.56 |
| Mutual funds | 737.16 | | | 737.16 |
| Venture capital funds | 4,516.14 | | - | 4,516.14 |
| Investment property | - | 1,324.71 | - | 1,324.71 |
| **Total Financial assets** | **21,372.86** | **1,324.71** | **-** | **22,697.57** |
| Quantitative disclosures fair value measurement hierarchy for assets as at 31st March 2022: | | | | |
| Fair value measurement using | | | | |
| **Financial assets** | | | | |
| ***Financial instruments at FVTOCI*** | | | | |
| Investment in quoted equity instruments | 12,878.03 | - | - | 12,878.03 |
| Mutual funds | 730.31 | | | 730.31 |
| Venture capital funds | 2,760.46 | | | 2,760.46 |
| Investment property | - | - | - | - |
| **Total financial assets** | **16,368.80** | **-** | **-** | **16,368.80** |

**Notes to financial statements for the year ended 31st March, 2023**
*(All amounts in ₹Lakhs, except otherwise stated)*
**Consolidated**

**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.

**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.

**Notes to financial statements for the year ended 31st March, 2023**
*(All amounts in ₹Lakhs, except otherwise stated)*

**Consolidated**

**Gearing ratio**

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

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Total Debt*** | **27.56** | **47.46** |
| Equity share capital | 1,716.48 | 1,716.48 |
| Other equity | 73,387.96 | 55,315.29 |
| Total equity | 75,104.44 | 57,031.77 |
| Total debt to Total equity ratio | 0.0003 | 0.0008 |

*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 Cheif 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 uncertainities about future value of the investment secutities. The Company's non-current investment in equity shares are strategic investments and hence are considered as Fair Value through Other Comprehensive Income. The Company's Board of Directors reviews and approves all equity investment decisions.

**Foreign currency risk management**

The Company operates internationally and is exposed to foreign currency risk arising from foreign currency transactions, primarily with respect to the US$. 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.

## Notes to financial statements for the year ended 31st March, 2023

*(All amounts in ₹Lakhs, except otherwise stated)*

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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 veiw 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, 2023 | | As at 31st March, 2022 | |
|---|---|---|---|---|
| | Currency | Amount in FC | Currency | Amount in FC |
| Receivables for export | USD | 44.24 | USD | 25.00 |
| Payables for imports | USD | 56.04 | USD | 76.56 |

***Foreign currency sensitivity analysis***

The Company is mainly exposed to USD.

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, 2023 | As at 31st March, 2022 |
|---|---|---|
| **USD Sensitivity** | | |
| Increase by 5% | (47.17) | (195.43) |
| Decrease by 5% | 47.17 | 195.43 |

***Interest rate risk management***

Interest rate risk is the risk that the fair value or future cash flows of a financial intruments 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, 2023**
*(All amounts in ₹Lakhs, except otherwise stated)*

**Consolidated**

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

| | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| 50 base points higher | - | (0.24) |
| 50 base points lower | - | 0.24 |

## 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.

## 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, 2023

*(All amounts in ₹Lakhs, except otherwise stated)*

**Consolidated**

**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, 2023** | | | | | |
| Bank borrowings | - | - | 348.09 | - | 27.56 |
| Others - Security deposits | 118.25 | - | - | - | 118.25 |
| **Total non-current financial liabilities** | **118.25** | **-** | **348.09** | **-** | **145.81** |
| Current borrowings | - | 841.99 | - | - | 841.99 |
| Trade payables | - | 7,100.96 | - | - | 7,029.39 |
| Other current financial liabilities | - | 1,954.78 | - | - | 1,954.78 |
| **Total current financial liabilities** | **-** | **9,897.72** | **-** | **-** | **9,826.15** |
| **Total** | **118.25** | **9,897.72** | **348.09** | **-** | **9,971.97** |
| **As at 31st March, 2022** | | | | | |
| Bank borrowings | - | - | 47.46 | - | 47.46 |
| Others - Security deposits | 127.99 | - | - | - | 127.99 |
| **Total non-current financial liabilities** | **127.99** | **-** | **47.46** | **-** | **175.45** |
| Current borrowings | - | 1,832.90 | - | - | 1,832.90 |
| Trade payables | - | 7,707.07 | - | - | 7,707.07 |
| Other current financial liabilities | - | 1,826.59 | - | - | 1,826.59 |
| **Total current financial liabilities** | **-** | **11,366.56** | **-** | **-** | **11,366.56** |
| **Total** | **127.99** | **11,366.56** | **47.46** | **-** | **11,542.01** |

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 |
| Borrowings and Financial liabilities | Liquidity risk | Rolling cash flow forecasts | Availability of committed credit lines and borrowing facilities |

**42. CONTINGENT LIABILITIES AND COMMITMENTS:**
**(to the extent not provided for)**

| Particulars | **Year Ended 31st March, 2023** | Year Ended 31st March, 2022 |
|---|---|---|
| **Contingent liabilities** | | |
| a) Claims against company not acknowledged as debts (Income tax dues under dispute and GST under dispute pending in Appeal) | **853.71** | 50.79 |
| b) Guarantees issued by banks on behalf of the Company and outstanding at end of the year | **152.27** | 12,261.33 |
| **Commitments** | | |
| a) Unexpired Letters of credit established by the Company | **4,607.05** | 6,159.11 |

## Notes to financial statements for the year ended 31st March, 2023

*(All amounts in ₹Lakhs, except otherwise stated)*

**Consolidated**

**43. EMPLOYEE BENEFITS:**

**A) Defined contribution plans**

Employees contribution to provident fund and employees state insurance (ESI) 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 (Lic) 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 Acturial Valuation:

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|
| **Changes in present value of Obligations** | | |
| Present value at the beginning of the year | 388.26 | 246.44 |
| Interest cost | 26.06 | 16.18 |
| Current Service Cost | 28.99 | 18.93 |
| Cost PSC - Vested | | 0.00 |
| Benefits paid | (23.14) | (15.09) |
| Actuarial (gain)/loss on obligations | 1.29 | 121.79 |
| Present value at the end of the year | 421.47 | 388.26 |
| **Changes in fair value of planned assets** | | |
| Fair value of plan assets at the beginning of the year | 181.08 | 162.16 |
| Expected return on plan assets | 12.07 | 11.06 |
| Contributions | 23.90 | 21.85 |
| Benefits paid | (23.14) | (15.09) |
| Actuarial (gain)/loss on planned assets | 1.44 | 1.09 |
| Fair value of plan assets at the end of the year | 195.36 | 181.08 |
| **Amount recognized in the balance sheet*** | | |
| Present value of obligations as at the end of year | 421.47 | 388.26 |
| Fair value of plan assets as at the end of year | 195.36 | 181.08 |
| Net asset/(liability) recognized in balance sheet | 226.11 | 207.17 |
| **Expenses recognized in Statement of Profit and Loss** | | |
| Current service cost | 28.99 | 18.93 |
| Interest cost | 26.07 | 16.18 |
| **Expected return on plan assets** | 12.07 | 11.05 |
| Total Acturial Gain/Loss. | 1.44 | 1.09 |
| **Amount recognised in Other ComprehensiveIncome*** | | |
| **Actuarial (gain)/ loss on obligations** | 1.29 | 121.79 |
| **Actuarial (gain)/loss - plan assets** | 1.44 | 1.09 |
| **Actuarial (gain)/loss recognized in the year** | 1.44 | 1.09 |

## Notes to financial statements for the year ended 31st March, 2023

*(All amounts in ₹Lakhs, except otherwise stated)*

**Consolidated**

### 44. LEASES:

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.

**The changes in the carrying value of ROU assets for the year ended 31st March, 2022 are as follows:**

| Particulars | Buildings ₹ |
|---|---|
| Balance as at 1st April 2022 | 736.13 |
| Amortization | 231.04 |
| Balance as at 31st March, 2023 | 505.09 |

**The break-up of current and non-current lease liabilities as at 31st March, 2023 is as follows**

| Particulars | As at 31st March, 2023 |
|---|---|
| Current lease liabilities | 111.90 |
| Non- Current lease liabilities | 607.13 |
| **Total** | 727.03 |

**The movement in lease liabilities during the year ended 31st March, 2023 is as follows:**

| Particulars | Buildings |
|---|---|
| Balance as at 1st April 2022 | 925.91 |
| Add: Finance cost during the year | 136.73 |
| Less : Lease payments during the year | (335.61) |
| Balance as at 31st March, 2022 | 727.03 |

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, 2023 |
|---|---|
| (i) Not later than one year | 352.04 |
| (ii) Later than one year and not later than five years | 972.89 |
| (iii)Later than five years | 973.38 |

## Notes to financial statements for the year ended 31st March, 2023

*(All amounts in ₹Lakhs, except otherwise stated)*

**Consolidated**

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

| Particulars | Year ended 31st March, 2023 |
|---|---|
| (i) Not later than one year | **57.39** |
| (ii) Later than one year and not later than five years | **226.10** |
| (iii)Later than five years | **Nil** |

C. Lease receipts recognized in the Profit and Loss Account is ₹48.91 Lakhs during the year ended March 31, 2023.

**45. SEGMENT REPORTING:**

Ind AS 108, Operating segments, establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographical areas and major customers. The Company's operations predominantly relate to manufacturing of chemicals, real estate, trading of coal and power generation. The Chief Operating Decision Making (CODM) evaluates the company's performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented along business segments.The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segements, and are as set out in the accounting policies.

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|
| Segment revenue | | |
| a) Chemicals | 87,345.17 | 79,183.23 |
| b) Real Estate | 8,060.15 | - |
| c) Trading | 71,775.64 | 46,172.07 |
| d) Power generation | 9,499.04 | 4,696.83 |
| e) unallocated | 3,410.94 | 1,066.38 |
| **TOTAL** | **1,80,090.92** | **1,31,118.50** |
| Less: Inter segment revenue | (11,668.34) | (3,324.88) |
| Net Sales/Income from Operations | **1,68,422.59** | **1,27,793.62** |
| **Segment Results Profit/(Loss)** | | |
| **Before tax and interest:** | | |
| a) Chemicals | 9,611.82 | 10,906.67 |
| b) Real Estate | 4,033.10 | - |
| c) Trading | 1,147.42 | 1,336.41 |
| d) Power generation | 1,048.13 | 710.03 |
| e) unallocated | 3,410.94 | 1,066.38 |
| **TOTAL** | **19,251.41** | **14,019.49** |
| Less: Interest Expenses | (203.14) | (320.82) |
| **Total Profit before Tax** | **19,048.27** | **13,698.65** |

## Notes to financial statements for the year ended 31st March, 2023

*(All amounts in ₹Lakhs, except otherwise stated)*

Consolidated

| | | |
|---|---|---|
| **Segment assets** | | |
| a) Chemicals | 58,014.00 | 52,888.46 |
| b) Tranding | 8,591.59 | 7,060.28 |
| c) Power generation | 3,897.99 | 2,406.79 |
| d) Others | 21,408.97 | 16,384.91 |
| **TOTAL** | **91,912.52** | **78,740.45** |
| **Segment liabilities** | | |
| a) Chemicals and Trading | 12,439.25 | 15,325.89 |
| b) Trading | 4,368.84 | 6,381.03 |
| c) Power generation | - | 1.75 |
| d) Others | - | - |
| **TOTAL** | **16,808.09** | **21,708.66** |

### 46. RELATED PARTY DISCLOSURES

As required under Ind As 24, Related Party Disclosures, the following are the related parites identified, transactions with such related parties during the year ended 31st March, 2022 and the balances as on that date are given below:

| 1. | **Related Parties** | Transactions during the year |
|---|---|---|
| 1.1 | **Subsidiary Companies** | |
| | TGV Sodium & Electrolite Private Limited | Yes |
| | TGV metals and chemicals 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 Industries Private Limited | Yes |
| | TGV Industries Private Limited | Yes |
| | M V SALTS and chemicals Private Limited | Yes |
| 1.5 | **Key Managerial Personnel** | |
| | T G Bharath – CMD | Yes |
| | V Surekha – Company Secretary | Yes |
| | ShaikIfthekhar Ahmed – Chief Financial Officer | Yes |

## Notes to financial statements for the year ended 31st March, 2023

*(All amounts in ₹Lakhs, except otherwise stated)*

**Consolidated**

**a. Transactions during the year : 2022-23**

| 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 | 20.00 | Nil | Nil | Nil | Nil |
| Redemption of investments(CRPS) | Nil | Nil | Nil | Nil | Nil |
| Net loans and advances given / received | Nil | Nil | Nil | Nil | Nil |
| Revenue from operations | Nil | Nil | Nil | 12700.78 | Nil |
| Purchase of raw material / Material consumed | Nil | Nil | Nil | 20627.94 | Nil |
| Employee benefits | Nil | 890.89 | Nil | Nil | 911.27 |
| Rent | Nil | 53.15 | 56.19 | 223.20 | Nil |
| Services Received | Nil | 118.00 | 118.00 | 242.65 | Nil |
| Services Rendered | Nil | Nil | Nil | 242.65 | Nil |
| Rental Deposit | Nil | Nil | Nil | Nil | Nil |

**b. Outstanding balances**

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|
| Advances to Related Parties | 40.39 | 20.22 |
| Other Current Financial Liability | 640.39 | 13.69 |
| Other Non Currentfinancial Assets | 209.88 | 209.88 |
| Rental Deposit to Key Managerial Personnel (KMP) and Relative of KMP | 160.00 | 160.00 |

**a. Transactions during the year 2021-22 :**

| 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 | 15.00 | Nil | Nil | Nil | Nil |
| Redemption of investments(CRPS) | Nil | Nil | Nil | Nil | Nil |
| Net loans and advances given / received | Nil | Nil | Nil | | Nil |
| Revenue from operations | Nil | Nil | Nil | 5257.51 | Nil |
| Purchase of raw material / Material consumed | Nil | Nil | Nil | 18632.72 | Nil |
| Employee benefits | Nil | 713.89 | Nil | Nil | 17.56 |
| Rent | Nil | 57.01 | 63.14 | 252.24 | Nil |
| Services Received | Nil | 259.60 | 259.60 | 687.99 | Nil |
| Services Rendered | Nil | Nil | Nil | 149.46 | Nil |
| Rental Deposit | Nil | Nil | Nil | Nil | Nil |

## Notes to financial statements for the year ended 31st March, 2023

*(All amounts in ₹Lakhs, except 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 31st March, 2023 | For the year ended 31st March, 2022 |
|---|---|---|---|
| TGV SRAAC Ltd | Purchases | 15676.11 | 14,350.21 |
| | Sales | 12395.77 | 4905.41 |
| | Lease Rentals | 6.55 | 7.87 |
| | Services rendered | 242.65 | 149.46 |
| | Services received | - | 39.09 |
| Gowri Gopal Hospitals Pvt Limited | Purchases | 1.74 | 1.83 |
| | Sales | 88.39 | 3.16 |
| | Lease Rentals | 16.14 | 19.05 |
| | Serivces Received | 56.23 | 31.32 |
| TGV Projects and Investments Pvt Ltd., | Purchases | 9.79 | 0.00 |
| | Sales | 178.97 | 2.48 |
| | Lease Rentals | 200.51 | 225.32 |
| | Serivces Received | 134.68 | 122.36 |
| SreeRayalaseema Galaxy Projects Ltd., | Purchases | 23.86 | 22.26 |
| | Sales | 190.00 | 247.86 |
| | Serivces Received | 590.90 | 492.28 |
| TGV Industries Pvt Ltd., | Purchases | 4916.44 | 4258.42 |
| | Sales | 229.79 | 98.60 |
| | Rent received | 24.40 | 28.32 |
| GG ICU LLP | Services Received | 0.76 | 2.94 |
| Brilliant Industries Pvt Ltd., | Loan Given | 0.00 | 550.00 |
| | Loan Repaid | 0.00 | (1470.11) |
| TGV Metals and chemical Private Limited | Investment in the Shares capital | 20.00 | 5.00 |
| | Share application | 0.00 | 10.00 |
| | Rent Received | 0.00 | 1.50 |
| | Loan given | 1191.75 | 0.00 |
| Shri TG Venkatesh, | Rent paid | 56.19 | 63.14 |
| | Services Received | 118.00 | 259.60 |
| Shri. TG Bharath, Chairman and Managing Director | Rent paid | 53.15 | 57.01 |
| | Remuneration | 890.89 | 713.89 |
| | Employers Contribution to P.F. | 0.70 | 0.70 |
| | Services Received | 118.00 | 259.60 |
| Smt. V. Surekha Company Secretary | Remuneration | 9.08 | 8.14 |
| | Employers Contribution to P.F. | 0.22 | 0.20 |
| Sri S Ifthekhar Ahmed Chief Financial Officer | Remuneration | 10.16 | 9.02 |
| | Employers Contribution to P.F. | 0.22 | 0.20 |

## Notes to financial statements for the year ended 31st March, 2023

*(All amounts in ₹Lakhs, except otherwise stated)*

**Consolidated**

### 47. INCOME AND EXPENDITURE IN FOREIGN CURRENCY

Earnings in Foreign Currency

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| FOB value of exports | **24,777.13** | 23,921.55 |

**Expenditure in Foreign Currency**

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| i) Commission paid | **34.49** | 16.54 |
| ii) Freight and CFS | **6,296.87** | 4,887.33 |
| iii) Machinery and spares | **114.98** | 48.73 |
| iv) Fee and charges | **0.00** | 0.94 |
| v) Other | **46.37** | 1.82 |

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

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Raw Materials & Coal** | **29,770.49** | **39,357.40** |

### 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 Schedle III to the Companies Act, 2013 (the Act). As per the said regulations required information inrespect of MSMED entities are, as per information submitted by the suppliers to the company, furnished below:

| | Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|---|
| a) | Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end. (all dues are outstanding within appointed date) | **119.43** | 73.72 |
| b) | Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end; | - | - |
| c) | Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year | - | - |
| d) | Principal payment made to suppliers registered under the MSMED Act, beyond the appointed day during the year; | - | - |
| 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 | - | - |
| 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 | - | - |
| g) | Further interest remaining due and payable for even in succeeding years. | - | - |

## Notes to financial statements for the year ended 31st March, 2023

*(All amounts in ₹Lakhs, except otherwise stated)*

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### 49. REVENUE FROM CONTRACTS WITH CUSTOMERS:

The Company is producer of calcium hypochlorite, sulphuricacid, 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 recognizedbased 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.

**Disclosures as per IndAS-115, Revenue from Contracts with customers**

**A. Disaggregate revenue information**

| | Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|---|---|---|
| 1) | **Type of goods or service** | | |
| | Chemicals | 86,793.34 | 78,731.65 |
| | Real Estate | 8,060.15 | 0.00 |
| | Trading | 65,273.73 | 44,892.00 |
| | Power Generation | 4,411.74 | 2,652.01 |
| | Sale of Scrap | 153.84 | 144.84 |
| | Export Incentives | 318.85 | 306.74 |
| | **Total revenue from contracts with customers** | **1,65,011.65** | **1,26,727.24** |
| 2) | **Geographical** | | |
| | India | 1,16,687.75 | 95,760.80 |
| | Outside India | 48,323.90 | 30,966.44 |
| | **Total revenue from contracts with customers** | **1,65,011.65** | **1,26,727.24** |
| 3) | **Timing of revenue recognition** | | |
| | Sale on transfer of goods to customer at a point in time | 1,52,067.07 | 1,23,623.65 |
| | Service Income as and when services completed | 12,944.58 | 3,103.59 |
| | **Total revenue from contracts with customers** | **1,65,011.65** | **1,26,727.24** |

## Notes to financial statements for the year ended 31st March, 2023

*(All amounts in ₹Lakhs, except otherwise stated)*

**Consolidated**

| | Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|---|---|---|
| 4) | **Revenue** | | |
| | External customer | 1,53,343.31 | 1,23,402.36 |
| | Inter-Unit | 11,668.34 | 3324.88 |
| | **Total revenue from contracts with customers** | **1,65,011.65** | **1,26,727.24** |
| 5) | **Contract balances** | | |
| | Trade receivables* | 14,897.14 | 13,207.76 |
| | Contract Liability Advances from Customers** | 6,238.65 | 7,297.77 |

* Trade receivables are non-interest bearing and on credit allowed to certain customers. There is no significant increase in trade receivable compared to last year. As on March 31, 2023, ₹67.29 lakhs (March 31, 2022 ₹67.29 lakhs) is recognised as allowance for doubtful debts.

** Contract Liability represents short term advances received from customer to deliver the goods.

**B. Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price**

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|
| Revenue as per contracted price | 1,64,909.69 | 1,26,689.80 |
| Adjustments: | | |
| Sales return | 101.96 | 37.44 |
| Variable Consideration off invoice | - | - |
| Revenue from contract with customers | 1,65,011.65 | 1,26,727.24 |

**C. Reconciliation of the Revenue from Contracts with Customers with the amounts disclosed in the segment information:**

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|
| **Revenue** | | |
| External Sales | 1,65,011.65 | 1,26,727.24 |
| Inter Segment Revenue | 11,668.34 | 3,324.38 |
| **Total** | **1,76,679.99** | **1,30,051.62** |
| **Less: Inter Segment Revenue** | **11,668.34** | **3,324.38** |
| **Revenue from Operations** | **1,65,011.65** | **1,26,727.24** |

**D. Information about Receivables, Contract Assets and Contract Liabilities from Contracts with Customers:**

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|
| Trade Receivables | 14,897.14 | 13,207.76 |
| Contract Liabilities | 0.00 | |
| Advance from Customers | 6,238.65 | 7,297.77 |

## Notes to financial statements for the year ended 31st March, 2023

*(All amounts in ₹Lakhs, except otherwise stated)*

**Consolidated**

**E. The transaction price allocated to the remaining performance obligation (unsatisfied or partially unsatisfied) as at Balance Sheet date are, as follows:**

| **Particulars** | **Refer Note No.** | **Year ended 31st March, 2023** | Year ended 31st March, 2022 |
|---|---|---|---|
| Advances from Customers | 25 | 6,238.65 | 7,297.77 |

Management expects that the entire transaction price allotted to the unsatisfied contract as at the end of the reporting period will be recognised as revenue during the next financial year Disclosures

**F. Information about Receivables, Contract Assets and Contract Liabilities from Contracts with Customers:**

| **Particulars** | **Refer Note No.** | **Year ended 31st March, 2023** | Year ended 31st March, 2022 |
|---|---|---|---|
| Trade Receivables | 09 | 14,897.14 | 13,207.76 |
| Contract Liabilities | | 0.00 | 0.00 |
| Advance from Customers | 25 | 6,238.65 | 7,297.77 |

**G. 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 ₹ 6238.65 Lakhsout of which, approximately 100% is expected to be recognized as revenues within one year and the balance beyond one year.

**50. (A) Particulars of loans, guarantees or investments in accordance with section 186 of the companies act, 2013**

| Name of the entity to whom Relationship, loan/investment/guranee/ if any, of the security was given / made | Relationship, if any, of the entity with the Company | Amount of Investment ₹ in Lakhs | Particualrs of Investments made | Purpose for which the loan or guarantee or security is proposed to be utilized by the recipient. |
|---|---|---|---|---|
| TGV Metals and Chemicals Pvt. Ltd. | Partly owned Subsidiary | 25.00 | Investment in Equity | Not Applicable |
| | | 1191.75 | Unsecured Loan with Interest | Business |

**Notes to financial statements for the year ended 31st March, 2023**
*(All amounts in ₹Lakhs, except otherwise stated)*

**Consolidated**

**B) Disclosures as required under Regulation 34 (3) of SEBI LODR (Regulations), 2015.**

| | Particulars | Balance as on | | Maximum Amount outstanding during the period | |
|---|---|---|---|---|---|
| | | **31.03.2023** | 31.03.2022 | **31.03.2023** | 31.03.2022 |
| a) | Loans and advances in the nature of loans to | | | | |
| | (i) Subsidiary Company M/s TGV Metals and Chemicals Private Limited | 1191.75 | - | 1191.75 | - |
| | (ii) Associate Companies | | | | |
| | (iii) Firms/ Companies in which directors are interested | | | | |
| b) | Investment by the loanee in the shares of Holding Company and its subsidiary Company | - | - | - | - |

**Notes to financial statements for the year ended 31st March, 2023**
*(All amounts in ₹Lakhs, except otherwise stated)*

**Consolidated**

### 51. VALUE OF RAW MATERIALS CONSUMED

| PARTICULARS | As at 31st March, 2023 | | As at 31st March, 2022 | |
|---|---|---|---|---|
| | Rs. | % | Rs. | % |
| a) Imported | 29,770.49 | 25.99 | 58,154.55 | 63.96% |
| b) Indigenous | 84,745.78 | 74.01 | 32,764.61 | 36.04% |
| Total | 1,14,516.27 | 100% | 90,919.16 | 100% |

### 52. CONFIRMATION OF BALANCES

Confirmation of balances from certain parties for amounts due to them or due from them are yet to be received confirmation letters were received from some of the parties. And as per the letter of confirmation the balances are deemed to be accepted if not responded with in 15 days.

### 53. IMMOVABLE PROPERTY NOT HELD IN THE NAME OF COMPANY

| Sl.No. | Balance sheet head | Description of property | Gross carrying value (in ₹) | Title deeds in thename of | Whether title deeds holder is a promoter, director or relative of promoter/ director oremployee of promoter/ director | Property held since date (Financial Year) | Reason for notbeing held inthe name of theCompany |
|---|---|---|---|---|---|---|---|
| 1 | Property plantand Equipments | Land | 2,37,576 | Amalgamated company | No | Date of Amalgamation | This was received in scheme ofAmalgamation. Changeof title is under process |
| 2 | Property plantand Equipments | Land | 14,92,627 | Amalgamated company | No | Date of Amalgamation | This was received in scheme of Amalgamation. Changeof title is under process |
| 3 | Property plantand Equipments | Land | 23,30,990 | Amalgamated company | No | Date of Amalgamation | This was received in scheme of Amalgamation. Changeof title is under process |
| 4 | Property plantand Equipments | Land | 42,54,639 | Amalgamated company | No | Date of Amalgamation | This was received in scheme of Amalgamation. Changeof title is under process |

## Notes to financial statements for the year ended 31st March, 2023

*(All amounts in ₹Lakhs, except otherwise stated)*

**Consolidated**

**54. Corporate Social Responsibility(CSR) expenses :**

The Company is covered by provisions of Section 135 of Companies Act, 2013 to spend 2% of Average net profits towards CSR. The details of CSR are furnished below:

| S.No. | Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|---|
| 1 | Amount required to be spent by the company during the year | 175.54 | 112.35 |
| 2 | Amount Incurred | | |
| | a) CSR expenditure: | | |
| | i) Construction/acquisition of capital assets | - | - |
| | ii) For purposes other than (i) above | **58.58** | 24.66 |
| | b) CSR expenditure for 'Ongoing Projects' | 447.57 | - |
| | **c) Total CSR Expenditure Incurred during the year** | **506.15** | **24.66** |
| 3 | Excess/(shortfall) at the end of the year {2(c) -1} | 330.61 | (87.69) |
| 4 | Previous years excess/(shortfall) | 1.54 | 89.23 |
| 5 | **Total excess/(shortfall)** | **332.15** | **1.54** |
| 6 | Reasons for shortfall | NA | NA |
| 7 | Details of Related party transactions | Nil | Nil |
| 8 | Provisions made with respect to a liability incurred by entering into a contractual obligation and movement in provisions thereon | NA | NA |
| 9 | **Details showing Activity wise CSR Expenditure** | | |
| | **CSR expenditure:** | | |
| | Health care sanitation | 1.75 | 6.47 |
| | Sports Activities, Education & Skill Development | 19.90 | 0.23 |
| | Animal feed under Animal Welfare | 16.58 | 5.40 |
| | Drinking water to people of nearby areas | 20.35 | 12.56 |
| | **Sub Total** | **58.58** | **24.66** |
| | Cost of land and other capex for Ongoing Project | 447.57 | - |
| | **Total** | **506.15** | **24.66** |

**55. RATIOS**

| | Particulars | 31-Mar-23 | 31-Mar-22 | Variance% | Reasons |
|---|---|---|---|---|---|
| A | Current ratio | 4.27 | 2.35 | 81 | - |
| B | Debt equity ratio | 0.00 | 0.00 | 0 | - |
| C | Debts Service coverage ratio | 0.00 | 0.00 | 0 | - |
| D | Return on equity ratio | 0.21 | 0.18 | 14 | - |
| E | Inventory turnover ratio | 0.23 | 0.33 | (36) | - |
| F | Trade receivables turnover ratio | 2.94 | 2.77 | 6 | - |
| G | Trade payables turnover ratio | 6.47 | 9.64 | (31) | - |
| H | Net capital turnover ratio | 3.90 | 4.61 | (15) | - |
| I | Net profit ratio | 0.09 | 0.08 | 14 | - |
| J | Return on capital employed | 0.25 | 0.24 | 6 | - |

Note : The better financials achieved by the Company during 2022-23, resulted in overall improvement in the financial ratios named above when compared with previous year 2021-22 and the variance is more than 25%.

**Notes to financial statements for the year ended 31st March, 2023**

*(All amounts in ₹Lakhs, except otherwise stated)*

**Consolidated**

**Note:**

1. Total debt = Long term Borrowings (including current maturities of Long term borrowings), Sales tax deferrment loans

   (Current and non-current), short term borrowings and Interest accrued on debts
2. Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + interest+ other adjustments like loss on sale of Fixed assets etc
3. Debt service = Interest & Lease Payments + Principal Repayments
4. Avg. Shareholder's Equity = Average of opening total equity and closing total equity
5. Avg. Inventory = Average of opening inventory and closing inventory
6. Avg. Trade Receivable = Average of opening trade receivables and closing trade receivables
7. Avg. Trade Payables = Average of opening trade payables and closing trade payables
8. Working capital shall be calculated as current assets minus current liabilities
9. Capital employed = Tangible net worth (excluding revaluation reserve) + Total debt + deferred tax liability
10. Average total assets = Average of opening total assets and closing total assets
11. Average total equity = Average of opening equity share capital + other equity and closing equity share capital + other equity.

**Additional Regulatory Information:**

(1) The Company has not granted any loans or Advances in the nature of Loans to Promoters, Directors, KMPs and other related parties except ₹1171.53 lakhs to subsidiaries (note12) which are without specifying terms and period of repayment and constitutes 100% of total advances.

(2) The Company has no investment property as at the close of the year for fair valuation. The Company has not revalued its Property Plant and Equipment (including Right of use Assets).

(3) The Company is not holding any Benami property and no proceeding has been initiated or pending against the company.

(4) The Company has no transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961(such as search or survey or any relevant provisions of Income Tax Act, 1961)

(5) (A) The Company has not advanced or loaned or invested any funds in any other person(s) or entity(ies), including foreign entities (intermediaries) with understanding that the intermediary shall be directly or indirectly lend or invest in other person or entitites on behalf of the company or provide any gurantee or security or the like to or on behalf of the company.

(B) The Company has not received any funds from any person(s) or entity(ies), including foreign entities (funding party) with the understanding that the company shall lend or

## Notes to financial statements for the year ended 31st March, 2023

*(All amounts in ₹Lakhs, except otherwise stated)*

**Consolidated**

invest in other person or entity indentified in any manner by or on behalf of the funding party/Ultimate beneficiary or provide any guarantee or security or the like on behalf of the funding party/Ultimate beneficiary.

(6) The Company is not declared as willful defaulter by any Bank or Financial institutions or RBI or other lenders.

(7) The Company has borrowings from Banks or Financial institutions on the basis of security of Current Assets. Quarterly returns or Statement of current assets filed by the company with Banks or Financial Institutions are in agreement with the Books of Accounts.

(8) There are no charges or satisfaction of charges yet to be registered with Registrar of Companies beyond the statutory period.

(9) The company has no transactions and no relationship with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.

(10) The company has not made any investments through any layers of invesmtment companies.

(11) There are no Schemes of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

(12) The Company has not invested or traded in crypto currency or virtual currency during the financial year 2021-22.

**56.** Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current Year's classification/ disclosure.

**57.** Approval of financial statements

The Consolidated financial statements approved by the Board of Directors in their meeting held on May 30, 2023

As per our report of even date attached
**For S.T. Mohite & Co.,**
Chartered Accountants (Regn.No.011410S)
**Sd/-**
**C.A. Sreenivasa Rao T.Mohite**
Partner
Membership No.015635
UDIN No:23015635BGYJLN7564

Place : Kurnool
Date : May 30, 2023

**For and on behalf of the Board**

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

**Sd/-**
**Smt. R.Triveni**
Director
DIN: 09045405

**Sd/-**
**Smt. V.Surekha**
Company Secretary

**Sd/-**
**Sri S. Ifthekhar Ahmed**
Chief Financial Officer

Place : Kurnool
Date : May 30, 2023

*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.