TGV
GROUP

SREE RAYALASEEMA HI-STRENGTH HYPO LTD.
CIN:L24110AP2005PLC045726

REF: SRHHL/SEC/2015-16 31.03.2016

To
National Stock Exchange of India Limited
Exchange Plaza
Bandra Kurla Complex
Bandra (East)
MUMBAI – 400 051

Dear Sir,

Sub:Submission of Court Convened EGM Notice of Unsecured Creditors -Reg

Ref: Scrip Code: SRHHYPOLTD

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We are herewith submitting Court Convened EGM Notice of Unsecured Creditors with regard to Scheme of Arrangement between M/s. Sree Rayalaseema Hi-Strength Hypo Limited and its four wholly owned Subsidiary companies which are despatched to Unsecured Creditors.

This is for your kind information and records.

Thanking you.

Yours faithfully
For Sree Rayalaseema Hi-Strength Hypo Ltd

V. Surekha

(V. Surekha)
Company Secretary
Encl: As above.

Sree Rayalaseema Hi-Strength Hypo Limited

Registered Office : Gondiparla, Kurnool -518004 (A.P.)
Tel No. : 91-8518-280064/5/6/7
Fax No. : 91-8518-280090
CIN : L24110AP2005PLC045726
Website : www.tgvgroup.com
E-mail : srhypo@tgvmail.net

Court convened Meeting of the Unsecured Creditors

Date : 27th day of April, 2016
Day : Wednesday
Time : 3.00 P. M.
Venue : Registered Office at Gondiparla, Kurnool - 518 004 (A.P.)

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High Court of Judicature at Hyderabad

For the state of Telangana and the state of Andhra Pradesh

(Original Jurisdiction)

Company Application No.306 of 2016

In the matter of the Companies Act, 1956 (1 of 1956)

And

In the matter of Sections 391 to 394 of the Companies Act, 1956

And

In the matter of Scheme of Arrangement

Between

Sree Rayalaseema Hi-Strength Hypo Limited

(Demerged Company)

SRHHL Power Generation Private Limited (1st Resulting Company)

SRHHL Infrastructure Private Limited (2nd Resulting Company)

T G V Infrastructure & Industrial parks private Limited (3rd Resulting Company)

Sri Vibhu Infrastructure Development Private Limited (4th Resulting Company)

And

Their Respective Shareholders and creditors

Sree Rayalaseema Hi-Strength Hypo Limited
A Company incorporated under the provisions of Companies Act, 1956 and having its registered office at Gondiparla, Kurnool - 518 004 (A.P.)
represented by its Company Secretary Mrs. V.Surekha — Applicant / Demerged company

Notice Convening the Meeting of Unsecured Creditors

To
The Unsecured Creditors of
Sree Rayalaseema Hi-Strength Hypo Limited, the Applicant / Demerged company

TAKE NOTICE that by an Order made on the 15th day of March, 2016 in the above mentioned Company Application (the 'Order') , the Hon'ble High Court for the state of Telangana and Andhra Pradesh at Hyderabad has directed that a meeting of the Unsecured Creditors of the Applicant Company be convened and held at the Registered Office of the Applicant Company at Gondiparla, Kurnool - 518 004 (A.P) on Wednesday, the 27th day of April, 2016 at 3.00 P.M. for the purpose of considering, and if thought fit, approving, with or without modification (s), the arrangement embodied in the proposed Scheme of Arrangement between Sree Rayalaseema Hi-Strength Hypo Limited, the Applicant Company (Demerged Company) and its above mentioned four wholly owned Subsidiary Companies and their respective Shareholders and creditors by passing the following resolutions with or without modifications.

"RESOLVED THAT pursuant to sections 391 to 394 and other applicable provisions of the Companies Act, 1956 and/or under the corresponding provisions of the Companies Act, 2013, the rules, circulars and notifications made thereunder (including any statutory modification or re-enactment thereof) as may be applicable, the Securities Exchange Board of India Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 read with Circular No. CIR/CFD/ DIL/8/2013 dated May 21, 2013, the Observation Letters dated 19.02.2016 issued by both BSE Limited and the National Stock Exchange of India Limited and relevant provisions of applicable laws, and subject to the approval of the High Court of Judicature at Hyderabad for the state of Telangana and the state of Andhra Pradesh, the Scheme of Arrangement between Sree Rayalaseema Hi-Strength Hypo Limited (Demerged Company) and its four wholly owned subsidiary companies namely SRHHL Power Generation Private Limited (1st Resulting Company), SRHHL Infrastructure Private Limited (2nd Resulting Company), T G V Infrastructure & Industrial Parks Private Limited (3rd Resulting Company) and Sri Vibhu Infrastructure Development Private Limited (4th Resulting Company) and their respective shareholders and creditors, be and is hereby approved and agreed to, with/without any modifications and/or conditions, if any, which may be required and/or imposed and/or permitted by the High Court Judicature at Hyderabad for the state of Telangana and the state of Andhra Pradesh while sanctioning the Scheme or by any other authorities under applicable law.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution and for removal of any difficulties or doubts, the Board of Directors of the Demerged Company (herein referred to as the "Board", which term shall deem to include any committee or any person(s) which the Board may nominate or constitute to exercise its powers, including the powers conferred under this

resolution), be and is hereby authorized to do all acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, usual or proper, and to settle any questions or difficulties or doubts that may arise, including passing of such accounting entries and /or making such adjustments in the books of accounts as considered necessary to give effect to the above resolution, or to carry out such modifications/directions as may be required and/or imposed and /or permitted by the High Court of Judicature at Hyderabad for the state of Telangana and the state of Andhra Pradesh while sanctioning the Scheme of Arrangement , or by any other authorities under applicable law."

TAKE FURTHER NOTICE that in pursuance of the said Order and as directed therein, a meeting of the Unsecured Creditors of the demerged company will be held at the Registered office of the Company at Gondiparla, Kurnool-518004 on Wednesday, 27th April, 2016 at 03.00 P.M.at which place, day,date, and time you are requested to attend.

TAKE FURTHER NOTICE that you may attend and vote at the said meeting in person or by proxy, provided that the proxy in the prescribed form, duly signed by you or your authorized representative, is deposited at the Registered Office of the Applicant Company situated at Gondiparla, Kurnool - 518 004 (A.P.) not later than 48 hours before the aforesaid meeting.

The Hon'ble High Court has appointed Ms. Ammaji Nettem, Advocate as Chairperson of the said Meeting.

A copy each of the Scheme of Arrangement, the Explanatory Statement under Section 393 of the Companies Act, 1956 read with Section 102 of the Companies Act,2013, the Fairness Opinion Certificate of Merchant Banker, Complaints report, Observation letters issued by BSE Limited and National Stock Exchange of India Limited and a Form of Proxy and Attendance slip is enclosed.

Date : 23.03.2016
Place : Hyderabad

(Ammaji Nettem)
Chairperson appointed for the Meeting

Notes:-

1. An Unsecured Creditor of the Applicant Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself .
2. All the alterations made in the proxy to be initialed.
3. An Unsecured Creditor or his proxy is requested to bring a copy of the notice to the meeting and to produce at the entrance of the meeting venue, the attendance slip duly completed and signed.

High Court of Judicature at Hyderabad
For the state of Telangana and the state of Andhra Pradesh
(Original Jurisdiction)
Company Application No. 306 of 2016
In the matter of the Companies Act, 1956 (1 of 1956)
And
In the matter of Sections 391 to 394 of the Companies Act, 1956
And
In the matter of Scheme of Arrangement
Between
Sree Rayalaseema Hi-Strength Hypo Limited
(Demerged Company)
And
SRHHL Power Generation Private Limited (1st Resulting Company)
SRHHL Infrastructure Private Limited (2nd Resulting Company)
T G V Infrastructure & Industrial parks private Limited (3rd Resulting Company)
Sri Vibhu Infrastructure Development Private Limited (4th Resulting Company)
And
Their Respective Shareholders and creditors

Sree Rayalaseema Hi-Strength Hypo Limited
A Company incorporated under the Companies Act, 1956 and having its registered office at Gondiparla, Kurnool - 518 004 (A.P.)
represented by its Company Secretary
Mrs. V.Surekha

Applicant / Demerged Company

EXPLANATORY STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956 TO THE NOTICE OF THE COURT CONVENED MEETING OF THE UNSECURED CREDITORS OF SREE RAYALASEEMA HI-STRENGTH HYPO LIMITED

1. This is a statement accompanying the Notice convening the meeting of the Unsecured Creditors of the applicant Company, pursuant to an Order dated 15th day of March, 2016, passed by the the Hon'ble High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh in the Company Summons for Direction referred to hereinabove, to be held at Registered Office at Gondiparla, Kurnool - 518 004 (A.P.) on Wednesday, the 27th of April, 2016 at 03.00 P.M., for the purpose of considering, and if thought fit, approving, with or without modification (s), the arrangement embodied in the Scheme of Arrangement between Sree Rayalaseema Hi-Strength Hypo Limited(Demerged Company/ Applicant company) and its four wholly owned Subsidiary Companies (Resulting Companies) and their respective Shareholders.

2. A copy of the Scheme setting out in detail terms and conditions of the arrangement , inter alia, providing for demerger of undertakings of demerged company to its four wholly owned subsidiary companies which has been duly approved by the Board of Directors of the applicant company at its meeting held on 19th September, 2015 , is attached to this Explanatory statement.

3. **BACKGROUND OF THE COMPANIES:**

3.1 Sree Rayalaseema Hi-Strength Hypo Limited

a) Sree Rayalaseema Hi-Strength Hypo Limited, the "Demerged Company " is a listed public company incorporated under the Companies Act, 1956 with Corporate Identification Number L24110AP2005PLC045726 and Certificate of Incorporation dated 28th March, 2005. The shares of demerged company are listed on BSE Limited and the National Stock Exchange of India Limited (NSE).

b) The Registered Office of Sree Rayalaseema Hi-Strength Hypo Limited is situated at Gondiparla, Kurnool - 518 004 (A.P.).

c) As at 31st March 2015, the Authorized Share Capital and the Issued, Subscribed and Paid-up Capital of Sree Rayalaseema Hi-Strength Hypo Limited, the Demerged Company was as follows:

Share Capital	**Rs.**
Authorised Capital	
4,90,00,000 Equity Shares of Rs.10/- each	49,00,00,000
Issued, Subscribed And Paid Up Capital	
1,47,16,689 Equity Shares of Rs.10/- each, fully paid up	14,71,66, 890

There is no change in the status of the share capital as aforesaid, as on date.

d) The main objects of Applicant Company as set out in the memorandum of association are as under :

i) To manufacture, produce, process, refine, buy, sell, trade, export, import and deal in Stable Bleaching Powder, High strength Hypochlorite (Hypo), Chlorosulphonic Acid (CSA), Monochloroacetic Acid (MCA), Sulphuric Acid, Chloromethanes, Hydrogen Gas, Calcium Chloride, Bromine, Fatty Acids, Castor oil derivatives, Hydrochloric Acid, Caustic soda lye/flakes, Chlorine,

Barium Sulphate, Caustic Potash lye/flakes, Stearic Acid and all other organic and inorganic chemicals, gases, compounds, chemical products of any nature and kind whatsoever, including alkalies, acids, drugs, tannis, essences and pharmaceutical, photographical, sizing, medicinal, chemical, petrochemical, industrial and other preparations and articles of any nature and kind.

ii) To carry on the business as manufacturers of and dealers in all kinds of plastic materials, polystyrene, vinyl chloride, poly vinyl chloride, polyethylene, polyolefines, vinyl acetate and copolymers of one or more of the above and / or other products, acrylics and polyesters, polycarbonates, polyethers and expoxy rexins and compounds.

iii) To carry on the business of manufacturing, refining and processing of all kinds of fertilizers and all classes and kinds of chemicals including pertro-chemicals and plastics and industrial and other preparations arising from or required in manufacture of any kind of fertilizers and chemicals and to carry on any operation or process of mixing, granulating different chemicals or fertilizers.

iv) To carry on the business of manufacturing, processing, preparing, formulating, exporting and importing, buying and selling and dealing in all organic and inorganic chemicals, all gases and all compounds and all its bye-products and products to be made there from.

3.2 SRHHL POWER GENERATION PRIVATE LIMITED:

a) SRHHL Power Generation Private Limited, the " 1st Resulting Company " is a wholly owned subsidiary of the Demerged Company, incorporated under the Companies Act, 2013 with Corporate Identification Number U40106AP2015PTC096481 and Certificate of Incorporation dated 10.04.2015.

b) The Registered Office of SRHHL Power Generation Private Limited is situated at 40/ 304, K.J. Complex, Bhagyanagar, Kurnool - 518 004 (A.P.).

c) As at 31st December 2015, the Authorized Share Capital and the Issued, Subscribed and Paid-up Capital of SRHHL Power Generation Private Limited, the 1st Resulting Company was as follows:

Share Capital	**Rs.**
Authorised Capital	
10,000 Equity Shares of Rs.10/- each	1,000,000
Issued, Subscribed And Paid Up Capital	
10,000 Equity Shares of Rs.10/- each	1,000,000

There is no change in the status of the share capital as aforesaid, as on date.

d) The main objects of the 1st Resulting Company are :

i) To carry on the business of developing, maintaining and operating of project for generation and/or distribution of electricity or any other form of power including thermal, solar, hydro, wind, tidal, geo-thermal and any other form of energy;

ii) To carry on the business of build, own or operate and or maintain any power generation and or distribution facility on own account or for and on behalf of any state or central government or any local authority or any other body corporate or registered company.

3.3 SRHHL Infrastructure Private Limited :

a) SRHHL Infrastructure Private Limited, the " 2nd Resulting Company " is a wholly owned subsidiary of the Demerged Company, incorporated under the Companies Act, 2013 with Corporate Identification Number U40300AP2015PTC097106 and Certificate of Incorporation dated 04.08.2015.

b) The Registered Office of SRHHL Infrastructure Private Limited is situated at 40/304, K.J. Complex, Bhagyanagar, Kurnool - 518 004 (A.P.).

c) As at 31st December 2015, the Authorized Share Capital and the Issued, Subscribed and Paid-up Capital of SRHHL Infrastructure Private Limited, the 2nd Resulting Company was as follows :

Share Capital	Rs.
Authorised Capital	
10,000 Equity Shares of Rs.10/- each	1,000,000
Issued, Subscribed And Paid Up Capital	
10,000 Equity Shares of Rs.10/- each	1,000,000

There is no change in the status of the share capital as aforesaid, as on date.

d) The Main objects of the 2nd Resulting Company are:

i) To carry on the business of developing, maintaining and operating construction and development of housing projects and to carry on the business of builders, property developers, contractors, engineers and surveyors.

ii) To carry on the business of developing, maintaining and operating of roads, highways, bridges, express ways, fly-overs, bus and truck terminals, subways, ports airports, rail systems, inland waterways and inland ports, water supply projects, irrigation projects, sanitation and sewerage systems, water treatment systems, solid waste management systems or any other public facility of similar nature.

iii) To carry on the business of developing, maintaining and operating of project for generation and/or distribution of electricity or any other form of power including thermal, solar, hydro, wind, tidal, geo-thermal and any other form of energy; and any project for providing telecommunication services.

iv) To carry on the business of developing, maintaining and operating of any other facility that may be noticed in future as infrastructure facility either by the state Governments and/or the Government of India or any other appropriate authority or body.

3.4 T G V Infrastructure & Industrial Parks Private Limited :

a) T G V Infrastructure & Industrial Parks Private Limited, the 3rd Resulting Company is a wholly owned subsidiary of the Demerged Company incorporated under the Companies Act, 2013 with Corporate Identification No U45209AP2015PTC096457 and Certificate of Incorporation dated 08.04.2015.

b) The Registered Office of T G V Infrastructure & Industrial Parks Private Limited is situated at 40/304, K.J. Complex, Bhagyanagar, Kurnool - 518 004 (A.P.).

c) As at 31st December 2015, the Authorized Share Capital and the Issued, Subscribed and Paid-up Capital of T G V Infrastructure & Industrial Parks Private Limited, the 3rd Resulting Company was as follows:

Share Capital	Rs.
Authorised Capital	
10,000 Equity Shares of Rs.10/- each	1,000,000
Issued, Subscribed And Paid Up Capital	
10,000 Equity Shares of Rs.10/- each	1,000,000

There is no change in the status of the share capital as aforesaid, as on date.

d) The main objects of 3rd Resulting company are :

i) To carry on the business of developing, maintaining and operating of Special Economic Zones or other Export Promotion Parks, Software Technology Parks, Electronic Hardware Parks, Bio-Technology Parks and other industrial parks.

ii) To procure land and to develop, maintain and operate infrastructure and other facilities for setting up of Special Economic Zones or other Export Promotion Parks, Software Technology Parks, Electronic Hardware Parks, Bio-Technology Parks and other industrial parks

3.5 Sri Vibhu Infrastructure Development Private Limited :

a) Sri Vibhu Infrastructure Development Private Limited, the " 4th Resulting Company " is a wholly owned subsidiary of the Demerged Company, incorporated under the Companies Act, 2013 with Corporate Identification Number U40300AP2015PTC097106 and Certificate of Incorporation dated 20.04.2015.

b) The Registered Office of Sri Vibhu Infrastructure Development Private Limited is situated at 40/304, K.J. Complex, Bhagyanagar, Kurnool - 518 004 (A.P.).

c) As at 31st December 2015, the Authorized Share Capital and the Issued, Subscribed and Paid-up Capital of Sri Vibhu Infrastructure Development Private Limited, the 4th Resulting Company was as follows:

Share Capital	Rs.
Authorised Capital	
10,000 Equity Shares of Rs.10/- each	1,000,000
Issued, Subscribed And Paid Up Capital	
10,000 Equity Shares of Rs.10/- each	1,000,000

There is no change in the status of the share capital as aforesaid, as on date.

d) The main objects of the 4th Resulting Company are :

i) To carry on the business of developing, maintaining and operating construction and development of housing projects and to carry on the business of builders, property developers, contractors, architects , engineers and surveyors.

ii) To carry on the business of developing, maintaining and operating of roads, highways, bridges, express ways, fly-overs, bus and truck terminals, subways, ports, airports,

rail systems, inland waterways and inland ports, water supply projects, irrigation projects, sanitation and sewerage systems, water treatment systems, solid waste management systems or any other public facility of similar nature.

iii) To carry on the business of developing, maintaining and operating of project for generation and/or distribution of electricity or any other form of power including thermal, solar, hydro, wind, tidal, geo-thermal and any other form of energy; and any project for providing telecommunication services.

iv) To carry on the business of developing, maintaining and operating of any other facility that may be noticed in future as infrastructure facility either by the state Governments and/or the Government of India or any other appropriate authority or body.

4 BACKGROUND OF THE SCHEME :

It is in this background that this Scheme of Arrangement is presented for the demerger of Thermal power division, Wind energy division, industrial parks Division and Shrimp Hatchery and other infrastructure assets of the Demerged Company to the Resulting Companies pursuant to the relevant provisions of the Companies Act, 1956 read with relevant provisions of Companies Act, 2013 read with the relevant provisions of the Income Tax Act, 1961. This Scheme of Arrangement (hereinafter referred to as the "Scheme") deals with the demerger of the Demerged Undertakings of the Demerged Company to the wholly owned subsidiaries of the Demerged Company named as Resulting Companies 1 to 4. The demerger does not involve any cash consideration as the scheme is envisaged for corporate restructuring and the transfer is to wholly owned subsidiaries of the Demerged Company. The scheme also does not envisage any restructuring of the share capital of the Demerged Company. The scheme however, envisages that on the basis of a Fair value of business of the proposed demerged Undertakings, the respective Resulting Company should issue Equity shares and Preference shares to the Demerged Company under this Scheme. On the Scheme coming into effect, the Demerged Company will pursue the Remaining Business.

5 Rationale of the scheme :

The Scheme of Arrangement between Sree Rayalaseema Hi-Strength Hypo Limited, the Demerged Company and its four wholly owned subsidiary companies is in the interest of all concerned including the shareholders, creditors and employees as it provides the necessary focus, flexibility and vibrancy to the businesses of the Undertakings.

6 The salient features of the Scheme of Arrangement are as follows:

(i) "Appointed Date" means September 1, 2015.

(ii) "Demerged Undertakings" collectively shall mean the business together with all assets and liabilities as on the Appointed date of each of

i. Undertaking 1 comprising Thermal Power division to be transferred under this Scheme to 1st Resulting Company;

ii. Undertaking 2 comprising Wind Power division to be transferred under this Scheme to 2nd Resulting Company;

iii. Undertaking 3 comprising SEZ and industrial parks division to be transferred under this Scheme to 3rd Resulting Company, and

iv. Undertaking 4 comprising Shrimp Hatchery and infrastructure division to be transferred under this Scheme to 4th Resulting Company .

(iii) "Effective Date" shall mean the date on which the certified true copy of the Order as passed by the Court sanctioning the Scheme is filed with the Registrar of Companies, Andhra Pradesh and Telangana, by the Demerged Company and the respective Resulting Companies. Any references in the Scheme to "upon the Scheme becoming effective" or "effectiveness of the Scheme" shall mean the Effective date.

(iv) "Remaining Business" means all the businesses and the divisions of the Demerged Company other than the Demerged Undertakings after the demerger pursuant to Part II of the Scheme.

(v) "Scheme" or "the Scheme" or "this Scheme" means this Scheme of Arrangement in its present form which shall form part of this Scheme of Arrangement and shall be submitted to the Court with any modification (s) made under Clause 15 of this Scheme or with such other modification / amendments as the Court may approve, impose or direct.

(vi) Upon the coming into effect of this Scheme, and with effect from the Appointed Date, the Undertakings 1to 4 (including all the estate, assets, rights, claims, title, interest and authorities including accretions and appurtenances of the Undertaking) shall, pursuant to Section 394 (2) of the Act and without any further act or deed or instrument, be demerged from the Demerged Company and be transferred to and vested in or be deemed to have been demerged from the Demerged Company and transferred to and vested in the 1st to 4th Resulting Companies on a going concern basis so as to become, as and from the Appointed Date, the undertakings including the estate, assets, rights, claims, title, interest and authorities of the four Resulting Companies subject to Clause 5 of this Scheme in relation to charges thereon in favour of banks and/or financial institutions.

(vii) All assets acquired and liabilities incurred by the Demerged Company after the Appointed Date but prior to the Effective Date in relation to the Undertakings 1 to 4 shall also without any further act, instrument or deed stand transferred to and vested in or be deemed to have been transferred to or vested in the 1st to 4th Resulting Companies upon the coming into effect of this Scheme.

(viii) Upon the coming into effect of this Scheme, the loans, debts, liabilities, duties, and obligations, which arose out of the activities or operations of the Demerged Undertakings as on the Appointed Date, and being a part of the respective Demerged Undertaking shall, without, any further act or deed, be and stand transferred to and be deemed to be transferred to the respective Resulting Company (namely pertaining to Undertaking 1 to 1st Resulting Company; Undertaking 2 to 2nd Resulting Company; Undertaking 3 to 3rd Resulting Company and Undertaking 4 to 4th Resulting Company) to the extent that they are outstanding as on the Effective Date, and shall become the loans, debts, liabilities, duties and obligations of the said respective Resulting Company which it shall meet, discharge and satisfy on the same terms and conditions as applicable to the Demerged Company.

(ix) Where any of the loans, debts, liabilities, duties and obligations of the Demerged Company as on the Appointed Date have been discharged by the Demerged Company after the Appointed Date but prior to the Effective Date, such discharge shall be deemed to have been for and on account of the respective Resulting

Company and all loans raised and used and all debts, liabilities and obligations incurred by the Demerged Company for the operations of the Demerged Undertakings after the Appointed Date and prior to the Effective Date, subject to the terms of this Scheme, shall be deemed to have been raised, used or incurred for and on behalf of the respective Resulting Company and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to and be deemed to be transferred to the respective Resulting Company and shall become the loans, debts, liabilities, duties and obligations of the said Resulting Company which shall meet, discharge and satisfy on the same terms and conditions as applicable to the Demerged Company.

(x) In so far as loans, borrowings and liabilities of the Demerged Company are concerned, such of the borrowings, loans and liabilities which are to be transferred to the respective Resulting Companies in terms of this Part II (the "Transfer of Liabilities") being a part of the Demerged Undertakings shall, upon coming into effect of this Scheme and subject to sub-clause 5.2 below, without any further act or deed, become loans, borrowings, and liabilities of the respective Resulting Company, and all rights, powers, duties and obligations in relation thereto shall be and stand transferred to and vested in and shall be exercised by or against the said Resulting Company as if it had entered into such loans and incurred such borrowings.

(xi) Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, Schemes, arrangements and other instruments of whatsoever nature in relation to the Demerged Undertakings to which the Demerged Company is a party or to the benefit of which the Demerged Company may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall continue in full force and effect on or against or in favour, as the case may be, of the Resulting Company and may be enforced as fully and effectually as if, instead of the Demerged Company, the Demerged Company and/or the said Resulting Company had been a party or beneficiary thereto.

(xii) Without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all consents, permissions, licenses, registrations, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Demerged Company in relation to the Demerged Undertakings shall stand transferred to the Resulting Company as if the same were originally given by, issued to or executed in favour of the said Resulting Company, and the Resulting Company shall be bound by the terms thereof, the obligations and duties there under, and the rights and benefits under the same shall be available to the said Resulting Company including making the applications to any Governmental Authority as may be necessary in this behalf.

(xiii) Upon the coming into effect of this Scheme, all legal, taxation or other proceedings, (including before any statutory or quasi-judicial authority or tribunal) by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted any time thereafter and in each case relating to the Demerged Undertakings shall be continued and enforced by or against the respective Resulting Company alone after the Effective Date. The Demerged Company or the other three Resulting companies shall in no event be responsible

or liable in relation to any such legal, taxation or other proceedings against the said Resulting Company. The said Resulting Company shall be added as party to such proceedings and shall prosecute or defend such proceedings in co-operation with the Demerged Company.

(xiv) The Demerged Company, with effect from the Appointed Date and up to and including the Effective Date:

a. shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Demerged Undertakings and stand possessed of all the estates, assets, rights, title, interest, authorities, contracts and investments of the Demerged Undertakings for and on account of, and in trust for, the respective Resulting Company and

b. all profits accruing to the Demerged Company, or losses arising or incurred by them (including the effect of taxes, if any thereon), relating to the Demerged Undertakings for the period after the Appointed Date based on the audited accounts of the Demerged Company shall for all purposes, be treated as the profits or losses, as the case may be, of the respective Resulting Company.

(xv) The Remaining Business and all the assets, liabilities and obligations pertaining thereto shall continue to and be vested in and be managed by the Demerged Company subject to Part II of this Scheme in relation to charges thereon in favour of banks and financial institutions.

(xvi) The Resulting companies are wholly owned subsidiaries of the Demerged Company. The Scheme envisages restructuring of the businesses of the Demerged Company to provide focused attention to design independent strategies with a view to capture the full growth potential of various businesses in which the Undertakings 1 to 4 are engaged into. The fair value of the undertaking(s) as determined by valuers is adopted for arriving at the extent of Equity shares and preference shares to be issued by the respective Resulting Companies to the Demerged Company in consideration for the transfer of respective undertakings.

(xvii) All the assets and liabilities of the Demerged Undertakings shall be transferred to the respective Resulting Company at the values appearing in the books of the Demerged Company (at historical cost less depreciation and without any revaluation in respect of assets) immediately before the demerger.

(xviii) The Scheme does not require restructuring of the Share Capital of the Demerged Company. The Demerged Company will record the Equity and Preference Shares received by it under this Scheme from the respective Resulting Company at the respective Issue Price (i.e., Issue Price of the Equity Shares and Issue Price of the Preference Shares) as Long term Investments in its books of account.

(xix) Nothing contained in this Scheme shall be construed to imply that the transfer and vesting of the Demerged Undertakings to the respective Resultant companies shall remain or deemed to have remained suspended or in abeyance till the process of redemption of the Preference Shares issued under the Scheme.

(xx) Upon the coming into effect of this Scheme, all permanent employees of the Demerged Company working for the Demerged Undertakings as on such date

shall become the permanent employees of the respective Resulting Company on terms and conditions not less favourable than those on which they were employed in the Demerged Company and without any interruption of service as a result of the transfer of the Demerged Undertaking.

(xxi) The existing security over the assets of the Remaining Business in respect of Transferred Liabilities shall subsist and continue to remain so at the option of the lenders, notwithstanding anything to the contrary contained elsewhere in the Scheme and the Demerged Company shall execute any instruments or documents or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charges, with the Registrar of Companies, Andhra Pradesh & Telangana to give formal effect to the above provisions, if required.

(xxii) This Scheme is conditional upon the following approvals and sanction:

(i) the approval of the Scheme by the requisite majority of the members and the and unsecured creditors of the Demerged Company as required under the Act;

(ii) the sanction of the Scheme by the High Court of Judicature at Hyderabad for the state of Telangana and for the State of Andhra Pradesh under Sections 391 and 394 of the Act and other applicable provisions of the Act, rules and regulations.

(xxiii) That none of the Directors of the Applicant Company has any interest in the Scheme of Arrangement except to the extent of their shareholdings in the applicant company. The Resulting Companies and its Directors have no interest, direct or indirect in the demerged Company except to the extent of their shareholdings. The proposed transfer of business is between Holding Company and its Subsidiary Companies.

(xxiv) That the value of securities (Equity and Preference Shares) which are to be allotted by the resulting companies to the demerged company and the manner of computation of thereof specified in the Scheme is guided by the fair value of demerged undertakings under valuation done by M/s PRSV & Co. LLP, and M/ s S T Mohite & Co., Chartered Accountants, Hyderabad . The fairness of the above valuation has been confirmed by M/s Quientessence Enterprises Private Limited , SEBI approved Category I Merchant Bankers , who have submitted their Fairness Opinion on the above valuation. A copy of the valuation report dated 17.09.2015 and fairness opinion dated 14.11.2015 are kept open for inspection.

(xxv) That M/s S T Mohite & Co., Chartered Accountants, Hyderabad being statutory auditors of the Applicant Company, have certified that the accounting treatment contained in the Scheme is in compliance with all the Accounting Standards as notified by the Central Government under the Companies (Accounting Standards) Rules, 2006. A copy of the above Certificate dated 18th September, 2015 issued by the Statutory Auditors is kept open for inspection.

(xxvi) That the value of securities to be allotted by the Resulting companies upon transfer and vesting of demerged undertakings 1 to 4 of the Demerged Company and the various terms and conditions specified in the proposed Scheme is in the overall interest of the company and its shareholders and creditors.

(xxvii) That the proposed Scheme will not affect the interest of any class of creditors. The assets of the Applicant Company after implementation of the Scheme will be sufficient to meet its liabilities. The Scheme also provides that the security available to the secured creditors will remain unaffected as regards their outstanding loans pertaining to the remaining business of the Applicant Company after the proposed transfer of the demerged undertakings.

(xxviii) That the Scheme does not contemplate any reduction of capital.

(xxix) That in compliance with the requirement of Clause 24(f) of the Listing Agreements with the Stock Exchanges (BSE & NSE) on which shares of the applicant Company are listed and SEBI Circulars , the Applicant Company has submitted copies of the proposed Scheme of Arrangement to the said Stock Exchanges. Both Stock Exchanges have approved the proposed Scheme. Copies of approval / Observation Letters both dated 19-02-2016 are kept open for inspection.

(xxx) That immediately after filing applications under clause 24(f) of Listing agreements for approval of Stock Exchanges, the proposed Scheme along with other related documents were hosted on the website of the Applicant Company and the same are being kept open.

(xxxi) That the names of directors of the Applicant Company and their present shareholdings in the Applicant Company as on 29.02.2016 are as under:-

S.No.	Name of Director	No.of shares held
1	Shri T.G. Bharath	215737
2	Dr. A.H. Praveen	---
3	Smt.D.Sai Leela	58
4	Sri P. Ramachandra Gowd	---
5	Sri K C Naik	---
6	Sri H. Gurunath Reddy	---

(xxxii) That as on 31-12.2015, the pre-scheme shareholding pattern of the Applicant Company has been as under:

Particulars	No.of shares	% of share holding
Promoters	81,39,533	55.31
Public	65,77,156	44.69

(xxxiii) That the post-scheme shareholding pattern of the Applicant Company shall remain unchanged since the Scheme does not contemplate any issue and allotment of shares by the Resulting Companies to the Demerged Company shareholders in consideration of the proposed transfer of demerged undertakings 1 to 4 in terms of the Scheme of Arrangement.

(xxxiv) That none of the promoters, directors and key managerial personnel of the Applicant Company have any material interest , direct or indirect , in the proposed Scheme except to the extent of their respective shareholding in the company.

(xxxv) That no investigation proceedings have been instituted or pending in relation to the Applicant Company under provisions of Sections 235 to 251 and the like of the Companies Act, 1956 or under the corresponding provisions contained in sections 210 to229 of the Companies Act,2013 .

Please note that the features set out above are only the salient features of the Scheme. The members are requested to read the entire text of the Scheme annexed hereto to get fully acquainted with the provisions thereof.

(xxxvi) The following documents will be kept open for inspection by the shareholders of Sree Rayalaseema Hi-Strength Hypo Limited, being the Applicant Company at the Registered Office of the Company on any working day prior to the date of meeting between 11.00 A M and 1.00 P M.

i. Order dated 15th day of March, 2016 passed by the Hon'ble High Court of Telangana and Andhra Pradesh at Hyderabad directing the convening of meeting of the Equity Shareholders of the Applicant Company.

ii. Complete set of the Company application No.306 of 2016 filed by the applicant Company in the High Court.

iii. Copy of Board resolution dated 19-09-2015 passed by the Board of Directors of the Applicant Company approving the Scheme of Arrangement and other matters incidental thereto.

iv. Scheme of Arrangement.

v. The Memorandum and Articles of Association of the Applicant Company and its four wholly owned subsidiary companies (Resulting companies).

vi. The Audited Balance sheet and Profit and Loss Account of the Applicant Company for the financial year ended on 31st March 2015 and of Resulting Companies for the interim period ending 31.12.2015.

vii. Register of Director's shareholding of applicant company.

viii. Copy of the Observation letters dated 19th February, 2016 received from BSE Limited and the National Stock Exchange of India Limited.

ix. Valuation report dated 17th September 2015 given by M/s. PRSV & Co. LLP, Chartered Accountants and M/s. S.T. Mohite & Co., Chartered Accountants.

x. Fairness Opinion Certificate dated 14th November 2015 of Quientessence Enterprises Private Limited, Merchant Bankers.

xi. Copy of certificate issued by M/s S T Mohite & Co., Chartered Accountants, Hyderabad, being Statutory Auditors of the Applicant Company , about compliance with Accounting Standards.

xii. List of shareholders of the applicant Company

xiii. List of creditors of the Applicant Company

xiv. Copy of compliant report dated 29-12-2015

Place : Hyderabad
Date : 23.03.2016

Ammaji Nettem
Chairperson appointed for the meeting

Scheme of Arrangement
Between
Sree Rayalaseema Hi-Strength Hypo Limited
(Demerged Company)
And
SRHHL Power Generation Private Limited
(1st Resulting Company)
And
SRHHL Infrastructure Private Limited
(2nd Resulting Company)
And
T G V Infrastructure & Industrial Parks Private Limited
(3rd Resulting Company)
Sri Vibhu Infrastructure Development Private Limited
(4th Resulting Company)
And
Their Respective Shareholders

BACKGROUND

A. **Sree Rayalaseema Hi-Strength Hypo Limited (CIN No L24110AP2005PLC045726), the Demerged Company (as defined hereunder)**, is a multidivisional Company engaged in diverse businesses, including manufacture and sale of Calcium Hypochlorite, Stable Bleaching Powder, generation and sale of wind power and thermal energy, Shrimp Hatchery and other infrastructure assets and owns large tracts of non-agricultural lands for carrying on the business of industrial parks.

B. **SRHHL Power Generation Company Private Limited (CIN No U40106AP2015PTC096481)**, the 1st Resulting Company is a wholly owned subsidiary of the Demerged Company, and proposes to carry on the business of developing and running thermal power generating plants and/or distribution of electricity, steam and any other form of energy. The Resulting Company is yet to commence business operations.

C. **SRHHL Infrastructure Private Limited (CIN No U40300AP2015PTC097106)**, the 2nd Resulting Company is a wholly owned subsidiary of the Demerged Company, and proposes to carry on the business of generating and distributing wind power and other non-conventional forms of energy. The Resulting Company is yet to commence business operations.

D. **TGV Infrastructure & Industrial Parks Private Limited (CIN No U45209AP2015PTC096457)**, the 3rd Resulting Company is a wholly owned subsidiary of the Demerged Company, and proposes to carry on the business of developing and operating of Special Economic Zones and other industrial parks. The Resulting Company is yet to commence business operations.

E. **Sri Vibhu Infrastructure Development Private Limited (CIN No U45200AP2015PTC096528)**, the 4th Resulting Company is a wholly owned subsidiary of the Demerged Company, and proposes to carry on the business of developing and maintaining infrastructure facilities. The Resulting Company is yet to commence business operations.

F. The Board of Directors of the Demerged Company are of the opinion that the transfer and vesting of the undertakings relating to the businesses of **Thermal Power (Undertaking 1), Wind energy (Undertaking 2), Industrial parks (Undertaking 3), Shrimp Hatchery and**

Infrastructure (Undertaking 4) to wholly owned subsidiaries of the Demerged Company, by way of a demerger on a going concern, is in the interest of all concerned including the shareholders, creditors and employees as it provides the necessary focus, flexibility and vibrancy to the businesses of the Undertakings.

G. It is in this background that this Scheme of Arrangement is presented for the demerger of Thermal power division, Wind energy division, industrial parks Division and Shrimp Hatchery and other infrastructure assets of the Demerged Company to the Resulting Companies pursuant to the relevant provisions of the Companies Act, 1956 read with relevant provisions of Companies Act, 2013 read with the relevant provisions of the Income Tax Act, 1961. This Scheme of Arrangement (hereinafter referred to as the "Scheme") deals with the demerger of the Demerged Undertakings of the Demerged Company to the wholly owned subsidiaries of the Demerged Company named as Resulting Companies 1 to 4. The demerger does not involve any cash consideration as the scheme is envisaged for corporate restructuring and the transfer is to wholly owned subsidiaries of the Demerged Company. The scheme also does not envisage any restructuring of the share capital of the Demerged Company. The scheme however, envisages that on the basis of a Fair value of business of the proposed demerged Undertakings, the respective Resulting Company should issue Equity shares and Preference shares to the Demerged Company under this Scheme. On the Scheme coming into effect, the Demerged Company will pursue the Remaining Business.

H. The Scheme also makes provisions for various other matters consequential, incidental or related thereto and otherwise integrally connected therewith the arrangements as set out in Part II. Part I of this Scheme deals with the definitions of the expressions used in the arrangement set out in Part II and details in respect of the incorporation and share capital of the Demerged Company and each of the Resulting Companies.

PART I - GENERAL

1. DEFINITIONS

In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the following meaning:

1.1 **"1st Resulting Company" means SRHHL Power Generation Company Private Limited (CIN No U40106AP2015PTC096481),** a company registered under the Companies Act, 2013 having its registered office at 40-304, K J COMPLEX, BHAGYA NAGAR, KURNOOL - 518004 Andhra Pradesh

1.2 **"2nd Resulting Company" means SRHHL Infrastructure Private Limited (CIN No U40300AP2015PTC097106),** a company registered under the Companies Act, 2013 having its registered office at 40-304, K J COMPLEX, BHAGYA NAGAR, KURNOOL - 518004 Andhra Pradesh

1.3 **"3rd Resulting Company" means TGV Infrastructure & Industrial Parks Company Private Limited (CIN No U45209AP2015PTC096457),** a company registered under the Companies Act, 2013 having its registered office at 40-304, K J COMPLEX, BHAGYA NAGAR, KURNOOL - 518004 Andhra Pradesh

1.4 **"4th Resulting Company" means Sri Vibhu Infrastructure Development Private Limited (CIN No U45200AP2015PTC096528),** a company registered under the Companies Act, 2013 having its registered office at 40-304, K J COMPLEX, BHAGYA NAGAR, KURNOOL - 518004 Andhra Pradesh

1.5 "Act" means the Companies Act, 1956 or any statutory modification or reenactment thereof from time to time, including the Companies Act, 2013 and provisions thereof as are notified and applicable from time to time.

1.6 "Appointed Date" means September 1, 2015.

1.7 "Court" means the Honorable High Court of Judicature at Hyderabad for the State of Telangana and State of Andhra Pradesh and shall include the National Company Law Tribunal, as applicable.

1.8 "Demerged Company" means SREE RAYALASEEMA HI-STRENGTH HYPO LIMITED (CIN No L24110AP2005PLC045726), a Company incorporated under the Companies Act, 1956 and having its registered office at Gondiparla, Kurnool, Andhra Pradesh-518004.

1.9 "Demerged Undertakings" collectively shall mean the business together with all assets and liabilities as on the Appointed date of each of

i. Undertaking 1 comprising Thermal Power division to be transferred under this Scheme to 1st Resultant Company;

ii. Undertaking 2 comprising Wind Power division to be transferred under this Scheme to 2nd Resultant Company;

iii. Undertaking 3 comprising SEZ and industrial parks division to be transferred under this Scheme to 3rd Resultant Company, and

iv. Undertaking 4 comprising Shrimp Hatchery and infrastructure division to be transferred under this Scheme to 4th Resultant Company as per Appendix annexed hereto.

1.10 "Effective Date" shall mean the date on which the certified true copy of the Order as passed by the Court sanctioning the Scheme is filed with the Registrar of Companies, Andhra Pradesh and Telangana, by the Demerged Company and the respective Resulting Company. Any references in the Scheme to "upon the Scheme becoming effective" or "effectiveness of the Scheme" shall mean the Effective date.

1.11 "Equity Shares" shall mean the number of Equity shares issued to the Demerged Company by each of the Resulting Companies at the Issue Price of Equity Shares on coming into effect of this Scheme

Resulting Company issuing Shares to the Demerged Company under this Scheme	No of Equity Shares
1st Resulting Company	6,50,800
2nd Resulting Company	7,65,600
3rd Resulting Company	58,800
4th Resulting Company	240,400

The Equity shares proposed to be issued under the Scheme shall rank pari passu with the existing shares in all respects.

1.12 "Face Value of Equity share" shall mean Rs. 10 per share issued as fully paid up under the Scheme.

1.13 "Face Value of Preference share" shall mean Rs. 100 per share issued as fully paid up under the Scheme.

1.14 "Initial Premium" shall mean the Share premium considered as fully paid up on issue of shares under the Scheme which in the case of Equity shares shall stand at Rs. 40 per share and at Rs. 400 in the case of Preference Shares.

1.15 "Issue Price of Equity shares" shall mean Rs. 50 each per share (including Initial Premium) being the price at which the Equity shares in each of the respective Resulting Companies are issued as fully paid up, under this Scheme.

1.16 "Issue Price of Preference shares" shall mean Rs. 500 each per share (including Initial Premium) being the price at which the 6% Cumulative Redeemable Preference Shares in each of the respective Resulting Companies are issued as fully paid up, under this Scheme.

1.17 "Issued Value of Equity and Preference Shares" means the aggregate of the value arrived at by (a) multiplying the number of Equity shares as issued by each of the Resulting companies under this scheme with the Issue price of Equity shares and plus the value arrived at by (b) multiplying the number of Preference shares as issued by each of the Resulting companies under this scheme with the Issue price of Preference shares.

1.18 "Liabilities" shall have the meaning ascribed to it in Clause 5.1 of Part II hereof.

1.19 "Preference Shares" shall mean the number of 6% Cumulative Redeemable Preference shares issued to the Demerged Company by each of the Resulting Companies at the Issue Price of Preference Shares on coming into effect of this Scheme

Resulting Company issuing Shares to the Demerged Company under this Scheme	No of Preference Shares
1st Resulting Company	2,60,320
2nd Resulting Company	3,06,240
3rd Resulting Company	23,520
4th Resulting Company	96,160

The Preference Shares issued under this Scheme shall be Cumulative Redeemable Preference Shares under Section 55 of the Act and the Face value thereof shall be redeemed in three equal installments at the end of 5th, 6th and 7th year from the Effective date together with a redemption premium comprising of (a) Initial Premium on the Issued Preference Capital and (b) 1% Annual premium for each of the years for which the Cumulative Preference Shares are outstanding. The Annual Premium shall be calculated on the Face Value of the Preference Share and is over and above the Coupon rate payable annually on the Face value of the Preference Shares. Any variation to these terms is subject to consent of the Preference shareholders in a class meeting under the provisions of the Act.

1.20 "Respective Resulting Company or Companies" means 1st Resulting company to which the Undertaking 1 will be transferred and vested under this Scheme, 2nd Resulting Company to which the Undertaking 2 will be transferred and vested under this Scheme, 3rd Resulting Company to which the Undertaking 3 will be transferred and vested under this Scheme and 4th Resulting Company to which the Undertaking 4 will be transferred and vested under this Scheme by the Demerged Company, on the day the Scheme comes into effect.

Reference to the respective Resultant Company means the Resultant Company to which the respective Undertaking will be transferred under this Scheme.

1.21 "Remaining Business" means all the businesses and the divisions of the Demerged Company other than the Demerged Undertakings after the demerger pursuant to Part II of the Scheme.

1.22 "Scheme" or "the Scheme" or " this Scheme" means this Scheme of Arrangement in its present form which shall form part of this Scheme of Arrangement and shall be submitted to the Court with any modification (s) made under Clause 15 of this Scheme or with such other modification / amendments as the Court may approve, impose or direct.

1.23 "Undertaking 1" means the undertaking of the Demerged Company comprising the business of generating and/or distribution of thermal power being carried on by the Demerged Company on a going concern basis to be demerged under this Scheme with the sanction of the Hon'ble Court. Without prejudice to the generality of the meaning ascribed to, the Undertaking 1 shall mean and include, without limitation;

i. all assets and property of Thermal Power division wherever situated including the right to use such assets and property whether movable or immovable, tangible or intangible, plant and machinery, land, buildings, offices, capital work-in-progress, rolling stock, investments, current assets (including inventories, sundry debtors, bills of exchange, loans and advances etc), vehicles, godowns, stocks and stores, warehouses, furniture, fixtures, office equipment, appliances, accessories, power lines, water pipelines, depots, share of any joint assets and other facilities and premises;

ii. all permits, quotas, rights, entitlements, concessions, subsidies, exemptions, industrial and other licenses, approvals, consents, easement rights, leasehold rights, municipal permissions, Central Excise, DISCOM License, sales tax including Vat, service tax and other registrations and licenses in relation to plants, units, office and /or residential properties for the employees, offices, goodwill, intellectual property, trademarks, investments, cash balances, the benefit of any deposits, financial assets, funds belonging to or proposed to be utilized for the division, bank balances, bank accounts, privileges, all other rights and benefits, licenses, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity and other services, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Thermal power division;

iii. all earnest moneys and /or security deposits paid or received, carry forward losses, unabsorbed depreciation and other benefits, Cenvat, duty input credits and all other benefits under all direct and indirect taxes and similar benefits enjoyed by the Demerged Company in connection with or relating to the Thermal power division;

iv. all necessary records, documents, files, papers, engineering and process information, computer programmes, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records in connection with or relating to the Thermal power division;

v. All present and future liabilities appertaining to or relatable to the Thermal power division (including contingent liabilities and the "Transferred Liabilities", as defined hereunder) and shall further include any obligations under any licenses or permits appertaining to or relatable to the said division and

vi. All permanent employees of the Demerged Company employed in the Thermal power division as on the Effective Date who are substantially engaged in the business of the Undertaking 1.

It is intended that the definition of the Undertaking 1 under this Sub-Clause would enable the transfer of all lease hold property, assets, liabilities, rights, obligations, entitlements and benefits of the Thermal power division to the 1st Resulting Company pursuant to this scheme without any further act or deed.

1.24 "Undertaking 2" means the undertaking of the Demerged Company comprising the business of generating and/or distribution of wind power being carried on by the Demerged Company on a going concern basis to be demerged under this Scheme with the sanction of the Hon'ble Court. Without prejudice to the generality of the meaning ascribed to, the Undertaking 2 shall mean and include, without limitation;

i. all assets and property of Wind Power division wherever situate including the right to use such assets and property whether movable or immovable, tangible or intangible, plant and machinery, land, buildings, offices, capital work-in-progress, rolling stock, investments, current assets (including inventories, sundry debtors, bills of exchange, loans and advances etc), vehicles, godowns, stocks and stores, warehouses, furniture, fixtures, office equipment, appliances, accessories, power lines, water pipelines, depots, share of any joint assets and other facilities and premises;

ii. all permits, quotas, rights, entitlements, concessions, subsidies, exemptions, industrial and other licenses, approvals, consents, easement rights, leasehold rights, municipal permissions, Central Excise, DISCOM License, sales tax including Vat, service tax and other registrations and licenses in relation to plants, units, office and /or residential properties for the employees, offices, goodwill, intellectual property, trademarks, investments, cash balances, the benefit of any deposits, financial assets, funds belonging to or proposed to be utilized for the division, bank balances, bank accounts, privileges, all other rights and benefits, licenses, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity and other services, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Wind power division;

iii. all earnest moneys and /or security deposits paid or received, carry forward losses, unabsorbed depreciation and other benefits, Cenvat, duty input credits and all other benefits under all direct and indirect taxes and similar benefits enjoyed by the Demerged Company in connection with or relating to the Wind power division;

iv. all necessary records, documents, files, papers, engineering and process information, computer programmes, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records in connection with or relating to the Wind power division;

v. All present and future liabilities appertaining to or relatable to the Wind power division (including contingent liabilities and the "Transferred Liabilities", as defined hereunder) and shall further include any obligations under any licenses or permits appertaining to or relatable to the said division and

vi. All permanent employees of the Demerged Company employed in the Wind power division as on the Effective Date who are substantially engaged in the business of the Undertaking 2.

It is intended that the definition of the Undertaking 2 under this Sub-Clause would enable the transfer of all lease hold property, assets, liabilities, rights, obligations, entitlements and benefits of the Wind power division to the 2nd Resulting Company pursuant to this scheme without any further act or deed.

1.25 "Undertaking 3" means the undertaking of the Demerged Company comprising the business of industrial parks division being carried on by the Demerged Company on a going concern basis to be demerged under this Scheme with the sanction of the Hon'ble Court. Without prejudice to the generality of the meaning ascribed to, the Undertaking 3 shall mean and include, without limitation;

i. all assets and property of Industrial Parks division wherever situate including the right to use such assets and property whether movable or immovable, tangible or intangible, plant and machinery, land, buildings, offices, capital work-in-progress, rolling stock, investments, current assets (including inventories, sundry debtors, bills of exchange, loans and advances etc), vehicles, godowns, stocks and stores, warehouses, furniture, fixtures, office equipment, appliances, accessories, power lines, water pipelines, depots, share of any joint assets and other facilities and premises;

ii. all permits, quotas, rights, entitlements, concessions, subsidies, exemptions, industrial and other licenses, approvals, consents, easement rights, leasehold rights, municipal permissions, Central Excise, other licenses, sales tax including Vat, service tax and other registrations and licenses in relation to plants, units, office and /or residential properties for the employees, offices, goodwill, intellectual property, trademarks, investments, cash balances, the benefit of any deposits, financial assets, funds belonging to or proposed to be utilized for the division, bank balances, bank accounts, privileges, all other rights and benefits, licenses, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity and other services, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Industrial parks division;

iii. all earnest moneys and /or security deposits paid or received, carry forward losses, unabsorbed depreciation and other benefits, Cenvat, duty input credits and all other benefits under all direct and indirect taxes and similar benefits enjoyed by the Demerged Company in connection with or relating to the Industrial parks division;

iv. all necessary records, documents, files, papers, engineering and process information, computer programmes, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records in connection with or relating to the Industrial parks division;

v. All present and future liabilities appertaining to or relatable to the Industrial parks division (including contingent liabilities and the "Transferred Liabilities", as defined hereunder) and shall further include any obligations under any licenses or permits appertaining to or relatable to the said division and

vi. All permanent employees of the Demerged Company employed in the Industrial parks division as on the Effective Date who are substantially engaged in the business of the Undertaking 3.

It is intended that the definition of the Undertaking 3 under this Sub-Clause would enable the transfer of all lease hold property, assets, liabilities, rights, obligations, entitlements and benefits of the Industrial parks division to the 3rd Resulting Company pursuant to this scheme without any further act or deed.

1.26 "Undertaking 4" means the undertaking of the Demerged Company comprising the business of Infrastructure division being carried on by the Demerged Company on a going concern basis to be demerged under this Scheme with the sanction of the Hon'ble Court. Without prejudice to the generality of the meaning ascribed to, the Undertaking 4 shall mean and include, without limitation;

i. all assets and property of Shrimp Hatchery and Infrastructure division wherever situate including the right to use such assets and property whether movable or immovable, tangible or intangible, plant and machinery, land, buildings, offices, capital work-in-progress, rolling stock, investments, current assets (including inventories, sundry debtors, bills of exchange, loans and advances etc), vehicles, godowns, stocks and stores, warehouses, furniture, fixtures, office equipment, appliances, accessories, power lines, water pipelines, depots, share of any joint assets and other facilities and premises;

ii. all permits, quotas, rights, entitlements, concessions, subsidies, exemptions, industrial and other licenses, approvals, consents, easement rights, leasehold rights, municipal permissions, Central Excise, other licenses, sales tax including Vat, service tax and other registrations and licenses in relation to plants, units, office and /or residential properties for the employees, offices, goodwill, intellectual property, trademarks, investments, cash balances, the benefit of any deposits, financial assets, funds belonging to or proposed to be utilized for the division, bank balances, bank accounts, privileges, all other rights and benefits, licenses, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity and other services, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Shrimp Hatchery and Infrastructure division;

iii. all earnest moneys and /or security deposits paid or received, carry forward losses, unabsorbed depreciation and other benefits, Cenvat, duty input credits and all other benefits under all direct and indirect taxes and similar benefits enjoyed by the Demerged Company in connection with or relating to the Shrimp Hatchery and Infrastructure division;

iv. all necessary records, documents, files, papers, engineering and process information, computer programmes, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records in connection with or relating to the Shrimp Hatchery and Infrastructure division;

v. All present and future liabilities appertaining to or relatable to the Shrimp Hatchery and Infrastructure division (including contingent liabilities and the "Transferred Liabilities", as defined hereunder) and shall further include any obligations under any licenses or permits appertaining to or relatable to the said division and

vi. All permanent employees of the Demerged Company employed in the Shrimp Hatchery and Infrastructure division as on the Effective Date who are substantially engaged in the business of the Undertaking 4.

It is intended that the definition of the Undertaking 4 under this Sub-Clause would enable the transfer of all lease hold property, assets, liabilities, rights, obligations, entitlements and benefits of the Shrimp Hatchery and Infrastructure division to the 4th Resulting Company pursuant to this scheme without any further act or deed.

1.27 "Undertakings" collectively mean Undertaking 1, Undertaking 2, Undertaking 3 and Undertaking 4.

1.28 All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning hereof, have the same meaning ascribed to them under the applicable laws, rules, regulations, bye-laws as the case may be including any statutory modification or re-enactment thereof from time to time.

2. INCORPORATION AND SHARE CAPITAL

2.1 SREE RAYALASEEMA HI-STRENGTH HYPO LIMITED, the Demerged Company was incorporated under the Companies Act, 1956 on 28th March, 2005 under the name and style of SARAC CHEMICALS LIMITED. The name of the Demerged Company was changed to SREE RAYALASEEMA HI-STRENGTH HYPO LIMITED with effect from the date of fresh Certificate of Incorporation issued by the Registrar of Companies, Andhra Pradesh on 3rd August, 2006. The Demerged Company has acquired the businesses and undertakings under a Scheme of Arrangement between SRHHL Industries Limited (formerly known as Sree Rayalaseema Hi-Strength Hypo Limited) and Sree Rayalaseema Dutch Kassenbouw Limited and Brilliant Industries Limited, the Demerged Companies and their respective shareholders pursuant to the order dated 15th June, 2006 of the Hon'ble High Court of Andhra Pradesh. The Demerged Company pursuant to a Scheme of Arrangement with its shareholders and SRHHL Industries Limited & TGV Pharma Private Limited with their respective shareholders amalgamated the latter companies with itself pursuant to the order dated 31st August, 2012 of the Hon'ble High Court of Andhra Pradesh. The main objects of the Demerged Company are as set out in the Memorandum of Association. The Demerged Company has its registered office at Gondiparla, Kurnool - 518 004, Andhra Pradesh. The authorized, issued, subscribed and paid up share capital of the Demerged Company as on 31st August 2015 was as under:

Authorised Share Capital (in Rupees)	
4,90,00,000 Equity Shares of Rs.10 each	49,00,00,000
Issued, Subscribed and Paid Up Share Capital (In Rupees)	
1,47,16,689 Equity Shares of Rs.10 each	14,71,66,890

The Equity shares of the Demerged Company are listed on the BSE Limited and the National Stock Exchange of India Limited

2.2 SRHHL POWER GENERATION PRIVATE LIMITED, the 1st Resulting Company was incorporated under the Companies Act, 2013 on 10th day of April, 2015. The main objects of the Resulting Company are as set out in the Memorandum of Association. The 1st Resulting Company has its registered office at 40-304, K J Complex, Bhagya Nagar, Kurnool - 518 004, Andhra Pradesh. The authorized, issued, subscribed and paid up share capital of the 1st Resulting Company as on 31st August, 2015 was as under

Authorised Share Capital (in Rupees)	
10,000 Equity Shares of Rs.10 each	1,00,000
Issued, Subscribed and Paid Up Share Capital (In Rupees)	
10,000 Equity Shares of Rs.10 each	1,00,000

The entire Paid up capital of the 1st Resulting Company is beneficially held by the Demerged Company (i.e., it is a wholly owned subsidiary of the Demerged Company)

The entire Paid up capital of the 1st Resulting Company is beneficially held by the Demerged Company (i.e., it is a wholly owned subsidiary of the Demerged Company)

2.3 SRHHL INFRASTRUCTURE PRIVATE LIMITED, the 2nd Resulting Company was incorporated under the Companies Act, 2013 on 04th day of August, 2015. The main objects of the Resulting Company are as set out in the Memorandum of Association. The 2nd Resulting Company has its registered office at 40-304, K J Complex, Bhagya Nagar, Kurnool - 500 004, Andhra Pradesh. The authorized, issued, subscribed and paid up share capital of the 2nd Resulting Company as on 31st August, 2015 was as under

Authorised Share Capital (in Rupees)	
10,000 Equity Shares of Rs.10 each	1,00,000
Issued, Subscribed and Paid Up Share Capital (In Rupees)	
10,000 Equity Shares of Rs.10 each	1,00,000

The entire Paid up capital of the 2nd Resulting Company is beneficially held by the Demerged Company (i.e., it is a wholly owned subsidiary of the Demerged Company)

2.4 TGV INFRASTRUCTURE & INDUSTRIAL PARKS PRIVATE LIMITED, the 3rd Resulting Company was incorporated under the Companies Act, 2013 on 8th day of April, 2015. The main objects of the Resulting Company are as set out in the Memorandum of Association. The 3rd Resulting Company has its registered office at 40-304, K J Complex, Bhagya Nagar, Kurnool - 500 004, Andhra Pradesh. The authorized, issued, subscribed and paid up share capital of the 3rd Resulting Company as on 31st August, 2015 was as under

Authorised Share Capital (in Rupees)	
10,000 Equity Shares of Rs.10 each	1,00,000
Issued, Subscribed and Paid Up Share Capital (In Rupees)	
10,000 Equity Shares of Rs.10 each	1,00,000

The entire Paid up capital of the 3rd Resulting Company is beneficially held by the Demerged Company (i.e., it is a wholly owned subsidiary of the Demerged Company)

2.5 SRI VIBHU INFRASTRUCTURE DEVELOPMENT PRIVATE LIMITED, the 4th Resulting Company was incorporated under the Companies Act, 2013 on 20th day of April, 2015. The main objects of the Resulting Company are as set out in the Memorandum of Association. The 4th Resulting Company has its registered office at 40-304, K J Complex, Bhagya Nagar, Kurnool - 500 004, Andhra Pradesh. The authorized, issued, subscribed and paid up share capital of the 4th Resulting Company as on 31st August, 2015 was as under

Authorised Share Capital (in Rupees)	
10,000 Equity Shares of Rs.10 each	1,00,000
Issued, Subscribed and Paid Up Share Capital (In Rupees)	
10,000 Equity Shares of Rs.10 each	1,00,000

The entire Paid up capital of the 4th Resulting Company is beneficially held by the Demerged Company (i.e., it is a wholly owned subsidiary of the Demerged Company)

PART II - DEMERGER OF UNDERTAKINGS 1 to 4 TO RESULTING COMPANIES ON A GOING CONCERN BASIS

3.0 TRANSFER OF ASSETS OF UNDERTAKINGS 1 to 4

3.1. Upon the coming into effect of this Scheme, and with effect from the Appointed Date, the Undertaking 1 (including all the estate, assets, rights, claims, title, interest and authorities including accretions and appurtenances of the Undertaking) shall, pursuant to Section 394 (2) of the Act and without any further act or deed or instrument, be demerged from the Demerged Company and be transferred to and vested in or be deemed to have been demerged from the Demerged Company and transferred to and vested in the 1st Resulting Company on a going concern basis so as to become, as and from the Appointed Date, the undertakings including the estate, assets, rights, claims, title, interest and authorities of the 1st Resulting Company subject to Clause 5 of this Scheme in relation to charges thereon in favour of banks and/or financial institutions.

3.2 All assets acquired and liabilities incurred by the Demerged Company after the Appointed Date but prior to the Effective Date in relation to the Undertaking 1 shall also without any further act, instrument or deed stand transferred to and vested in or be deemed to have been transferred to or vested in the 1st Resulting Company upon the coming into effect of this Scheme.

3.3 Upon the coming into effect of this Scheme, and with effect from the Appointed Date, the Undertaking 2 (including all the estate, assets, rights, claims, title, interest and authorities including accretions and appurtenances of the Undertaking) shall, pursuant to Section 394 (2) of the Act and without any further act or deed or instrument, be demerged from the Demerged Company and be transferred to and vested in or be deemed to have been demerged from the Demerged Company and transferred to and vested in the 2nd Resulting Company on a going concern basis so as to become, as and from the Appointed Date, the undertakings including the estate, assets, rights, claims, title, interest and authorities of the 2nd Resulting Company subject to Clause 5 of this Scheme in relation to charges thereon in favour of banks and/or financial institutions.

3.4 All assets acquired and liabilities incurred by the Demerged Company after the Appointed Date but prior to the Effective Date in relation to the Undertaking 2 shall also without any further act, instrument or deed stand transferred to and vested in or be deemed to have been transferred to or vested in the 2nd Resulting Company upon the coming into effect of this Scheme.

3.5 Upon the coming into effect of this Scheme, and with effect from the Appointed Date, the Undertaking 3 (including all the estate, assets, rights, claims, title, interest and authorities including accretions and appurtenances of the Undertaking) shall, pursuant to Section 394 (2) of the Act and without any further act or deed or instrument, be demerged from the Demerged Company and be transferred to and vested in or be deemed to have been demerged from the Demerged Company and transferred to and vested in the 3rd Resulting Company on a going concern basis so as to become, as and from the Appointed Date,

the undertakings including the estate, assets, rights, claims, title, interest and authorities of the 3rd Resulting Company subject to Clause 5 of this Scheme in relation to charges thereon in favour of banks and/or financial institutions.

3.6 All assets acquired and liabilities incurred by the Demerged Company after the Appointed Date but prior to the Effective Date in relation to the Undertaking 3 shall also without any further act, instrument or deed stand transferred to and vested in or be deemed to have been transferred to or vested in the 3rd Resulting Company upon the coming into effect of this Scheme.

3.7 Upon the coming into effect of this Scheme, and with effect from the Appointed Date, the Undertaking 4 (including all the estate, assets, rights, claims, title, interest and authorities including accretions and appurtenances of the Undertaking) shall, pursuant to Section 394 (2) of the Act and without any further act or deed or instrument, be demerged from the Demerged Company and be transferred to and vested in or be deemed to have been demerged from the Demerged Company and transferred to and vested in the 4th Resulting Company on a going concern basis so as to become, as and from the Appointed Date, the undertakings including the estate, assets, rights, claims, title, interest and authorities of the 4th Resulting Company subject to Clause 5 of this Scheme in relation to charges thereon in favour of banks and/or financial institutions.

3.8 All assets acquired and liabilities incurred by the Demerged Company after the Appointed Date but prior to the Effective Date in relation to the Undertaking 4 shall also without any further act, instrument or deed stand transferred to and vested in or be deemed to have been transferred to or vested in the 4th Resulting Company upon the coming into effect of this Scheme.

4.0 TRANSFER OF LIABILITIES

4.1 Upon the coming into effect of this Scheme, the loans, debts, liabilities, duties, and obligations, which arose out of the activities or operations of the Demerged Undertakings as on the Appointed Date, and being a part of the respective Demerged Undertaking shall, without, any further act or deed, be and stand transferred to and be deemed to be transferred to the respective Resulting Company (namely pertaining to Undertaking 1 to 1st Resulting Company; Undertaking 2 to 2nd Resulting Company; Undertaking 3 to 3rd Resulting Company and Undertaking 4 to 4th Resulting Company) to the extent that they are outstanding as on the Effective Date, and shall become the loans, debts, liabilities, duties and obligations of the said respective Resulting Company which it shall meet, discharge and satisfy on the same terms and conditions as applicable to the Demerged Company.

4.2 Where any of the loans, debts, liabilities, duties and obligations of the Demerged Company as on the Appointed Date have been discharged by the Demerged Company after the Appointed Date but prior to the Effective Date, such discharge shall be deemed to have been for and on account of the respective Resulting Company and all loans raised and used and all debts, liabilities and obligations incurred by the Demerged Company for the operations of the Demerged Undertakings after the Appointed Date and prior to the Effective Date, subject to the terms of this Scheme, shall be deemed to have been raised, used or incurred for and on behalf of the respective Resulting Company and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to and be deemed to be transferred to the respective Resulting Company and shall become the loans, debts, liabilities, duties and obligations of the said Resulting Company which shall meet, discharge and satisfy on the same terms and conditions as applicable to the Demerged Company.

4.3 The transfer and vesting of the assets, liabilities and obligations of the Demerged Undertakings under Clause 3 and 4 hereof and the continuance of the proceedings by or against the respective Resulting Company under Clause 7 hereof shall not affect any transaction or proceedings already completed by the Demerged Company on or before the Appointed Date to the end and intent that, subject to Clause 9, the respective Resulting Company accepts all acts, deeds and things done and executed by and/or on behalf of the Demerged Company as acts, deeds and things done and executed by and on behalf of the respective Resulting Company.

5.0 LOANS, BORROWINGS AND RELATED SECURITY

5.1. In so far as loans, borrowings and liabilities of the Demerged Company are concerned, such of the borrowings, loans and liabilities which are to be transferred to the respective Resulting Companies in terms of this Part II (the "Transfer of Liabilities") being a part of the Demerged Undertakings shall, upon coming into effect of this Scheme and subject to sub-clause 5.2 below, without any further act or deed, become loans, borrowings, and liabilities of the respective Resulting Company, and all rights, powers, duties and obligations in relation thereto shall be and stand transferred to and vested in and shall be exercised by or against the said Resulting Company as if it had entered into such loans and incurred such borrowings.

5.2. In so far as the existing security in respect of the Transferred Liabilities is concerned, such security shall, without any further act, instrument or deed be modified and shall be extended to and shall operate only over the assets comprised in the Demerged Undertakings which have been charged and secured in respect of the Transferred Liabilities as transferred to the respective Resulting Company pursuant to Part II of this Scheme. Provided that if any of the assets comprised in the Demerged Undertakings which are being transferred to the respective Resulting Company pursuant to Part II of this Scheme have not been charged or secured in respect of the Transferred Liabilities, such assets shall remain unencumbered and the existing security referred to above shall not be extended to and shall not operate over such assets. The absence of any formal amendment which may be required by a lender or third party shall not affect the operation of the above.

5.3. In so far as the existing security in respect of liabilities of the Demerged Company other than the Transferred Liabilities is concerned, such security shall, without any further act, instrument or deed, stand modified and shall be extended and shall operate only over such of the assets of the Remaining Business.

5.4. Without any prejudice to the provisions of the foregoing Clauses and upon the effectiveness of this Scheme, the Demerged Company and the respective Resulting Company shall execute any instruments or documents or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charges, with the Registrar of Companies, Andhra Pradesh & Telangana to give formal effect to the above provisions, if required.

5.5. Upon the coming into effect of this Scheme, the respective Resulting Company alone shall be liable to perform all obligations in respect of the Transferred Liabilities, and the Demerged Company or the other three Resulting companies shall not have any obligations in respect of the Transferred Liabilities, and the respective Resulting Company shall indemnify the Demerged Company and the other three Resulting companies in this behalf.

5.6. It is expressly provided that, save as mentioned in this Clause 5, the terms or conditions of the Transferred Liabilities as applicable to the Demerged Company shall not stand modified by virtue of this Scheme.

5.7. Subject to the necessary consents being obtained, if required, in accordance with the terms of this Scheme, the provisions of this Clause 5 shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document, all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.

5.8. The existing security over the assets of the Remaining Business in respect of Transferred Liabilities shall subsist and continue to remain so at the option of the lenders, notwithstanding anything to the contrary contained elsewhere in the Scheme and the Demerged Company shall execute any instruments or documents or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charges, with the Registrar of Companies, Andhra Pradesh & Telangana to give formal effect to the above provisions, if required.

6.0 CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

6.1 Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, Schemes, arrangements and other instruments of whatsoever nature in relation to the Demerged Undertakings to which the Demerged Company is a party or to the benefit of which the Demerged Company may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall continue in full force and effect on or against or in favour, as the case may be, of the Resulting Company and may be enforced as fully and effectually as if, instead of the Demerged Company, the Demerged Company and/or the said Resulting Company had been a party or beneficiary thereto.

6.2. Without prejudice to the vesting of the Demerged Undertakings by virtue of Part II of this Scheme itself, the Demerged Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings as may be necessary in order to give formal effect to the above provisions. The Demerged Company will, if necessary, also be a party to the above. The respective Resulting Company shall, under the provisions of Part II of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Demerged Company and to carry out or perform all such formalities or compliances referred to above on the part of the Demerged Company to be carried out or performed.

6.3 Without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all consents, permissions, licenses, registrations, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Demerged Company in relation to the Demerged Undertakings shall stand transferred to the Resulting Company as if the same were originally given by, issued to or executed in favour of the said Resulting Company, and the Resulting Company shall be bound by the terms thereof, the obligations and duties there under, and the rights and benefits under the same shall be available to the said Resulting Company including making the applications to any Governmental Authority as may be necessary in this behalf.

6.4 It is clarified that if any assets (estate, claims, rights, title, interest in or authorities relating to such assets) or any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the Demerged Undertakings which the Demerged Company own or to which the Demerged Company are parties to cannot be transferred to the Resulting Company for any reason whatsoever, the Demerged Company shall hold such assets or contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of the said Resulting Company, insofar as it is permissible in law so to do, till such time as the transfer is effected.

7.0 LEGAL PROCEEDINGS

7.1. Upon the coming into effect of this Scheme, all legal, taxation or other proceedings, (including before any statutory or quasi-judicial authority or tribunal) by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted any time thereafter and in each case relating to the Demerged Undertakings shall be continued and enforced by or against the respective Resulting Company alone after the Effective Date. The Demerged Company or the other three Resulting companies shall in no event be responsible or liable in relation to any such legal, taxation or other proceedings against the said Resulting Company. The said Resulting Company shall be added as party to such proceedings and shall prosecute or defend such proceedings in co-operation with the Demerged Company.

7.2. Upon the coming into effect of this Scheme, if proceedings are taken against the Demerged Company in respect of the matters referred to in sub-clause 7.1 above, they shall defend the same in accordance with the advice of the said Resulting Company and at the cost of the Resulting Company, and the latter shall reimburse and indemnify the Demerged Company against all liabilities and obligations incurred by the Demerged Company in respect thereof.

7.3 The respective Resulting Company undertakes to have all legal, taxation or other proceedings initiated by or against the Demerged Company referred to in sub-clause 7.1 above transferred to its name as soon as is reasonably possible after the Effective Date and to have the same continued, prosecuted and enforced by or against the said Resulting Company to the exclusion of the Demerged Company and other three Resulting companies. Both / All Companies shall make relevant applications in that behalf.

8.0 DEMERGED UNDERTAKINGS' EMPLOYEES AND EMPLOYEE BENEFITS

8.1 Upon the coming into effect of this Scheme, all permanent employees of the Demerged Company working for the Demerged Undertakings as on such date shall become the permanent employees of the respective Resulting Company on terms and conditions not less favourable than those on which they were employed in the Demerged Company and without any interruption of service as a result of the transfer of the Demerged Undertaking.

8.2 In so far as the existing provident fund, gratuity fund and pension and / or superannuation fund, trust, retirement fund or benefits and any other funds or benefits, if any, created by the Demerged Company for the employees of the Demerged Undertakings are concerned (collectively referred to as the "Funds"), the Funds and such of the investments made by the Funds which are referable to the employees working for the Demerged Undertakings being transferred to the respective Resulting Company in terms of sub-clause 8.1 above shall be transferred to the said Resulting Company and shall be held for their benefit pursuant to this Scheme in the manner provided hereinafter. The Funds shall, subject to the necessary approvals and permissions and at the discretion of the said Resulting Company, either be continued as separate funds of the Resulting Company for the benefit of the employees working for the Demerged Undertakings or be transferred to and merged with the relevant funds of the said Resulting Company, provided however that the existing pension funds in respect of the employees working for the Demerged Undertakings shall be continued as separate funds of the Resulting Company. In the event of that the Resulting Company does not have its own funds in respect of any of the above, the Resulting Company may, subject to necessary approval and permissions, continue to contribute to the relevant Funds, until such time that the Resulting Company creates its own fund, at which time the Funds and the investments and contributions pertaining to the employees working for the Demerged Undertakings shall be transferred to the funds created by the Resulting Company.

8.3. In so far as the existing provident fund, gratuity fund and pension and/or superannuation fund, trusts, created by the Demerged Company for such of the employees working for the Remaining Business are concerned, if any, the same shall continue and, in the event that the Demerged Company presently contribute to the same, the Demerged Company shall continue to contribute to such funds and trusts in accordance with the provision thereof, and such funds and trusts, if any, shall be held for the benefit of the employees working for the Remaining Business.

9.0 CONDUCT OF BUSINESS BY DEMERGED COMPANY TILL EFFECTIVE DATE

9.1 The Demerged Company, with effect from the Appointed Date and up to and including the Effective Date:

a. shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Demerged Undertakings and stand possessed of all the estates, assets, rights, title, interest, authorities, contracts and investments of the Demerged Undertakings for and on account of, and in trust for, the respective Resulting Company and

b. all profits accruing to the Demerged Company, or losses arising or incurred by them (including the effect of taxes, if any thereon), relating to the Demerged Undertakings for the period after the Appointed Date based on the audited accounts of the Demerged Company shall for all purposes, be treated as the profits or losses, as the case may be, of the respective Resulting Company.

9.2. The Demerged Company undertakes that it will preserve and carry on the business of the Demerged Undertakings with reasonable diligence and business prudence and shall not undertake material financial commitments or sell, transfer, alienate, charge, mortgage, or encumber the Demerged Undertakings or any part thereof unless the prior written consent of the Board of Directors of the respective Resulting Company has been obtained in relation to any of the above, and agrees that they shall not make any decisions or undertake any business outside the capital expenditure plan and such other plans as have been approved by the Board of Directors of the Demerged Company without the prior written consent of the Board of Directors of the respective Resulting Company.

10.0 CONTINUATION OF REMAINING BUSINESS BY DEMERGED COMPANY

10.1. The Remaining Business and all the assets, liabilities and obligations pertaining thereto shall continue to and be vested in and be managed by the Demerged Company subject to Part II of this Scheme in relation to charges thereon in favour of banks and financial institutions.

10.2. (a) All legal, taxation or other proceedings whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal) by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter, and in each case relating to the Remaining Business (including those relating to any property, right, power, liability, obligation or duties of the Demerged Company in respect of the Remaining Business) shall be continued and enforced by or against the Demerged Company after the Effective Date. The Resulting Companies shall in no event be responsible or liable in relation to any such legal, taxation or other proceeding against the Demerged Company, which relate to the Remaining Business.

(b) If proceedings are taken against any of the Resulting Company in respect of the matters referred to in sub-clause (a) above, it shall defend the same in accordance

with the advice of the Demerged Company and at the cost of the Demerged Company and the latter shall reimburse, indemnify and hold harmless the said Resulting Company against all liabilities and obligations incurred by the Resulting Company in respect thereof.

10.3. With effect from the Appointed Date and up to and including the Effective Date:

(a) the Demerged Company shall carry on and shall be deemed to have been carrying on all business and activities relating to the Remaining Business for and on its own behalf and

(b) all profits accruing to the Demerged Company thereon or losses arising or incurred by them (including the effect of taxes, if any, thereon) relating to the Remaining Business shall, for all purposes, be treated as the profits or losses, as the case may be, of the Demerged Company alone.

10.4 The provisions of this Part shall operate notwithstanding anything to the contrary contained in this Scheme.

11.0 ISSUE OF SHARES FOR DEMERGED UNDERTAKINGS

11.1 The Resulting companies are wholly owned subsidiaries of the Demerged Company. The Scheme envisages restructuring of the businesses of the Demerged Company to provide focused attention to design independent strategies with a view to capture the full growth potential of various businesses in which the Undertakings 1 to 4 are engaged into. Since the Resulting companies are wholly owned subsidiaries of the Demerged Company, the Demerged Company will continue to have the Demerged Undertakings under its own control without having to issue any further capital by the respective Resulting companies to the Demerged Company. However, to account for the arms length principle and as required under Paragraph 11 of Accounting Standard - 13 (Accounting for Investments) notified under Companies (Accounting Standards) Rules, 2006 under Section 133 of the Act; the fair value of each of the undertakings proposed to be transferred under the Scheme is determined on the basis of the valuation as carried out by M/s PRSV & Co., LLP and S.T. Mohite & Co., Chartered Accountants. The Fair value so determined by the valuation is adopted for determining the Issued Value of Equity Shares and Preference shares by the respective Resulting Company.

12.0 RESTRUCTURING OF SHARE CAPITAL OF DEMERGED COMPANY

12.1 All the assets and liabilities of the Demerged Undertakings shall be transferred to the respective Resulting Company at the values appearing in the books of the Demerged Company (at historical cost less depreciation and without any revaluation in respect of assets) immediately before the demerger.

12.2 The Scheme does not require restructuring of the Share Capital of the Demerged Company. The Demerged Company will record the Equity and Preference Shares received by it under this Scheme from the respective Resulting Company at the respective Issue Price (i.e., Issue Price of the Equity Shares and Issue Price of the Preference Shares) as Long term Investments in its books of account.

Nothing contained in this Scheme shall be construed to imply that the transfer and vesting of the Demerged Undertakings to the respective Resultant companies shall remain or deemed to have remained suspended or in abeyance till the process of redemption of the Preference Shares issued under the Scheme.

12.3 As the Scheme does not envisage any restructuring of the Share Capital of the Demerged Company, the Demerged Company shall not be required to add "And Reduced" as suffix to its name.

13.0 ACCOUNTING TREATMENT

13.1 The respective Resulting Company shall record the assets and liabilities, including provisions and deferred tax liability / asset, if any of the Demerged Undertaking vested in it pursuant to this Scheme, at the values thereof appearing in the books of the Demerged Company immediately before the demerger without any revaluation.

13.2 The excess of assets over the liabilities transferred to and vested in the respective Resulting Company by virtue of this Scheme coming into effect, and in excess of the Issued Value of Equity and Preference Shares, would be credited to 'Capital Reserve Account', which shall be a Reserve of the respective Resulting Company. If the Issued Value of Equity and Preference Shares exceed the value of excess of assets over the liabilities transferred, the same would be treated as 'Goodwill'.

13.3 The Face Value of the Equity and Preference Shares issued under the Scheme shall be accounted as the "Issued, Subscribed & Paid Up Equity Share Capital" and "Issued, Subscribed and Paid up 6% Cumulative Preference Capital" respectively.

13.4 Each of the Resulting Companies shall account for the Initial Premium in respect of the issue of Equity and Preference Shares under this Scheme as "Securities Premium" under section 52 of the Act which may be applied at the time of Redemption of the Preference Shares under the Scheme on completion of given tenure or such other purposes as decided by the Directors of the respective Resulting Company and as permitted by the Act.

13.5 The Demerged Company shall record the transfer of assets and liabilities, including provisions and deferred tax liability / asset, if any of the Demerged Undertakings vesting in the respective Resulting Company under this Scheme, at the values appearing in the books of the Demerged Company immediately before the demerger without any revaluation. The excess of assets over the liabilities transferred to the respective Resulting Company to the extent it exceeds the Issued Value of Equity and Preference Shares, would be debited to the existing 'Amalgamation Reserve' being carried in the books of the Demerged company. If the Issued Value of Equity and Preference Shares exceed the excess of assets over the liabilities transferred, the same would be treated credited to the existing 'Amalgamation Reserve'

13.6 For any matter arising in connection with the accounting treatment, the companies would deal with the same in consultation with the Statutory Auditors of the respective companies.

13.7 The Demerged Company has been advised that the provisions of Part II of the Scheme are in compliance with Section 2 (19AA) of the Income Tax Act, 1961 and are intended to be implemented accordingly.

13.8 The respective Resulting Company and the Demerged Company are expressly permitted to revise their Income Tax returns and seek revision of Tax deduction at Source (TDS) certificates as well as the right to claim refund, advance tax credits, MAT credits and adjustments, etc, if any, upon this Scheme becoming effective.

PART III

GENERAL TERMS & CONDITIONS

14.0 APPLICATION TO COURT

The Demerged Company and the Resulting Company shall, with all reasonable dispatch, make necessary applications to the Court for the sanction of this Scheme of Arrangement under Sections 391 and 394 of the Companies Act, 1956

15.0 CHANGE OF NAME OF THE RESULTING COMPANY

Upon the Scheme coming into effect, and pursuant to the provisions of Section 13 of the Act, the name of the 2nd Resulting Company shall stand changed to 'SRHHL GREEN ENERGY CORPORATION PRIVATE LIMITED' or such other name as may be decided by its Board of Directors and approved by the concerned Registrar of Companies. Further, the present name prior to such change wherever it occurs in Memorandum and Articles of Association be substituted by such name.

It is hereby clarified that for the purposes of this Clause, the consent of the Demerged Company being the sole shareholder of the said Resultant Company as required under the provisions of the Act, is hereby accorded.

16.0 MODIFICATION OF AUTHORIZED CAPITAL AND INCREASE IN THE ISSUED, SUBSCRIBED AND PAID UP CAPITALS OF THE RESPECTIVE RESULTING COMPANIES

16.1 Upon coming into effect of the Scheme the Authorized Share capital of each of the respective Resulting Companies, shall automatically stand increased without any further act, instrument or deed on the part of the respective Resulting company, such that upon the effectiveness of the Scheme the Authorized Share capital of each of the Resulting Companies shall be such amounts as specified hereunder:

Resulting Company issuing Shares under the Scheme	Authorized Capital Equity Shares of Rs. 10 each	Authorized Capital Preference Shares of Rs. 100 each
1st Resulting Company	66,00,000	270,00,000
2nd Resulting Company	77,00,000	310,00,000
3rd Resulting Company	6,00,000	25,00,000
4th Resulting Company	25,00,000	100,00,000

The consent of the Demerged Company being the sole shareholder of each of the Resulting Companies as required under the provisions of the Act for amendment of Memorandum of Articles of each of the respective Resulting Companies is hereby accorded and no further resolutions under the applicable provisions of the Act would be required to be separately passed. The Resulting Companies will pay the required fee under Section 61 of the Act, to the Registrar of Companies Andhra Pradesh & Telangana on the Scheme coming into effect.

17.0 MODIFICATIONS / AMENDMENTS TO THE SCHEME

17.1 The Demerged Company and the respective Resulting Company, by their respective Board of Directors either by themselves or through a Committee appointed by them in this behalf, may, in their full and absolute discretion, make and /or assent to any alteration or modification to this Scheme, including but not limited to those which the Court and /or any other Authority may deem fit to approve or impose.

17.2 The Demerged Company and the Resulting Company by their respective Boards of Directors, either by themselves or through a Committee appointed by them in this behalf, may give such directions as they may consider necessary to settle any question or difficulty arising under the Scheme or in regard to and of the meaning or interpretation of the Scheme or implementation thereof or in any matter whatsoever connected therewith (including any question or difficulty arising in connection with any deceased or insolvent shareholders of the respective companies), or to review the position relating to the satisfaction of various conditions to the Scheme and if necessary, to waive any of those (to the extent permissible under law).

17.3 Any issue as to whether any asset, liability, employee, legal, taxation or other proceedings pertains to the Demerged Business Undertakings or not shall be decided by the Boards of Directors of the Demerged Company and the respective Resulting Company, either by themselves or through a Committee or authorized officers appointed by them in this behalf, on the basis of evidence that they may deem relevant for the purpose (including the books and records of the Demerged Company).

18.0 SCHEME CONDITIONAL ON APPROVALS / SANCTIONS

This Scheme is conditional upon and subject to the sanction or approval of the authorities concerned being obtained and granted in respect of the following matters.

18.1 The Scheme as set out in Part II being agreed to by the requisite majority of the Equity Shareholders and with the consent of the Secured and Unsecured creditors, if any, of the Demerged Company as required under the Act. The Demerged Company being the sole shareholder of the Resultant companies hereby accord its consent to the Scheme, on the Scheme being agreed to by the requisite majority of the Equity shareholders and with the consent of the Secured and Unsecured creditors, if any of, of the Demerged Company.

18.2 The sanction of the Court under Section 391 read with Section 394 of the Act and to the necessary order or orders under Section 394 of the Act being obtained.

18.3 The certified copies of the orders of the Court referred to in this Scheme being filed with the Registrar of Companies, Andhra Pradesh.

19.0 EFFECT OF NON-FULFILLMENT OF ANY OBLIGATION

In the event of non-fulfillment of any or all obligations under this Scheme by either the Demerged Company or the respective Resulting Company towards the other inter se or to third parties, the non- performance of which will place the other Company under any obligation, then such defaulting Company will indemnify all costs, interests etc to the other affected Company.

20.0 EFFECT OF NON-RECEIPT OF APPROVALS / SANCTIONS

In the event of any of the said sanctions and approvals not being obtained and / or the Scheme not being sanctioned by the Court and / or order or orders not being passed as aforesaid on or before 31st March 2016 or within such further period or periods as may be agreed upon between the Demerged Company and the Resulting Companies by their respective Board of Directors, this Scheme shall become null and void and in that event no rights and liabilities whatsoever shall accrue to or be incurred inter se by the parties or their shareholders or creditors or employees or any other person. In such case each of the companies stated above shall bear all their related costs.

In the event the shareholders and or the Court approve the Scheme in part and in respect of some of the Undertakings alone and not all the Undertakings, the Scheme shall be effective to the extent of those Undertakings alone to the exclusion of the other Undertakings and the former Undertakings shall be transferred and vest in the respective Resulting companies from the Demerged Company.

21.0 EXPENSES CONNECTED WITH THE SCHEME

21.1 All past, present and future costs, charges, levies, duties and expenses in relation to or in connection with or incidental to this Scheme or the implementation thereof shall be borne and paid for by the Demerged Company.

21.2 The stamp duty, if any, payable under Indian Stamp Act pursuant to Clause 11.1 shall be borne and paid for by the Resulting Companies.

21.3 Each of the Resulting Companies and Demerged Company shall have liberty to apply to the Court for necessary direction to remove difficulties, if any, in implementing the Scheme.

Description of Asset / Liability	APPENDIX			
	Thermal Power Division 1st Resulting Company	Wind Energy Division 2nd Resulting Company	SEZ Division 3rd Resulting Company	Shrimp Hatchery & Infrastructure Division 4th Resulting Company
(1)	(2)	(3)	(4)	(5)
Net Block of Fixed Assets	476,760,518	450,424,754	14,667,074	44,392,828
Long term Loans & Advances				15,688,330
Current Assets:				
Inventories	19,832,302			
Trade receivables	63,433,608	49,250,882	-	
Other current assets	2,676,957	1,792,774		
Total Assets	562,703,385	501,468,410	14,667,074	60,081,158
Long Term Liabilities:				
Term loans from banks	304,298,466	74,313,714	-	-
Loans repayable on demand from banks	4,564,539	6,650,865		
Deferred tax Liabilities (Net)	60,754,181	135,665,716	-	-
Current Liabilities:				
Trade payables	49,464,662	-		
Other Current Liabilities	20,675,443			
Total Outside Liabilities	439,757,291	216,630,295	-	-
Net Book Value	122,946,095	284,838,115	14,667,074	60,081,158

Format for Complaints Report: from 19.09.2015 (date of board meeting approving draft Scheme of Arrangement) to 29.12.2015 .

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	0
2.	Number of complaints forwarded by Stock Exchange	1
3.	Total Number of complaints/comments received (1+2)	1
4.	Number of complaints resolved	1
5.	Number of complaints pending	0

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1.	Mr.A.Nagendra Rao & Family Members	23.09.2015(recd by company on 14.12.2015)	Resolved

QUINTESSENCE ENTERPRISES PVT. LTD.

SEBI Registered Category-I Merchant Banker

The Board of Directors,
Sree Rayalseema Hi-Strength Hypo Limited,
Regd off :Gondiparla Kurnool,
Andhra Pradesh- 518 004.

Re: Fairness opinion on the Scheme of Arrangement as recommended by the Management of Sree Rayalseema Hi-Strength Hypo Limited on the demerging of its undertakings into new resulting companies (wholly owned subsidiaries)

Dear Sirs,

We, **Quintessence Enterprises Pvt. Ltd.,** ***('QEPL'),*** refer to our offer letter dated 9th,Nov,2015 which has been duly accepted by you, whereby you have appointed us as an Independent Merchant Banker for furnishing a 'Fairness Opinion' as per clause 24 (f) of the Listing Agreement and as per SEBI Circular No. CIR/CFD/DIL/5/2013 dated 4th February 2013 read with SEBI Circular No. CIR/CFD/DIL/8/2013 dated 21 May 2013 for the proposed Scheme of Arrangement for the Demerger of Sree Rayalseema Hi-Strength Hypo Limited (SRHHL) as per Sec 391-394 of the Companies Act, 1956 and any amendments therof including the Companies Act 2013.

Merchant Banker – Quintessence Enterprises Private Limited (QEPL)

QEPL formed in 1999, is a Category – I, Merchant Banking company, based in Hyderabad, Andhra Pradesh, having its registered office at 'NANDANAM' 8-2-603/1/VP, Plot No. 8A, Road No. 10, Banjara Hills, Hyderabad – 500034, and Administrative office at 8-2-603/B/33/A/9, B - 201, Zahera Nagar, Road No. 10, Banjara Hills, Hyderabad - 500034. It is SEBI registered with Registration Code INM000011997 valid till 31/07/2017, as Category I Merchant Banker.

Sources of Information

1. A copy of the Memorandum and Articles of Association of SRHHL
2. A copy of the audited annual report for the year 2014-2015.
3. A copy of the proposed Scheme of Arrangement.
4. A copy of the pre and post Scheme shareholding pattern of SRHHL and its subsidiaries.
5. A copy of the board resolution passed by SRHHL.

Quintessence Enterprises Pvt. Ltd. Hyderabad

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Rationale of the Scheme

The Management of Sree Rayalseema Hi-Strength Hypo Limited (SRHHL) have proposed a Scheme of Arrangement for the demerging of its undertakings, Thermal power division, Wind energy division, industrial parks Division and Shrimp Hatchery and other infrastructure assets to the resulting companies namely

SRHHL Power Generation(1st Resulting Company)
SRHHL Infrastructure Private Limited (2nd Resulting Company)
TGV Infrastructure & Industrial Parks Private Limited (3rd Resulting Company)
Sri Vibhu Infrastructure Development Private Limited (4th Resulting Company).

This Scheme of Arrangement deals with the demerger of the Demerged Undertakings of the Demerged Company that is SRHHL to the wholly owned subsidiaries of the Demerged Company named as Resulting Companies 1 to 4 mentioned above. The demerger does not involve any cash consideration as the scheme is envisaged for corporate restructuring and the transfer is to wholly owned subsidiaries of the Demerged Company. The scheme also does not envisage any restructuring of the share capital of the Demerged Company. Since the Resulting companies are wholly owned subsidiaries of the Demerged Company, the Demerged Company will continue to have the Demerged Undertakings under its own control without having to issue any further capital by the respective Resulting companies to the Demerged Company.

The scheme however, envisages that on the basis of a Fair value of business of the proposed demerged Undertakings, the respective Resulting Companies should issue Equity shares and Preference shares to the Demerged Company under this Scheme. On the Scheme coming into effect, the Demerged Company will pursue the Remaining Business.

Since there is no change in the shareholding pattern of the demerged company SRHHL due to the demerger hence no valuation has been undertaken by SRHHL from an Independent Valuer as per SEBI Circular No. CIR/CFD/DIL/5/2013 dated 4th February 2013 read with SEBI Circular No. CIR/CFD/DIL/8/2013 dated 21 May 2013. We understand that the proposed appointed date for the Demerger is 1 September, 2015.

However, to account for the arms length principle and as required under Paragraph 11 of Accounting Standard – 13 (Accounting for Investments) notified under Companies (Accounting Standards) Rules, 2006 under Section 133 of the Act; the fair value of each of the undertakings proposed to be transferred under the Scheme is determined on the basis of the valuation as carried out by M/s PRSV & Co., LLP and S.T. Mohite & Co., Chartered Accountants. The Fair value so determined by the valuation is adopted for determining the Issued Value of Equity Shares and Preference shares by the respective Resulting Company.

Quintessence Enterprises Pvt. Ltd. Hyderabad

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The Resulting companies are allotting shares only to demerged company and not to the shareholders of the demerged company. Hence there is no SWAP ratio for allotting shares to shareholders of demerged company.

About the companies

Sree Rayalaseema Hi-Strength Hypo Limited(SRHHL) (CIN No L24110AP2005PLC045726), the Demerged Company (as defined hereunder), is a multidivisional Company engaged in diverse businesses, including manufacture and sale of Calcium Hypochlorite, Stable Bleaching Powder, generation and sale of wind power and thermal energy, Shrimp Hatchery and other infrastructure assets and owns large tracts of non-agricultural lands for carrying on the business of industrial parks.

The shares of the company are listed on the National Stock Exchange Limited (NSE) and The Bombay Stock Exchange Limited (BSE).

SRHHL Power Generation Company Private Limited (CIN No U40106AP2015PTC096481), the 1st Resulting Company is a wholly owned subsidiary of the Demerged Company, and proposes to carry on the business of developing and running thermal power generating plants and/or distribution of electricity, steam and any other form of energy. The Resulting Company is yet to commence business operations.

SRHHL Infrastructure Private Limited (CIN No U40300AP2015PTC097106), the 2nd Resulting Company is a wholly owned subsidiary of the Demerged Company, and proposes to carry on the business of generating and distributing wind power and other non-conventional forms of energy. The Resulting Company is yet to commence business operations.

TGV Infrastructure & Industrial Parks Private Limited (CIN No U45209AP2015PTC096457), the 3rd Resulting Company is a wholly owned subsidiary of the Demerged Company, and proposes to carry on the business of developing and operating of Special Economic Zones and other industrial parks. The Resulting Company is yet to commence business operations.

Sri Vibhu Infrastructure Development Private Limited (CIN No U45200AP2015PTC096528) the 4th Resulting Company is a wholly owned subsidiary of the Demerged Company, and proposes to carry on the business of developing and maintaining infrastructure facilities. The Resulting Company is yet to commence business operations.

Quintessence Enterprises Pvt. Ltd. Hyderabad

Fairness Opinion

As explained to us the demerger is in the interest of all concerned including the shareholders, creditors and employees as it provides the necessary focus, flexibility and vibrancy to all the businesses of the undertakings and the demerged company.
In view of the above and on consideration of all the relevant factors and situation we believe that the scheme of Arrangement is Fair.

We hereby give our consent to present and disclose the Fairness Opinion in the general

QUINTESSENCE

meeting of the shareholders of SRHHL pursuant to Clause 24 (f) of Listing Agreement to the BSE limited *('BSE')* and the National Stock Exchange of India Limited ("NSE") the Hon'ble High Court of Andhra Pradesh and Telangana and such other authorities in connection with the proposed purpose.

Limitation and Caveats of the Fairness Opinion

The assignment did not include the following:

Our fairness opinion is based on the information made available to us by the management of SRHHL. Any subsequent changes to the financial and other information provided to us, may affect the result of value analysis set out in this report.

We have reviewed the information made available to us for over all consistency and have not carried out any detailed tests in the nature of audit to establish the accuracy of such statements and information. Accordingly, we assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided by and on behalf of the company.

Our Fairness Opinion should not be construed as investment advice, specifically, we do not express any opinion on the suitability or otherwise of entering into the proposed transaction.

The information contained in this report is selective and is subject to updations expansions, revisions and amendment, it does not purport to contain all the information recipients may require. No obligation is accepted to provide recipients with access to any additional information or to correct any inaccuracis which might become apparent.

In rendering this Opinion, QEPL has not provided legal, regulatory, tax, accounting or actuarial advice and accordingly QEPL does not assume any responsibility in respect thereof. Further QEPL has assumed that the Scheme of Arrangement will be implemented on the terms and conditions as set out in the draft Scheme of Arrangement, without any material changes to or waiver of its terms and conditions.

We hereby declare that we do not have any direct or indirect interest in the Companies / assets valued.

This report is intended only for the sole use and information of both the companies and only in connection with the Scheme of Arrangement including for the purpose of obtaining judicial and regulatory approvals for the Scheme of Arrangement.

We are not responsible in any way to any other person/party for any decision of such person or party based on this report. Any person /party intending to provide finance / invest in the shares / business of any of the companies or their subsidiaries / joint venture / associates shall do so after seeking their own professional advice and after carrying out their own due diligence procedure to ensure that they are making an informed decision.

Quintessence Enterprises Pvt. Ltd. Hyderabad

QUINTESSENCE

It is hereby notified that any reproduction, copying or otherwise quoting of this report or any part therof, other than in connection with the Scheme of Arrangement as aforesaid can be done only with our prior permission in writing.

It may further be noted that in no circumstances shall the liability of Quintessence Enterprises Private Limited (QEPL), its directors or employees related to the service provided in connection with this value analysis, exceed the amount paid to us as our fees for this opinion.

We highly appreciate the co-operation and support received by us from your representatives during preparation of the said Fairness Opinion Report

Thanking you,

Yours faithfully,

For and on behalf of
Quintessence Enterprises Private Limited

Lavanya Chandra

Lavanya Chandra
Executive Director

Quintessence Enterprises Pvt. Ltd. Hyderabad

14/11/2015
Hyderabad.

DCS/AMAL/AC/24(f)/307/2015-16
February 19, 2016

The Company Secretary
SREE RAYALASEEMA HI-STRENGTH HYPO LTD
Gondiparla, Kurnool,
Andhra Pradesh, 518004.

Sub: Observation letter regarding the Draft Scheme of Arrangement between SRHHL Power Generation Pvt Ltd, SRHHL Infrastructure Pvt Ltd, TGV Infrastructure & Industrial Parks Pvt Ltd, Sri Vibhu Infrastructure Development Pvt Ltd with Sree Rayalaseema Hi-Strength Hypo Limited.

We are in receipt of Draft Scheme of Arrangement between SRHHL Power Generation Pvt Ltd, SRHHL Infrastructure Pvt Ltd, TGV Infrastructure & Industrial Parks Pvt Ltd, Sri Vibhu Infrastructure Development Pvt Ltd with Sree Rayalaseema Hi-Strength Hypo Limited.

As required under SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 & SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013; SEBI vide its letter dated February 16, 2016 has inter alia given the following comment(s) on the draft scheme of arrangement:

- ***"Company shall duly comply with various provisions of the Circulars."***

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble High Court.

Further, pursuant to the above SEBI circulars, upon sanction of the Scheme by the Hon'ble High Court, the listed company shall submit to the stock exchange the following:

a. Copy of the High Court approved Scheme;
b. Result of voting by shareholders for approving the Scheme;
c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme;
d. Copy of the observation letter issued by all the Stock Exchanges where Company is listed.
e. Status of compliance with the Observation Letter/s of the stock exchanges;
f. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
g. Complaints Report as per Annexure II of this Circular.
h. Any other document/disclosure as informed by the Exchange.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,

Nitin Pujari
Manager

ATTENDANCE SLIP

SREE RAYALASEEMA HI-STRENGTH HYPO LIMITED

Regd. Office : Gondiparla, Kunool - 518 004 (A.P.)

Name:
Address :
Amount :
Name of the Unsecured Creditor / Proxy

I/we hereby record my/our presence at the meeting of the Unsecured Creditor of Sree Rayalasema Hi-Strength Hypo Limited held at the Registered Office at Gondiparla, Kurnool – 518 004 (A.P.) on Wednesday 27th April, 2016 at 3.00 P.M.

Signature of Unsecured Creditor/Proxy* .....

NOTE:

1. Unsecured Creditor/Proxy attending the Meeting should bring the attendance slip.

If undelivered, please return to

Sree Rayalaseema Hi-Strength Hypo Limited

6-2-1012, TGV Mansion, IInd Floor, Above ICICI Bank
Khairatabad, Hyderabad - 500 004.
Telangana. INDIA.

NATIONAL STOCK EXCHANGE OF INDIA LIMITED

NIFTY 50 Stock of the nation

Ref: NSE/LIST/62090

February 19, 2016

The Company Secretary
Sree Rayalaseema Hi-Strength Hypo Limited.
Gondiparla,
Kurnool – 518004.

Kind Attn.: Ms. V. Surekha

Dear Sir,

Sub: Observation letter for draft Scheme of Arrangement between Sree Rayalaseema Hi-Strength Hypo Limited and SRHHL Power Generation Private Limited and SRHHL Infrastructure Private Limited and TGV Infrastructure & Industrial Parks Private Limited, Sri Vibhu Infrastructure Development Private Limited and their respective Shareholders.

This has reference to draft Scheme of Arrangement between Sree Rayalaseema Hi-Strength Hypo Limited and SRHHL Power Generation Private Limited and SRHHL Infrastructure Private Limited and TGV Infrastructure & Industrial Parks Private Limited, Sri Vibhu Infrastructure Development Private Limited and their respective Shareholders vide your letter dated September 23, 2015.

Based on our letter reference no. NSE/LIST/52896 submitted to SEBI and pursuant to SEBI circular no. CIR/CFD/DIL/5/2013 dated February 04, 2013 read with SEBI Circular no. CIR/CFD/DIL/8/2013 dated May 21, 2013, SEBI has vide letter dated February 16, 2016, has given following comments on the draft Scheme of Arrangement:

"The Company shall duly comply with various provisions of the Circulars."

We hereby convey our 'No-objection' with limited reference to those matters having a bearing on listing/ delisting/ continuous listing requirements within the provisions of the Listing Agreement, so as to enable the Companies to file the Scheme with Hon'ble High Court.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines / Regulations issued by statutory authorities.

The validity of this "Observation Letter" shall be six months from February 19, 2016, within which the Scheme shall be submitted to the Hon'ble High Court. Further pursuant to the above cited SEBI circulars upon sanction of the Scheme by the Hon'ble High Court, you shall submit to NSE the following:

Continuation Sheet

a. Copy of Scheme as approved by the High Court;
b. Result of voting by shareholders for approving the Scheme;
c. Statement explaining changes, if any and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme.
d. Status of compliance with the Observation Letter/s of the stock exchanges
e. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
f. Complaints Report as per SEBI Circular no. CIR/CFD/CMD/16/2015 dated November 30, 2015.

Yours faithfully,
For **National Stock Exchange of India Limited**

Kamlesh Patel
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL http://www.nseindia.com/corporates/content/further_issues.htm

This Document is Digitally Signed
Signer : Patel Kamlesh Nagindhai
Date : Fri, Feb 19, 2016 15:01:39 GMT+05:30
Location: NSE
NSE

In the High Court of Judicature at Hyderabad
For the state of Telangana and the state of Andhra Pradesh
(Original Jurisdiction)
Company Application No.306 of 2016
In the matter of the Companies Act, 1956 (1 of 1956)
And
In the matter of Sections 391 to 394 of the Companies Act, 1956
And
In the matter of Scheme of Arrangement
Between
Sree Rayalaseema Hi-Strength Hypo Limited - Demerged Company
And
SRHHL Power Generation Private Limited (1st Resulting Company)
SRHHL Infrastructure Private Limited (2nd Resulting Company)
TGV Infrastructure & Industrial Parks Private Limited (3rd Resulting Company)
SRI Vibhu Infrastructure Development Private Limited (4th Resulting Company)
And
Their Respective Shareholders and Creditors

Sree Rayalaseema Hi-Strength Hypo Limited
A Company incorporated under the Companies Act, 1956 and having its registered office at Gondiparla, Kurnool - 518 004 (A.P.)
represented by its Company Secretary Mrs. V.Surekha ... Applicant Company / Demerged Company

FORM OF PROXY

I/We,_____the undersigned Unsecured Creditors of Sree Rayalaseema Hi-Strength Hypo Limited, the Applicant/Demerged Company hereby appoint_____of_____ and failing him/her _____of_____as my/our proxy to act for me/us at the Meeting of the Unsecured Creditors of the Applicant Company to be held at the Registered Office at Gondiparla, Kurnool - 518 004 (A.P.) on Wednesday 27th April, 2016 at 3.00 P.M. for the purpose of considering and, if thought fit, approving with or without modification(s), of the proposed Scheme of Arrangement between Sree Rayalaseema Hi-Strength Hypo Limited, the Demerged Company and its four wholly owned subsidiary Companies and their respective Shareholders and creditors and at such meeting and any adjournment/ adjournments thereof, to vote, for me/us and in my/our name(s) ..... (here, 'if for' insert 'for', 'if against', insert `against',) the said proposed Scheme of Arrangement either with or without modification(s) as my/our proxy may approve.(strike out what is not necessary).

Dated this ..... day of 2016

Affix 1 Rupee Revenue Stamp

Signature

Amount Rs._____

Signature:

Name & Address: .....

Note:
1. The form of Proxy must be deposited at the Registered Office of the Applicant Company at Gondiparla, Kurnool - 518 004 (A.P.) not later than 48 hours before the commencement of the meeting.
2. In case of multiple proxies, proxy later in time shall be accepted

ATTENDANCE SLIP

SREE RAYALASEEMA HI-STRENGTH HYPO LIMITED

Regd. Office : Gondiparla, Kunool - 518 004 (A.P.)

Name:
Address :
Amount :
Name of the Unsecured Creditor / Proxy

I/we hereby record my/our presence at the meeting of the Unsecured Creditor of Sree Rayalasema Hi-Strength Hypo Limited held at the Registered Office at Gondiparla, Kurnool – 518 004 (A.P.) on Wednesday 27th April, 2016 at 3.00 P.M.

Signature of Unsecured Creditor/Proxy* .....

NOTE:

1. Unsecured Creditor/Proxy attending the Meeting should bring the attendance slip.

If undelivered, please return to

Sree Rayalaseema Hi-Strength Hypo Limited

6-2-1012, TGV Mansion, IInd Floor, Above ICICI Bank

Khairatabad, Hyderabad - 500 004.

Telangana. INDIA.