

BOARD OF DIRECTORS**T.G. Bharath**

Chairman & Managing Director
(Resigned w.e.f. 24-08-2011)

G. Sampth Kumar (Resigned w.e.f. 24-08-2011)

M.R. Pandurangaiah

P. Surendra Mohan(Resigned w.e.f. 24-08-2011)

E. Thirupalu Babu

Executive Director(from 24-08-2011)

S. Nataraj (from 24-08-2011)

M. Nazar Pitchai (from 24-08-2011)

Auditors**M/s. T. Adinarayana & Co.,**

Chartered Accountants
Hyderabad.

BANKERS

State Bank of Hyderabad

REGISTRARS & SHARE**TRANSFER AGENT**

Aarathi Consultants Pvt. Ltd.

Regd. Office : 1-2-285, Domalguda,
Hyderabad - 500 029. Andhra Pradesh.

Tel No. : 040-27638111/4445,
27642217, 66611921

Fax No. : 040-27632184

REGISTERED OFFICE & WORKS

Gondiparla, Kurnool - 518 004.
Andhra Pradesh - India

CORPORATE OFFICE

40-304, KJ Complex,
Bhagyanagar,
Kurnool - 518 004 (A.P.)

HATCHERY DIVISION

Konapapapeta Village,
U.Kothapally Mandal,
Kakinada,
East Godavari District,
Andhra Pradesh

WIND FARM

Ramagiri, Anantapur Dist. (A.P.)

WORK SHOP

Plot No. 52,
Ambattur Industrial Estate,
Ambattur, Chennai (T.N.)

CONTENTS

Page Nos.

Notice	2
Directors' Report	5
Auditor's Report	16
Balance Sheet	20
Profit & Loss Account	21
Cash Flow Statement	22
Schedules : 1-8	23
Notes to Accounts - Schedule - 9	29

NOTICE

Notice is hereby given that the 24th Annual General Meeting of the Members of SRHHL INDUSTRIES LIMITED will be held at Registered Office of the Company at Gondiparla, Kurnool- 518 004 (A.P) on Wednesday, 28th September, 2011 at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2011, the Profit and Loss Account and Cash Flow Statement for the period ended on that date and the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. M R Pandurangaiah, who retires by rotation and being eligible offers himself for re-appointment.
3. To consider and, if thought fit, to pass with or without modification(s) the following as an Ordinary Resolution
“RESOLVED THAT Mr. M. Nazar Pitchai, who was appointed as a Director in Casual Vacancy and holds Office up to the date of this Annual General Meeting of the company and is eligible for appointment and in respect of whom the Company has received a notice in writing from a member under the provisions of Section 257 of the Companies Act, 1956 proposing his candidature for the office of a Director, be and is hereby appointed as a Director.”
4. To appoint Statutory Auditors and to fix their remuneration.

Special Business:

5. To consider and , if thought fit, to pass with or without modification(s) the following as an **Ordinary Resolution**
“RESOLVED THAT Mr E Thirupalu Babu who has been appointed as Director in casual vacancy by the Board of Directors in its meeting held on 24.08.2011 pursuant to Article 99 of the Articles of Association of the Company be and hereby appointed as a Director of the Company.”
6. To consider and , if thought fit, to pass with or without modification(s), the following as a **Special Resolution**
“RESOLVED THAT pursuant to Section 198, 269, 309 and 310 read with Section II of Part II of Schedule XIII and other applicable provisions, if any of the Companies Act, 1956, approval of the Company be and is hereby accorded for appointment of Mr E Thirupalu Babu as Executive Director of the Company for a period of one year with effect from 24.08 2011 on the following remuneration.”
“RESOLVED FURTHER THAT Mr E Thirupalu Babu will be paid Rs. 35,000/-per month as consolidated salary including allowances, perquisites and other benefits as per the rules of the Company. However, the following will not be included in the above consolidated salary.
 - a) Company’s contribution to Provident fund, Pension and Superannuation Fund
 - b) Use of Company Car for official purpose and telephone for official purpose at residence

- c) Earned leaves on full pay and allowance as per rules of the Company. Leaves accumulated and not availed during the tenure may be encashed as per rules of the Company.
7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution

"RESOLVED that subject to the approval of the Central Government under Section 21 of the Companies Act, 1956, the name of the Company be changed from SRHHL INDUSTRIES LIMITED to ARKA CHEMICAL AND INFRASTRUCTURE COMPANY LIMITED or any other name as approved by Registrar of Companies, Andhra Pradesh and that the name of the Company shall be ARKA CHEMICAL AND INFRASTRUCTURE COMPANY LIMITED with effect from the date of issue of fresh certificate of incorporation issued by the Registrar of Companies, Andhra Pradesh in that behalf".

"RESOLVED further that the name "SRHHL INDUSTRIES LIMITED" wherever it occurs in the Memorandum and Articles of Associations be substituted by new name "ARKA CHEMICAL AND INFRASTRUCTURE COMPANY LIMITED" or any other name as may be approved by ROC.

For and on behalf of the Board

Place : Kurnool
Date : 24.08.2011

E. Thirupalu Babu
Executive Director

NOTES:

1. A member entitled to attend and vote at a meeting is entitled to appoint one or more Proxies to attend and vote on a poll on his behalf and such proxy need not be a member of the company. A proxy Form is enclosed. Proxy Form in order to be effective, duly completed, must be received by the company at the Registered Office not less than 48 hours before the time fixed for the meeting.
2. Explanatory Statement as required under Sec. 173(2) of the Companies Act, 1956 is annexed hereto.
3. Members are requested to bring with them the attendance slip sent with the Annual Report duly completed and signed and hand it over at the entrance.
4. Pursuant to Sec.154 of the Companies Act, 1956 and clause 16 of the Listing Agreement, the Register of Members and Share Transfer Books of the Company will remain closed for 5 days i.e., from 24/09/2011 to 28/09/2011 (both days inclusive).
5. Non-resident Indian Shareholders are requested to inform us immediately :
 - a) The change in Resident Status on return to India for permanent settlement.
 - b) The particulars of Bank NRE Account, if not furnished earlier

Request to the Members:

1. Members desiring any information as regards the Accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready at the Meeting.

2. Members are requested to quote Folio Number/ Client ID No. in all correspondence.

Explanatory Statement

Item No. 3

Mr M. Nazar Pitchai was appointed as a director to fill casual vacancy with effect from 24.08.2011 due to resignation of Mr G Sampath Kumar . Pursuant to section 262 of the companies Act, 1956, Mr M. Nazar Pitchai will hold the office up to the date of the forthcoming Annual General Meeting. The Company has received a Notice in writing from a Member under the provisions of Section 257 of the Companies Act, 1956, proposing the candidature Mr M. Nazar Pitchai for the office of directors. Except Mr M. Nazar Pitchai, none of the directors is concerned or interested in the resolution.

Item No. 5

Mr E Thirupalu Babu was appointed as Director in casual vacancy caused due to resignation of Mr T G Bharath, Chariman & Managing director w.e.f.24-08-2011 pursuant to Section 262 of Companies Act, 1956. The Company has received notice in writing along with deposit of Rs. 500/- from Member of the Company signifying the intention to propose Mr E Thirupalu Babu as the candidate for the office of the Director who is having more than 5 years of experience in corporate sector .

Except Mr E Thirupalu Babu, none of the Director is interested in the above proposal. Your Board of Directors commends the resolution set out in item no 5 for members approval.

Item No 6

Mr E Thirupalu Babu was appointed as Executive Director in the Board Meeting held on 24.08.2011 upon the recommendation of Remuneration Committee and Audit Committee in its meetings held on 24.08.2011.

The terms as set out in the resolution may be treated as an abstract of terms under Section 302 of the Companies Act, 1956.

Your directors commend this special resolution for members approval.

None of the directors except Mr E Thirupalu Babu is in any way concerned or interested in the above resolution.

Item No . 7

The directors proposed to change the name of the company. The change of name requires the approval of the members by Special resolution as per Section 21 of the Companies Act, 1956. Accordingly, the resolution under item No.7 of the notice seeks the approval of the members for changing the name of the Company.

None of the Directors of the Company is interested in the said resolution. Your Directors commend the resolution for approval.

For and on behalf of the Board

Place : Kurnool
Date : 24.08 .2011

E. Thirupalu Babu
Executive Director

**Details of Directors seeking appointment/re-appointment
at the forthcoming Annual General Meeting
(Pursuant to Clause 49 of the Listing Agreement)**

Name of the Director	M. R. Pandurangaiah	E. Thirupalu Babu	M. Nazar Pitchai	S. Nataraj
Date of Birth	17-09-1954	19-01-1976	17-05-1962	29-08-1957
Date of Appointment	29.01.2010	24.08.2011	24.08.2011	24.08.2011
Expertise in specific functional areas	More than 30 years of experience in Trading Business	More than 5 years experience in Corporate sector	Nearly 20 years of experience in Power Industry	Practising Advocate, wide. experience in retail business, manufacturing and Real Estate
Qualification	Undergraduate	B.Sc., (Micro Biology)	Diploma in Electrical Engineering	B.Com, B.L.
Shareholdings in the Company	NIL	NIL	NIL	NIL
Directorship in other Public Ltd Company	NIL	NIL	NIL	NIL
Membership in Committees in other Public Ltd. Companies	NIL	NIL	NIL	NIL

SRHHL INDUSTRIES LIMITED

DIRECTORS' REPORT

To
The Members

Your Directors presenting the Twenty Fourth Annual Report and the Audited Accounts of the Company for the year ended 31st March, 2011.

Financial Results:

(Rs. in lakhs)

Particulars	2010 - 2011	2009 - 2010
Profit before Interest, Depreciation and Tax	67.51	52.01
Less :		
Depreciation	32.62	31.51
Loss on sale/impairment of assets	0.00	4.19
Prior period adjustments	0.00	(1.87)
Profit /(Loss) before Tax	34.89	18.18
Provision for Taxation	5.37	6.84
Profit /(Loss) after Tax	29.52	11.34
Add: Balance brought forward from the previous year	1522.16	1510.82
Balance carried forward to next year	1551.68	1522.16

Operations:

During the year the Company achieved Income/Turnover of Rs. 92.62 lakhs against previous year income / turnover of Rs. 77.74 lakhs.

Dividend:

In view of the strengthening and stabilization of activities, your Directors have decided not to declare any dividend for the year 2010-11.

Risk Management:

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

Fixed Deposits:

The Company has not accepted any fixed deposits during the year as per Section 58A of the Companies Act, 1956 and as such, no amount of principal or interest was outstanding as on the date of the Balance Sheet.

Listing of Shares:

The Equity shares of your Company are listed at Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd. The Company has paid the Annual Listing fees to each of these Stock Exchange for the Financial year 2011-2012.

Particulars of Employees:

The information as required under Sec.217 (2A) of the Companies Act, 1956 and the rules framed there under was not annexed as none of the employees were in receipt of the remuneration as per the limits prescribed there under.

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo:

Information as per Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 are forming

part of the Directors Report for the year ended 31st March, 2011 is annexed to this Report. (Annexure – A)

Directors' Responsibility Statement:

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Director's Responsibility Statement, it is hereby confirmed:

- (i) That in the preparation of the accounts for the Financial year ended 31st March, 2011, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the year under review;
- (iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) That the Directors have prepared the accounts for the financial year ended 31st March, 2011 on a 'going concern' basis.

Corporate Governance:

A report on the Corporate Governance Code along with a certificate from the Auditors of the Company regarding the compliance of the conditions of Corporate Governance as stipulated under clause 49 of the Listing Agreement (Annexure B) and also the Management Discussion and Analysis Report (Annexure C) are annexed to this Report.

Directors:

Mr M R Pandurangaiah retires by rotation at the ensuing Annual General Meeting and being eligible for reappointment offers himself to be relected as Director. Mr T G Bharath resigned as Director and Managing director due to his pre-occupation and in this casual vacancy Mr E Thirupalu Babu was appointed as Executive Director in the Board meeting held on 24.08.2011. Mr S Natraj, appointed as director in the casual vacancy caused due to resignation of Mr P Surendra Mohan who is liable to retire by rotation in the Next annual General Meeting, Mr G Sampath Kumar resigned as Director with effect from 24.08.2011 due to pre-occupation with earlier engagements. The Board in its meeting held on 24.08.2011 had appointed Mr M. Nazar Pitchai to fill the casual vacancy caused due to resignation of Mr G Sampath Kumar, The casual vacancy of this directorship liable to retire by rotation under Section 255 of the Companies act, 1956 and is coming up for re-appointment at the ensuing Annual General Meeting.

Auditors:

M/s T.Adnarayana & Co., Chartered Accountants, Hyderabad, the Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting of the Company and are eligible for re-appointment. The firm is peer reviewed and hold a peer review certificate also.

Acknowledgements:

Your Directors wish to express their gratitude to State Bank of Hyderabad. Government Departments, Project and Technical Consultants for their continued support and to all the employees of the Company for their devoted and loyal services.

For and on behalf of the Board

Place : Kurnool
Date : 24.08.2011

E. Thirupalu Babu
Executive Director

SRHHL INDUSTRIES LIMITED

Annexure A to Directors' Report:

Additional information as required under the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988.

A. Conservation of Energy:

FORM A

Disclosure of particulars with respect to conservation of Energy:

		Current Year 2010-2011	Previous Year 2009-2010
A. Power and Fuel Consumption	UNIT		
1. ELECTRICITY			
a. Purchased	(KWH)	25,313	43,630
Total Amount	(Rs)	82,267	1,41,798
Rate per Unit	(Rs.)	3.25	3.25
b. Own Generation through Wind Generator (Units)	(KWH)	79,410	4,26,070
c. Other Internal generation		-	-
B. Consumption per KWH of Production :			
Power		0.32	0.10

FORM B

- I. Research and Development (R & D)
- Specific areas in which R & D carried out by the Company :
Studies are undertaken to improve the operational efficiency of wind Turbines.
 - Expenditure on R & D
No expenditure is incurred on R & D.
 - Future Plans
The Company is contemplating to enter power generation through gas /hydel / wind based Projects
 - Technology Absorption, Adoption and Innovation:
There is no import of technology during the year.
- C. Foreign Exchange Earnings and Outgo :
- There are no imports and exports and hence the foreign exchange earnings and outgo are NIL.
- Total Foreign exchange used / earned
- | | |
|-------------------------|-----|
| Foreign exchange earned | NIL |
| Foreign Exchange used | NIL |

For and on behalf of the Board

Place : Kurnool
Date : 24.08.2011

E. Thirupalu Babu
Executive Director

Annexure 'B' to Directors' Report
REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance in SRHHL Industries is a systematic process by which, Company is directed and controlled to enhance its wealth generating capacity. SRHHL Industries Limited has been practicing of good Corporate Governance. In addition to the basic governance issues, the Board lays strong emphasis on attainment of high levels of transparency, accountability and integrity.

2. BOARD OF DIRECTORS

The composition of the Board is in compliance with the guidelines given in clause – 49 of the Listing Agreement. The Board comprises of four Directors. Except Chairman and Managing Director, all the Directors are independent Directors. The details of Directors attending the meetings are further furnished hereunder:

S. No.	Name of the Director	Designation	No. of Board Meetings		Other Membership	
			Held	Attended	Board	Committee
1.	Mr. T G Bharath	Chairman & Managing Director	5	5	7	1
2.	Mr. P Surendra Mohan	Independent Director	5	5	1	-
3.	Mr. M.R. Pandurangaiah	Independent Director	5	5	-	-
4.	Mr. G Sampath Kumar	Independent Director	5	5	-	-

During the financial year ended 31st March, 2011 Five Board Meetings were held on (1) 30/04/2010 (2) 28/05/2010 (3) 09/08/2010 (4) 29/10/2010 (5) 31/01/2011 . The last Annual General Meeting of the Company was held On 24.09.2010 and it was attended by Mr. T G Bharath, Chairman and Managing Director, Mr. G Sampath Kumar, Chairman of Audit Committee.

COMMITTEES OF THE BOARD

AUDIT COMMITTEE

The composition of the Audit Committee is in accordance with the Corporate Governance guidelines and the provisions of 292A of the Companies Act 1956. The main terms of reference of the Audit Committee are:

- Oversight of the Company's financial reporting process to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board appointment, re-appointment, fixation of fees etc., of Statutory Auditors.

- c) Reviewing with management the Annual Financial Statement before submitting to the Board with particular reference to Directors Responsibility Statement, changes in Accounting policies, major accounting entries involving estimates, compliance with other Listing Agreement, disclosure of other related party transactions.
- d) Qualifications in draft Audit Report.
- e) Reviewing with management quarterly financial statements.
- f) The adequacy of internal audit functions.
- g) Discussion with Statutory Auditors before the audit commences.
- h) Reviewing with findings of any investigations by the internal auditors etc.,

The Audit Committee comprises of Mr. G Sampath Kumar as Chairman, Mr. M R Pandurangaiah and Mr. P Surendra Mohan as members. The committee reconstituted on 24.08.2011 with Mr. S. Nataraj as Chairman, Mr. M.R. Pandurangaiah and Mr. M. Nazar Pitchai as members. All the members of the Committee are non-executive independent directors. The role, terms of reference and authority and powers of the Audit Committee are in conformity with the requirement of Companies Act, 1956 and Listing Agreement.

The Committee held Four meetings during the year 2010-11 on (1) 28/05/2010 (2) 09/08/2010 (3) 29/10/2010 (4) 31/01/2011 and all the members attended the meetings.

2. REMUNERATION COMMITTEE

The Remuneration Committee comprises of Mr. M.R. Pandurangaiah as Chairman and Mr. P Surendra Mohan, Mr. G Sampath Kumar as its members. The committee reconstituted on 24.08.2011 with Mr. S. Nataraj as Chairman, Mr. M.R. Pandurangaiah and Mr. M. Nazar Pitchai as members.

With effect from 29-10-2010 the Sitting fee payable to non-Executive Directors increased from Rs.1,000/- to Rs. 2,500 /- per each meeting of Board of Directors and from Rs. 1,000/- to Rs.1,500/- per each Audit Committee Meetings .The CMD will not be paid any sitting fee for attending the Board / Committee meetings and he is not paid any remuneration by the Company since his managerial remuneration is paid by M/s. Sree Rayalaseema Hi-Strength Hypo Limited in pursuance to Section 316 of the Companies Act.1956.

3. SHAREHOLDER (S) / INVESTOR (S) GRIEVANCE COMMITTEE

To review the action taken by the Company in relieving Investor's Grievances and its response to Stock Exchanges, SEBI and other related Government correspondences, Investors Grievance Committee / shareholders Committee was constituted on 23-03-2002. The Committee comprises of Mr. E. Thirupalu Babu as Chairman, Mr. M.R. Pandurangaiah and Mr. S. Nataraj as its members w.e.f 24.08.2011. The Company is vested with the requisite powers and authorities to specifically look redressal of shareholder and investor grievances.

No.of Investor Queries/ complaints received in the year 2010-11	Pending at the end of the year	No.of pending Share Transfers
183	NIL	NIL

5. GENERAL BODY MEETINGS :

The last three Annual General Meeting of the Company were held on (1) 29/09/2008 (12 Noon) (2) 25/09/2009 (12 Noon) (3) 24/09/2010 (12 Noon) at Regd.Office, Gondiparla, Kurnool – 518 004 (A.P) The special business transacted and approved by the members at the previous three Annual General Meetings are as follows:

(a) 2007-08

- (i) To alter the main objects of Memorandum of Association of the Company. (Although the resolution was passed by members, it was not given effect as it is required to be passed by voting through postal ballot.)

(b) 2008-09

- (i) Reappointment of Chairman & Managing Director Mr. T G Bharath

(c) 2009-10

—NIL—

6. DISCLOSURES :

None of the transactions with any of the related parties were in conflict with the interests of the Company at large. The details of related party transactions are furnished under point no. 8 in Schedule No. 9 Notes to Accounts of Balance Sheet and Profit and Loss Account to comply with Accounting Standard 18. The Company has not received any notices from Stock Exchanges and SEBI regarding non compliance of statutory provisions. The Company is complying with all mandatory requirements stipulated in Clause 49 of the listing agreement and non – mandatory requirements are not yet adopted by the Company.

7. MEANS OF COMMUNICATIONS:

The Company publishes its quarterly, half yearly and annual results in the Business Standard (English) and Andhra Prabha (Telugu) news papers generally.

In addition to this the Company is communicating its results to all the Stock Exchange where the shares are listed. Further to confirm that the management discussion and analysis report communicated to shareholders and all the concerned has been made part and parcel of Annual Report. Further the quarterly / half yearly results, Shareholding pattern and other related information are generally posted in Company's website **www.tgvgroup.com**

SRHHL INDUSTRIES LIMITED

8. GENERAL SHAREHOLDER INFORMATION

(a) Annual General Meeting :

Date : 28th September, 2011
Time : 11.00 A.M.
Venue : **SRHHL INDUSTRIES LIMITED**
REGD.OFFICE: GONDIPARLA
KURNOOL - 518 004 (A.P)

(b) Tentative Financial Calendar : The next financial year covers the period from 1st April, 2011 to 31st March, 2012.

Unaudited Financial Results for:

First Quarter July / August 2011
Second Quarter October / November 2011
Third Quarter January / February 2012
Fourth Quarter April / May 2012

(c) Book Closure Period : 24/09/2011 to 28/09/2011 (inclusive of both days)

(d) Dividend Date : Not Applicable

(e) Listing on Stock Exchanges : The Shares of the Company are listed on BSE & NSE

(f) The Stock Exchange Codes are :

Bombay Stock Exchange Ltd - 524410
The National Stock Exchange of India Ltd - SRHHLINDST
ISIN No. (DEMAT) on the NSDL and the CDSL in INE 724 B01023

(g) Market Price Data for Financial Year 2010-2011 :

Month & Year	BSE		NSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April 10	5.33	3.85	5.25	3.80
May 10	4.55	4.03	4.75	4.05
June 10	4.99	4.05	5.10	4.05
July 10	5.00	4.06	4.85	4.05
August 10	5.00	4.16	4.90	4.00
September 10	6.49	4.25	6.40	4.25
October 10	6.78	5.23	7.60	5.10
November 10	6.99	4.64	6.95	5.05
December 10	6.62	4.31	6.10	4.60
January 11	6.45	4.10	6.00	4.25
February 11	5.41	3.86	5.30	3.50
March 11	5.40	3.65	4.95	3.55

(h) Share Transfer Agents:

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

(i) Distribution of Shareholding as on 31st March,2011

Sl. No.	CATEGORY	NO. OF SHARES	AMOUNT IN RS.	%
1	Promoters	3254708	32547080	26.05
2	Mutual Funds	2879	28790	0.02
3	Banks & Financial Institutions	57471	574710	0.46
4	Bodies Corporate	462471	4624710	3.70
5	Indian Public	7164039	71640390	57.33
6	NRI /OCBS	1553543	15535430	12.43
	Total	12495111	124951110	100.00

- (j) Code of Conduct :** A Code of Conduct is duly approved by the Board on 21.04.2006 and communicated to all Directors and Senior Management of the Company and affirmed by them as to its compliance on an annual basis. Code of Conduct is posted on website of the Company.

DECLARATION BY CEO

As provided in Clause 49 of the Listing Agreement with Stock Exchanges the Directors and Senior Management personnel have confirmed compliance with code of conduct for the period ended 31.03.2011.

On behalf of the Board of Directors

Place : Kurnool
Date : 24.08 .2011

E. Thirupalu Babu
Executive Director

- (j) Dematerialisation of shares and liquidity:**

As on 31st March,2011, 61.72 % of shares were held in Dematerialised Form and rest in Physical Form.

- (k) Outstanding GDR / ADRs / Warrants / Convertible Instruments**

Not Applicable

- (l) Plant Locations:**

Wind Farm is located at Ramagiri, Anantapur District,Andhra Pradesh.

Hatchery Plant is located at Konapapapeta Village, Kakinada, East Godavari District, Andhra Pradesh.

Wind Farm workshop at Ambattur Industrial Estate, Ambattur, Chennai, Tamilnadu.

SRHHL INDUSTRIES LIMITED

(m) For all matters, Address for Correspondence at any of the following addresses:

(A) Registrar and Share Transfer Agent :

M/S Aarthi Consultants Pvt Ltd,
Door No 1-2-285, Domalguda,
Hyderabad – 500 029.
Tel Nos. : 040-27638111, 27634445
Fax : 040-27632184

(B) SRHHL Industries Limited
TGV Mansion, No.6-2-1012,
Above ICICI Bank,
Khairatabad , Hyderabad - 500 004
Tele : 040-23313843, 23313957
Fax : 040-23313875

(n) E-mail ID : srhhlindustries@tgvmail.net

On behalf of the Board of Directors

Place : Kurnool
Date : 24.08 .2011

E. Thirupalu Babu
Executive Director

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

Under Clause 49 of the Listing Agreement the Auditor's Certificate is given as Annexure to the Directors' Report.

Annexure to the Directors' Report**To****The Members of SRHHL Industries Limited**

We have examined the compliance of the conditions of Corporate Governance by SRHHL Industries Limited. for the year ended 31 March 2011, as stipulated in Clause 49 of the listing Agreement of the said Company with the Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanation given to us and representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Clause 49 of the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that as on 31st March 2011 there were no investor grievances remaining unattended / pending for a period exceeding one month against the Company as per the records maintained by the Company and the same were resolved afterwards.

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

**for T Adinarayana & Co.,
Chartered Accountants
Firm's Regn No. 000041S**

PLACE : Kurnool
DATE : 24.08.2011

Y. Pulla Rao
Partner
Membership No. 25266

Annexure 'C' to Director's Report:

MANAGEMENT DISCUSSION & ANALYSIS REPORT:

(A) INDUSTRY STRUCTURE AND DEVELOPMENTS:

The Company's main activity is generation of power through wind. Investments in another activity of the company.

(B) OPPORTUNITIES AND THREATS:

The generation of power through wind mainly depends on high velocity which is seasonal in nature.

(C) PERFORMANCE OF THE COMPANY:

The generation of power has been decreased to 79410 units against 436293 units in previous year due to low wind velocity.

(D) OUT LOOK

Your Company wants to diversify its activities by entering into gas based projects.

(E) RISKS AND CONCERNS:

The investments in shares are market driven which are exposed to related risks.

(F) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has a good system of internal controls in all spheres of its activities. All the staff of the internal Audit Department are well trained in internal control procedures and well versed with computerised environment. In the opinion of the Board, an effective internal control system adequate to the size of the Company are in place.

(G) DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

During the year 2010-11 Net profit before Tax is Rs.34.89 lakhs against Net profits before tax of Rs. 18.18 lakhs during the previous year. The Company provided Rs.5.37 lakhs towards current tax and deferred income tax.

(H) MATERIAL DEVELOPMENT IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT.

During the year, the Company maintained harmonious and cordial Industrial relations. The Company is regularly conducting seminars and workshops. The Company is deputing employees for attending seminars for updating their skill and knowledge.

AUDITORS' REPORT

To
The Members of
SRHHL INDUSTRIES LIMITED

1. We have audited the attached Balance Sheet of SRHHL INDUSTRIES LIMITED.,as at 31 st March 2011, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (amendment) Order 2004, issued by the Central Government of India in terms of subsection (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in the paragraphs 4 and 5 of the said order to the extent applicable.
4. Further to our comments in Annexure referred above, we report that:
 - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - ii) In our opinion, proper books of account, as required by law have been kept by the Company so far as appears from our examination of these books.
 - iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - iv) In our opinion, the Balance sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred in Section 211 (3C) of the Companies Act,1956 to the extent applicable.
 - v) On the basis of the written representations received from the Directors, as on 31.03.2011, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2011 from being appointed as Director in terms of Clause(g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - vi) In our opinion, and to the best of our information and according to the explanations given to us, the said accounts with the notes and accounting policies thereon give the information required by the Companies Act,1956 in the manner so required and give true and fair view in conformity with the accounting principles generally accepted in India.

SRHHL INDUSTRIES LIMITED

- a) In the case of Balance Sheet, of the state of the affairs of the Company as at 31st March, 2011.
- b) In the case of Profit and Loss Account, of the Profit for the year ended on that date: and
- c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

**for T. Adinarayana & Co.,
Chartered Accountants
Regn. No. 000041S**

Place : Kurnool
Date : 30.05.2011

Y. Pulla Rao
Partner / Membership No.25266

ANNEXURE TO AUDITORS' REPORT

Annexure referred to in paragraph 3 of Auditors' Report of even date on the Accounts of SRHHL INDUSTRIES LIMITED for the year ended 31st March, 2011.

1. (a) The Company has maintained proper records showing particulars, including quantitative details and situation of Fixed Assets.
(b) Some of the fixed assets have been physically verified by the management during the year in accordance with a phased programme and verification of fixed assets. According to the information and explanation given to us, no material discrepancies were noticed on such verification. As informed that the programme is such that all the fixed assets will get physically verified once in 3 years time. In our opinion, the verification programme is reasonable having regard to the size of the company and the nature of the fixed assets.
(c) During the year under review the Company has not disposed off any fixed assets. As such the 'going concern' status of the Company is not effected.
2. The Company has no inventory during the year under review. As such physical verification of inventory and its reasonableness does not arise and clause (ii) of CARO - 2003 is not applicable for this year.
3. (a) According to the information and explanations given to us, the company has not granted/taken any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act,1956.
(b) The Company has neither granted nor taken any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act,1956.paragraph (ii)(b)(c) and (d) of the order, are not applicable
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of Inventory, fixed assets and for the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls with regard to purchase of inventory, fixed assets and for the sale of goods.
5. (a) According to the information and explanations given to us and as confirmed by the management of the company, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of Companies Act, 1956 and exceeding the value of Rs.5,00,000/- in respect of any party during the year have been at prices which are reasonable having regard to prevailing market prices at the relevant time.

SRHHL INDUSTRIES LIMITED

6. The Company has not accepted any deposits during the year under review from the public which needs to comply with the provisions of Section 58A and 58AA of the Companies Act, 1956.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business and it was informed that no material irregularities were noticed by the internal auditors during the period of audit.
8. In our opinion, Maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 is not applicable to the company.
9. a) According to the information and explanation given to us, the Company is regular in depositing with appropriate undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs duty, Excise duty, Cess and other material statutory dues applicable to it, and
 - (b) No undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, service tax and cess are in arrears as at 31.03.2011 for a period of more than six months from the date they became payable.
 - (c) According to the information and explanations given to us, there are no dues of sales tax, income tax, custom duty, wealth tax, service tax, excise duty and cess which have not been deposited on account of any dispute.
10. As per the information and explanations given to us and an overall examination of the financial statements of the company for the current year we report that the company does not have any accumulated losses at the end of the current financial year nor incurred cash losses in the current year and immediately preceding financial year.
11. According to records of the company, during the year the company has not defaulted in the repayment of dues to financial institution or banks.
12. As per the information and explanation given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities to any body during the year.
13. In our opinion, as the Company is not a chit fund or a nidhi or mutual benefit or society, the provisions of Clause 4 (xiii) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company for this year.
14. According to the records of the company, the investments made by amalgamated Companies before amalgamation are held in the name of those Companies and the process of transfer of name is going on.
15. According to the information the company has pledged some of the investments towards security for the Bank Guarantee, obtained by M/s. Kurnool Power Projects Ltd and M/s. Vasistha Power Projects Ltd and the company has not given any guarantees for loans taken by others from banks or financial institutions.
16. According to the records of the company, the company has not raised term loans during the year .

17. As per the information and explanations given to us and on an over all examination of the balance sheet and the cash flow statement of the company,we are of the opinion that no funds raised on short term basis have been used for long term investment .
18. As per the information and explanations given to us, during the year the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act,1956.
19. The Company has not issued any debentures during the year, which requires the creation of security or charge.
20. During the year the Company has not made any public issue for which the management has to disclose the end use of money raised through that public issue.
21. As per the representation given by the Company and relied on by us, no fraud on or by the Company has been noticed or reported during the year.

**for T. Adinarayana & Co.,
Chartered Accountants
Regn. No. 000041S**

Place : Kurnool
Date : 30.05.2011

Y. Pulla Rao
Partner / Membership No.25266

SRHHL INDUSTRIES LIMITED

BALANCE SHEET AS AT 31 st MARCH 2011

Particulars	Schedule	As At	
		31-03-2011 Rs.	31-03-2010 Rs.
I. SOURCES OF FUNDS			
Share Holders Funds			
Share Capital	1	12,49,12,825	12,49,12,825
Reserves and Surplus	2	15,68,85,733	15,39,34,095
Deferred Tax Liabilities		17,71,600	19,92,566
TOTAL		<u>28,35,70,158</u>	<u>28,08,39,486</u>
II APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	3	9,82,96,665	9,82,96,665
Less: Depreciation Reserve		<u>2,77,85,520</u>	<u>2,45,23,495</u>
Net Block		7,05,11,145	7,37,73,170
Investments	4	17,92,53,440	17,92,53,440
Current Assets, Loans and Advances			
Cash and Bank Balances	5	93,20,608	45,85,406
Loans and Advances	6	3,51,16,293	3,32,15,450
		<u>4,44,36,901</u>	<u>3,78,00,856</u>
Less: A) Current Liabilities	7	46,91,194	47,81,637
B) Provision	7	59,40,134	52,06,343
		<u>1,06,31,328</u>	<u>99,87,980</u>
Net Current Assets		3,38,05,573	2,78,12,876
TOTAL		<u>28,35,70,158</u>	<u>28,08,39,486</u>
Notes forming part of accounts	9		

Schedules 1 to 7 & 9 annexed form integral part of Balance Sheet
As per our report even date attached

For T. Adinarayana & Co.,

Chartered Accountants
Regn. No. 000041S

For and on behalf of the Board

Y. Pulla Rao

Partner
Membership No.25266

T.G. Bharath

Chairman & Managing
Director

G. Sampth Kumar

Director

Place: Kurnool
Date : 30.05.2011

Place: Kurnool
Date : 30.05.2011

M.R. Pandurangaiah
Director

SRHHL INDUSTRIES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH,2011

Particulars	Schedule	Year Ended 31-03-2011 Rs.	Year Ended 31-03-2010 Rs.
I INCOME			
Sale of Energy		1,77,803	12,56,526
Other Income		17,69,232	1,59,875
Rent Received		73,15,777	63,58,333
TOTAL		<u>92,62,812</u>	<u>77,74,734</u>
II EXPENDITURE			
Administrative Expenses	8	22,21,696	22,40,539
Payments to Employees		2,88,689	3,29,547
Finance Charges		1,790	3,679
TOTAL		<u>25,12,175</u>	<u>25,73,765</u>
III Profit before Depreciation, Extraordinary Items, Prior Period Items and Tax (I - II)		67,50,637	52,00,969
Depreciation		32,62,025	31,50,504
IV Profit before Extraordinary Items, Prior Period Items and Tax		34,88,612	20,50,465
Prior period Adjustments		0	(1,86,760)
Loss on sale of Assets		0	4,19,172
V Profit before Tax		34,88,612	18,18,053
VI Provision for Taxation			
I) Current Tax		7,57,940	8,29,350
II) Deferred Tax		<u>(2,20,966)</u>	<u>(1,45,183)</u>
VII Net Profit for the Year		29,51,638	11,33,886
Add:Balance brought forward from previous Year		15,22,16,050	15,10,82,164
Balance Carried to Balance Sheet		<u>15,51,67,688</u>	<u>15,22,16,050</u>
Earning per Share Basic / Diluted		0.24	0.09
Notes forming part of accounts	9		

Schedules 8 & 9 annexed form integral part of Profit & Loss Account
As per our report even date attached

For T.Adinarayana & Co.,

Chartered Accountants
Regn. No. 000041S

For and on behalf of the Board

Y. Pulla Rao

Partner

Membership No.25266

T.G. Bharath

Chairman & Managing

Director

G. Sampth Kumar

Director

Place: Kurnool

Date : 30.05.2011

Place: Kurnool

Date : 30.05.2011

M.R. Pandurangaiah

Director

SRHL INDUSTRIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2011 AS PER CLAUSE 32 OF LISTING AGREEMENT

Rs. in Lakhs

Particulars	Year Ended 31-03-2011	Year Ended 31-03-2010
A. Cash Flow From Operating Activities		
Net Profit before Tax and Extraordinary items	34.89	20.50
Depreciation	32.62	31.51
Taxes paid	0.00	0
Loss on sale / impairment of Assets	0.00	0
Operating Profit before Working capital changes	67.51	52.01
Adjustments for:		
Trade and Other receivables	(19.01)	(19.44)
Trade payable	6.43	(0.71)
	(12.58)	(20.15)
Cash generated from operations	54.93	31.86
Prior period expenses	0.00	(1.87)
Loss on sale of Assets	0.00	(4.19)
Direct Taxes	(5.34)	(6.84)
Cash flow before Extra-ordinary items	49.57	22.70
Extraordinary Items	0.00	(2.44)
	0.00	(2.44)
Cash Flow From Operating Activities	49.57	20.26
B Cash Flow From Investing Activities		
Purchase/Sales of Fixed Assets	0.00	(30.79)
Purchase/Sales of Investments	0.00	0
Net cash used in Investing Activities	0.00	(30.79)
C Cash Flow From Financing Activities		
Proceeds from long term borrowings	(2.21)	(1.45)
Net cash used in Financing Activities	(2.21)	(1.45)
Net increase in cash & cash equivalents (A+B+C)	47.36	(11.98)
Cash & Cash equivalents as at 01-04-2010(op.B/s)	45.85	57.89
Cash & Cash equivalents as at 31-03-2011(cl.B/s)	93.21	45.85

Note : Comparative figures of the previous year, where necessary, have been regrouped to confirm to those of the current year

For and on behalf of the Board

T.G.Bharath
Chairman & Managing
Director

G. Sampth Kumar
Director

Place : Kurnool
Date : 30-05-2011

M.R. Pandurangaiah
Director

CERTIFICATE

We have examined the above cash flow statement for the year ended 31st March, 2011. The statement has been prepared by the company in accordance with clause 32 of the Listing Agreement executed with the Stock Exchanges and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our Report of 30th May, 2011 to the members of the Company.

for **T. Adinarayana & Co.,**
Chartered Accountants
Regn. No. 000041S

Place : Kurnool
Date : 30-05-2011

Y. Pulla Rao
Partner / Membership No.25266

SCHEDULES TO BALANCE SHEET

	As At 31-03-2011 Rs.	As At 31-03-2010 Rs.
SCHEDULE-1		
Share Capital		
Authorised		
3,30,00,000 (Previous year 3,30,00,000) Equity Shares of Rs.10/- each	<u>33,00,00,000</u>	<u>33,00,00,000</u>
Issued, subscribed and Paid up		
1,24,95,111 (Previous year 1,24,95,111) Equity Shares of Rs.10/- each Fully paid up	12,49,51,110	12,49,51,110
Less:Calls in Arrears -Others	<u>38,285</u>	<u>38,285</u>
Total	<u>12,49,12,825</u>	<u>12,49,12,825</u>

SCHEDULE-2
Reserves and Surplus
Revenue Reserves

Amalgamation reserve (as per last Balance Sheet)	17,18,045	17,18,045
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Surplus

Profit & Loss Account - Balance as per last Balance Sheet	15,22,16,050	15,10,82,164
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Add carried during the year	<u>29,51,638</u>	<u>11,33,886</u>
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Total	<u>15,68,85,733</u>	<u>15,39,34,095</u>
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SCHEDULE 3 Fixed Assets

Amount in Rs.

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	Cost As At 01-04,2010	Additions	Total Upto 31.03.2011	Total Upto 01.04,2010	For the Period	Deductions	Total Upto 31.03.2011	As at 31.03.2011	As at 31.03.2010
Land	1,99,35,805	0	1,99,35,805	0	0	0	0	1,99,35,805	1,99,35,805
Factory Buildings	4,99,17,005	0	4,99,17,005	1,21,58,716	16,11,594	0	1,37,70,310	3,61,46,695	3,77,58,288
Plant & Machinery	2,49,41,878	0	2,49,41,878	1,22,17,668	13,17,743	0	1,35,35,411	1,14,06,467	1,27,24,210
Vehicles	35,01,977	0	35,01,977	1,47,111	3,32,688	0	4,79,799	30,22,178	33,54,866
TOTAL	9,82,96,665	0	9,82,96,665	2,45,23,495	32,62,025	0	2,77,85,520	7,05,11,145	7,37,73,170
Previous Year	9,64,01,199	35,01,977	9,82,96,665	2,25,60,330	31,50,504	11,87,337	2,45,23,497	7,37,73,170	

Note :

- 1) Title to immovable Properties acquired consequent to amalgamation of Sree Rayalaseema Petro Chemicals Ltd. and Sree Rayalaseema Power Corporation Ltd. with the Company are in the process of being transferred in the Company's name.

SCHEDULE-4
Investments: (Long Term and Non-trade)
A) Equity Shares - Fully paid
Quoted

Current Year No. of Shares	Previous Year No. of Shares	Particulars	As At	As At
			31-03-2011 Rs.	31-03-2010 Rs.
1,12,48,398	1,12,48,398	Sree Rayalaseema Alkalies and Allied Chemicals Ltd Equity Shares Rs.10/- each (15,000 shares pledged as security- Refer Note No.3)	10,11,31,740	10,11,31,740
12,48,398	12,48,398	Cumulative redeemable preference shares Rs.10/-each	1,25,37,373	1,25,37,373
50,000	50,000	Swetha Engineering Ltd	50,000	50,000
200	200	Monozyme India Ltd	1,031	1,031
53,025	53,025	South Indian Bank Ltd (31,800 shares pledged as security- Refer Note No.3)	7,05,675	7,05,675
13,72,455	13,72,455	Roopa Industries Ltd	41,17,150	41,17,150
5,000	5,000	Lakshmi Engineering Ltd	13,750	13,750
10,100	10,100	Kabson Industries Ltd	43,935	43,935
3,700	3,700	Karnataka Bank Ltd (3,700 shares pledged as security- Refer Note No.3)	2,59,691	2,59,691
56,800	56,800	Lotus Chocolates Ltd (56,800 shares pledged as security- Refer Note No.3)	5,96,400	5,96,400
200	200	NEPC Micon Ltd	750	750
98,800	98,800	Sea Gold Aqua Ltd	98,800	98,800
10,25,289	10,25,289	Sree Rayalaseems Hi-strength Hypo Ltd (Refer Note No.1 & 2 below)	1,20,60,206	1,20,60,206
5,78,626	5,78,626	S R H H L Industries Ltd (Refer Note No.1 & 2 below)	68,06,249	68,06,249
500	500	Maruthi Plastics Ltd	500	500
100	100	Value Line Securities Ltd	80	80
500	500	BNR Udyog Ltd	500	500

SRHHL INDUSTRIES LIMITED

Current Year No. of Shares	Previous Year No. of Shares	Particulars	As At 31-03-2011 Rs.	As At 31-03-2010 Rs.
3,000	3,000	Shree Kanyaka Investments Ltd	3,000	3,000
1,000	1,000	Sai Wires India Ltd	7,000	7,000
500	500	Sree Nilanchal Labs Ltd	3,500	3,500
300	300	Consom Bio-tech Ltd	270	270
1,700	1,700	Neha International Ltd	2,890	2,890
42,000	42,000	Indo Wind Energy Ltd	6,00,000	6,00,000
B) Equity Shares - Fully paid				
Unquoted				
4,40,304	4,40,304	Brilliant Bio pharma Ltd	91,73,000	91,73,000
13,73,200	13,73,200	T G V Projects and Investments Pvt Ltd	1,37,32,000	1,37,32,000
8,49,000	8,49,000	Gowri Gopal Hospitals Pvt Ltd	19,90,000	19,90,000
1,19,112	1,19,112	Sree Maruthi Agrotech Ltd	11,91,120	11,91,120
12,04,344	12,04,344	Sree Rayalaseema Dutch Kassenbouw Ltd	1,40,04,000	1,40,04,000
15,000	15,000	Kurnool Power Projects Ltd	15,000	15,000
C) Equity Shares - Partly paid				
100	100	Surya Jyothi Spinning Mills Ltd	330	330
D) Other Investments				
10,000	10,000	Units of UTI Master Gain-92	1,07,500	1,07,500
			17,92,53,440	17,92,53,440
Aggregate Book value of quoted Investments			13,90,40,490	13,90,40,490
Aggregate Market value of quoted Investments			18,33,45,807	20,06,25,026
Aggregate Book value of Unquoted Investments			4,02,12,950	4,02,12,950

Note - 1: 3,80,675 Equity shares in favor of Sree Rayalaseema Hi-strength Hypo Ltd of Rs.10/- each were held with Trustee as per the scheme of Amalgamation and 5,78,626 Equity shares in favour of S R HHL Industries Ltd of Rs.10/- each were held with Trustee as per the scheme of Amalgamation.

Note - 2: Sum of the shares acquired on Amalgamation of Sree Rayalaseema Petro chemicals Ltd and Sree Rayalaseema Power corporation Ltd are in the process of transfer in the Company's name.

Note - 3: These shares are pledged with the bank as security for Bank Guarantees given on behalf of other Companies.

SCHEDULES TO BALANCE SHEET

	As At 31-03-2011 Rs.	As At 31-03-2010 Rs.
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SCHEDULE-5**Cash and Bank Balances**

Cash on hand	433	433
Balances with Scheduled Banks		
In Current Accounts	93,20,175	45,84,973
Total	<u>93,20,608</u>	<u>45,85,406</u>

SCHEDULE-6**Loans and Advances**

(Unsecured - considered good)

Advances Recoverable in cash or in kind or for value to be received	16,78,713	2,14,218
Advances against Capital Expenditure	2,69,91,688	2,70,95,388
Deposits / balances with Govt. Bodies	3,44,371	3,44,371
Advance Income Tax (Including Tax deducted at source)	61,01,521	55,61,473
Total	<u>3,51,16,293</u>	<u>3,32,15,450</u>

SCHEDULE-7**Current Liabilities and Provisions****A. Current Liabilities**

Sundry Creditors

For Supplies, Services, Expenses etc.,

Total outstanding amount due to MSMED Act	0	0
Total outstanding amount due to other than		

MSMED Act

Other Liabilities

Total (A)**B. Provisions**

Provision for Taxation

Provision for Others

Total (B)**Total**

SRHHL INDUSTRIES LIMITED

Schedules to Profit & Loss Account for the Year Ended 31-03-2011

	Year Ended 31-03-2011 Rs.	Year Ended 31-03-2010 Rs.
SCHEDULE-8		
Administrative Expenses		
Repairs and Maintenance	3,20,617	6,07,509
Wind mill maintenance charges	1,93,385	51,274
Rents,Rates and Taxes	1,32,430	1,31,284
Insurance	5,28,644	4,61,542
Traveling and Conveyance	19,768	714
Printing and Stationery	1,33,805	1,37,240
Postage,Telegrams and Telephone Expenses	2,77,825	2,66,005
Fee and Charges	2,31,767	2,57,784
Legal and Professional Charges	0	10,300
Service Charges	2,35,095	1,80,899
Other Expense	13,007	17,142
Auditors Remuneration	55,957	58,871
Advertisement	34,396	32,975
Directors Sitting Fee	45,000	27,000
Total	<u>22,21,696</u>	<u>22,40,539</u>

Schedule - 9**Notes forming part of accounts.****1. Basis of preparation**

- (i) The accounts are maintained under Historical Cost Convention and are prepared on accrual basis (except impairment or revaluation of assets if any) as going concern by complying with generally accepted accounting principles and applicable Accounting Standards.
- (ii) The Accounting Policies have been consistently followed and financial statements are prepared to comply in all material aspects in respect of Accounting Standards notified by the Companies Accounting Standards Rules and relevant provisions of the Companies Act, 1956.

2. Use of estimates

The preparation of financial statements is in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of such assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the end of reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from the estimates.

3. Significant Accounting Policies**a) Fixed Assets**

Fixed assets are stated at cost. Cost of asset includes acquisition and installation expenses which are directly attributable for bringing the asset into working condition.

b) Depreciation

Depreciation on all assets is provided on straight line method in accordance with the provisions of Companies Act, 1956.

c) Inventories

During the year under review the Company has dealt only wind Energy. The movement energy is generated it goes to AP Transco grid. As such existence of closing stock does not arise. Hence policy is not declared.

d) Investments :

- i) Unquoted long term investments have been revalued and shown as per the values given in the valuation report of scheme of amalgamation and are carried in the books at that value.
- ii) Quoted long term investments are valued and shown at market prices as per the scheme of amalgamation and such value is carried in the accounts as book value.
- iii) Long term investments are stated at cost as per books. Provision for diminution in the value of long term investments is made only if such a diminution is other than temporary in the opinion of the management.

e) Retirement benefits to Employees**(I) Short Term Benefits :**

All the employee benefits due wholly within a year of rendering services are classified as short term benefits. The benefits like salaries, wages, short term compensated absences, expected cost of bonus, ex-gratia are recognised as expense on accrual at the undiscounted amount in the Profit and Loss Account.

SRHHL INDUSTRIES LIMITED

(II) Retirement Benefits :

Post employment benefit : post employment benefits are not provided as there are no eligible employees as per the relevant Act.

f) Revenue Recognition :

Revenue from sale of goods is recognised where the significant risks and rewards of ownership of the goods have passed to the customer which generally coincide with their delivery to customer. Sales are stated at tariff rate of AP TRANSCO.

g) Accounting for taxes on income :

Income Tax provision comprise current tax and deferred tax, which is recognised at current tax rates, for the timing differences subject to the consideration of prudence and materiality.

h) Borrowing Cost are charged to profit and loss account except in cases where the borrowings are directly attributable to the acquisition, construction or production of the qualifying asset.

4. Particulars of managerial remuneration

	Current Year 31.03.2011 Rs.	Previous year 31.03.2010 Rs.
Fees & charges to Directors	45,000	27,000
Total	<u>45,000</u>	<u>27,000</u>

5. Auditors Remuneration

As Auditors	40,000	40,000
For Tax Matters	10,000	10,000
Service Tax	5,150	5,150
Out of Pocket Expenses	807	3,721
Total	<u>55,957</u>	<u>58,871</u>

6. In the opinion of Board, the Current Assets, Loans and Advances are approximate to the value stated, if realised in the ordinary course of business.

7. Deferred tax liability :

The company has accounted for Deferred tax liability/assets in accordance with Accounting Standard 22 " Accounting for Taxes on Income" issued by the Institute of Chartered Accountant of India and has charged the net profit and loss account with the deferred tax asset relating to the year net of Rs. (2,20,966)

I. Deferred Tax Liabilities :

Depreciation differences	0	0
Others-Preliminary Expenses	0	0
Total	<u>0</u>	<u>0</u>

II. Deferred Tax Assets :

Depreciation timing differences	7,15,102	4,83,944
Others	0	0
Total	<u>7,15,102</u>	<u>4,83,944</u>
Net deferred Tax liabilities (I-II)	<u>(7,15,102)</u>	<u>(4,83,944)</u>
Tax liability at current rates	<u>(2,20,966)</u>	<u>(1,45,183)</u>

8. Related parties Disclosures :

The Company has the transactions with the following related parties on account of shareholdings by Key Management Personnel and their relatives.

(A) Particulars of Associate Companies

Name of the Related Party

- a) Sree Rayalaseema Alkalies and Allied Chemicals Ltd.,
- b) Sree Rayalaseema Dutch kassenbouw Pvt. Ltd.,
- c) TGV Projects & Investments Pvt. Ltd.,
- d) Brilliant Bio Pharma Ltd
- e) Gowri Gopal Hospitals Pvt. Ltd.,
- f) Sree Rayalaseema Hi-strength Hypo Ltd.,
- g) Roopa Industries Ltd.,
- h) Sree Maruthi Agro Tech Ltd.,

(B) Key Management Personnel

Name of the Related Party	Nature of Relationship
Mr. T G Bharath	Chairman & Managing Director

(C) Transactions with Associate Companies (Rs. in Lakhs)

	31.03.2011	31.03.2011
Goods sold	1.78	12.57
Investments	1699.37	1699.37

D) Details of Transactions relating to persons referred to in item (B) above

Remuneration	0.00	0.00
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9. Earnings per share :

	Rs.	Rs.
I. Net Profit as per Profit and Loss Account available to equity share holders	29,51,638	11,33,886
II. No. of shares for computation of Earning Per share	1,24,95,111	1,24,95,111
III. Earning per share (Basic)	0.24	0.09

10. There are no transactions what so ever during the year with MS&M Enterprises. As such the details to be furnished as required by Section 22 of Micro, Small, Medium Enterprises Development Act., 2006 does not applicable.

11. Segment Details :

The Company operates in one segment namely Energy.

12. Operating Lease :

The Company has operating lease for commercial premises which are cancellable at any time during the tenure of the agreement.

	31.03.2011	31.03.2010
	Rs. in lakhs	Rs. in lakhs
(a). Lease rentals receivables		
(i) Not later than one year	84.41	54.50
(ii) Later than one year and not later than five years	171.85	7.92
(iii) Later than five years	0.00	0.00

SRHHL INDUSTRIES LIMITED

(b). Lease receipts recognised in the Profit and Loss Account. 31.03.2011
73.16 31.03.2010
63.58

(c). General description of the leasing agreement

- (i) Leased Assets: Land and super structure situated at No.52, Ambattur Industrial Estate, Chennai-600058.
 (ii) Future lease rentals are determined on the basis of agreed terms.
 (iii) At the expiry of the lease term, the company has an option to extend the term by giving notice in writing.

13. Additional information pursuant to the paragraph 3,4C, & 4D of part-II of Schedule VI of the Companies Act, 1956.

Capacity, Production, Purchases, Sales, Consumption and Stocks.

A. Licensed and Installed Capacity

Product Name	UOM	Year Ended 31-03-2011		Year Ended 31-03-2010	
		Licensed*	Installed**	Licensed*	Installed**
WIND POWER	MW	1.89	1.89	1.89	1.89
BIO-MASS POWER	MW	6.00	6.00	6.00	6.00
HATCHERY	Millions	N/A	80	N/A	80

* Capacity for which Memorandum filed with Secretariat for Industrial Approvals

** The installed capacity as certified by the Management.

B. Actual Production, Turnover and Stocks

a. Product	Op.Stock as on 01.04.10 Qty (Units)KWH	Value Rs. in Lakhs	Production Net.Qty Units KWH	Sales Qty Units KWH	Turnover value Rs. in Lakhs	Closing as on 31.03.11 Qty(Units) KWH	Stocks as on 31.03.10 Rs. in Lakhs
WIND POWER	0.00 (0.00)	0.00 (0.00)	79,410 (4,36,293)	54097 (4,36,293)	1.78 (12.57)	0.00 (0.00)	0.00 (0.00)

14. Previous year figures have been regrouped/rearranged wherever necessary to make them comparable with current years figures.

15. Figures shown in the accounts have been rounded off to the nearest rupee

As per our report even date attached

For T. Adinarayana & Co.,
Chartered Accountants
Regn. No. 000041S

For and on behalf of the Board

Y. Pulla Rao
Partner
Membership No.25266

T.G. Bharath
Chairman & Managing
Director

G. Sampth Kumar
Director

Place: Kurnool
Date : 30.05.2011

Place: Kurnool
Date : 30.05.2011

M.R. Pandurangaiah
Director

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE (SUBMITTED IN FORM OF PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956)

I. REGISTRATION DETAILS :

REGISTRATION NO.

BALANCE SHEET DATE STATE CODE

DATE MONTH YEAR

II. CAPITAL RAISED DURING THE YEAR

(Rs. in Thousands)

PUBLIC ISSUE

RIGHTS ISSUE

BONUS ISSUE

PRIVATE PLACEMENT

CALLS IN ARREARS

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Rs. in Thousands)

TOTAL LIABILITIES

TOTAL ASSETS

SOURCE OF FUNDS :

PAID-UP CAPITAL

RESERVE & SURPLUS

SECURED LOANS

UNSECURED LOANS

DEFERRED TAX LIABILITY

APPLICATION OF FUNDS:

NET FIXED ASSETS

INVESTMENTS

NET CURRENT ASSETS

MISC. EXPENDITURE

ACCUMULATED LOSSES

IV. PERFORMANCE OF COMPANY

(Rs. in Thousands)

TOTAL INCOME

+ / - PROFIT/ (LOSS) BEFORE TAX

+ / - TOTAL EXPENDITURE

+ / - PROFIT/ (LOSS) AFTER TAX

+ / - EARNINGS PER SHARE (Rs.)

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DIVIDEND RATE (%)

SRHHL INDUSTRIES LIMITED

1. GENERIC NAMES OF PRINCIPAL PRODUCTS OF THE COMPANY

Item Code No. (ITC CODE) 0 3 0 6 1 3
Product Description S H R I M P S E E D P R A W N
F R O Z E N

Item Code No. (ITC CODE) 8 5 0 1
Product Description W I N D E N E R G Y

Item Code No. (ITC CODE) 8 5 0 1
Product Description E L E C T R O N I C M O T O R S A N D
G E N E R A T O R S

As per our report even date attached

For T.Adinarayana & Co.,
Chartered Accountants
Regn. No. 000041S

For and on behalf of the Board

Y. Pulla Rao
Partner
Membership No.25266

T.G. Bharath
Chairman & Managing
Director

G. Sampth Kumar
Director

Place: Kurnool
Date : 30.05.2011

Place: Kurnool
Date : 30.05.2011

M.R. Pandurangaiah
Director

SRHHL INDUSTRIES LIMITED

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

PROXY FORM

Client ID : _____ Regd. Folio No.: _____

DP ID : _____ No. of Shares held : _____

I/We _____ of _____ in the

District of _____ being a Member/

Members of the above name company hereby appoint _____

_____ of _____ in

the District of _____ as my/our Proxy to vote for me/us and on my/our behalf at the 24th Annual General Meeting of the Company to be held at the Registered Office of the Company on Wednesday, the 28th September, 2011 at 11.00 A.M. or at any adjournment thereof.

Affix 1 Rupee Revenue Stamp

Signature

Note : 1. The Proxy form duly completed should be deposited at the Registered Office of the Company not less than 48 hours before commencement of the Meeting.

SRHHL INDUSTRIES LIMITED

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

ATTENDANCE SLIP

Client ID _____ Regd. Folio No. _____

DP ID _____ No. of Shares held _____

Name of the Shareholder : _____

Name of the Proxy : _____

Signature of Member/Proxy : _____

I hereby record my presence at the 24th Annual General Meeting to be held on Wednesday, the 28th September, 2011 at 11.00 A.M.

Note : To be signed and handed over at the Meeting Venue.

Signature of Member / Proxy

