

SRHHL INDUSTRIES LIMITED

BOARD OF DIRECTORS

Sri T G Bharath
Chairman & Managing Director
Sri P. Surendra Mohan
Sri O.D. Reddy (up to 29.01.2010)
Sri G. Krishna Murthy (upto 29.01.2010)
Sri M.R. Pandurangaiah Ramaiah
(from 29.01.2010)
Sri G. Sampath Kumar (from 29.01.2010)

AUDITORS

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

BANKERS

State Bank of Hyderabad

REGISTRAR & SHARE TRANSFER AGENT

Aarathi Consultants Pvt Ltd.,
Regd.Office : 1-2-285, Domalguda
Hyderabad - 500029, Andhra Pradesh
Tel No : 040-27638111/4445
27642217, 66611921
Fax No: 040-27632184

REGISTERED OFFICE

Gondiparla, Kurnool -518004 (A.P.)

CORPORATE OFFICE:

40-304, K J Complex,
Bhagyanagar, Kurnool-518004 (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.)

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SRHHL INDUSTRIES LIMITED

NOTICE

Notice is hereby given that the 23rd 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 Friday, 24th September ,2010 at 12 Noon to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2010, 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 Sri P Surendra Mohan, 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 Sri M.R. Pandurangaiah Ramaiah, 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 consider, and , if thought fit, to pass with or without modification(s), the following as an **Ordinary Resolution**.
"RESOLVED THAT Sri G Sampath Kumar, who was appointed as a Director in casual vacancy and holds office upto 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."

5. To appoint Statutory Auditors and to fix their remuneration.

for and on behalf of the board

Place: Kurnool
Date: 28.05.2010

Sd/-
T.G. BHARATH
Chairman &
Managing 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 Section 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 20/09/2010 to 24/09/ 2010 (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.

SRHHL INDUSTRIES LIMITED

EXPLANATORY STATEMENT

(pursuant to Section 173(2) of the Companies Act, 1956)

ITEM NO 3

Sri M R Pandurangaiah Ramaiah was appointed as a Director to fill a casual vacancy caused due to resignation of Sri O D Reddy with effect from 29.01.2010. Pursuant to Section 262 of the Companies Act, 1956, Sri M R Pandurangaiah Ramaiah 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 M R Pandurangaiah Ramaiah for the office of Directors. Except M R Pandurangaiah Ramaiah , none of the Directors is concerned or interested in the resolution.

ITEM NO 4

Sri G Sampath Kumar was appointed as a Director to fill a casual vacancy caused due to resignation of Sri G Krishna Murthy with effect from 29.01.2010. Pursuant to Section 262 of the Companies Act, 1956, Sri G Sampath Kumar 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 Sri G Sampath Kumar for the office of Directors. Except Sri G Sampath Kumar, none of the Directors is concerned or interested in the resolution.

for and on behalf of the board

Sd/-

T.G. BHARATH

Chairman & Managing Director

Place: Kurnool

Date: 28.05.2010

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	P. Surendra Mohan	M. R. Pandurangaiah Ramaiah	G Sampath Kumar
Date of Birth	17-09-1954	01-07-1935	05-07-1958
Date of Appointment	31.07.2009	29.01.2010	29.01.2010
Expertise in specific functional areas	More than 30 years of experience in Trading business	More than 30 years of experience in Trading Business	More than 35 years of experience in trading business of textiles and iron and 18 years of experience in chemicals
Qualification	B.Com.,	Undergraduate	B.Com.,
Shareholdings in the Company	NIL	NIL	8,610 Equity shares
Directorship in other Public Ltd Company	Sree Maruthi Marine Industries Ltd	NIL	NIL
Membership in Committees in other Public Ltd. Companies	NIL	NIL	NIL

SRHHL INDUSTRIES LIMITED

DIRECTORS' REPORT

To

The Members

Your Directors have pleasure in presenting the Twenty Third Annual Report and the Audited Accounts of the Company for the year ended 31st March 2010.

Financial Results:

(Rs. in lakhs)

Particulars	2009-10	2008-09
Profit before interest, Depreciation and Tax	52.01	63.79
Less: Depreciation	31.51	32.94
Loss on Sale / impairment of Assets	4.19	142.84
Prior period adjustments	(1.87)	0.03
Profit /(Loss) before Tax	18.18	(112.02)
Provision for Taxation	6.84	40.32
Profit /(Loss) after Tax	11.34	(152.35)
Add: Balance brought forward from the previous year	1,510.82	1,663.17
Balance carried forward to next year	1,522.16	1,510.82

Operations

During the year the Company achieved a turnover of Rs.12.57 lakhs against previous year turnover of Rs. 21.93 lakhs.

Dividend :

In view of the strengthening and stabilization of activities, your Directors have decided not to declare any dividend for the year 2009-10.

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 2010-2011.

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, 2010 is annexed to this Report. (Annexure-A)

SRHHL INDUSTRIES LIMITED

Directors' Responsibility Statement

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

- (i) That in the preparation of the accounts for the Financial year ended 31st March, 2010, 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, 2010 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

Sri P Surendra Mohan retires by rotation at the ensuing Annual General Meeting and being eligible for reappointment offers himself to be reelected as Director. Sri O D Reddy and Sri G Krishna Murthy resigned as Directors with effect from 29-01-2010 due to pre-occupation with earlier engagements. The Board in its meeting held on 29-01-2010 had appointed Sri M R Pandurangaiah Ramaiah and Sri G sampath Kumar to fill the casual vacancies caused due to resignation of above mentioned Directors. The casual vacancies of the directorships arising with resignations of Sri O D Reddy and Sri G Krishna Murthy liable to retire by rotation under Sec 255 of the Companies act, 1956 and is coming up for re-appointment at the ensuing Annual General Meeting.

Auditors:

M/s T.Adinarayana & Co., Chartered Accountant, 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

Sd/-

T.G. BHARATH

Chairman & Managing Director

Place: Kurnool

Date : 28/05/2010

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 2009-2010	Previous Year 2008-2009
A.	Power and Fuel Consumption		
	UNIT		
1.	ELECTRICITY		
a)	Purchased (KWH)	43,630	43,470
	Total Amount (Rs)	1,41,798	1,41,278
	Rate Per unit (Rs)	3.25	3.25
b)	Own Generation through Wind Generator (Units) (KWH)	4,26,070	7,18,300
c)	Other Internal Generation	-	-
B.	Consumption per KWH Production:		
	Power	0.10	0.06

Form B

I. Research and Development (R & D)

1. Specific areas in which R&D carried out by the Company :
Studies are undertaken to improve the operational efficiency of wind turbines.

2. Expenditure on R&D
No expenditure is incurred on R&D

3. Future Plans
The Company is contemplating to enter power generation through gas / hydel / wind based Projects

4. 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

Sd/-

T.G. BHARATH

Chairman & Managing Director

Place: Kurnool
Date : 28/05/2010

SRHHL INDUSTRIES LIMITED

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 and date of the meetings are further furnished hereunder:

S. No	Name of the Director	Designation	No. of Board Meeting		Other Membership	
			Held	Attended	Board	Committee
1.	Sri T G Bharath	Chairman & Managing Director	5	5	7	1
2.	Sri M P Murti	Independent Director	5	2	5	2
3.	Sri P. Surendra Mohan	Independent Director	5	3	1	---
4.	Sri O.D. Reddy	Independent Director	5	4	3	3
5.	Sri G Krishna Murthy	Independent Director	5	4	1	3
6.	Sri M.R.Pandurangaiah Ramaiah	Independent Director	5	1	---	---
7.	Sri G Sampath Kumar	Independent Director	5	1	---	---

During the financial year ended 31st March, 2010 Five Board Meetings were held on (1) 30/04/2009 (2) 30/06/2009 (3) 31/07/2009 (4) 31/10/2009 (5) 29/01/2010 . The last Annual General Meeting of the Company was held On 25.09.2009 and it was attended by Sri T G Bharath, Chairman and Managing Director, Sri O D Reddy, 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:

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

SRHHL INDUSTRIES LIMITED

- 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 Sri O D Reddy as Chairman, Sri P Surendra Mohan and Sri G Krishna Murthy as members. The committee reconstituted on 29-01-2010 with Sri G Sampath Kumar as chairman, Sri M R Pandurangaiah Ramaiah and Sri P Surendra Mohan 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 2009-10 on 30/06/2009 , 31/07/2009 , 31/10/2009 and 29/01/2010 and all the members attended the meetings.

2. REMUNERATION COMMITTEE

The Remuneration Committee comprises of Sri P Surendra Mohan as Chairman and Sri O D Reddy, Sri G Krishna Murthy as its Members. The remuneration committee reconstituted on 29-01-2010 as Sri M R Pandurangaiah Ramaiah as Chairman and Sri P Surendra Mohan, Sri G Sampath Kumar as its members.

The non- Executive directors will be paid sitting fee of Rs.1000/- per meeting of Board and Audit Committee. The CMD will not be paid any remuneration by 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 correspondence, Investors Grievance Committee / shareholders Committee was constituted on 23-03-2002. The Committee comprises of Sri T G Bharath as Chairman, Sri G Krishna Murthy, Sri O D Reddy as members. The Committee reconstituted on 29/01/2010 with Sri T G Bharath as Chairman, Sri M R Pandurangaiah Ramaiah and Sri G Sampath Kumar as its members. 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 2009-10	Pending at the end of the year	No. of pending Shares Transfers
118	NIL	NIL

4. GENERAL BODY MEETINGS:

The last three Annual General Meetings of the Company were held on (1) 27/09/2007 (12 Noon) (2.) 29/09/2008 (12 Noon) (3.) 25/09/2009 (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:

SRHHL INDUSTRIES LIMITED

(a) 2006-07

- (i) To alter the main objects of memorandum of Association of the Company (This item of Agenda was not taken up for consideration in the AGM as it requires postal ballot).

(b) 2007-08

**** NIL ****

(c) 2008-09

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

Special resolutions passed through postal ballots :

---NIL---

5. DISCLOSURE

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 11 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.

6. 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 Exchanges where the shares are listed. Further quarterly results, Shareholding pattern and other related information is placed on the Company's Website. 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 are generally posted in Company's website www.tgvgroup.com

7. GENERAL SHAREHOLDER INFORMATION

(a) Annual General Meeting :

Date : 24th September 2010
Time : 12 Noon
Venue : SRHHL INDUSTRIES LIMITED
REGD.OFFICE: GONDIPARLA
KURNOOL – 518004 (A.P)

- (b) Tentative Financial Calendar** : The next financial year covers the period from 1st April, 2010 to 31st March 2011

Un-audited Financial Results for:

First Quarter : July /August 2010
Second Quarter : October / November 2010
Third Quarter : January / February 2011
Fourth Quarter : April / May 2011

SRHHL INDUSTRIES LIMITED

- (c) **Book Closure Period** : 20/09/2010 to 24/09/2010 (inclusive of both days)
- (d) **Dividend Date** : Not Applicable
- (e) **Listing on Stock Exchange** : The Shares of the Company are listed on BSE & NSE.
- (f) **The Stock Exchange Codes are:**
 Bombay Stock Exchange Limited : 524410
 The National Stock Exchange Of India : SRHHLINDST
 ISIN No.(DEMAT) on the NSDL and the CDSL is INE 724 B01023.

(g) Market Price Data for Financial Year 2009 –2010:

Month & Year	BSE		NSE	
	High(Rs.)	Low(Rs.)	High(Rs.)	Low(Rs.)
April 09	4.01	3.34	4.00	3.60
May 09	5.20	3.15	4.15	3.40
June 09	6.09	4.75	5.90	4.40
July 09	5.50	3.86	5.65	4.00
August 09	4.95	3.90	4.90	3.95
September 09	6.11	4.43	6.25	4.35
October 09	5.78	4.63	5.80	4.70
November 09	4.80	3.80	4.95	3.85
December 09	4.45	3.92	4.45	3.90
January 10	5.74	4.00	6.00	3.85
February 10	4.80	4.06	4.70	4.05
March 10	4.70	3.70	4.70	3.70

(h) Share Transfer Agents:

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

(i) Distribution of Shareholding as on 31st March, 2010

Sl.No	CATEGORY	NO OF SHARES	AMOUNT (in Rs.)	%
1	Promoters	32,36,183	3,23,61,830	25.90
2	Mutual Funds	2,879	28,790	0.02
3	Banks & Financial Institutions	3,85,917	38,59,170	3.09
4	Bodies Corporate	2,37,912	23,79,120	1.90
5	Indian Public	69,77,226	6,97,72,260	55.84
6.	NRI /OCBS	16,54,994	1,65,49,940	13.25
	Total	1,24,95,111	12,49,51,110	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.

SRHHL INDUSTRIES LIMITED

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 31.03.2010.

for and on behalf of the board

Sd/-

T.G. BHARATH

Chairman & Managing Director

Place: Kurnool
Date : 28/05/2010

(k) Dematerialisation of shares and liquidity :

As on 31st March 2010 60.49% of shares were held in Dematerialised form and rest in Physical form.

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

Not Applicable

(m) Plant Locations:

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

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

Wind farm workshop at Ambattur industrial Estate, Amabattur , Chennai, Tamilandu.

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

(A) Registrar and Share Transfer Agent :

M/s Aarathi Consultants Pvt Ltd.
Door No. 1-2-285, Domalguda
Hyderabad – 500 029.
Tele – 040 – 27638111, 27634445
Fax – 040 – 27632184

(B) SRHHL INDUSTRIES LIMITED

T.G.V MANSION, No 6-2-1012
Above ICICI Bank, 2nd floor
Khairatabad, HYDERABAD
Tele – 040 – 23313843, 23313957
Fax – 040 – 23313875
E-mail ID : srhhlindustries@tgymail.net

for and on behalf of the board

Sd/-

T.G. BHARATH

Chairman & Managing Director

Place: Kurnool
Date : 28/05/2010

SRHHL INDUSTRIES LIMITED

AUDITORS' 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 2010, 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 2010 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.

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:28.05.2010

Sd/-
Y. Pulla Rao
Partner
(Membership No. 25266)

Annexure 'C' to Director's Report:

MANAGEMENT DISCUSSION & ANALYSIS REPORT:

(A) INDUSTRY STRUCTRE AND DEVELOPMENTS:

The Company's main activity is generation of power through wind. Investments is 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 from units to units due to low wind velocity.

(D) OUT LOOK

Your Company wants to diversity 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 will 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 PRFORMANCE

During the year 2009-10 Net profit before Tax is Rs.18.18 lakhs against Net Loss before tax of Rs.112.02 lakhs during the previous year. The Company provided Rs.6.84 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.

SRHHL INDUSTRIES LIMITED

AUDITORS' REPORT

To
The Members of
SRHHL INDUSTRIES LIMITED

1. We have audited the attached Balance Sheet of SRHHL INDUSTRIES LIMITED, as at 31st March 2010, 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 31.03.2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 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

SRHHL INDUSTRIES LIMITED

true and fair view in conformity with the accounting principles generally accepted in India.

- a) In the case of Balance Sheet, of the state of the affairs of the Company as at 31st March, 2010.
- 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
(Regd. No. 000041S)

Place : Kurnool
Date : 28.05.2010

Sd/-
Y. Pulla Rao
Partner / Membership No. 25266

SRHHL INDUSTRIES LIMITED

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, 2010.

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) Fixed assets disposed off during the year were not substantial, According to the informations and explanations given to us, we are of the opinion that the disposal of fixed assets has not affected the going concern status of the company.
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

SRHHL INDUSTRIES LIMITED

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.

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 31.03.2010 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.

SRHHL INDUSTRIES LIMITED

15. According to the information and explanations given to us, 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)

Sd/-

Y. Pulla Rao

Partner / Membership No.25266

Place : Kurnool
Date : 28.05.2010

SRHHL INDUSTRIES LIMITED

BALANCE SHEET AS AT 31st MARCH, 2010

Particulars	Schedule	As at 31-03-2010 Rs.	As at 31-03-2009 Rs.
I SOURCES OF FUNDS			
Share Holders Funds			
Share Capital	1	12,49,12,825	12,49,12,825
Reserves and Surplus	2	15,39,34,095	15,30,44,241
Deferred Tax Liabilities		19,92,566	21,37,749
TOTAL		<u>28,08,39,486</u>	<u>28,00,94,815</u>
II APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	3	9,82,96,665	9,64,01,199
Less: Depreciation Reserve		<u>2,45,23,495</u>	<u>2,25,60,330</u>
Net Block		7,37,73,170	7,38,40,869
Investments	4	17,92,53,440	17,92,53,440
Current Assets, Loans and Advances			
Cash and Bank Balances	5	45,85,406	57,88,881
Loans and Advances	6	<u>3,32,15,450</u>	<u>3,12,71,065</u>
		<u>3,78,00,856</u>	<u>3,70,59,946</u>
Less: A) Current Liabilities	7	47,81,637	46,73,768
B) Provision	7	<u>52,06,343</u>	<u>53,85,672</u>
		<u>99,87,980</u>	<u>1,00,59,440</u>
Net Current Assets		2,78,12,876	2,70,00,506
TOTAL		<u>28,08,39,486</u>	<u>28,00,94,815</u>

Notes forming part of accounts 11

Schedules 1 to 7 & 11 annexed form integral part of Balance Sheet.

As per our report of even date attached.

For **T. Adinarayana & Co.,**

For and on behalf of the Board

Chartered Accountants

(Regn No 000041S)

Sd/-

Y Pulla Rao

Partner

(Membership No 25266)

Sd/-

T G Bharath

Chairman & Managing Director

Sd/-

G Sampath Kumar

Director

Place : Kurnool

Date : 28-05-2010

Place : Kurnool

Date : 28-05-2010

Sd/-

M R Pandurangaiah Ramaiah

Director

SRHHL INDUSTRIES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH,2010

Particulars	Schedule	Year Ended	
		31-03-2010 Rs.	31-03-2009 Rs.
I. INCOME			
Sale of Energy		12,56,526	21,93,195
Other Income		1,59,875	5,41,218
Rent Received		63,58,333	55,50,000
TOTAL		77,74,734	82,84,413
II EXPENDITURE			
Administrative Expenses	8	22,40,539	14,82,041
Payments to Employees	9	3,29,547	3,75,182
Finance Charges	10	3,679	47,751
TOTAL		25,73,765	19,04,974
III Profit before Depreciation, Extraordinary Items, Prior Period Items and Tax (I - II)		52,00,969	63,79,439
Depreciation		31,50,504	32,94,447
IV Profit before Extraordinary Items, Prior Period Items and Tax		20,50,465	30,84,992
Prior period Adjustments		(1,86,760)	2,636
Loss on Insurance claims		0	1,75,621
Loss on sale / Impairment of Assets		4,19,172	1,41,08,938
V Profit before Tax		18,18,053	(1,12,02,203)
VI Provision for Taxation			
I) Current Tax	8,29,350		42,35,520
II) Fringe benefit Tax	0		220
III) Deferred Tax	(1,45,183)	6,84,167	(2,03,300) 40,32,440
VII Net Profit for the Year		11,33,886	(1,52,34,643)
Add:Balance brought forward from previous Year		15,10,82,164	16,63,16,807
VIII. Balance Carried to Balance Sheet		15,22,16,050	15,10,82,164
Earning per Share Basic / Diluted		0.09	(1.22)
Notes forming part of accounts	11		

Schedules 8 to 10 & 11 annexed from integral part of Profit & Loss Account.

As per our report of even date attached.

For **T. Adinarayana & Co.,**

For and on behalf of the Board

Chartered Accountants

(Regn No 000041S)

Sd/-

Y Pulla Rao

Partner

(Membership No 25266)

Place : Kurnool

Date : 28-05-2010

Sd/-

T G Bharath

Chairman & Managing Director

Place : Kurnool

Date : 28-05-2010

Sd/-

G Sampath Kumar

Director

Sd/-

M R Pandurangaiah Ramaiah

Director

SRHHL INDUSTRIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2010 AS PER CLAUSE 32 OF LISTING AGREEMENT

A. Cash Flow From Operating Activities	Rs.in Lakhs Year ended 31.03.2010	Rs.in Lakhs Year ended 31.03.2009
Net Profit before Tax and Extraordinary items	20.50	30.85
Depreciation	31.51	32.94
Taxes paid	8.30	42.52
Loss on sale / impairment of assets	4.19	141.09
Operating Profit before Working Capital Changes	64.50	247.40
Adjustments for:		
Trade and other receivables	(19.44)	(38.02)
Trade payables	(0.71)	(73.86)
	(20.15)	(111.88)
Cash generated from operations	44.35	135.52
Prior period expenses	(1.87)	0
Loss on sale / impairment of assets	(4.19)	(141.09)
Direct taxes	(8.30)	(42.52)
Cash flow before Extra-ordinary items	29.99	(48.09)
Extra ordinary items	(2.44)	(1.28)
Net Cash flow from Operating Activities	27.55	(49.37)
B. Cash flow from Investing Activities		
Purchase/sale of Fixed Assets	(38.14)	164.69
Purchase/sale of Investments	0	10.44
Net cash used in Investing Activities	(38.14)	175.13
C. Cash flow from financing Activities		
Proceeds from long term borrowings	(1.45)	(71.17)
Net cash used in Financing Activities	(1.45)	(71.17)
Net increase in Cash & Cash equivalents (A+B+C)	(12.04)	54.59
Cash and Cash equivalents as at 01.4.09(Op.B/s)	57.89	3.30
Cash and Cash equivalents as at 31.3.10(Cl.B/s)	45.85	57.89

Notes : 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 Sampath Kumar

Director

Place : Kurnool

M R Pandurangaiah Ramaiah

Date : 28.05.2010

Director

CERTIFICATE

We have examined the above cash flow statement for the year ended 31st March,2010. 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 28.05.2010 to the members of the company.

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

Place : Kurnool

Y. Pulla Rao

Date : 28.05.2010

Partner

(Membership No 25266)

SRHHL INDUSTRIES LIMITED

SCHEDULES TO BALANCE SHEET

	As At 31-03-2010	As At 31-03-2009
SCHEDULE-1		
Share Capital		
Authorised		
3,30,00,000 (Previous year 3,30,00,000) Equity Shares of Rs.10/- each	33,00,00,000	33,00,00,000
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	38,285	38,285
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	19,62,077
Surplus		
Profit and Loss Account-Balance as per last Balance sheet	15,10,82,164	16,63,16,807
Add: Carried during the year	11,33,886	(1,52,34,643)
Total	<u>15,39,34,095</u>	<u>15,30,44,241</u>

**SCHEDULE 3
FIXED ASSETS**

Sl. No.	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Cost As At	Additions	Deductions	Total Upto	Total Upto	For the	Deductions	Total Upto	As At	As At
		01-04-2009			31-03-2010	01-04-2009	Period		31-03-2010	31-03-2010	31-03-2009
	Land	1,99,35,805	0	0	1,99,35,805	0	0	0	0	1,99,35,805	1,99,35,805
	Factory Buildings	4,99,17,005	0	0	4,99,17,005	1,05,47,124	16,11,594	0	1,21,58,718	3,77,58,288	3,93,69,882
	Plant & Machinery	2,49,41,879	0	0	2,49,41,878	1,08,99,925	13,17,743	0	1,22,17,668	1,27,24,210	1,40,41,954
	Furniture & Fixtures	9,14,490	0	9,14,490	0	5,30,176	57,924	5,88,099	0	0	3,84,314
	Office Equipment	6,87,326	0	6,87,326	0	5,81,098	15,910	5,97,008	0	0	1,06,228
	Other Equipment	4,694	0	4,694	0	2,007	223	2,230	0	0	2,687
	Vehicles	0	35,01,977	0	35,01,977	0	1,47,111	0	1,47,111	33,54,866	0
	TOTAL	9,64,01,199	35,01,977	16,06,509	9,82,96,665	2,25,60,330	31,50,504	11,87,337	2,45,23,497	7,37,73,170	7,38,40,869
	Previous Year	13,41,37,713	0	3,77,36,514	9,64,01,199	2,54,51,138	32,94,447	61,85,255	2,25,60,330	7,38,40,869	

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.

SRHHL INDUSTRIES LIMITED

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 31 st Mar2010	As At 31 st Mar2009
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
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 Biotech 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

SRHHL INDUSTRIES LIMITED

Investments: (Long Term and Non-trade)

		As At	As At
		31 Mar2010	31 Mar2009
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
12,84,344	12,84,344	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	10000	Units of UTI Master Gain-92	1,07,500 1,07,500
			<u>17,92,53,440</u> <u>17,92,53,440</u>
		Aggregate Book value of quoted Investments	13,90,40,490 13,90,40,490
		Aggregate Market value of quoted Investments	20,06,25,026 4,68,40,450
		Aggregate Book value of Unquoted Investments	4,02,12,950 4,02,12,950

Note:- 1: 3,80,675/- Equity shares in favour 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 SRHHL 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.

SRHHL INDUSTRIES LIMITED

	As At 31 Mar2010	As At 31 Mar2009
SCHEDULE-5		
Cash and Bank Balances		
Cash on hand	433	433
Bank Balances with Scheduled Banks		
In Current Accounts	45,84,973	57,88,448
Total	<u>45,85,406</u>	<u>57,88,881</u>
SCHEDULE-6		
Loans and Advances		
(Unsecured - considered good)		
Advances Recoverable in cash or in kind or for value to be received	2,14,218	1,44,083
Advances against Capital Expenditure	2,70,95,388	2,70,92,250
Deposits / balances with Govt. Bodies	3,44,371	3,44,872
Deposits : Others	0	14,100
Advance Income Tax (Including Tax deducted at source)	55,61,473	36,75,760
Total	<u>3,32,15,450</u>	<u>3,12,71,065</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	2,81,637	6,864
Other Liabilities	45,00,000	46,66,904
	<u>47,81,637</u>	<u>46,73,768</u>
B. Provisions		
Provision for Taxation	50,65,090	52,08,182
Provision for Others	1,41,253	1,77,490
	<u>52,06,343</u>	<u>53,85,672</u>
Total	<u>99,87,980</u>	<u>1,00,59,440</u>

SRHHL INDUSTRIES LIMITED

Schedules to Profit & Loss Account for the year ended 31-03-2010

	Year Ended 31-03-2010	Year Ended 31-03-2009
SCHEDULE-8		
Administrative Expenses		
Repairs and Maintenance	6,07,509	43,983
Wind mill maintenance charges	51,274	32,744
Rents,Rates and Taxes	1,31,284	1,21,368
Insurance	4,61,542	2,84,780
Traveling and Conveyance	714	1,558
Printing and Stationery	1,37,240	1,43,493
Postage,Telegrams and Telephone Expenses	2,66,005	2,95,065
Fee and Charges	2,57,784	1,84,614
Legal and Professional Charges	10,300	0
Service Charges	1,80,899	1,85,341
Other Expense	17,142	77,305
Auditors Remuneration	58,871	56,450
Advertisement	32,975	28,340
Directors Sitting Fee	27,000	27,000
Total	<u>22,40,539</u>	<u>14,82,041</u>
SCHEDULE-9		
Payments to Employees		
Salaries,Wages and Bonus	3,29,547	3,75,182
Total	<u>3,29,547</u>	<u>3,75,182</u>
SCHEDULE-10		
Finance Charges		
Interest	401	33,521
Bank Charges	3,278	14,130
Total	<u>3,679</u>	<u>47,651</u>

SRHHL INDUSTRIES LIMITED

Schedule – 11

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.

SRHHL INDUSTRIES LIMITED

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, are recognised as expense on accrual at the undiscounted amount in the Profit and Loss Account.

(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 31.03.2010	Previous year 31.03.2009
	Rs.	Rs.
Fees & charges to Directors	<u>27,000</u>	<u>27,000</u>
Totals	<u>27,000</u>	<u>27,000</u>
5. Auditors Remuneration	Current Year 31.03.2010	Previous year 31.03.2009
	Rs.	Rs.
As Auditors	40,000	40,000
For Tax Matters	10,000	10,000
Service Tax	5,150	5,150
Out of Pocket Expenses	3,721	1,300
Totals	<u>58,871</u>	<u>56,450</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 / asset in accordance with Accounting Standard 22 " Accounting for Taxes on Income" issued by the Institute of Chartered

SRHHL INDUSTRIES LIMITED

Accountant of India and has charged the net profit and loss account with the deferred tax asset relating to the year net of Rs. (1,45,183)

I. Deferred Tax Liabilities :

Depreciation differences	0	0
Others-Preliminary Expenses	0	0
Total	0	0

II. Deferred Tax Assets :

Depreciation timing differences	4,83,944	5,98,117
Others	0	0
Total	4,83,944	5,98,117
Net deferred Tax liabilities (I-II)	(4,83,944)	(5,98,117)
Tax liability at current rates	(1,45,183)	(2,03,300)

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

- Sree Rayalaseema Alkalies and Allied Chemicals Ltd.,
- Sree Rayalaseema Dutch kassenbouw Pvt. Ltd.,
- TGV Projects & Investments Pvt. Ltd.,
- Brilliant Bio pharma Ltd.
- Gowri Gopal Hospitals Pvt. Ltd.,
- Sree Rayalaseema Hi-strength Hypo Ltd.,
- Roopa Industries Ltd.,
- 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)

	31.03.2010	31.03.2009
Goods sold	12.57	21.93
Investments	1,699.37	1,699.37

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

Remuneration	0.00	0.00
--------------	------	------

9. Earnings per share :

	Rs.	Rs.
I. Net Profit as per Profit and Loss Account available to equity share holders	11,33,886	(1,52,34,643)

SRHHL INDUSTRIES LIMITED

II. No. of shares for computation of Earning Per share	1,24,95,111	1,24,95,111
III. Earning per share (Basic)	0.09	(1.22)

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 Leases :

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

	31.03.2010	31.03.2009
(a) Lease rentals receivables	Rs. in Lakhs	Rs. in Lakhs
(i) Not later than one year	54.50	61.50
(ii) Later than one year and not later than five years	7.92	49.50
(iii) Later than five years	0.00	0.00

(b) Lease receipts recognised in the Profit and Loss Account.

(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	Year Ended	Year Ended				
			31-03-2010	31-03-2009		
Product Name	UOM	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.

SRHHL INDUSTRIES LIMITED

B. Actual Production, Turnover and Stocks

a. Product	Op. Stock	Value	Production	Turnover		Closing Stocks	
	as on 01.04.09 Qty (Units)	Rs. in Lakhs	Net. Qty (Units)	Qty (Units)	Value Rs. in Lakhs	as on 31.03.10 Qty (Units)	Value Rs. in Lakhs
WIND POWER	0.00 (0.00)	0.00 (0.00)	436293 674830	436293 674830	12.57 21.93	0.00 (0.00)	0.00 (0.00)

Note : Includes 43,630 units used for power generation.

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 of even date attached.

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

For and on behalf of the Board

Sd/-
Y Pulla Rao
Partner
(Membership No 25266)

Sd/-
T G Bharath
Chairman & Managing Director

Sd/-
G Sampath Kumar
Director

Place : Kurnool
Date : 28-05-2010

Place : Kurnool
Date : 28-05-2010

Sd/-
M R Pandurangaiah Ramaiah
Director

SRHHL INDUSTRIES LIMITED

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.

L	4	0	1	0	9	A	P	1	9	8	6	P	L	C	0	0	6	8	8	0
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

 State Code :

0	1
---	---

 BALANCE SHEET DATE :

3	1
---	---

 /

0	3
---	---

 /

2	0	1	0
---	---	---	---

II. CAPITAL RAISED DURING THE YEAR

(Rs. In Thousands)

PUBLIC ISSUE:

N	I	L
---	---	---

BONUS ISSUE

N	I	L
---	---	---

RIGHT ISSUE

N	I	L
---	---	---

PRIVATE ISSUE

N	I	L
---	---	---

III. POSITION OF MOBILIZATION AND DEPLOYMENT OF FUNDS (Rs. In Thousands)

TOTAL LIABILITIES

2	8	0	8	3	9
---	---	---	---	---	---

TOTAL ASSETS

2	8	0	8	3	9
---	---	---	---	---	---

SOURCES OF FUNDS

PAID-UP CAPITAL

1	2	4	9	1	3
---	---	---	---	---	---

RESERVE & SURPLUS

1	5	3	9	3	4
---	---	---	---	---	---

SECURED LOANS

N	I	L
---	---	---

UNSECURED LOANS

N	I	L
---	---	---

DEFERRED TAX LIABILITY

1	9	9	3
---	---	---	---

APPLICATION OF FUNDS :

NET FIXED ASSETS

7	3	7	7	3
---	---	---	---	---

INVESTMENTS

1	7	9	2	5	3
---	---	---	---	---	---

NET CURRENT ASSETS

2	7	8	1	3
---	---	---	---	---

MISC. EXPENDITURE

N	I	L
---	---	---

ACCUMULATED LOSSES

N	I	L
---	---	---

IV PERFORMANCE OF COMPANY:

TOTAL INCOME

7	7	7	5
---	---	---	---

TOTAL EXPENDITURE

5	9	5	7
---	---	---	---

PROFIT / (LOSS) BEFORE TAX

1	8	1	8
---	---	---	---

PROFIT / (LOSS) AFTER TAX

1	1	3	4
---	---	---	---

EARNING PER SHARE

0	.	0	9
---	---	---	---

DIVIDEND RATE (%)

N	I	L
---	---	---

SRHHL INDUSTRIES LIMITED

GENERIC NAMES OF PRINCIPAL PRODUCTS OF THE COMPANY

Item Code No. (ITC Code) 0 3 0 6 1 3

Product Description SHRIMP SEED PRAWN
FROZEN

Item Code No. (ITC Code) 8 5 0 1

Product Description WIND ENERGY

Item Code No. (ITC Code) 8 5 0 1

Product Description ELECTRONIC MOTORS
AND GENERATORS

As per our report of even date attached.

For T Adinarayana & Co.,

For and on behalf of the Board

Chartered Accountants

(Regn No 000041S)

Sd/-

Y Pulla Rao

Partner

(Membership No 25266)

Sd/-

T G Bharath

Chairman & Managing Director

Sd/-

G Sampath Kumar

Director

Place : Kurnool

Date : 28-05-2010

Place : Kurnool

Date : 28-05-2010

Sd/-

M R Pandurangaiah Ramaiah

Director

SRHHL INDUSTRIES LIMITED

SRHHL Industries Limited

Regd. Office : Gondiparla, Kumool - 518 004

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 named company hereby appoint of in the district of as my / our proxy to vote for me / us on my / our behalf at the 23rd Annual General Meeting of the Company to be held on Friday the 24th of September, 2010 at 12-00 Noon or at any adjournment thereof.

Affix
Re. 1.00
Revenue
Stamp

Signature

Note: The proxy form-duly completed should be deposited at the Registered Office of the Company not less than Forty Eight Hours before the time fixed for holding the meeting.

..... CUT HERE

SRHHL Industries Limited

Regd. Office : Gondiparla, Kurnool - 518 004

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 23rd Annual General Meeting of the Company to be held on Friday the 24th of September, 2010 at 12-00 Noon or at any adjournment thereof.

Signature of Member / Proxy

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