S.T. Mohite & Co.,
Chartered Accountants
G5, B-Block, Paragon Venkatadri Apartments,
3-4-812, Street No.1, Barkatpura,
Hyderabad - 500 027, A.P. INDIA.
Mob : 9848994508, 9848359721
Email : stmohite@yahoo.com

AUDITOR'S REPORT ON QUARTERLY FINANCIAL RESULTS AND YEAR TO DATE RESULTS OF THE COMPANY PURSUANT TO THE CLAUSE 41 OF LISTING AGREEMENT

To
The Board of Directors of
M/s.Sree Rayalaseema Hi-Strength Hypo Limited
Kurnool.

We have audited the quarterly financial results of **Sree Rayalaseema Hi-Strength Hypo Limited, Regd.Office : Gondiparla, Kurnool - 518 004** for the quarter ended 31.03.2013 and the year to date results for the period 01.04.2012 to 31.03.2013 attached herewith, being submitted by the Company pursuant to the requirement of Clause 41 of the Listing Agreement except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us . These quarterly financial results as well as the year to date financial results have been prepared on the basis of the interim financial statements during the financial year , which are the responsibility of the company's management. Our responsibility is to express an opinion on these financial results based on our audit of such interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, issued pursuant to the Companies (Accounting Standards) Rules, 2006 as per Section 211 (3C) of the Companies Act, 1956 and other accounting principles generally accepted in India.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards requires that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

contd..... 2

S.T. Mohite & Co. Regd. No. 011410S Hyd. Chartered Accountants

2/6

In our opinion and to the best of our information and according to the explanations given to us these quarterly financial results as well as the year to date results:

(i) are presented in accordance with the requirements of Clause 41 of the Listing Agreement in this regard; and

(ii) give a true and fair view of the net profit / loss and other financial information for the quarter ended 31.03.2013 as well as the year to date results for the period from 01.04.2012 to 31.03.2013.

Further, we also report that we have, on the basis of the books of account and other records and information and explanations given to us by the management, also verified the number of shares as well as percentage of shareholdings in respect of aggregate amount of non-promoter shareholdings, as furnished by the company in terms of Clause 35 of the Listing Agreement and found the same to be correct.

Place : Kurnool
Date :30th May, 2013

S.T.Mohite & Co. CA Regd. No. 011410S Hyd. Chartered Accountants

For S.T.Mohite & Co.
Chartered Accountants (Regd. No. 0114108)

M.T.Sreenivasa Rao
Proprietor (Membership No.15635)

3/6

SREE RAYALASEEMA HI-STRENGTH HYPO LIMITED
REGD.OFFICE,GONDIPARLA,KURNOOL-518 004
AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED ON 31st MARCH 2013

Rs in Lakhs

Sl. No.	Particulars	Quarter Ended			Year Ended	
		31/03/2013 (Audited)	31.12.2012 (Unaudited)	31/03/2012 (Unaudited)	31/03/2013 (Audited)	31/03/2012 (Audited)
1	**Income from Operations**					
	a) Net Sales / Income from Operations-net of ED	7528.17	8059.59	6343.23	29966.76	24299.01
	b) Other Operating Income					
	Total Income from operations - net	7528.17	8059.59	6343.23	29966.76	24299.01
2	**Expenditure**					
	a) Cost of materials consumed	3160.98	4561.48	3197.53	14361.10	11074.20
	b) Purchases of Stock In trade	0.00	0.00	103.99	0.25	241.12
	c) Change in inventories of Finished goods& SIP	284.67	-129.24	-134.74	35.46	-127.22
	d) Employee Benefits expenses	324.22	257.82	226.23	1118.14	980.74
	e) Depreciation & Amortisation	331.96	340.90	302.77	1319.94	1198.00
	f) Other Expenses	3301.45	2041.57	1769.40	10028.02	7254.80
	Total (a to f)	7403.28	7072.53	5465.18	26862.90	20621.64
3	Profit / (Loss) from operations before other Income,finance costs and Exceptional items(1-2)	**124.89**	**987.06**	**878.05**	**3103.86**	**3677.36**
4	Other Income	136.90	95.14	-41.16	296.27	265.18
5	Profit / (Loss) from ordinary activities before finance costs and Exceptional items(3+4)	261.80	1082.20	836.89	3400.14	3942.54
6	Finance costs	206.12	222.94	193.80	789.44	695.55
7	Profit / (Loss) from ordinary activities after finance costs but before Exceptional items(5-6)	55.67	859.26	643.09	2610.69	3246.99
8	Exceptional items	680.86	483.19	495.03	1329.63	495.03
9	Profit / (Loss) from ordinary activities before tax (7+8)	**-625.19**	**376.07**	**148.06**	**1281.06**	**2751.96**
10	Tax Expenses					
	I) Current Tax	-309.83	117.02	541.89	256.31	1096.92
	II) Deferred Income Tax	59.78	9.96	-41.40	95.68	-165.40
11	Profit / (Loss) from ordinary activities after tax (9-10)	**-375.14**	**249.09**	**-352.43**	**929.07**	**1820.44**
12	Extraordinary items (net of tax expenses	0.00	0.00	0.00	0.00	0.00
13	Net profit / (loss) for the year	-375.14	249.09	-352.43	929.07	1820.44
14	Share of Proft / (loss) of associates	0.00	0.00	0.00	0.00	0.00
15	Minority Interest	0.00	0.00	0.00	0.00	0.00
16	Net profit / (loss) after taxes, minority interest and share of profit/ (loss) of associates (13+14+15)	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00	0.00
17	Paid-up Equity Share Capital (Face value of Rs.10	1489.69	1398.09	1398.09	1489.69	1398.09
18	Reserves excluding revaluation reserves as per Balance Sheet of previous year	12494.53	12746.43	11442.24	12494.53	11442.24
19 i	Earnings per share (before extraordinary items) of Rs.10/-each not annualised					
	a) Basic	0.00	1.78	0.00	6.65	13.02
	b) Diluted	0.00	1.78	0.00	6.65	13.02
19 ii	Earnings per share (after extraordinary items) of Rs.10/-each not annualised					
	a) Basic	0.00	1.78	0.00	6.65	13.02
	b) Diluted	0.00	1.78	0.00	6.65	13.02
A	Particulars of share holdings					
1	Public Shareholding					
	No. of Shares	6557149	6557149	6557149	6557149	6557149
	Percentage of Shareholding	46.10	46.90	46.90	46.10	46.90
2	Promoters and promoter group Shareholding					
	(a)Pledged/Encumbered					
	- No. of Shares	NIL	NIL	NIL	NIL	NIL
	- Percentage of Shares(as a % of the total shareholding of promoter and promoter group)	NIL	NIL	NIL	NIL	NIL
	- Percentage of Shares(as a % of the total share capital of the company)	NIL	NIL	NIL	NIL	NIL

For Sree Rayalaseema Hi-Strength Hypo Ltd.

(T.G. BHARATH)
Chairman & Managing Director

4/6

	(b)Non-encumbered					
	- No. of Shares	7667034	7423710	7423710	7667034	7423710
	- Percentage of Shares(as a % of the total shareholding of promoter and promoter group)	100.00	100.00	100.00	100.00	100.00
	- Percentage of Shares(as a % of the total share capital of the company)	53.90	53.10	53.10	53.90	53.10
B	INVESTOR COMPLAINTS	3 Months ended 31-03-2013				
	Pending at the beginning of the quarter	NIL				
	Received during the quarter	21				
	Disposed of during the quarter	21				
	Remaining unresolved at the end of the quarter	NIL				

SEGMENT WISE REVENUE RESULTS AND CAPITAL EMPLOYED

Sl. No.	Particulars	Quarter Ended			Year Ended	
		31/03/2013	31.12.2012	31/03/2012	31/03/2013	31/03/2012
1	**Segment Revenue**					
	Chemicals	7536.32	8013.82	6232.81	29230.54	23717.47
	Wind Energy Generation	128.75	140.91	69.26	1032.49	846.71
	Net Sales / Income from Operations	**7665.08**	**8154.73**	**6302.07**	**30263.04**	**24564.18**
2	**Segment Results**					
	Chemicals	160.74	1226.39	1060.05	3275.98	3795.43
	Wind Energy Generation	-35.85	-239.33	-182.00	-172.12	-118.07
	Total	**124.89**	**987.06**	**878.05**	**3103.86**	**3677.36**
3	**Interest (Net)**					
	Chemicals	184.86	154.44	140.37	543.59	356.84
	Wind Energy Generation	21.26	68.50	53.43	245.85	338.71
	Total	**206.12**	**222.94**	**193.80**	**789.44**	**695.55**
	Profit/Loss from Ordinary Activities before tax	**-625.19**	**376.07**	**148.06**	**1281.06**	**2751.96**
4	**Capital Employed**					
	(Segment Assets - Segment Liabilities)					
	Chemicals	14156.34	14342.55	13105.72	14954.41	13638.41
	Wind Energy Generation	-172.12	-198.03	-265.39	-970.19	-798.08
	Total Capital Employed in Segments	13984.22	14144.52	12840.33	13984.22	12840.33

STATEMENT OF ASSETS AND LIABILITIES

Sl. No.	Particulars	Year Ended 31-03-2013	Year Ended 31-03-2012
1	SHAREHOLDERS FUND:		
	a) Capital	1489.69	1398.09
	b) Reserves and Surplus	12494.53	11442.24
2	LOAN FUNDS	11665.30	9859.30
3	DEFERRED TAX LIABILITY	2372.78	2277.11
	Totals	**28022.30**	**24976.73**
4	FIXED ASSETS	20706.58	16052.43
5	INVESTMENTS	3075.13	2249.34
6	CURRENT ASSETS ,LOANS AND ADVANCES		
	a) Inventories	2121.76	2102.07
	b) Sundry Debtors	2883.48	2911.24
	c) Cash and Bank balances	510.31	524.30
	d) Other current assets	746.28	674.11
	e) Loans and Advances	7911.45	6565.36
	Totals	**14173.27**	**12777.08**
Less:	Current Liabilities and Provisions		
	a) Liabilities	8316.57	4454.32
	b) Provisions	1616.12	1647.80
	Totals	**9932.69**	**6102.12**
	NET CURRENT ASSETS	4240.59	6674.96
7	MISCELLANEOUS EXPENDITURE (Not written off or adjusted)	0.00	0.00
8	PROFIT AND LOSS ACCOUNT	0.00	0.00
	Totals	**28022.30**	**24976.73**
		0.00	0.00

5/6

For Sree Rayalaseema Hi-Strength Hypo Ltd.

(T.G. BHARATH)
Chairman & Managing Director

Notes

1 The above audited financial results for the year ended 31-03-2013 were reviewed by the Audit Committee and were approved and taken on record by the Board of Directors at their meeting held on 30-05-2013. The accounts are audited and reported upon by the statutory auditors of the company.

2 On 28-03-2013 the company had allotted 7,35,830 Convertible Warrants of Rs.10/- each at an issue price of Rs.54.62. (including premium of Rs.44.62) to one of the promoters. Subsequently, on 30-03-2013, 2,43,324 Equity Shares were allotted on part convertion of warrants in the ratio of 1:1

3 The figures of last quarter are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year.

4 Due to depreciation in exchange rate of US Dollar against Indian Rupees, the company has provided for marked-to - market losses. Exercising the option as per Gazette notification under AS - 11 (the effect of change in foreign rate) the company has charged off these exchange fluctuation loss to profit and loss account and such losses, being material in amount, is disclosed as exceptional item.

5 From this financial year 2012-13 the power scenerio in the State of Andhra Pradesh is reeling under accute power shortages and consequent levies (FSA) for past years and alternative power supplies at expensive prices over and above the increased power charges which are prohibitive and unaffordable. All these culmininated in a jolted impact on the operating results for the year. The company had accounted Rs.1033.64 Lakhs towards past year's FSA demands and R&C Maintenance charges for the current year is disclosed under exceptional item. In anticipation, as informed, the company has planned and implemening a 10 MW Captive Thermal Power Plant which would commence generation of power in a coulple of months.

6 Previous period / years figures have been regrouped / recast wherever necessary to make them comparable.

Place : Kurnool
Date :30-05-2013

for SREE RAYALASEEMA HI-STRENGTH HYPO LTD.,

T.G.BHARATH
CHAIRMAN AND MANAGING DIRECTOR

6/6