

REF:SRHHL/SEC/2018-19

30.05.2018

To  
BSE Limited  
DCS-CRD  
25<sup>th</sup> Floor, Phiroze Jeejeebhoy Towers  
Dalal Street  
MUMBAI - 400 001.

Dear Sir,

Sub: Outcome of Board Meeting & Submission of Standalone Audited Financial Results

Ref: Scrip Code 532842  
Regulation 33 of SEBI(LODR)Regulations, 2015

Please find enclosed a copy of Standalone Audited Financial Results for the quarter / year ended 31<sup>st</sup> March, 2018 which were taken on record and approved by the Board of Directors in their meeting held on 30<sup>th</sup> May, 2018 .

The Board of Directors at the said meeting recommended the payment of dividend @20% on paid up share capital of the Company i.e., Rs. 2.00 (Two Rupees only) per equity share of face value of Re. 10/- each for the financial year ended 31<sup>st</sup> March, 2018, subject to approval of the shareholders at the ensuing Annual General Meeting.


Also enclosed declaration pursuant to regulation 33 (3) of SEBI(LODR) Regulations, 2015.

Please find enclosed a copy of Auditor's Report certified by the Statutory Auditor.

This is for your kind information and records.

Thanking You

Yours faithfully  
For Sree Rayalaseema Hi-Strength Hypo Limited



T.G. Bharath  
Chairman & Managing Director





AUDITED FINANCIAL RESULTS FOR THE QUARTER/YEAR ENDED 31st MARCH, 2018

(Rs. In Lakhs)

Sl.No	Particulars	QUARTER ENDED				YEAR ENDED			
		31.03.18 Audited	31.12.17 Un-Audited	31.03.17 Audited	31.03.18 Audited	31.03.18 Audited	31.03.17 Audited		
I	Revenue from operations	18,121.89	12,917.53	10,803.86	55,546.64	39,099.86			
II	Other income	186.89	50.36	230.75	346.15	156.84			
III	<b>Total Revenue (I+II)</b>	<b>18,308.78</b>	<b>12,967.89</b>	<b>11,034.61</b>	<b>55,892.79</b>	<b>39,256.70</b>			
IV	<b>Total Expenditure</b>								
	a) Cost of materials consumed	8,032.66	7,239.05	4,545.27	28,843.72	20,530.35			
	b) Purchases of Stock-in-trade	4,312.47	3,206.34	1,252.13	10,512.18	1,252.13			
	c) Change in inventories of finished goods, work-in progress and stock in trade	64.98	(992.24)	85.58	-829.88	-32.14			
	d) Employee benefits expenses	728.80	381.76	370.51	1,905.73	1,578.51			
	e) Finance cost	255.24	207.29	158.48	699.99	638.80			
	f) Depreciation/Amortisation expenses	507.07	490.60	596.83	1,866.07	2,465.39			
	g) Other expenses	3,869.82	2,041.53	3,395.77	10,742.10	10,988.52			
	<b>Total (a to g)</b>	<b>17,771.05</b>	<b>12,574.33</b>	<b>10,404.57</b>	<b>53,739.92</b>	<b>37,421.56</b>			
V	<b>Profit before exceptional items and tax (III-IV)</b>	<b>537.73</b>	<b>393.56</b>	<b>630.04</b>	<b>2,152.87</b>	<b>1,835.14</b>			
VI	Exceptional items	1,548.48	-	(383.87)	1,548.48	(383.87)			
VII	<b>Profit before Tax (V+VI)</b>	<b>2,086.21</b>	<b>393.56</b>	<b>246.17</b>	<b>3,701.35</b>	<b>1,451.27</b>			
VIII	<b>Tax expenses</b>								
	Current Tax (MAT) for the year	444.71	100.54	(111.59)	789.38	543.41			
	Mat credit entitlement for the year	(732.54)	-	(576.88)	(732.54)	(576.88)			
	Deferred Tax	(133.85)	158.96	14.40	(16.13)	(387.50)			
	Earlier years Income Tax	-	-	34.68	-	34.68			
IX	<b>Profit for the period (VII-VIII)</b>	<b>2,507.89</b>	<b>134.06</b>	<b>885.55</b>	<b>3,660.63</b>	<b>1,837.55</b>			
X	<b>Other comprehensive income</b>								
	Net gain/(losses) on FVTOCI financial instruments	(2,968.60)	5,588.10	568.36	6,214.79	1,149.77			
	Re-measurement gains/(losses) on defined benefit plans	6.60	-	(9.25)	6.60	(9.25)			
	Tax on above items	1,025.09	(1,933.93)	(193.50)	(2,153.10)	(394.71)			
XI	<b>Total Comprehensive income for the period (IX+X)</b>	<b>570.97</b>	<b>3,788.23</b>	<b>1,251.17</b>	<b>7,728.92</b>	<b>2,583.36</b>			
XII	Earnings per Equity share (Not Annualized)								
	(a) Basic (Rs.)	15.38	0.87	5.72	22.45	11.86			
	(b) Diluted (Rs.)	14.61	0.78	5.16	21.33	10.71			

For Sree Rayalaseema Hi-Strength Hypo Ltd.



(T.G. BHARATH)  
 Chairman & Managing Director



Segment wise revenue, results and Assets & Liabilities

(Rs. In Lakhs)

Sl. No.	Particulars	Quarter ended		Year Ended			
		31-03-2018 (Audited)	31-12-2017 (Un audited)	31-03-2017 (Audited)	31-03-2018 (Audited)	31-03-2017 (Audited)	
1	<b>Segment Revenue</b>						
	Chemicals	17,515.73	12,415.94	8,768.74	52,852.08	36,665.10	
	Power Generation	1,783.66	2,028.98	1,448.32	7,354.38	5,703.16	
	Unallocated	186.89	50.36	2.93	346.15	38.51	
	Total	<b>19,486.27</b>	<b>14,495.28</b>	<b>11,969.72</b>	<b>60,552.60</b>	<b>42,406.77</b>	
	Less: Intersegment Revenue	1,177.50	1,527.39	935.11	4,659.82	3,150.07	
	<b>Net Sales/Income from Operations</b>	<b>18,308.78</b>	<b>12,967.89</b>	<b>11,034.61</b>	<b>55,892.79</b>	<b>39,256.70</b>	
	2	<b>Segment Results (Profit before Tax &amp; Finance Cost)</b>					
		Chemicals	2,912.33	148.49	167.50	3,060.82	1,235.09
		Power Generation	-105.99	402.00	89.58	994.38	816.47
Unallocated		186.89	50.36	2.93	346.15	38.51	
Total		<b>2,341.46</b>	<b>600.85</b>	<b>404.65</b>	<b>4,401.35</b>	<b>2,090.07</b>	
Less: Interest (Net)		255.24	207.29	158.48	699.99	638.80	
<b>Total Profit Before Tax</b>		<b>2,086.21</b>	<b>393.56</b>	<b>246.17</b>	<b>3,701.35</b>	<b>1,451.27</b>	
3		<b>Segment Assets</b>					
		Chemicals	27,833.43	42,809.04	19,540.32	27,833.43	19,540.32
		Power Generation	8,259.73	8,494.24	9,726.63	8,259.73	9,726.63
	Others	10,673.30	-	5,932.08	10,673.30	5,932.08	
	Total	<b>46,766.46</b>	<b>51,303.28</b>	<b>35,199.03</b>	<b>46,766.46</b>	<b>35,199.03</b>	
4	<b>Segment Liabilities</b>						
	Chemicals	11,822.27	14,936.55	7,560.01	11,822.27	7,560.01	
	Power Generation	1,595.13	2,177.00	2,325.61	1,595.13	2,325.61	
	Others	1,550.38	-	1,564.22	1,550.38	1,564.22	
	Total	<b>14,967.78</b>	<b>17,113.55</b>	<b>11,449.84</b>	<b>14,967.78</b>	<b>11,449.84</b>	

For Sree Rayalaseema HI-Strength Hypo Ltd.

(T.G. BHARATH)  
Chairman & Managing Director





# Sree Rayalaseema Hi-Strength Hypo Limited

Regd. Office, Gondiparla, Kurnool-518 004 CIN - L24110AP2005PLC045726, Tel: 08518-226656 FAX: 08518-223066

## AUDITED STATEMENT OF ASSETS AND LIABILITIES AS AT 31st MARCH, 2018

(Rs. In Lakhs)

ASSETS	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>Non-current assets</b>			
Property, plant and equipment	19,435.67	17,656.33	18,914.21
Capital work-in-progress	-	847.87	185.45
Investment properties	-	551.52	551.52
<b>Financial assets</b>			
- Investments	10,524.82	4,324.27	3,551.67
- Other financial assets	990.87	222.90	228.78
Other non-current assets	1,152.07	1,218.16	1,237.91
<b>Current assets</b>			
Inventories	3,652.24	2,878.75	2,215.82
<b>Financial assets</b>			
- Trade receivables	5,706.51	3,039.47	5,321.36
- Cash and cash equivalents	297.87	907.54	67.63
- Bank balances other than Cash and cash equivalents	659.71	567.97	508.64
- Loans	125.03	89.07	72.49
- Other financial assets	14.53	14.36	147.37
Current Tax Assets (Net)	-	136.78	-
Other current assets	4,207.14	2,744.05	2,264.83
<b>TOTAL ASSETS</b>	<b>46,766.46</b>	<b>35,199.03</b>	<b>35,267.68</b>
<b>EQUITY AND LIABILITIES</b>			
	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>Equity</b>			
Equity Share capital	1,630.66	1,549.13	1,471.67
Other equity	30,168.02	22,200.07	18,788.68
<b>Total Equity</b>	<b>31,798.68</b>	<b>23,749.19</b>	<b>20,260.35</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
- Borrowings	2,169.28	2,023.38	2,477.24
- Others	126.24	126.24	215.99
Deferred tax liabilities (Net)	1,550.38	1,564.22	1,954.92
Deferred Government grants	113.94	-	-
Provisions	81.23	68.91	59.01
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
- Borrowings	4,792.37	2,944.08	4,611.88
- Trade and other payables	2,285.87	3,469.69	2,706.83
- Other financial liabilities	1,866.90	1,063.62	1,868.15
Other current liabilities	1,558.94	135.61	652.57
Provisions	85.08	54.09	47.79
Current tax liability (Net)	337.55	-	412.96
<b>TOTAL LIABILITIES</b>	<b>14,967.78</b>	<b>11,449.84</b>	<b>15,007.33</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>46,766.46</b>	<b>35,199.03</b>	<b>35,267.68</b>

For Sree Rayalaseema Hi-Strength Hypo Ltd.

(T.G. BHARATH)  
Chairman & Managing Director





Reconciliation between Equity previously reported under IGAAP and Ind AS is as under:

(Rs. In Lakhs)

Particulars	Notes	As at 31st March 2017
<b>Equity as per IGAAP</b>		<b>21,504.33</b>
Effect of measuring borrowings from banks at fair value	a	12.20
Effect of measuring impairment allowance of trade receivables based on expected credit loss model (ECL)	b	(12.99)
Effect of measuring investments at fair value	c	2,366.58
Proposed dividend	d	279.67
Deferred tax impact on above adjustments	e	(400.61)
<b>Equity as per IND AS</b>		<b>23,749.19</b>

**Notes:**

a. Under IGAAP transaction costs incurred towards origination of borrowings were either capitalised or recognised in the Statement of Profit or Loss. Whereas, under Ind AS these transaction costs are deducted from the carrying amount of borrowings on initial recognition. These costs are then capitalised or recognised in the Statement of Profit or Loss over the tenure of borrowings as part of the interest expense by applying the effective interest method. The corresponding adjustments have been recognised in retained earnings as at the date of transition and subsequently in the Statement of Profit or Loss.

b. Under IGAAP provisions for trade receivables are provided based on the best judgement of management after analysing the facts and circumstances. Whereas, Under Ind AS the trade receivables are subject to Expected Credit Loss model. Impairment loss allowance is made in financial statements after considering "Expected Credit Loss model".

c. Under IGAAP Long-term Investments are usually carried at cost. Whereas under Ind AS Long-term Investments are measured at fair value and resulting fair value changes are recognised through Other Comprehensive Income (OCI).

d. Under previous GAAP, dividends on Equity shares recommended by the Board of Directors after the end of the reporting period but before the financial statements were approved for issue were recognised in the financial statements as a liability. Under Ind AS, such dividends together with dividend distribution tax are recognised when approved by the members in the General Meeting.

e. IGAAP requires deferred tax accounting using income statement approach i.e recognising tax effect on timing difference between the accounting income and taxable income for the period. Under Ind AS, deferred taxes are recognised using balance sheet approach i.e tax effect on temporary differences between carrying amount and tax base. Also deferred taxes are recognised on account of the above mentioned changes.

For Sree Rayalaseema Hi-Strength Hypo Ltd.



(T.G. BHARATH)  
Chairman & Managing Director



Notes:

1. The above audited financial results for 4<sup>th</sup> quarter/ year ended 31.03.2018 were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 30<sup>th</sup> May , 2018 .
2. The Company adopted Indian Accounting Standards (Ind AS) from 1st April, 2017. Accordingly, the financial results for the 3<sup>rd</sup> quarter ended 31<sup>st</sup> December, 2017 and 4<sup>th</sup> quarter /year ended 31<sup>st</sup> March, 2018 have been prepared in accordance with Ind AS prescribed under section 133 of the Companies Act, 2013 read with the Rules there under. The Company had adopted Ind AS with transition date of 1<sup>st</sup> April, 2016 and accordingly, restated results for the 4<sup>th</sup> quarter/ year ended 31.03.2017.
3. The Statutory Auditors have audited the above financial results for 4<sup>th</sup> quarter/ year ended 31<sup>st</sup> March, 2018 and carried out limited review for current year third quarter 31<sup>st</sup> December,2017 . The Ind AS compliant financial results for the corresponding 4<sup>th</sup> quarter / year ended 31<sup>st</sup> March ,2017 in previous year have not been subjected to limited review or audit. However, the company's management has presented the financial results after incorporating the applicable Ind AS adjustments and exercised necessary due diligence to give a true and fair view of the results in accordance with Ind AS.
4. According to requirements of Ind AS and SEBI (LODR) Regulations,2015 , revenue from operations for the fourth quarter/ full year ended 31<sup>st</sup> March, 2017 are reported inclusive of excise duty . From 1<sup>st</sup> July, 2017 Goods and Service Tax (GST) had been implemented . As per Ind As 18, the revenue for the 3<sup>rd</sup> quarter ended 31<sup>st</sup> December,2017 and 4<sup>th</sup> quarter ended 31<sup>st</sup> March, 2018 are reported net of GST.
5. During the quarter 8,15,329 warrants were converted into 8,15,329 Equity shares of Rs. 10/- each at a premium of Rs. 88.19 in the ratio of 1:1 under second tranche on 26.03.2018 on preferential basis to promoters of the Company. Necessary listing applications submitted to stock exchanges and approvals from stock exchanges are awaited.
6. The exceptional item includes Rs.15,48,48,403/- profit from sale of investment property.
7. The Board of Directors have recommended final dividend of Rs.2.00 per share of Rs. 10/- each (20% on paid up Equity share capital ) for financial year ended 31.03.2018 subject to members approval in the ensuing Annual General Meeting.
8. The reconciliation of net profit for the previous year fourth quarter/ year ended 31<sup>st</sup> March , 2017 as earlier reported under previous Indian GAAP and now under Ind As is as follows:

For Sree Rayalaseema Hi-Strength Hypo Ltd.



  
(T.G. BHARATH)  
Chairman & Managing Director




(Rs. in lakhs)

Particulars	Previous Year Quarter ended 31.03.2017 (audited)	Previous Year ended 31.03.2017 (audited)
<b>Reconciliation of Net Profit as reported earlier</b>		
Net profit under previous GAAP	778.48	1,835.91
Net (loss)/ gain on Fair Value Through PL (FVTPL) securities	131.67	-
Unwinding of interest on assets/liabilities discounted	-1.28	-5.54
Allowance for expected credit loss (ECL)	3.35	3.35
Actuarial gains/(losses) on gratuity reclass to OCI	9.25	9.25
Effect of tax	-35.92	-5.41
<b>Net profit under Ind AS</b>	<b>885.55</b>	<b>1,837.55</b>
<b>Other comprehensive income</b>		
Actuarial gains/(losses) on post- employment benefit obligations	-9.25	-9.25
Net (loss)/ gain on Fair Value Through OCI (FVTOCI) equity securities	568.36	1,149.77
Tax on items that will not be reclassified to profit or loss	-193.50	-394.71
<b>Total comprehensive income under Ind AS</b>	<b>1,251.17</b>	<b>2,583.36</b>

9. The figures for the quarter ended 31<sup>st</sup> March, 2018 and March 31, 2017 are the balancing figures between the audited figures in respect of the full financial year and unaudited published figures up to the third quarter for the respective years.
10. The figures of the previous period have been reclassified / recasted / regrouped wherever necessary to make them comparable.

For and on behalf of the Board

  
T G Bharath  
Chairman & Managing Director  
DIN: 00125087

Date: 30.05.2018  
Place: Kurnool





**Auditors' report on quarterly financial results and year to date results of the company pursuant to the Regulation 33 of SEBI ( Listing Obligations & Disclosure Requirements) Regulations, 2015**

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

We have audited the quarterly results of **Sree Rayalaseema Hi-Strength Hypo Limited, Regd.Office : Gondiparla, Kurnool - 518 004** for the quarter ended 31<sup>st</sup> March,2018 and the year to date results for the period from 1<sup>st</sup> April,2017 to 31<sup>st</sup> March,2018 attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of SEBI( Listing Obligations & Disclosure Requirements) Regulations, 2015. These quarterly financial results as well as the year to date financial results have been prepared on the basis of the interim financial statements , which have been prepared on the ; basis of the interim financial statements, 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 Reporting ( AS25/Ind AS 34), prescribed, under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.

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 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.

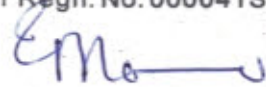
In our opinion and to the best of our information and according to the explanations given to us these quarterly financial results as well as the year to date results:

- (i) are presented in accordance with the requirements of Regulation 33 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 in this regard; and
- (ii) give a true and fair view of the net profit and other financial information for the quarter ended 31<sup>st</sup> March,2018 as well as the year to date results for the period from 1<sup>st</sup> April,2017 to 31<sup>st</sup> March,2018.

Place : Kurnool  
Date :30<sup>th</sup> May, 2018



For T. ADINARAYANA & CO.  
Chartered Accountants  
Firm Regn. No. 000041S

  
Y.P. RAO B.Com., F.C.A.  
Proprietor, (M.No: 25266)



Dt: 30.05.2018

To  
BSE Limited  
P J Towers, Dalal Street  
Fort  
Mumbai - 400001

Dear Sir

Sub: Submission of declaration on Auditors Report with unmodified opinion  
under Regulation 33(3) of SEBI(LODR) Regulations, 2015

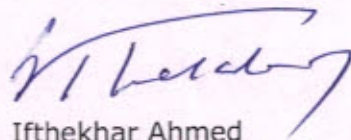
Ref: Scrip Code : 532842

We hereby declare in accordance with Regulation 33(3) of SEBI (Listing Obligation and Disclosure Requirements ) Regulations, 2015 that M/s T.Adinarayana & Co., Chartered Accountants (Registration No 000041S ) , Statutory Auditors of Company have issued an Audit Report with **Unmodified Opinion** on Standalone Audited Financial Results of the Company for the quarter and financial year ended March 31, 2018.

Kindly take the above information on your records.

Thanking you

Yours Faithfully  
For Sree Rayalaseema Hi-Strength Hypo Limited



Ifthekhar Ahmed  
Chief Financial Officer