

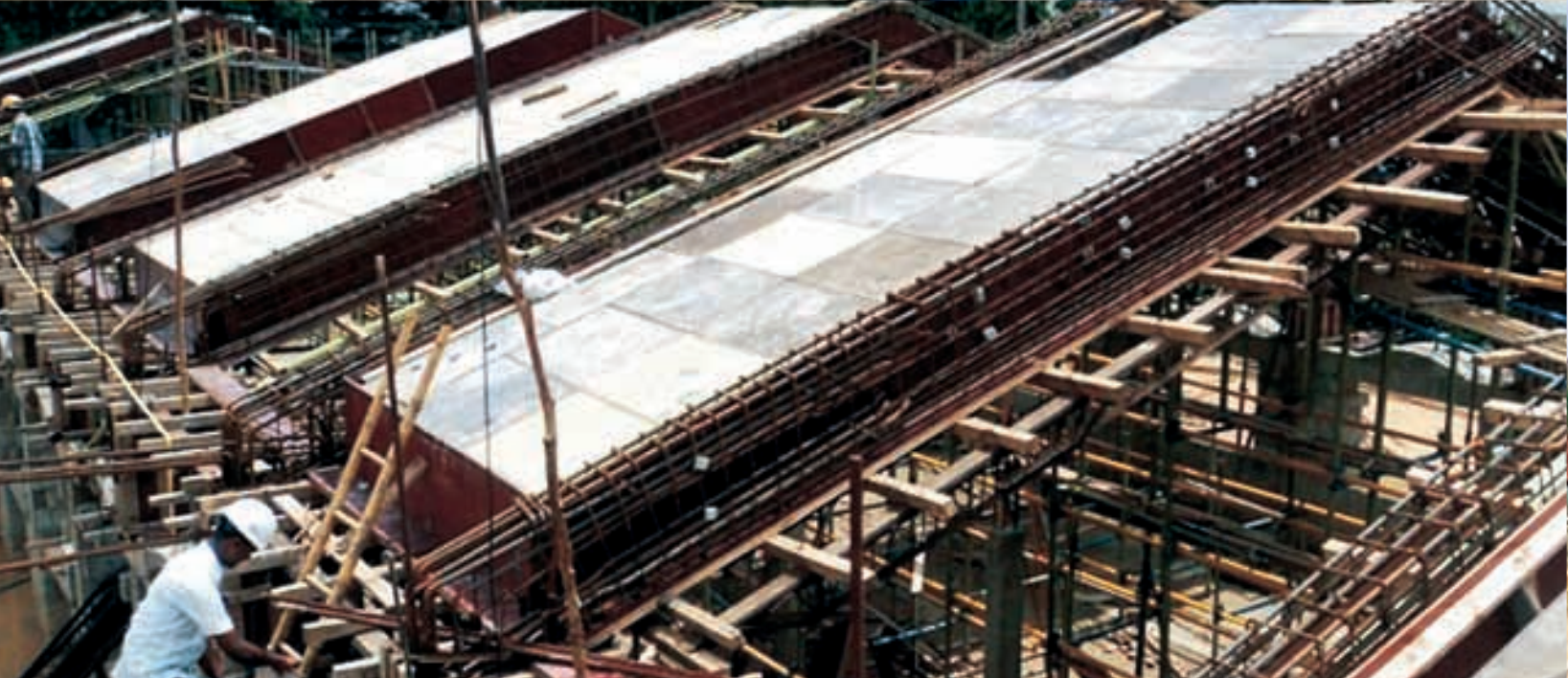


SSPDL
Limited

Building the big picture

Annual Report 2010 - 2011

Building the Big Picture, together



S | I | P | L

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SSPDL Interserve Private Limited

BOARD OF DIRECTORS	Sri PRAKASH CHALLA Sri E.BHASKAR RAO Sri SURESH CHALLA Sri S.SURYANARAYANA Sri K.AKMALUDDIN SHERIFF Sri B.LOKANATH	Managing Director Director Director Director Director Director
AUDIT COMMITTEE	Sri S.SURYANARAYANA Sri B.LOKANATH Sri E.BHASKAR RAO	Chairman Member Member
SHAREHOLDERS AND INVESTOR GRIEVANCES REDRESSAL COMMITTEE	Sri SURESH CHALLA Sri S.SURYANARAYANA Sri E.BHASKAR RAO	Chairman Member Member
COMPANY SECRETARY CUM MANAGER (FINANCE)	Sri A.SHAIENDRA BABU	
AUDITORS	M/S. KARVY & CO., CHARTERED ACCOUNTANTS, No. 2, BHOOMA PLAZA, St.No. 4, AVENUE 7, BANJARA HILLS, HYDERABAD - 500 034.	
BANKERS	STATE BANK OF INDIA - CHENNAI & AXIS BANK LIMITED - HYDERABAD & CHENNAI	
REGISTERED OFFICE	8-2-595/3/6, 'EDEN GARDENS', ROAD NO.10, BANJARA HILLS, HYDERABAD - 500 034.	
CORPORATE OFFICE	'CHALLA MALL', 8TH FLOOR, 11-11A, SIR THIAYAGARAYA ROAD, T.NAGAR, CHENNAI - 600 017.	
SHARE TRANSFER AGENTS AND ELECTRONIC REGISTRARS	KARVY COMPUTERSHARE PRIVATE LIMITED PLOT NO.17 TO 24, VITTALRAO NAGAR, MADHAPUR, HYDERABAD - 500 081.	

CONTENTS

Notice _____	2 - 3
Directors' Report _____	4 - 8
Management Discussion & Analysis _____	9 - 10
Report on Corporate Governance _____	11 - 20
Auditors Report _____	21 - 23
Balance Sheet _____	24 - 24
Profit & Loss Account _____	25 - 25
Schedules _____	26 - 32
Significant Accounting Policies and Notes to Accounts _____	33 - 39
Cash Flow Statement _____	40 - 40
Balance Sheet Abstract, General Business Profile _____	41 - 41
Consolidated Financial Statements _____	42 - 61

NOTICE

NOTICE IS HEREBY GIVEN THAT THE SEVENTEENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF THE COMPANY WILL BE HELD AT QUTUB SHAHI HALL, COUNTRY CLUB, 6-3-1219, BEGUMPET, HYDERABAD - 500 016, AT 3.00 P.M. ON FRIDAY, THE 30TH DAY OF SEPTEMBER, 2011, TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2011 and the Profit & Loss Account for the year ended as on that date, together with the Auditor's Report and Directors' Report thereon.
2. To appoint a Director in place of Sri Suresh Challa, who retires by rotation, and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Sri Suryanarayana, who retires by rotation, and being eligible, offers himself for reappointment.

4. To appoint Statutory Auditors and fix their remuneration and for this purpose to consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT M/s. Karvy & Co., Chartered Accountants, Hyderabad (firm registration No.001757S), be and are hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of Seventeenth Annual General Meeting till the conclusion of Eighteenth Annual General Meeting at a remuneration as may be fixed by the Board of Directors of the Company."

**By Order of the Board
for SSPDL Limited**

A.Shailendra Babu
Company Secretary cum
Manager (Finance)

Place : Hyderabad
Date : 13.08.2011

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. THE PROXY, SO APPOINTED, NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE EFFECTIVE, SHOULD BE DULY STAMPED, COMPLETED, SIGNED AND DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Register of Members and the transfer books of the Company will be closed from 26.09.2011 to 30.09.2011 (both days inclusive).
3. Members holding shares in physical form are requested to notify immediately any change in their address along with their Folio No. to the Registrars and Share Transfer Agents of the Company i.e., M/s. Karvy Computershare Private Limited, or to the Company at its Registered Office at 8-2-595/3/6, Eden Gardens, Road No.10, Banjara Hills, Hyderabad - 500 034.

Members are also requested to notify immediately any change in their address to their Depository Participants in respect of their holdings held in electronic form. Non-Resident Indian Members are requested to inform M/s. Karvy Computershare Private Limited of the change in residential status immediately on return to India for permanent settlement.
4. **Members desirous of seeking any information/clarifications on the annual accounts are requested to write to the Company at least 7 (seven) working days before the date of Annual General Meeting so that the required information can be made available at the meeting.**
5. Members/Proxies are requested to bring their copies of Annual Report and the attendance slip duly filled in for attending the meeting.
6. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID Nos. and those who hold shares in physical form are requested to write their Folio number in the attendance slip for attending the meeting.
7. Corporate Members intending to send their Authorized Representatives to attend the meeting are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
8. In case of Joint holders attending the meeting only such Joint Holder who is higher in the order of names will be entitled to vote.
9. Members are requested to note that, as per Section 205A of the Companies Act, 1956, as amended, the unpaid or unclaimed dividend for a period of seven years shall be transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government. Accordingly, the last date for claiming unpaid / unclaimed dividend declared for the year 2006-07 is 26.10.2014. The Members who have not en-cashed their Dividend for the year 2006-07, are requested to write to the Company Secretary and Compliance Officer at the Registered Office of the Company.
10. The Company's equity shares are listed on Bombay Stock Exchange (BSE). The Company has promptly paid annual listing fees to the BSE for the year 2011-12.
11. Members who hold shares in physical form and wish to make/change nomination in respect of their shareholding in the Company may submit duly filled in and signed Form

- No.2B to the Registrars and Share Transfer Agents of the Company.
12. Members who hold shares in physical form are requested to submit a copy of Permanent Account number (PAN) to the Share Transfer and Registrar of the Company.
13. **Appointment/Re-appointment of Directors** : The Information to be provided in terms of Clause 49 of the Listing Agreement relating to Appointment/Reappointment of Directors is provided in the Corporate Governance Report.
14. **Postal Ballot Resolutions** : The members of the Company are aware that, in the month of July, 2010 your approval has been obtained through postal ballot for transfer of Construction Business to M/s.SSPDL Interserve Private Limited and the

resolution have been passed with 99.93% majority. The relevant details in this regard are already provided in the previous annual report and as per provisions of the listing agreement the details are again provided in Report on Corporate Governance.

**By Order of the Board
for SSPDL Limited**

Place : Hyderabad
Date : 13.08.2011

A.Shailendra Babu
Company Secretary cum
Manager (Finance)

IMPORTANT COMMUNICATION TO MEMBERS

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliance by the companies and has issued circulars, vide nos. 17/2011 and 18/2011, dated 21 and 29 April 2011 respectively, stating that services of notice/documents including annual report can be sent electronically by e-mail to its members.

This move by the Ministry is welcome since it will benefit the society at large through reduction in paper consumption and contribution towards a greener environment. Additionally, it will avoid loss in postal transit, save time, energy and costs.

By understanding the underlying theme of the above circulars, to support this green initiative of the government in full measure, the Company henceforth proposes to send documents like Notice convening general meetings, Financial Statements, Directors Report, Auditors' Report etc., for the year ended March 31st, 2011 onwards, to the e-mail address registered with the depositories by the shareholders holding shares in electronic form and for Shareholders holding Shares in physical form with Registrar and Share transfer Agents of the Company.

In this regard, we request shareholders who have not registered their e-mail address, so far, to register their e-mail addresses, in respect of electronic holding with depository through their concerned Depository Participants and Members who hold shares in physical form are requested to register the same with Karvy Computershare Private Limited, Registrar and Share Transfer Agents of the Company.

DIRECTORS' REPORT

To,
The Members

Your Directors have pleasure in presenting the Seventeenth Annual Report on the business and operations of the Company together with the Audited Financial Accounts for the year ended 31st March, 2011.

FINANCIAL RESULTS

The financial highlights for the current year in comparison to the previous year are as under.

PARTICULARS	₹ in Lakhs	
	2010-2011	2009-2010
Total Income	4,638.18	5,024.51
Less: Operating Expenses	3,231.07	4,735.88
Gross Profit/(Loss) before Depreciation and Interest	1,407.11	288.63
Less: Depreciation	19.96	31.73
Interest & Finance Charges	443.43	689.74
Profit/(Loss) before Tax	943.72	(432.84)
Less: Provision for Tax	333.32	(168.76)
Profit/(Loss) after Tax	610.40	(264.08)
Balance of Profit brought forward	2,410.77	2,674.85
Profit available for appropriation	3,021.18	2,410.77
APPROPRIATIONS		
Proposed Dividend	-	-
Tax on proposed dividend	-	-
Transfer to General Reserve	-	-
Balance carried to Balance Sheet	3,021.18	2,410.77

BUSINESS OVERVIEW

The total income of your Company for the year under review is ₹ 4,638.18 lakhs as compared to ₹ 5,024.51 lakhs for the previous year ended 31st March, 2010. Profit/(Loss) after tax was ₹ 610.40 lakhs as against ₹ (264.08) lakhs in the previous year.

Various projects undertaken by the Company are under different stages of execution, and the performance of the Company during the current year i.e., 2011-12 is expected to be in accordance with Company's plans.

PROPERTY DEVELOPMENT PROJECTS

CHENNAI

Alpha City Project

The construction of this 4,77,000 Sft IT Park has been completed in 2007 and software majors like IBM are Tenants in this building. This building was nominated by CNBC AWAZ for best Commercial Building in 2008. During the year under review an extent of ₹ 20.52 Crores has been recovered from Alpha City IT park.

Matrix Towers

The construction of this 1,40,000 Sft IT Park is almost completed. Due to slump in IT space the state of the project has not changed

and Company is exploring the market for sale/lease of the balance unsold space of about 8,500 Sft.

NOVOTEL/IBIS Hotels at the Promenade

This project was originally conceived for doing a Shopping Mall and Commercial Buildings on a Joint Venture basis with the Land Owners. Total area planned was 1.2 Million Sft. This project is being executed under the SPV, SSPDL Infrastructure Developers (P) Ltd partnering with M/s. Innovative India Realty Opportunity Fund Ltd., Cyprus.

However, as the commercial markets got hit, Company has reduced its scope of development to the Novotel & IBIS Hotels only.

The requisite sanctions have been received and the work has commenced and slated to complete by July, 2012. The Construction is being executed by your subsidiary Company M/s. SSPDL Interserve Private Limited (SIPL).

Green Acres

The Company had originally entered into a Joint Venture Agreement with land owners for developing 8.11 acres of land into residential apartments aggregating to 1.2 Million Sft. The land is situated at Kazhipattur Village in Old Mahabalipuram Road (IT Highway), Kancheepuram District.

Considering the market scenario the Company has renegotiated with the Land Owners for enhanced sharing ratio for us. Also, Company has identified an investor for doing the project jointly. *For this purpose Company incorporated a new SPV on 10.06.2011 in the name of "SSPDL Green Acres LLP" with sharing of 36:64 respectively by the Company and the investor.*

The built up area is around 8.81 lakhs sft. and SSPDL Green Acres LLP share will be 5.66 lakh sft. The development will mostly be residential with some commercial area of value ₹ 200 Crores for development in a period September 2012-December 2015.

SSPDL Crescent

A Residential Premium Apartments project on a 1.12 Ac plot of land situated at Keelambakkam on Vandalur Road, Off the IT Express Highway, Chennai. Out of total 53 Apartments to our Company's share, Company has sold all apartments of its share.

The construction work is being done by SIPL on cost plus profit basis with effect from 7th July 2010. Construction work is almost completed and the project is expected to be handed over by September, 2011.

SSPDL Lakewood Enclave/ Mayfair Apartments

A Residential Villa / Apartment project is on a 3.89 Ac plot of land situated at Thalambur Village of Old Mahabalipuram, (IT Express Highway), Chennai. The construction work is being done by SSPDL Interserve Private Limited.

This project is being done in phases. 1st Phase consists of 32 Villas and 2nd phase is 76 apartments i.e., Mayfair Apartments. Layout sanction and planning permissions are received. We are developing Lakewood/Mayfair as Gold rated Green Building.

We have sold 56% of our share of villas and some of the flats have been booked in Company's share in apartment. Considering the

need to reduce the Carbon foot print, we have decided to go in for Green Building Certification to achieve Gold rating for the two Projects.

HYDERABAD

The Retreat

The Retreat is envisaged as a 90+ acre township project located close to the outer ring road at Kollur/Osman Nagar. Plans are being worked out for affordable independent homes market catering to the mid market segment. Due to the continuing adverse market conditions, this project is still in the planning phase, however, the Company is exploring various options for developing the township including strategic alliances with third parties.

SSPDL Northwoods

SSPDL Ltd and Indiareit Fund Advisors Pvt. Ltd. through their SPVs have acquired 42 acres in Gundla Pochampally village, Hyderabad to develop a gated residential villa community "SSPDL Northwoods". Land conversion process is completed.

Considering the market conditions Company is evaluating the project and planning for affordable homes also.

KERALA

The Retreat

The Company has acquired about 300 acres through itself and its subsidiaries, a Cardamom plantation land at Kallar Valley, Idukki District, Kerala. The Company is planning to use the SPV's for operating a) Villa Development, b) Jungle Resort Development and c) Jungle and Plantation Development.

Plots have been demarcated for sale. Preliminary work with regard to roads has been completed. After receiving the necessary approvals from the authorities plots will be registered in favour of the buyers. Applications are submitted for obtaining the permission for construction of villas. This project is slated for commencement in 1st Quarter of 2012.

Considering the Kerala Budget 2011 Company is evaluating different strategies to make it more attractive to the customers.

CONSTRUCTION BUSINESS:

Members are aware that, as part of the restructuring exercise, Company has incorporated a Subsidiary Company i.e., SSPDL Interserve Private Limited (SIPL) for carrying on the Construction Business. During the year under review, M/s. Interserve Plc., UK based Construction and allied services company has invested in SIPL through its group company. After investment made by the M/s. Interserve Holding Limited our Company is holding 51% and Interserve is holding 49% equity in SIPL.

KPCL Project, Raichur

The Company has been awarded a contract for constructing the compound wall for Karnataka Power Corporation Limited for their thermal plant at Raichur of value ₹ 5.60 Crores. The construction work is already completed and handed over.

National Police Academy, Hyderabad

The Company was awarded a contract for the construction of prefab structure for executive housing at the National Police

Academy in Hyderabad for a value of ₹ 2.10 Crores. The construction work is already completed and handed over

ECIL Project, Hyderabad

The Company was awarded two contracts for the construction of lab buildings at ECIL in Hyderabad for a value of ₹ 6.5 Crores. The completion of construction work is delayed due to design changes and other factors. However, the construction work is completed.

CONSTRUCTION CONTRACTS EXECUTED BY SIPL

Crescent, Chennai

This project is located at Kelambakkam, Chennai. This is an apartment project with total area of about 87,000 Sft. The job is awarded by SSPDL Limited for a total value of ₹ 9.3 Crores and the expected completion is in September 2011.

Lakewood Enclave, Chennai

A Residential Villa / Apartment project situated at Thalambur Village of Old Mahabalipuram, (IT Express Highway), Chennai. The total work value is ₹ 28 Crores for an area of about 1,57,000 Sft and the expected completion is in December 2012. This project is for SSPDL Limited.

Novotel/IBIS Hotels, Chennai

A Hotel construction project was awarded by SSPDL Infrastructure Developers Pvt Ltd. The total value of the work is ₹ 30 Crores. Construction work is under progress and expected to be completed in June, 2012.

Township at Tuticorin Project

Construction contracting work from Vishnudeep Projects, to construct a township for M/s. Sterlite Industries at Tuticorin. The value of the project is ₹ 14.00 crores and work completed value is ₹ 13.00 crores and the balance work is expected to complete in the month of September, 2011.

Panache, Chennai

A Villa project on Old Mahabalipuram Road (OMR), Chennai from Olympia Infratech for a value of ₹ 6.50 Crores and work completed value is ₹ 1.70 crores. The expected completion is revised to October, 2011.

The Retreat, Bangalore

A high end Villa project with an area of about 6,00,000 Sft and the work is awarded by Sri Satya Sai Constructions for a total value of ₹ 115 Crores. Constructions work is in progress and work completed as on July 31st, 2011 is ₹ 12.30 Crores. The project is expected to be completed in June 2013.

Frangipani, Pudupakkam

Construction of Residential Building at Pudupakkam inside Siruseri IT park, Chennai, for building 2,79,760 sft. for M/s. Arihant Foundations & Housing Ltd. The value of the order is ₹ 22.26 crores, and Value of the work completed ₹ 4.00 crores.

Jashn, Commercial and Residential Building

Construction of Commercial cum residential building at Marshall Road, Egmore, Chennai, for M/s. Arihant Foundations & Housing Ltd., Work scope has been reduced and total work is completed.

Residential Building at Medavakkam, Chennai

Value of the project is ₹ 10.00 Crores from M/s. Vishranthi Homes Pvt. Ltd., Chennai for construction of Residential Building at Medavakkam, Chennai. Work completed value is about ₹ 2.50 crores and entire project is expected to be completed in December, 2011.

Meeting House, Bangalore

Value of the project is ₹ 15.00 Crores from M/s. Church of Latter day saints Architects for construction of Meeting House at Bangalore. Work completed value is about ₹ 3.60 crores and entire project is expected to be completed in June, 2012. The architects for the project are M/s. Sundara Sundaram Architects, Coimbatore.

DIVIDEND

Your Directors do not recommend any dividend for the Financial Year ended 31st March, 2011.

DIRECTORS

Sri Suresh Challa, and Sri S.Suryanarayana Directors retires by rotation at the ensuing Annual General Meeting and being eligible offers themselves for reappointment.

Brief resume of the Directors proposed to be appointed and reappointed, nature of their experience in specific functional areas are provided in the Corporate Governance Report.

AUDITORS AND AUDITORS' REPORT

M/s. Karvy & Co., Chartered Accountants, Hyderabad, the Company's Statutory Auditors retire at the conclusion of the ensuing Annual General Meeting. They have signified their willingness to be re-appointed and have further confirmed their eligibility u/s 224(1B) of the Companies Act, 1956. The Auditors' Report to the shareholders does not contain any qualification or adverse remarks which require any clarification or explanation.

SUBSIDIARY COMPANIES

As on 31st March, 2011, your Company has 8 subsidiaries i.e., (1) Kollur Residential Project Private Limited, (2) SSPDL Infra Projects India Private Limited, (3) SSPDL Matrix Towers Private Limited, (4) SSPDL Resorts Private Limited, (5) SSPDL Realty India Private Limited, (6) SSPDL Real Estates India Private Limited, (7) SSPDL Almoayyed Projects Private Limited, and (8) SSPDL Interserve Private Limited. There has been no material change in the nature of the business of the subsidiaries. During the year, your company has incorporated on 26.05.2010 a wholly owned subsidiary company i.e., SSPDL Interserve Private Limited, to carry on the Construction Business and it has ceased to be a wholly owned subsidiary of the Company during the year under review.

As per Section 212 of the Companies Act, 1956, we are required to attach the Directors' Report, Balance Sheet and Profit and Loss Account of our subsidiaries to our annual report. The Ministry of Corporate Affairs, Government of India vide its circular no. 2/2011 dated 8 February 2011 has provided an exemption to companies from attaching the Balance Sheet, Profit and Loss

Account and other documents of the subsidiary companies with the Annual Report of the parent Company, provided such companies publish the audited consolidated financial statements in the annual report, etc. Accordingly, the Company has availed the exemption from attaching the accounts of the subsidiary companies and the annual report 2010-11 does not contain the financial statements of our subsidiaries. A Statement containing brief financial details of the subsidiary companies for the financial year ended March 31, 2011 is annexed.

Upon a request is received, the audited annual accounts of the subsidiary companies and the related detailed information will be made available to shareholders of the holding and subsidiary companies seeking such information at any point of time. The annual accounts of the subsidiary companies shall also be kept for inspection during business hours by any shareholders in the registered office of the company and same will be kept on the company's website i.e., www.sspdl.com.

CONSOLIDATED FINANCIAL STATEMENTS

The Audited Consolidated financial statements presented by the Company are prepared in accordance with the Accounting Standard AS-21 on Consolidated financial statements read with Accounting Standard AS-23 on Accounting for Investments in Associates, Listing Agreement as prescribed by the Securities and Exchange Board of India.

INSURANCE

The properties and insurable interest of the Company, wherever considered necessary and to the extent required have been adequately insured.

DEPOSITS

Your Company has not invited or accepted any fixed deposits and hence no amount of principal or interest was outstanding as on the date of the Balance Sheet.

CORPORATE GOVERNANCE CODE

A separate section on Corporate Governance with a detailed compliance report thereto is given which forms part of the annual report. The Auditor's Certificate with regard to the compliance with the Corporate Governance code as required under clause 49 of the listing agreement is also enclosed.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A separate report on Management Discussion and Analysis is enclosed as an annexure to the Director's Report.

SHARES PLEDGED BY THE PROMOTERS/DIRECTORS

During the year 2008-09, Sri Prakash Challa, Managing Director and Sri Suresh Challa, Directors of the Company have created pledge on the shares of the company held by them. Further, on 13.06.2011 Sri E.Bhaskar Rao, Director of the Company has created pledge on the shares of the company held by him. Details of the shares pledged by promoter and directors of the company are mentioned below:

Sl.No.	Name of the Director	No. of Shares on which pledge created
1	Prakash Challa	19,39,390
2	Suresh Challa	6,46,460
3	E.Bhaskar Rao	1,50,000
	Total	27,35,850

Sri Prakash Challa and Sri Suresh Challa on their shares is offered as collateral security, for availing loan by the Company from State Bank of India, Industrial Finance Branch, Chennai. On repaying the loan for which shares have been offered as security, the bank has given no objection certificate for removing the pledge. The process of removing pledge on shares of on Sri Prakash Challa and Sri Suresh Challa has been started and once it is removed same will be informed.

Sri E.Bhaskar Rao has offered pledge on shares of the company in favour of State Bank of India, Hospet, Karnataka for availing loan for business purposes.

INFORMATION UNDER SECTION 217(1)(e)

Information required to be furnished under The Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988, is furnished below:

A. CONSERVATION OF ENERGY : Even though the Company's activity is Civil Construction Which is not power-intensive, the Company is making every effort to conserve the usage of power.

B. TECHNOLOGY ABSORPTION : NIL

C. FOREIGN EXCHANGE EARNINGS : NIL

FOREIGN EXCHANGE OUTGO : ₹ 1,28,051/-

PARTICULARS OF EMPLOYEES UNDER SECTION 217 (2A)

As per the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended from time to time, the particulars are

Sl. No.	Name	Age (Yrs)	Designation	Remuneration	Qualification	Experience (Yrs)	Date of Joining	Previous Employment	Nature of Duties
1.	Prakash Challa	58	Managing Director	₹ 37.30 Lakhs	M. Sc and CIAB	34 Years	From Date of Incorporation	Andhra Bank	As per the provisions of the Companies Act, 1956
2.	K.M.Satish*	50	Vice President	₹ 8.41 Lakhs	B.Tech (Civil)	27 Years	11.04.2007	Consulting (Self)	Managing the Projects

1. Remuneration comprises of Salary, Bonus, and Companies contribution to PF, as eligible.
2. Sri. Prakash Challa is a relative of Sri Suresh Challa, Director as per the definition of "relative" under the Companies Act, 1956. Sri K.M.Satish is not a relative of any director of the Company.
3. Nature of employment : Sri Prakash Challa appointment is as per provisions of the Companies Act, 1956 and Sri K.M.Satish is a regular employee of the Company.
4. *Sri K.M.Satish was employed only for the part of the year i.e., resigned on 07.07.2010.
5. Only Sri Prakash Challa holds 2% or more of the paid up equity share capital of the Company.
6. The remuneration ceiling for above disclosure has been revised to ₹ 60 lacs per annum / ₹ 5 lacs per month vide notification of the Ministry of Corporate Affairs, published in Gazette of India vide GSR No. GSR 289(E) on 31st March, 2011.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, as amended by the Companies (Amendment) Act, 2000, the Directors confirm that:

1. In preparation of the Annual Accounts, the applicable accounting standards have been followed.
2. Appropriate accounting policies have been applied consistently. Judgments and estimates, which are reasonable and prudent, have been made so far as to give a true and fair view of the state of affairs of the Company as at the end of the Financial Year and of the profit of the Company for the period.
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and preventing and detecting fraud and other irregularities.
4. The Annual Accounts have been prepared on a going concern basis.

ACKNOWLEDGEMENTS

Your Directors place on record their sincere appreciation to the Shareholders, Investors, Financial Institutions, Banks, Suppliers, Government and Semi-Government agencies for their continued assistance and co-operation extended to the Company and also wishes to place on record their appreciation of employees for their hard work, dedication and commitment.

For and on behalf of the Board of Directors

Place : Hyderabad
Date : 13.08.2011

PRAKASH CHALLA
MANAGING DIRECTOR

E.BHASKAR RAO
DIRECTOR

MANAGEMENT DISCUSSION AND ANALYSIS REPORT 2010-11

1. ECONOMY OVERVIEW:

The current outlook for Global Economy continues to show signs of weakness with the sustained weakness of the US economy and tensions in the euro zone periphery spreading to the core of Europe. Elevated commodity prices and geopolitical tensions are some of the major risks that have the potential to derail the global recovery.

Despite the weak Global Economy, the Indian growth story remains on an even keel. According to the Government of India's recent Economic Outlook for 2011-12, India's GDP growth rate for 2011-12 is pegged at 8.2% as compared to 8.5% registered last year. The annual growth rate for the financial, real estate and business services group is expected to grow at 9.7% as compared to 9.8% last year.

The uncertain external environment is a major risk to growth in the near term. Some of the other downside risks for the growth in Indian Economy are the detrimental movement of foreign capital flows, lower Industrial production, inflationary pressures and high interest rates. Apart from this, the cost structure through demands for higher wages and increase in input costs could also dampen demand.

2. INDUSTRY STRUCTURE AND DEVELOPMENTS:

The Indian Real Estate Sector plays a significant role in the country's economy. The sector contributes heavily towards the gross domestic product (GDP). Almost five per cent of the country's GDP is contributed by the housing sector. Over 250 Industries such as cement, steel, paints etc., are dependent on the Real Estate Sector.

In the year 2010-11 the Real Estate Sector witnessed a gradual recovery in market demand as the fears of the previous year's market uncertainty receded. In most of the market segments (barring a few micro markets such as Hyderabad), there has been an improvement from the previous year due to improved financial liquidity and economic recovery, and better performance of other key sectors such as IT, Manufacturing, etc., resulting in the revival of demand in housing in the Affordable Segment as also in the middle and premium segments as well.

The construction industry has entered a phase of quantum growth in last 5-10 years. This has been necessitated by the urgency to address the inadequacies in infrastructure, which has been universally recognized as a major constraint in the path of economic growth and development. Overall the Indian Construction Industry is still able to maintain its growth of over 12%, which has been one of the consistent performer and key driver of the economy over the decade.

3. OPPORTUNITIES, THREATS / RISKS AND CONCERNS:

Opportunities:

The real estate sector in India is on a rapid growth trajectory. The Indian real estate industry is expected to reach a size of US\$ 180 billion by 2020. The market opportunities in real

estate sector are in all asset classes, including residential, commercial, retail and hospitality. Closely tied to this is the immense opportunity in the construction industry especially in the infrastructure development sector.

On the residential market alone, India possesses the elements of very strong demand growth in the coming decades. The National Building Organisation estimates pent-up housing demand at around 20 million units and according to the Ministry of Urban Employment and Poverty Alleviation, catch-up demand is 31 million housing units-24 million of these in rural areas and more than 7 million in urban centers. A Duetsche Bank report estimates that apart from this present supply gap of 20 to 30 million housing units, another million dwellings would need to be completed each year to achieve equilibrium on the housing market by 2030.

The demand for affordable homes will drive the market in the short term and sustainability conforming to the Indian Green Building Council (IGBC) Green Homes standards will be a key differentiator in the near to mid-term.

Threats/Risks and Concerns:

The critical challenges facing the real estate and construction industry will be rising prices of raw materials and increasing fuel/transportation costs. Apart from this, the other major issue is the lack of availability of skilled and semi-skilled labour at project sites.

The Company's business is substantially affected by the prevailing and changing economic conditions in India and at global level. Due to rise in interest rates, inflation, changes in tax, trade, fiscal and monetary policies, scarcity of credit, delays in obtaining necessary approvals etc. all these factors have affected the business of the Company.

The business is labour-intensive and thus, hiring and retention of talent can pose a significant challenge for the Company. The Company has made good policies to recruit and retain the best talent available. Because of the cordial industrial relations maintained the Company has not experienced any work stoppages on account of significant labour disruptions during the year.

However, given the resilience of the economy in the face of recession, strong fundamentals including favourable demographics, rapid urbanization, high savings rate, increasing domestic demand across all asset classes, etc. the Company does not expect to be significantly affected by these risks in the long term. The Company has taken adequate measures to ensure timely completion of all its projects.

4. FUTURE OUTLOOK:

The consensus is that economic growth will largely be positive in 2011 and will provide a greater level of occupier certainty, which should filter through to more positive levels of demand during the year. According to most analysts, the long-term view on the Indian real estate industry is positive as the

fundamental demand drivers such as increasing urbanisation, favourable demographics, growth of service sector and rising incomes are still intact.

The management is of the view that, the real estate industry will do well in future considering the inherent strengths of the Indian economy. To enable it to provide housing at affordable prices, the Company will strive to take all necessary measures to respond to the market and reduce its costs of development in order to keep its costs low and maintain a reasonable profit. The Company's subsidiary SSPDL Interserve Private Ltd. (SIPL), a joint venture with Interserve UK, has a proven track record in civil construction and taking advantage of the same it is planning to bid for new contracts both in the private sector and the Govt. and Quasi Govt. sectors.

5. SEGMENT WISE PERFORMANCE :

The company is engaged in construction and development of commercial, residential properties in metropolitan and Tier II cities and infrastructure projects. The Company has already embarked on development of commercial properties, shopping malls, IT parks, residential townships and these projects are currently under various stages of execution. The details of status of projects undertaken by the company are mentioned in the Directors Report.

6. INTERNAL CONTROL SYSTEMS :

The Company has reasonably sound system of controls in the operational areas. Internal controls are in line with the size of the operations and organizational requirements are adequate to protect the enterprise resources. The Audit Committee reviews the adequacy of internal control systems from time to time.

The Company focuses on quality control in its operations and projects. Adhering to quality norms and standards will help minimizing risks and improve the efficiency of operations.

7. DISCUSSION ON FINANCIAL PERFORMANCE (CONSOLIDATED) WITH RESPECT TO OPERATIONAL PERFORMANCE:

Total Income: The total income of the company is ₹ 7240.50 lakhs, against ₹ 5024.51 lakhs in 2009-10.

Profit before Depreciation and Interest: ₹ 1541.82 lakhs, as compared to ₹ 288.88 lakhs for 2009-10.

PBT: The Company's Profit Before Tax for the year under review stood at ₹ 936.80 lakhs, as compared to loss of ₹ 432.84 lakhs in 2009-10.

PAT: The Profit/(Loss) after tax (PAT) of the Company is ₹ 603.48 lakhs against loss of ₹ 264.07 lakhs in 2009-10.

The results reflect the current market down turn. With improving economy the Company's performance is expected to get back on the growth path in the near future.

8. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT:

The Company continues to maintain cordial relations with its employees, vendors and other agencies. The Company strives to provide congenial atmosphere to the employees to enable them to offer their best in terms of performance. As on 31st March, 2011 SSPDL Ltd had 32 employees on its payroll.

CAUTIONARY STATEMENT

Statements in the Management Discussions and Analysis describing the Company's objectives, projections, estimates, expectations are "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors /developments that could affect the company's operations include a downward trend in the real estate sector, includes political and economic conditions of the country, in which the Company operates, and the changes in the Government regulations, tax laws, corporate and other laws, interest and other costs and other incidental factors.

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company continues to adhere to the good corporate practices established by it, in all its business activities. The Company aims at achieving transparency, accountability and equity, in its operations, interactions with stakeholders, including shareholders, lenders and the Government through good governance and best business practices. The Company will continue to focus on maximizing its stakeholders' wealth, adopt best business practices and ensure fairness, transparency and ethical governance in its affairs. The Company adopts a Code of Conduct for its employees including the Board of Directors, Insider Trading Policy and Whistle Blower Policy to ensure compliances and fairness in all its operations and dealings. The Code of Conduct is available on the Company's website at www.sspdl.com. The Company is in compliance of requirements of Corporate Governance guidelines stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges.

2. BOARD OF DIRECTORS

Composition and Meetings of the Board:

The Board of Directors ("Board") of the Company has an optimum combination of Executive, Non-Executive and Independent Directors. As on 31st March, 2011, the Board comprised of six members. The Board consists of both promoter and external Directors.

During the year 2010 -11 Seven Meetings of the Board of Directors were held on 29th April, 2010, 29th May, 2010, 3rd July, 2010, 31st July, 2010, 12th August, 2010, 30th October, 2010 and 29th January, 2011. The time gap between any two board meetings did not exceed four months. Minimum four Board Meetings are held in each year, which are pre-scheduled. And apart from the pre-scheduled Board Meetings, additional Board Meetings are convened to address specific business needs of the Company. In case of business exigencies or urgency of matters, resolutions are passed by circulation.

The details of the composition of the Board of Directors and their attendance at the Board Meetings and the last AGM of the Company are given below:

Sl. No.	Name of the Director	Position /Category	No. of Board Meetings attended	Whether Attended last AGM	No. of other Directorships held other than SSPDL Limited		In other Committees as Member (or/and) Chairman	Shareholding of the Directors
					Public	Private		
1	Sri Prakash Challa	Managing Director; Executive Promoter Director	5	Yes	Nil	21	Nil	2359390
2	Sri E.Bhaskar Rao	Non-Executive Promoter Director	5	Yes	Nil	28	Nil	2127500
3	Sri Suresh Challa	Non-Executive Promoter Director	7	Yes	Nil	21	Nil	887600
4	Sri S.Suryanarayana	Independent Non-Executive Director	6	Yes	Nil	1	Nil	300
5	Sri K.Akmaluddin Sheriff	Independent Non-Executive Director	3	Yes	Nil	5	Nil	6634
6	Sri B.Lokanath	Independent Non-Executive Director	6	Yes	Nil	2	Nil	0

No Director is related to any other Director on the Board in terms of the definition of 'relative' given under the Companies Act, 1956, except Sri Prakash Challa and Sri Suresh Challa, who are related to each other as brothers.

Information placed before the Board

All major decisions involving new investments and capital expenditure, in addition to matters which statutorily require the approval of the Board are put up for consideration of the Board. Inter-alia, the following information is regularly provided to the members of the Board as part of the agenda papers or is tabled in the course of the Board Meeting.

- Quarterly financial results of the Company.
- Minutes of the meetings of Audit Committee and other Committees of the Board.

- The minutes of the Board Meetings of Subsidiary companies.
- The information on recruitment and remuneration of senior personnel just below the Board Level, including appointment of Chief Financial Officer and the Company Secretary.
- Audit Reports (through audit committee)
- Statement of Significant transactions and arrangements entered by Subsidiary Companies.
- Non-compliance of any regulatory, statutory nature or listing requirements and shareholders services such as delay in share transfer etc.
- Details of any joint venture or collaboration agreement.
- Show cause, demand, prosecution notices and penalty notices which are materially important.
- General notice of interest of Directors
- Terms of reference of Board Committees.
- Any material default in financial obligations to and by the Company.
- Sale of material nature, of investments, subsidiaries, assets, which is not in normal course of business, etc.

Appointment/Re-appointment of Directors:

Brief profile of Sri Suresh Challa:

Sri Suresh Challa, Director, did his Bachelors Degree in Mechanical Engineering from Jawaharlal Nehru Technological University, India and Masters in Industrial Engineering from University of Texas. He has varied experience spanning over 20 years in the area of software, manufacturing and real estate development. .

He is also a Director in the following Companies:

SSPDL Interserve Private Limited, SSPDL Ventures Private Limited, Alphacity Chennai IT Park Projects Private Limited, Kollur Residential Projects Private Limited, SSPDL Infra Projects India Private Limited, SSPDL Matrix Towers Private Limited, SSPDL Resorts Private Limited, SSPDL Realty India Private Limited, SSPDL Real Estates India Private Limited, Northwood Properties India Private Limited, Northwood Reality India Private Limited, Northwood Constructions India Private Limited, SSPDL Northwood Homes Private Limited, SSPDL Northwood Residence Private Limited, SSPDL Northwood Villas Private Limited, Northwood Residential Ventures India Private Limited, Northwood Township Project Private Limited, Northwood Infratech Private Limited, SSPDL Almoayyed Projects Private Limited, Sernity Homes Private Limited, Neotrax Software Private Limited

He is not a member in any Committee of the Board of any other Company.

Sri Suresh Challa is a relative of Sri Prakash Challa, Managing Director of the Company.

Brief profile of Sri S.Suryanarayana:

Sri S.Suryanarayana, Director, has joined the Board as Director in June 2004, He is a Graduate in Commerce and Fellow Member of the Institute of Chartered Accountants of India. He is a practicing Chartered Accountant and has over a decade of experience in areas of finance and taxation.

He also holds directorship in SSPDL Interserve Private Limited. He is not a member in any Committee of the Board of any other Company.

None of the directors of the Company are relatives of Sri S.Suryanarayana.

3. BOARD COMMITTEES

Currently the Board has Five Committees viz, Audit Committee, Shareholders and Investor Grievances Redressal Committee, Remuneration Committee, Borrowing Committee and Board Committee. The Board is responsible for constituting, assigning, co-opting and fixing terms of service for Committee Members. The Committees appointed by the Board focus on specific areas and make informed decisions within the authority delegated.

(A) AUDIT COMMITTEE

Composition:

The Audit Committee comprises of Sri S Suryanarayana, non-executive Independent Director as the Chairman and Sri B.Lokanath, non-executive Independent Director and Sri E.Bhaskar Rao, non-executive Director as the members and Mr.Shailendra Babu Ande, Company Secretary is the Secretary to the Audit Committee. All the members of the Audit Committee possess adequate financial/accounting expertise. The Managing Director, Auditors, and Person heading the Finance and Accounts Department are invitees to the meetings. The terms of reference of the Audit Committee are wide enough to cover all the aspects in accordance with Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956.

The Committee periodically interacts with the Auditors, reviews the Company's financial and risk management policies and adequacy of internal controls with the management and is responsible for effective supervision of the financial reporting process and compliance with financial policies.

During the year under review, the Audit Committee met Five times, i.e., on 23rd April, 2010, 31st July, 2010, 12th August, 2010, 30th October, 2010 and 29th January, 2011. The attendance records of the members at these meetings are given below:

Name	Designation	Meetings held during the year	Meetings attended during the year
Sri S.Suryanarayana	Chairman	5	5
Sri E.Bhaskar Rao	Member	5	5
Sri K.Akmaluddin Sheriff*	Member	5	2
Sri B.Lokanath**	Member	5	3

During the year under review, the Committee was re-constituted on 31.07.2010.

* Sri K.Akmaluddin Sheriff was member of the Committee till 31.07.2010, till this period only two meetings were held.

** Sri B.Lokanath has become member of the Committee from 31.07.2010 and from the date of him becoming member during the year only three meetings were held.

Role of the Audit Committee

The terms of reference of the Audit Committee are broadly as under:

1. Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information is disclosed.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditors' and the fixation of audit fees.
3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval. Also reviewing with the management, the statement of uses/application of funds raised through an issue, etc.
6. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Discussion with internal auditors on any significant findings and follow up there on.
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of Internal control systems of a material nature and reporting the matter to the board.
10. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.
12. To review the functioning of the Whistle Blower mechanism.
13. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Review of information by Audit Committee

The Audit Committee mandatorily reviews the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee

(B) SHAREHOLDERS AND INVESTOR GRIEVANCE REDRESSAL COMMITTEE

Composition

A Shareholders and Investor Grievance Redressal Committee was constituted with Sri Suresh Challa as its Chairman and Sri E.Bhaskar Rao and Sri S.Suryanarayana as its members. The Company Secretary, Mr. Shailendra Babu Ande is the Compliance Officer.

Terms of reference

The Committee, inter alia, approves transfer of shares, issue of duplicate certificates and all matters concerning shareholders. The committee also looks into requests like revalidation of Dividend Warrants and oversees the performance of the R&T Agents M/s. Karvy Computershare Private Limited. The R&T Agents of the Company shall also look after the day to day complaints / correspondence of the Shareholders and the details of the same are furnished to the Company on quarterly basis. The Committee meets as and when the need arises and the Board of Directors is given periodically information about the matters taken up by the Committee.

During the year under review, the Shareholders and Investor Grievance Redressal Committee met Six times, i.e., on 29th April, 2010, 31st July, 2010, 30th October, 2010, 22nd November, 2010, 6th January, 2011 and 29th January, 2011. The attendance records of the members at these meetings are given below:

Name	Designation	Meetings held during the year	Meetings attended during the year
Sri Suresh Challa	Chairman	6	6
Sri E.Bhaskar Rao	Member	6	6
Sri S.Suryanarayana	Member	6	6

During the year the Company has received only 06 complaints from the investors and all the complaints were resolved. There were no complaints and no shares pending transfer as on 31st March, 2011.

The status of shareholder's complaints during the financial year 2010-11 is as under:

Sl.No.	Nature of Complaint / Correspondence	Received	Cleared	Pending
1	Change / Correction of Address	01	01	0
2	No. of Transfers	0	0	0
3	No. of Transmissions	0	0	0
4	Loss of Securities and Issue of Duplicate Securities	0	0	0
5	Non-receipt of Annual Reports	01	01	0
6	Non-receipt of Dividend Warrant	0	0	0
7	Others	04	04	0
	Total	06	06	0

(C) REMUNERATION COMMITTEE**Composition**

The Company has re-constituted the Remuneration Committee on 31.03.2010, as per the terms in Schedule XIII of the Companies Act, 1956. As on 31st March, 2011 the Remuneration Committee comprises of Sri S.Suryanarayana as the Chairman, Sri K.Akmaluddin Sheriff and Sri B.Lokanath as the members.

Terms of reference

- All the members of the remuneration committee be present at its meeting.
- Chairman of the remuneration committee be present at the Annual General Meeting
- Fix and approve the remuneration packages for executive directors. The remuneration committee while approving the remuneration shall:
 - ◆ Take into account, financial position of the Company, trend in the industry, appointee's qualification, experience, past performance, past remuneration, etc.,
 - ◆ Be in a position to bring about objectivity in determining the remuneration package while striking the balance between the interest of the company and the shareholders."

Number of meetings of held during the year - Nil.

Remuneration of Directors is decided by the Board and approved by the Shareholders.

Remuneration paid/payable to the Directors:

Currently the Non-Executive Directors do not receive any remuneration from the Company apart from sitting fee for attending Board and Committee meetings as decided by the Board. The details of remuneration paid/payable to the Directors of the Company during the year 2010-11 are given below:

Name of the Director	Sitting Fee (In ₹)			Remuneration (In ₹)	Commission (In ₹)
	Board Meetings	Audit Committee Meetings	Shareholders and Investor Grievances Redressal Committee Meetings		
Sri Prakash Challa	NIL	NIL	NIL	37,29,600*	NIL
Sri E.Bhaskar Rao	1,00,000	12,500	15,000	NIL	NIL
Sri Suresh Challa	1,40,000	NIL	15,000	NIL	NIL
Sri S.Suryanarayana	1,20,000	12,500	15,000	NIL	NIL
Sri K.Akmaluddin Sheriff	60,000	5,000	NIL	NIL	NIL
Sri B.Lokanath	1,20,000	7,500	NIL	NIL	NIL

* Includes, Salary of ₹ 36,00,000/- and Contribution to Provident Fund of ₹ 129,600/-.

Notice period, severance fee and stock options are not applicable.

(D) BORROWING COMMITTEE**Composition**

During the year under review, pursuant to provisions of Section 292 of the Companies Act, 1956 Company has constituted a Borrowing Committee on 31.07.2009 and delegated the authority to procure the funds, for the purpose of executing the Northwood project, from banks, financial institutions, etc. as may require from time to time up to maximum of ₹ 50.00 crores and to approach the financial consultancy agencies, negotiate and execute the documents as may be required.

The Borrowing Committee comprises of Sri E.Bhaskar Rao and Sri Suresh Challa, Directors of the Company as the members of the Committee.

Terms of reference

- All the members of the remuneration committee be present at its meeting.
- All the resolutions shall be passed unanimously and in case of difference in opinion in the members on any matter, such matter be placed before the Board Meeting for its approval.
- borrow money, form banks, financial institutions, etc., as may require from time to time for the purpose of the Northwood Project up to a ceiling of ₹ 50.00 Crores.

- take decisions for the requirement of the funds and to make borrowings of the required amount within the above ceiling from any bank and financial institution and to negotiate, settle and finalise all terms and conditions for the borrowings and to offer and provide security and to create/extend charges on the assets of the company as the committee may consider appropriate in the interest of the Company
- approach the financial consultants i.e., arranger of the loans, and negotiate the terms and conditions and also execute necessary documents and to do all acts and deeds as may be required in this regard on behalf of the Company
- authorise any two directors jointly to execute and sign the loan, security and other documents and to affix the Common Seal of the Company in presence of any two directors of the Company.

Since the project is on hold no borrowings made and Borrowing Committee did not meet during the year under review.

(E) BOARD COMMITTEE

The Company has constituted a Board Committee to focus on specific areas as delegated by the Board and make informed decisions within the authority delegated. The Board Committee was constituted with Sri S.Suryanarayana as its Chairman, Sri Suresh Challa and Sri E.Bhaskar Rao as its members. Number of meetings of held during the year - Nil.

4. GENERAL BODY MEETINGS

The details of Annual General Meetings are as follows:

Year	Location	Nature of Meeting	Date	Time	No. of Special Resolutions passed
2009-2010	Country Club, Begumpet, Hyderabad	AGM	30th September, 2010	11.30 A.M.	*1 Special Resolution was passed
2008-2009	Country Club, Begumpet, Hyderabad	AGM	30th September, 2009	11.30 A.M.	No Special Resolution was passed
2007-2008	Federation of Andhra Pradesh Chambers of Commerce and Industry, Red Hills, Hyderabad	AGM	28th September, 2008	11.30 A.M.	No Special Resolution was passed

*A Special Resolution was passed unanimously by the shareholders, considering the no profits or inadequacy of profits during year 2009-10, for revising the remuneration payable to Sri Prakash Challa, Managing Director of the Company. ₹ 3,00,000/- (Rupees Three Lakhs Only) and other perquisites per month has been fixed as the remuneration for a period of three years i.e., from 01.10.2009 to 30.09.2012.

No Extraordinary General Meeting of the Members was held during the year.

Resolution passed through Postal Ballot :

The relevant details in this regard are already provided in the previous annual report and as per provisions of the listing agreement the details are provided again.

During the year 2010-11, the Company has passed an Ordinary Resolution for Transfer of the Construction business of the Company to M/s. SSPDL Interserve Private Limited as contained in the Notice to the Shareholders dated 29th May, 2010 was passed by the shareholders with requisite majority on 02.07.2010. Smt. B.Krishnaveni, Practicing Company Secretary was appointed as the Scrutinizer for the Postal Ballot Process. The voting pattern of the Postal Ballot conducted is :

Particulars	No. of Postal Ballot Forms received	No. of shares Voted	Percentage of total paid up capital
Total Postal Ballots received	149	71,72,863	----
Postal Ballots - Valid	119	70,90,330*	----
Postal Ballots - Invalid	30	82,533	----
Postal Ballots - in favour of the Resolution	107	70,85,298	99.93%
Postal Ballots - against the Resolution	12	5,027	0.07%

*A shareholder holding 105 shares had voted "FOR" with regard to 100 shares only resulting in un-voted shares of 5.

The procedure prescribed under Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 has been followed for the Postal Ballot conducted for the resolution mentioned above. The result of the Postal Ballot was announced at the Registered Office of the Company on 02.07.2010 and advertised in the newspapers.

5. DISCLOSURES

- i) The Company has entered into certain related party transactions as set out in the notes to accounts, but they do not have any potential conflict with the interests of the Company at large.
- ii) There were no non-compliances by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three financial years.
- iii) Whistle Blower Policy: The Company established a mechanism for employees to report concerns about unethical behavior, actual or suspected fraud or violation of code of conduct policy. The mechanism also provides for adequate safeguards against victimization of employees who avail the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.
- iv) Details of Compliance with non-mandatory requirements: The Board of Directors has constituted a Remuneration Committee to fix and approve the remuneration package for executive directors.

6. SUBSIDIARY COMPANIES

As per the provisions of clause 49 of the Listing Agreement M/s. SSPDL Interserve Pvt. Ltd. is a material non-listed Indian Subsidiary to the Company and Mr. S. Suryanarayana, Independent Director of the company has been appointed as a Director on the Board of M/s. SSPDL Interserve Pvt. Ltd., a subsidiary of the Company.

7. MEANS OF COMMUNICATION

The Quarterly / Half Yearly and Annual Financial Results of the Company are submitted to the Bombay Stock Exchange Ltd., where the shares of the Company are listed. The financial results are published in leading newspapers like "Business Standard" (English) and "Andhra Prabha" (Telugu).

The information relating to Company's results, etc. are displayed on the BSE web site (www.bseindia.com) and the Company's website www.sspdl.com. Further, the Company's web site also displays the Press releases made by the Company and the presentations made to the institutional investors or to the analysts as and when they are made.

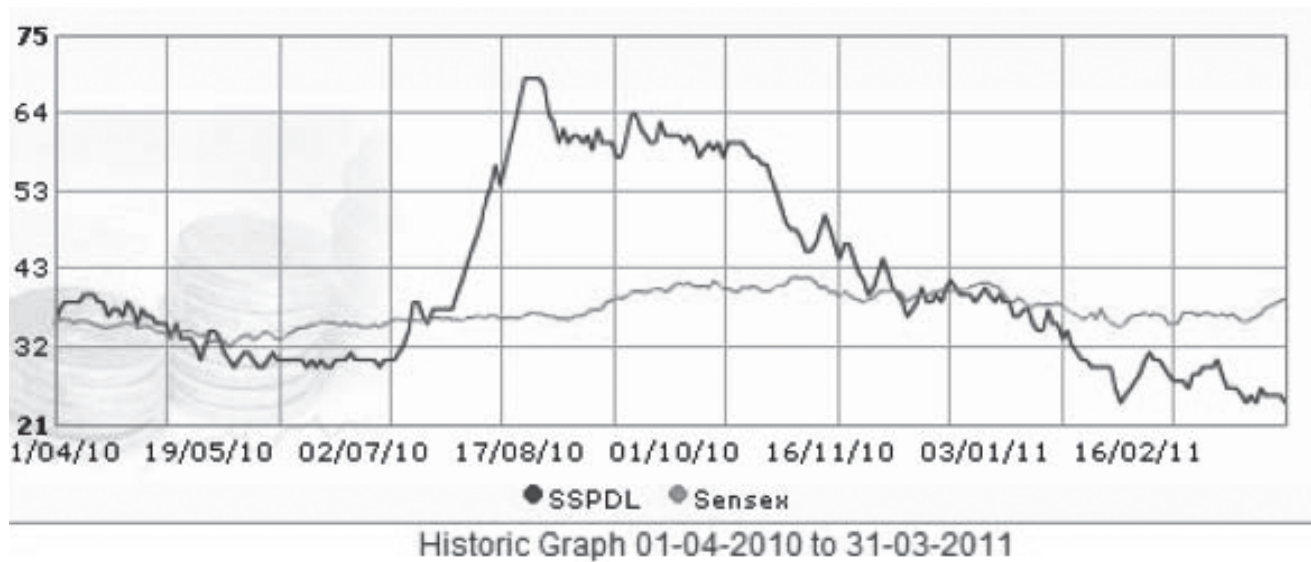
8. GENERAL SHAREHOLDER'S INFORMATION

Sl. No.	Item	Details
1.	AGM Date, Time and Venue	On 30th September, 2011 the Friday, at 3.00 P.M. At Qutub Shahi Hall, Country Club, 6-3-1219, Begumpet, Hyderabad - 500 016, A.P.
2.	Financial Year	1st April, 2011 to 31st March, 2012
3.	Financial Calendar (tentative)	<ul style="list-style-type: none"> ● First Quarter Results - Middle of August, 2011. ● Second Quarter / Half Year Results - Middle of November, 2011 ● Third Quarter / Nine Months Results - Middle of February, 2012. ● Fourth Quarter / Year end Results - end of May, 2012.
4.	Dates of Book Closure	From 26th September, 2011 to 30th September, 2011 (Both days inclusive).
5.	Dividend Payment Date	Not Applicable
6.	Listing on Stock Exchange	The Company's Shares are listed on Bombay Stock Exchange. The Address of the Exchange is as given below: Bombay Stock Exchange Limited, 25th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001. The Company has duly paid the Listing fees for the year 2011-12.
7.	Stock Code	(BSE) 530821 SCRIP ID OF BOLT SYSTEM SSPDL

9. Market Price Data (BSE): Source: BSE web site

Month and Year	High (In ₹)	Low (In ₹)
April 2010	40.35	34.60
May 2010	35.80	28.60
June 2010	32.55	28.10
July 2010	40.75	29.00
August 2010	72.50	42.75
September 2010	66.85	56.20
October 2010	63.40	53.75
November 2010	56.95	36.75
December 2010	44.30	35.40
January 2011	40.60	28.40
February 2011	32.85	23.15
March 2011	31.80	23.45

10. Performance in Comparison to BSE Index (Source: www.moneycontrol.com)



11. Registrar and Transfer Agents

[for both physical and
electronic (demat) segments]

M/s. Karvy Computershare Private Limited
Plot No.17 to 24, Vittalrao Nagar, Madhapur,
Hyderabad - 500081
Phone Nos : 040 - 4465 5000.
Fax Nos : 040 - 2342 0814.
E-mail : einward.ris@karvy.com

12. Share Transfer System

Shares lodged for Physical Transfer would be processed and approved by the Shareholders and Investor Grievances Redressal Committee within a period of 30 days if the documents are order in all respects.

13 Shareholding Information:

i) Distribution Schedule as on 31.03.2011

Sl. No.	No. of Shares	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholding
1	Upto - 500	3257	76.78	504602	3.90
2	501 - 1000	385	9.08	312462	2.42
3	1001 - 2000	245	5.78	375791	2.91
4	2001 - 3000	101	2.38	255988	1.98
5	3001 - 4000	50	1.18	175524	1.36
6	4001 - 5000	40	0.94	184431	1.43
7	5001 - 10000	74	1.74	537504	4.16
8	10001 - and above	90	2.12	10582948	81.85
	Total	4242	100.00	12929250	100.00

ii) Shareholding Pattern as on 31.03.2011

Sl. No.	Category	No. of Shareholders	Total Shares	% to Equity
1	PROMOTERS	16	6994041	54.09
2	RESIDENT INDIVIDUALS	3919	3814819	29.51
3	BODIES CORPORATE	141	1036194	8.01
4	NON-RESIDENT INDIANS	39	912974	7.06
5	HUF	125	170022	1.32
6	TRUSTS	0	0	0
7	CLEARING MEMBERS	2	1200	0.01
	Total	4242	12929250	100.00

14. Dematerialisation of Shares & Liquidity

The Company's equity shares are compulsorily traded in dematerialized form for all investors. Investors are therefore advised to open a Demat account with the Depository Participant of their choice to trade in Demat form. The list of depository participants is available with NSDL and CDSL. The ISIN allotted to the Company's Scrip is INE838C01011.

98.29% of Company's shares are now held in Electronic form. The Company's shares are currently traded in TS Group on the BSE, Mumbai.

15. Outstanding ADRs/GDRs

As on March 31, 2011, the Company has not issued any ADR/GDR.

16. Plant Locations

Not applicable

17. Addresses for Correspondence**Registered Office:**

SSPDL Limited
8-2-595/3/6, Eden Gardens, Road No.10,
Banjara Hills, Hyderabad-500 034.
Phone No.: 040 - 6663 7560 Fax No.: 040 - 6663 7969
www.sspdl.com

Registrars and Transfer Agents:

M/s. Karvy Computershare Private Limited
Plot No.17 to 24, Vittalrao Nagar,
Madhapur, Hyderabad - 500081.
Phone Nos : 040 - 4465 5000.
Fax Nos : 040 - 2342 0814.
E-mail : einward.ris@karvy.com

18. Designated Exclusive email-Id: The Company has designated the following email-ids exclusively for investor servicing

- For complaints/queries - einward.ris@karvy.com and investors@sspdl.com
- For registering e-mail id for receiving communication in electronic mode - sspdlcs@karvy.com

DECLARATION ON CODE OF CONDUCT

This is to confirm that the Board has laid down a code of conduct for all Board Members and senior management personnel of the Company. It is further confirmed that all Directors and senior management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year

ended on 31st March, 2011 as envisaged in Clause 49 of the Listing Agreement.

Place : Hyderabad
Date : 13.08.2011

PRAKASH CHALLA
MANAGING DIRECTOR

MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER CERTIFICATION

We, Prakash Challa, Managing Director and D.Balakrishnan, General Manager (Accounts) of SSPDL Ltd certify that:

- a. We have reviewed the financial statements and the cash flow statements for the year and that to the best of our knowledge and belief.
 - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading
 - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year that are fraudulent, illegal or violative of Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee,
 - deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit Committee
 - i. Significant changes in internal controls over financial reporting during the year;
 - ii. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. That there have been no instances of significant fraud of which we have become aware, and the involvement there in, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

PRAKASH CHALLA
Managing Director (CEO)

D.BALAKRISHNAN
General Manager (Accounts)

Place : Hyderabad
Date : 13.08.2011

AUDITOR'S REPORT ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of
SSPDL Limited

We have examined the Compliance of conditions of Corporate Governance by M/s. SSPDL LIMITED ("the Company"), for the year ended on 31st March 2011, as stipulated in clause 49 of the Listing Agreement of the said Company with the Bombay Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of the 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, we certify that the Company has

complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

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 **KARVY & CO.,**
Chartered Accountants
(Registration No: 001757S)

(K.AJAY KUMAR)
PARTNER
M. No. 021989

Place : Hyderabad
Date : 13.08.2011

AUDITORS' REPORT

To,
The Members of
M/s. SSPDL LTD (formerly SRINIVASA SHIPPING AND
PROPERTY DEVELOPMENT LIMITED)

1. We have audited the attached Balance Sheet of M/s. SSPDL Ltd ("the Company") as at 31st March, 2011 and also the Profit & Loss Account and 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 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 a 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 statements 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 Audit (Auditor's Report) (Amendment) Order, 2004 ("Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the annexure referred to above, we state 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, the company has kept proper books of accounts as required by Law so far as appears from our examination of those books.

- (iii) The Balance Sheet, Profit & 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 & Loss account and Cash Flow statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, to the extent applicable.
- (v) On the basis of written representation received from the directors of the company as at March 31, 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2011 from being appointed as a Director in terms of under 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 read together with notes thereon gives the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) In case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2011.
 - (b) In case of Profit & Loss account, of the PROFIT of the company for the year ended on that date.

And

 - (c) In case of Cash Flow Statement, of the cash flows for the year ended on that date.

For **KARVY & CO.,**
Chartered Accountants
(Registration No: 001757S)

Place : Hyderabad
Date : 13.08.2011

(K.AJAY KUMAR)
Partner
M. No.: M. No. 021989

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR AUDIT REPORT OF EVEN DATE TO THE MEMBERS OF M/S. SSPDL LIMITED FOR THE YEAR ENDED 31ST MARCH, 2011.

- i. In respect of its fixed assets:**
- a) The company has maintained proper records to show full particulars including quantitative details and situation of the fixed assets.
 - b) The company has a phased programme of physical verification of its fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, substantial fixed assets were physically verified by management during the year and no material discrepancies were identified during such verification.
 - c) According to the information and explanations given to us, the company has sold major portion of its fixed assets to one of its subsidiary companies. However, this transaction has got no impact on the going concern status of the company.
- ii. In respect of its inventories:**
- a) As explained to us, inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b) In our opinion, the procedures of physical verification of stocks followed by the Management and the frequency of verification are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) The company is maintaining proper records of inventory, the discrepancies noticed between the physical inventory and book stocks were not material.
- iii. In respect of the loans, secured or unsecured, granted or taken by the company to / from companies, firms or other parties covered in the register maintained under Section 301 of the companies act, 1956:**
- a) The company has granted loans to eight subsidiaries of the company. In respect of the said loans, the maximum amount outstanding at any time during the year is ₹ 18.54 And the year end balance is ₹ 18.45 Crores.
 - b) In our opinion and according to the information and explanation given to us, the said loans are interest free and other terms and conditions of the loans are not prima facie prejudicial to the interest of the company.
 - c) The outstanding amounts are repayable on demand and there is no repayment schedule.
 - d) In respect of the said loans, the same are repayable on demand and therefore the question of overdue does not arise.
 - e) According to the information and explanations given to us, the company has taken unsecured loans from parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount outstanding at any time during the year is ₹ 16.23 Crores and the year-end balance is ₹ 14.03 Crores.
- f) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions are not prima facie prejudicial to the interest of the company.
 - g) The said loan is repayable on demand and there is no repayment schedule.
- iv. 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 nature of business with regard to the purchase of inventories and fixed assets and with regard to sale of goods and services. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in internal controls.**
- v. In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956:**
- a) In our opinion and according to the information and explanations given to us, the transactions that need to be entered in 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 the Companies Act, 1956 and exceeding the value of ₹ 5.00 lakhs in respect of each party have been made at prices which appears reasonable as per information available with the company.
- vi. According to information and explanations given to us, the company has not accepted any deposits from the public within the meaning of Section 58A and 58AA or any other relevant provisions of the Act. Accordingly, clause 4(vi) of the Order is not applicable.**
- vii. In our opinion the company has an internal audit system commensurate with size and nature of its business.**
- viii. In respect of this company, maintenance of cost records has not been prescribed by the Central Government under Section 209 (1) (d) of the Companies Act, 1956. Accordingly, clause 4(viii) of the Order is not applicable.**
- ix. a) According to the books and records as produced and examined by us in and also based on management representations, undisputed statutory dues in respect of Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Wealth Tax, Sales Tax, Service tax, Custom duty, Excise duty and Cess and other material statutory dues, to the extent applicable, have been regularly deposited during the year with appropriate authorities. According to the information and explanation given to us, no undisputed amounts payable in respect of the above are in arrears as at the year end for a period of more than six months from the date on which they become payable.**

- b) According to the information and explanation given to us the following amounts have not been deposited with the appropriate authorities on account of dispute:

Name of the Statute	Nature of Due	Amount (₹ In Crores)	Period to which amount relates	Forum where dispute is pending
Tamilnadu General Sales Tax Act.	Sales tax on inter-state purchase of goods	0.03	2002-2003	Appellate Tribunal
Tamilnadu General Sales Tax Act.	Disallowances of Input Tax Credit	0.33	2006-2007	Commercial Tax Officer, Chennai
Income Tax Act, 1961	Income Tax	5.15	2008-2009	CIT (Appeals)-IV, Hyderabad

- x. The company does not have any accumulated losses at the end of the year. Also, the company has not incurred any cash losses during the financial year covered by audit. However, the company has incurred cash loss amounting to ₹ 4.00 crores during the immediate preceding financial year.
- xi. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to banks. The company has not taken any loans from financial institutions.
- xii. In our opinion and according to information and explanations given to us and as per verification of records, the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, clause 4(xii) of the Order is not applicable.
- xiii. In our opinion, the company is not a Chit fund / Nidhi Mutual benefit fund / societies / NBFC. Accordingly, clause 4(xiii) of the Order is not applicable.
- xiv. The Company has not dealt or traded in shares, securities, debentures and other investments. Accordingly, clause 4(xiv) of the Order is not applicable.
- xv. As per information and explanations given to us, the company has not given any guarantee for loans taken by others from banks and financial institutions during the year.
- xvi. To the best of our knowledge and belief and according to the information and explanations given to us, no term loans were taken by the company during the year. Accordingly, Clause 4 (xvi) of the order is not applicable.
- xvii. According to the information and explanation given to us and on an overall examination of the balance sheet of the company, we are of the opinion that no funds raised on short-term basis have been used for long term investment.
- xviii. The company has not made any preferential allotment of shares to the parties covered in the register maintained under Section 301 of the Companies Act, 1956 during the year. Accordingly clause 4 (xviii) of the Order is not applicable.
- xix. The company during the year has not issued any debentures. Accordingly, clause 4(xix) of the Order is not applicable.
- xx. The company has not raised any money from the public by issue of shares during the year.
- xxi. According to the information and explanations given to us and on the basis of examination of records, no fraud on or by the company was noticed or reported during the year.

For KARVY & CO.,
Chartered Accountants
(Registration No: 001757S)

Place : Hyderabad
Date : 13.08.2011

(K.AJAY KUMAR)
PARTNER
M. No.: 021989

BALANCE SHEET AS AT 31ST MARCH, 2011

Particulars	Schedule	As at 31.03.2011 In ₹	As at 31.03.2010 In ₹
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	129,292,500	129,292,500
Reserves and Surplus	2	541,245,914	480,206,374
LOAN FUNDS			
Secured Loans	3	93,897,604	350,954,190
Unsecured Loans	4	140,289,074	113,041,848
Total		<u>904,725,092</u>	<u>1,073,494,912</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	5	17,587,316	54,782,385
Less : Depreciation		5,692,006	10,206,751
Net Block		11,895,310	44,575,634
INVESTMENTS			
	6	247,264,442	181,126,232
DEFERRED TAX ASSET			
		7,403,886	32,500,597
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	7	286,715,000	275,026,499
Sundry Debtors		365,958,465	607,343,390
Cash and Bank Balances		41,636,118	24,922,203
Other Current Assets		1,744,030	1,165,152
Loans and Advances		518,461,010	474,325,128
		1,214,514,623	1,382,782,371
LESS : CURRENT LIABILITIES AND PROVISIONS			
	8	576,353,169	567,489,921
NET CURRENT ASSETS			
		638,161,454	815,292,450
MISCELLANEOUS EXPENDITURE			
(To the extended not written off)		-	-
Total		<u>904,725,092</u>	<u>1,073,494,912</u>

Significant Accounting Policies and Notes To Accounts

15

The Schedules referred to above and the Notes to Accounts form an integral part of the Balance Sheet.

As per our attached report of even date
For **KARVY & CO.,**
Chartered Accountants
(Firm Registration No. : 0017575)

For and on behalf of the Board of Directors

(K.AJAY KUMAR)
PARTNER
M. No.: 021989

PRAKASH CHALLA
MANAGING DIRECTOR

E.BHASKAR RAO
DIRECTOR

Place : Hyderabad
Date : 13.08.2011

A.SHAILENDRA BABU
COMPANY SECRETARY CUM MANAGER (FINANCE)

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

Particulars	Schedule	For the Year ended 31.03.2011 In ₹	For the Year ended 31.03.2010 In ₹
INCOME			
Contract Revenue/Income form Operations	9	368,474,986	489,815,997
Other Income	10	37,098,098	12,634,790
Extra ordinary income	15	58,245,046	-
Total		<u>463,818,130</u>	<u>502,450,787</u>
EXPENDITURE			
Work Cost	11	272,018,786	417,208,293
Personnel Cost	12	22,527,964	33,129,320
Administration Expenses	13	28,560,247	23,250,216
Finance Charges	14	44,343,312	68,973,765
Depreciation	5	1,996,330	3,173,018
Total		<u>369,446,640</u>	<u>545,734,612</u>
PROFIT / (LOSS) BEFORE TAX		94,371,490	(43,283,825)
Provision for Tax :			
Current Tax		20,662,298	-
Deferred Tax Charge/(Release)		25,096,711	(16,876,298)
MAT Credit		(12,427,059)	-
PROFIT / (LOSS) AFTER TAX		61,039,540	(26,407,527)
Profit brought forward from previous year		241,077,915	267,485,442
Surplus carried to the balance sheet		<u>302,117,455</u>	<u>241,077,915</u>
EARNING PER SHARE (FACE VALUE OF ₹ 10/- PER SHARE)			
- Basic and Diluted		4.72	(2.04)

Significant Accounting Policies and Notes To Accounts 15

The Schedules referred to above and the Notes to Accounts form an integral part of the Profit and Loss Account.

As per our attached report of even date
For **KARVY & CO.,**
Chartered Accountants
(Firm Registration No. : 0017575)

For and on behalf of the Board of Directors

(K.AJAY KUMAR)
PARTNER
M. No.: 021989

PRAKASH CHALLA
MANAGING DIRECTOR

E.BHASKAR RAO
DIRECTOR

Place : Hyderabad
Date : 13.08.2011

A.SHAILENDRA BABU
COMPANY SECRETARY CUM MANAGER (FINANCE)

SCHEDULES FORMING PART OF THE BALANCE SHEET

Particulars	As at 31.03.2011 In ₹	As at 31.03.2010 In ₹
SCHEDULE 1		
SHARE CAPITAL		
Authorised 25,000,000 (Previous year 25,000,000) equity shares of ₹ 10/- each	250,000,000	250,000,000
Issued, Subscribed and Paid up 12,929,250 (Previous year 12,929,250) equity shares of ₹ 10/- each fully paid up	129,292,500	129,292,500
Total	129,292,500	129,292,500
<hr/>		
SCHEDULE 2		
RESERVES AND SURPLUS		
Share Premium	220,887,000	220,887,000
General Reserve	18,241,459	18,241,459
Surplus in Profit and Loss Account	302,117,455	241,077,915
Total	541,245,914	480,206,374
<hr/>		
SCHEDULE 3		
SECURED LOANS		
Term Loan from banks	13,583,617	200,000,000
Cash Credit from banks	78,305,082	146,785,885
Hire Purchase Loans from others	2,008,905	4,168,305
Total	93,897,604	350,954,190
<hr/>		
SCHEDULE 4		
UNSECURED LOANS		
Inter Corporate Deposits	94,941,652	69,903,447
Loan from Directors	45,347,422	43,138,401
Total	140,289,074	113,041,848

SCHEDULE FORMING PART OF THE BALANCE SHEET

SCHEDULE 5 FIXED ASSETS	GROSS BLOCK					DEPRECIATION			NET BLOCK	
	As at 01.04.2010	Additions During the year	Deletions During the year	As at 31.03.2011	Upto 31.03.2010	For the Year	Adjust- ments	Upto 31.03.2011	As at 31.03.2011	As at 31.03.2010
Buildings	3,353,908	-	3,353,908	-	161,794	12,427	174,221	-	-	3,192,114
Construction Equipments	32,498,693	3,380,041	34,899,460	979,274	5,029,226	477,863	5,473,830	33,259	946,015	27,469,467
Furniture and Fixtures	4,115,929	27,850	148,773	3,995,006	1,183,354	255,033	16,698	1,421,689	2,573,317	2,932,575
Computers	2,007,394	1,297,156	215,988	3,088,562	952,030	476,343	96,530	1,331,843	1,756,719	1,055,364
Office Equipments	2,664,876	227,283	46,904	2,845,255	574,091	131,824	6,098	699,817	2,145,438	2,090,785
Vehicles	10,141,585	-	3,462,366	6,679,219	2,306,256	642,842	746,673	2,205,400	4,473,819	7,835,329
Total	54,782,385	4,932,330	42,127,399	17,587,316	10,206,751	1,996,330	6,514,050	5,692,006	11,895,310	44,575,634
Previous Year	52,312,096	3,227,645	757,356	54,782,385	7,664,829	3,173,018	631,096	10,206,751	44,575,634	44,647,267

SCHEDULES FORMING PART OF THE BALANCE SHEET

Particulars	As at 31.03.2011 In ₹	As at 31.03.2010 In ₹
SCHEDULE 6		
INVESTMENTS :		
TRADE INVESTMENTS - Unquoted and Long Term		
A. In Equity Shares of Subsidiary Companies: Fully Paid-up :		
- SSPDL Resorts Pvt. Ltd. 10,000 (Previous Year : 10,000) Equity Shares of ₹ 10/- each	100,000	100,000
- SSPDL Realty India Pvt. Ltd. 10,000 (Previous Year : 10,000) Equity Shares of ₹ 10/- each	100,000	100,000
- SSPDL Real Estates India Pvt. Ltd. 10,000 (Previous Year : 10,000) Equity Shares of ₹ 10/- each	100,000	100,000
- SSPDL Matrix Towers Pvt. Ltd. 10,000 (Previous Year : 10,000) Equity Shares of ₹ 10/- each	100,000	100,000
- SSPDL Infra Projects India Pvt. Ltd. 10,000 (Previous Year : 10,000) Equity Shares of ₹ 10/- each	100,000	100,000
- Kollur Residential Project Pvt. Ltd. 10,000 (Previous Year : 10,000) Equity Shares of ₹ 10/- each	100,000	100,000
- SSPDL Almoayyed Project Ltd. 9,990 (Previous Year : 9,990) Equity Shares of ₹ 10/- each	99,900	99,900
- SSPDL Interserve Private Limited 510,000 (Previous Year : NIL) Equity Shares of ₹ 1/- each	510,000	-
B. In Equity Shares of Other Companies - Fully Paid-up :		
- SSPDL Properties Pvt. Ltd. 168,796 (Previous Year : 168,796) Equity Shares of ₹ 10/- each	1,687,960	1,687,960
- Alpahcity Chennai IT Parks Pvt. Ltd. 9,980 (Previous Year : 9,980) Equity Shares of ₹ 10/- each	99,800	99,800
- SSPDL Infrastructure Developers Pvt. Ltd. 234,000 (Previous Year : 234,000) Class A Equity Shares of ₹ 10/- each 1(Previous Year : 1) Class B Equity Shares of ₹ 10/- each	2,340,000 10	2,340,000 10
- Northwood Constructions India Pvt. Ltd. : 2,500 (Previous Year : 2,500) Equity Shares of ₹ 10/- each 10,000 (Previous Year : 10,000) Class B Equity Shares of ₹ 10/- each Share Application Money	25,000 100,000 2,450,684	25,000 100,000 1,500,684
- Northwood Properties India Pvt. Ltd. 2,500 (Previous Year : 2,500) Equity Shares of ₹ 10/- each 10,000 (Previous Year : 10,000) Class B Equity Shares of ₹ 10/- each Share Application Money	25,000 100,000 3,530,849	25,000 100,000 2,130,849
- Northwood Realty India Pvt. Ltd. 2,500 (Previous Year : 2,500) Equity Shares of ₹ 10/- each 10,000 (Previous Year : 10,000) Class B Equity Shares of ₹ 10/- each Share Application Money	25,000 100,000 2,250,849	25,000 100,000 1,170,849
- Northwood Residential Ventures Pvt. Ltd. 2,500 (Previous Year : 2,500) Equity Shares of ₹ 10/- each 10,000 (Previous Year : 10,000) Class B Equity Shares of ₹ 10/- each Share Application Money	25,000 100,000 1,858,622	25,000 100,000 473,622
- Northwood Township Project Pvt. Ltd. 2,500 (Previous Year : 2,500) Equity Shares of ₹ 10/- each 10,000 (Previous Year : 10,000) Class B Equity Shares of ₹ 10/- each Share Application Money	25,000 100,000 2,563,622	25,000 100,000 1,383,622

SCHEDULES FORMING PART OF THE BALANCE SHEET

Particulars	As at 31.03.2011 In ₹	As at 31.03.2010 In ₹
- SSPDL Northwood Homes Pvt. Ltd. 2,500 (Previous Year : 2,500) Equity Shares of ₹ 10/- each	25,000	25,000
10,000 (Previous Year : 10,000) Class B Equity Shares of ₹ 10/- each	100,000	100,000
Share Application Money	2,890,845	1,820,845
- SSPDL Northwood Residence Pvt. Ltd. 2,500 (Previous Year : 2,500) Equity Shares of ₹ 10/- each	25,000	25,000
10,000 (Previous Year : 10,000) Class B Equity Shares of ₹ 10/- each	100,000	100,000
Share Application Money	2,270,849	1,370,849
- SSPDL Northwood Villas Pvt. Ltd. 2,500 (Previous Year : 2,500) Equity Shares of ₹ 10/- each	25,000	25,000
10,000 (Previous Year : 10,000) Class B Equity Shares of ₹ 10/- each	100,000	100,000
Share Application Money	2,630,849	1,480,849
- Northwood Infratech Pvt. Ltd. 2,500 (Previous Year : 2,500) Equity Shares of ₹ 10/- each	25,000	25,000
10,000 (Previous Year : 10,000) Class B Equity Shares of ₹ 10/- each	100,000	100,000
Share Application Money	1,028,603	428,603
C. Debentures in Associates (Non Quoted and Long Term) :		
- SSPDL Infrastructure Developers Pvt. Ltd. 70,460 (Previous Year : 14,040) Class Y 27.46% Cumulative Compulsory Convertible Debentures of ₹ 1000/- each	70,460,000	14,040,000
Optionally Convertible 15% Debentures (Series B) of ₹ 10/- each fully paid-up :		
- Northwood Constructions India Pvt. Ltd. : 1,786,830 (Previous Year : 1,786,830) of ₹ 10/- each	17,868,300	17,868,300
- Northwood Properties India Pvt Ltd 1,824,060 (Previous Year : 1,824,060) of ₹ 10/- each	18,240,600	18,240,600
- Northwood Realty India Pvt. Ltd. 1,786,830 (Previous Year : 1,786,830) of ₹ 10/- each	17,868,300	17,868,300
- Northwood Residential Ventures India Pvt. Ltd. 1,228,390 (Previous Year : 1,228,390) of ₹ 10/- each	12,283,900	12,283,900
- Northwood Township Project Pvt. Ltd. 1,902,070 (Previous Year : 1,902,070) of ₹ 10/- each	19,020,700	19,020,700
- SSPDL Northwood Homes Pvt. Ltd. 1,769,100 (Previous Year : 1,769,100) of ₹ 10/- each	17,691,000	17,691,000
- SSPDL Northwood Residence Pvt. Ltd. 1,769,100 (Previous Year : 1,769,100) of ₹ 10/- each	17,691,000	17,691,000
- SSPDL Northwood Villas Pvt. Ltd. 1,866,610 (Previous Year : 1,866,610) of ₹ 10/- each	18,666,100	18,666,100
- Northwood Infratech Pvt. Ltd. 953,610 (Previous Year : 953,610) of ₹ 10/- each	9,536,100	9,536,100
NON-TRADE INVESTMENTS - Quoted and Long Term		
D. In Equity Shares of Other Companies - Fully Paid-up :		
- Andhra Bank NIL (Previous Year : 5,631) Equity Shares of ₹ 10/- each	-	506,790
Total	247,264,442	181,126,232
Aggregate Book Value of Quoted Investments	-	506,790
Aggregate Market Value of Quoted Investments	-	609,274
Aggregate Book Value of Non-Quoted Investments	247,264,442	180,619,442

SCHEDULES FORMING PART OF THE BALANCE SHEET

Particulars	As at 31.03.2011 In ₹	As at 31.03.2010 In ₹
SCHEDULE 7		
CURRENT ASSETS, LOANS AND ADVANCES		
Inventories		
Work-in-Progress	184,049,900	172,361,399
Land	102,665,100	102,665,100
	<u>286,715,000</u>	<u>275,026,499</u>
Sundry Debtors		
(Unsecured, Considered Good Debts outstanding for a period exceeding 6 months)	300,834,931	483,208,789
Others	65,123,534	124,134,601
	<u>365,958,465</u>	<u>607,343,390</u>
Cash and Bank Balances		
Cash on Hand	332,110	1,059,510
Balances with Scheduled Banks		
- In Current Accounts	4,051,397	9,463,993
- In Deposit Accounts	37,252,611	14,398,700
	<u>41,636,118</u>	<u>24,922,203</u>
Other Current Assets		
Interest Accrued on Investments	223,335	-
Interest Accrued on Fixed Deposits and Margin Money on BGs	1,520,695	1,165,152
	<u>1,744,030</u>	<u>1,165,152</u>
Loans and Advances		
(Unsecured, Considered good, recoverable in cash or in kind or for value to be received)		
Advances Recoverable	396,102,863	373,466,725
Deposits	2,588,110	2,388,285
MAT Credit Entitlement Account	12,427,059	-
TDS and Advance Tax	107,342,978	98,470,118
	<u>518,461,010</u>	<u>474,325,128</u>
Total	<u>1,214,514,623</u>	<u>1,382,782,371</u>

SCHEDULE 8**CURRENT LIABILITIES AND PROVISIONS****Current Liabilities:**

Sundry Creditors:

- Dues to Micro and Small Enterprises	-	-
- Dues to Others	81,504,784	91,085,526
Unclaimed Dividend F.Y. 2006-07	109,152	109,152
Advances Received from Clients	313,538,015	297,819,798
Other Liabilities	159,657,848	177,812,220
	<u>554,809,799</u>	<u>566,826,696</u>

Provisions

Retirement Benefits	881,072	663,225
Income Tax	20,662,298	-
	<u>21,543,370</u>	<u>663,225</u>
Total	<u>576,353,169</u>	<u>567,489,921</u>

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

Particulars	For the year ended 31.03.2011 In ₹	For the year ended 31.03.2010 In ₹
SCHEDULE 9		
CONTRACT REVENUE / INCOME FROM OPERATIONS		
From Sales	220,122,776	121,077,682
From Contract Revenue	148,352,210	368,738,315
Total	<u>368,474,986</u>	<u>489,815,997</u>
SCHEDULE 10		
OTHER INCOME		
Rental Income	6,650	4,577,007
Interest Income :		
- On Deposits with Banks	1,711,223	1,067,070
- On Trade Investments	11,367,040	3,855,384
- Others	1,467,995	28,705
Dividend Received	28,155	25,339
Commission Received	-	517,114
Provisions no longer required written back	15,450,082	-
Profit on sale of Fixed Assets	1,038,585	-
Receipts against Alphacity maintain charges	2,976,106	-
Miscellaneous Income	3,052,262	2,564,171
Total	<u>37,098,098</u>	<u>12,634,790</u>
SCHEDULE 11		
WORK COST		
Work Cost including Contractor's Bills	226,742,698	255,528,476
Masonry and Other Works	30,875,300	76,208,218
Power and Fuel Charges	3,706,616	6,948,680
Rates and Taxes	5,087,933	25,693,718
Survey and Investigation Work	15,271	450,442
Project Consultancy Fee	7,779,469	2,944,191
Land	9,500,000	28,898,100
Increase/Decrease in Work-in-Progress		
Add: Opening Work-in-Progress	275,026,499	295,562,966
Less: Closing Work-in-Progress	(286,715,000)	(275,026,499)
Total	<u>272,018,786</u>	<u>417,208,293</u>
SCHEDULE 12		
PERSONNEL COST		
Salaries and Wages	20,747,143	31,300,821
Staff Welfare	1,212,505	1,086,776
Contribution to Provident Fund and Other Funds	568,316	741,723
Total	<u>22,527,964</u>	<u>33,129,320</u>

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

Particulars	For the year ended 31.03.2011 In ₹	For the year ended 31.03.2010 In ₹
SCHEDULE 13		
ADMINISTRATION EXPENSES		
Rent	2,462,600	2,292,000
Rates and Taxes	2,161,936	423,398
Electricity Charges	372,894	371,082
Vehicle Maintenance	684,981	785,952
Insurance	461,773	119,937
Communication Expenses	974,159	1,264,153
Travelling and Conveyance	3,566,914	4,695,855
Repairs and Maintenance		
- Buildings	-	445,363
- Plant and Machinery	13,410	120,939
Office Maintenance	270,450	281,725
Printing and Stationery	436,684	689,906
Remuneration to Managing Director	3,600,000	2,400,000
Professional Charges	4,119,953	2,212,346
Payment to Auditors :		
- As Auditors	248,175	262,510
- For Tax Matters	82,725	84,270
- Others Services	44,120	11,030
Advertisement Charges	4,833,966	1,957,620
Business Promotion	756,141	138,719
Commission and Brokerage	-	956,385
Loss on Sale/Discarding of Fixed Assets	-	83,267
General Expenses	3,469,366	3,653,759
Total	28,560,247	23,250,216

SCHEDULE 14

FINANCIAL CHARGES

Interest on Fixed Loans	11,486,310	15,142,753
Interest on Overdraft	13,297,297	32,202,533
Interest on Others	16,267,043	17,678,642
Bank Charges	3,292,662	3,949,837
Total	44,343,312	68,973,765

SCHEDULE 15

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS:

I. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Accounting:

The financial statements are prepared to comply in all material aspects with all the applicable accounting principles in India, the accounting standards notified under section 211(3C) of the Companies Act, 1956 of India (the Act) and the relevant provisions of the Act.

b. Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported value of assets and liabilities on the date of the financial statements and reported amount of revenue and expenditure for the year. Actual results could differ from these estimates. Actual figures could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

c. Revenue Recognition:

i. Construction Contracts

In accordance with AS-7 (Revised), the company recognizes revenue on percentage completion method stated on the basis of physical measurement of work actually completed at the balance sheet date, taking into account the contractual price and revision thereto. Foreseeable losses are accounted for when they are determined except to the extent they are expected to be recovered through claims presented or to be presented to the customer or in arbitration. Expenditure incurred in respect of additional cost / delays is accounted in the year in which they are incurred. Claims made in respect thereof are accounted as income in the year of receipt of arbitration award or acceptance by client or evidence of acceptance received from the client.

ii. Development Projects

Revenue is recognized when the company enters into an agreement for sale with the buyer and all significant risks and rewards have been transferred to the buyer and there is no uncertainty regarding reliability of the sale consideration.

iii. Real Estate Projects

Sale of land and plots (including development rights) is recognized in the financial year in which the legal title passes to the buyer. Where the Company has any remaining substantial obligations as per the agreements, revenue is recognized on the percentage of completion method of accounting.

iv. Interest Income

Income from interest is being accounted for on time proportion basis taking into account the amount outstanding and the applicable rate of interest.

v. Rental Receipts

Rent and service receipts are accounted for on accrual basis, except in cases where ultimate collection is considered doubtful.

d. Fixed Assets:

All the Fixed Assets are stated at cost less depreciation, wherever applicable. Cost comprises the purchase price and any other attributable costs of bringing the asset to its working condition for its intended use.

e. Depreciation:

Depreciation is provided on straight-line basis at the rates prescribed in schedule XIV of The Companies Act, 1956. The Company follows the policy of charging depreciation on pro-rata basis on the assets acquired or disposed off during the year.

f. Investments:

Long-term investments are stated at cost and provision for diminution is made if the decline in value is other than temporary in nature.

Investments other than Long Term Investments are stated at cost or market value whichever is less. Any increase/reduction in the carrying cost is credited/ charged to the Profit and Loss account.

g. Inventories:

i. Land and plots are valued at cost or net realizable value whichever is less.

ii. Work-in-Progress with respect to construction contracts is valued at the contract rates and with respect to development projects is valued at cost.

h. Retirement Benefits:

i. Provident Fund:

The Company has Defined Contribution Plan for its employees' retirement benefits comprising of Provident Fund. The Company contributes to State Plans namely Employees Pension Scheme, 1995.

ii. Gratuity:

The company has Defined Benefit Plan comprising of Gratuity Fund. The Company contributes to Gratuity Fund administered by LIC. The liability for the Gratuity Fund is determined on the basis of actuarial valuation done at the year end. Actuarial Gains and Losses comprise experience adjustments and the effect of changes in the actuarial assumptions and are recognized immediately in the profit and loss account as income or expense.

iii. Compensated Absences:

The Company has been providing for disbursement of leave encashment on calendar year basis as per policy.

i. Borrowing Costs:

Borrowing costs that are directly attributable to the acquisition of a fixed asset are capitalized as part of the cost of the asset till the date the asset is ready for commercial use. All other borrowing costs are charged to Revenue.

j. Taxation:

The current charge for taxes is calculated in accordance with relevant tax regulations applicable to the Company.

The deferred tax for the timing differences between the book and tax profits for the year-end is accounted for, using the tax rates and laws that have been substantially enacted as of the balance sheet date.

Deferred tax Assets arising from timing differences are recognized and carried forward only if there is reasonable certainty that they will be realized in future and reviewed for the appropriateness of their respective carrying value at each balance sheet date.

k. Earnings per Share:

The basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders is divided by the weighted average number of shares outstanding during the period which are adjusted for the effects of all dilutive potential equity shares.

l. Impairment of Assets:

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the assets or the recoverable amount of the cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

m. Provisions:

Provisions are recognized when the Company has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of obligation.

II. NOTES TO ACCOUNTS**1. Contingent liabilities:**

- i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ Nil (Previous Year ₹ Nil).
- ii) The Company has given a corporate guarantee on behalf of M/s SSPDL Infrastructure Developers Private Limited for an amount of Rs 85,739,276/- (Previous Year ₹ 85,739,276/-) in favour of Accent Hotels Private Limited and for an amount of Rs 52,758,962/- (Previous Year ₹ 52,758,962/-) in favour of Inter Globe Hotels Private Limited.
- iii) Claims against the Company not acknowledged as debts include demands raised by Income Tax authorities ₹ 117,844,020/- (Previous year ₹ 21,191,937/-). Upto the balancesheet date the company has deposited against these claims amounting to ₹ 66,346,651/- (Previous year ₹ 21,977,469/-). No provision has been made in the accounts for these demands as the Company expects a favorable decision in appeal.
- iv) Guarantees given by bank to various parties on behalf of the company outstanding as on 31st March, 2011 ₹ 50,067,376/- (Previous Year ₹ 71,987,376/-).
- v) During the Financial year 2009-10 the company has received a notice from the Office of the Commercial Tax Officer, Chennai directing to pay ₹ 32,96,101/- along with interest on disallowance of input tax claimed by the company during 2006-07 under Section 19(11) of Tamil Nadu VAT Act due to delay in submission of returns. The Company has filed a writ petition against the notice in the High Court of Madras and interim stay was granted by the Hon'ble High Court. Issue of demand notice will be decided after outcome of the Judgment on Writ Petition.
- vi) The Company has a Sales tax demand in respect of Inter-state purchase of goods relating to the financial year 2002-03 under Tamilnadu General Sales Tax Act for an amount of Rs 320,340 /- (Previous Year ₹ 320340/-).

2. Secured Loans:

- i) Cash credit /Working capital term Loan from SBI is secured by
 - The first charge on all the current assets of the company including hypothecation on construction materials, work in progress, receivables.
 - First charge (equitable mortgage) of company's share of 70% of the built-up space together with undivided share of land to an extent of 87,712 Sq.ft at Navallur Village, Old Mahabalipuram Road, Kanchipuram District, Chennai.

AS COLLATERAL SECURITY:

- First charge on all the fixed assets of the company created / to be created out of the proposed term loan.
- Equitable mortgage of residential property at hakimpet village, jubilee hills, Hyderabad.

- Equitable mortgage of vacant land at kollur village, medak, Andhra Pradesh.
- Pledge of 2585850 shares of Sri Prakash Challa and Sri Suresh Challa.
- Pledge of 2585850 shares of Sri Prakash Challa, Sri Suresh Challa.

Director	No. of shares held	No. of shares pledged	% of the shares pledged
Sri. Prakash Challa	2,359,390	1,939,390	82.20
Sri. Suresh Challa	887,600	646,460	72.83

- Vehicle loans availed from Axis Bank Ltd, HDFC Bank Ltd and are secured by hypothecation of vehicles.

ii) Subsequent to the balance sheet date, the Company has repaid the outstanding balance and completely closed the working capital term loan. Consequent to this closure of the loan, SBI has conveyed to release the pledge on the shares of the promoters.

3. The Company is seeking confirmations from its suppliers whether they fall under the category of micro, small and medium enterprises as mentioned under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006). Based on confirmations received till date, the company believes that it does not have any outstanding dues towards Micro, Small and Medium Enterprises. Further the company has not paid/accrued any interest under this MSMED Act.

4. **Sundry Debtors includes:**

(Amount in ₹)

Particulars	As at 31.03.2011	As at 31.03.2010
Debts due by private companies in which directors of the company are interested: - M/s. Alpha City Chennai IT Park Projects Pvt Ltd.	26,74,89,295	46,95,40,295
Debts due by partnership firms: - M/s. Sri Satya Sai Constructions	10,29,995	1,43,99,631

5. **Loans and Advances includes :**

(Amount in ₹)

Particulars	Maximum Amount Outstanding at any time during the year		As at 31.03.2011	As at 31.03.2010
	2010-11	2009-10		
Advances to Subsidiaries :				
- M/s. SSPDL Realty India Pvt Ltd.	63,352,825	63,350,490	63,352,825	63,348,325
- M/s. SSPDL Real Estates India Pvt Ltd.	83,677,077	70,705,949	83,677,077	70,716,169
- M/s. SSPDL Infra Projects India Pvt Ltd.	37,164,132	37,161,797	37,164,132	37,159,632
- M/s. SSPDL Matrix Towers Pvt Ltd.	12,535	12,385	12,535	12,385
- M/s. SSPDL Almoayyed Projects Pvt Ltd.	57,039	41,545	57,039	41,545
- M/s. SSPDL Resorts Pvt Ltd.	10,276	12,441	10,276	10,276
- M/s. SSPDL Interserve Pvt Ltd.	1,100,594	-	214,914	-
Advances to companies in which director is interested :				
- M/s. Alpha City Chennai IT Park Projects Pvt Ltd.	15,947,079	10,650	15,947,079	10,650
- M/s. SSPDL Infrastructure Developers Pvt. Ltd.	4,917,142	659,199	4,917,142	416,382
- M/s. SSPDL Properties Pvt Ltd.	20,394	20,394	23,394	20,394

Since the above details meet the requirements of clause 32 of the Listing Agreement, no separate disclosure is made.

6. Directors/Promoter Directors have pledged their shares to SBI bank during the year for availing term loans for the purpose of the company.

Director	No. of shares held	No. of shares pledged	% of the shares pledged
Sri. Prakash Challa	2,359,390	1,939,390	82.20
Sri. Suresh Challa	887,600	646,460	72.83

7. Managerial Remuneration:

(Amount in ₹)

Particulars	Year ended 31.03.2011	Year ended 31.03.2010
Salary & Allowances	3,600,000	2,400,000
Commission	-	-
Contribution to Provident fund	129,600	79,200
Perquisites	-	-
Total	3,729,600	2,479,200

Managing Director is covered under the Company's Group Gratuity Scheme along with other employees of the Company. The gratuity liability is determined for all the employees on an independent actuarial valuation basis. The specific amount of gratuity for Managing Director cannot be ascertained separately, except for the amount actually paid.

8. Value of Direct Imports calculated on C.I.F basis:

(Amount in ₹)

Particulars	Year ended 31.03.2011	Year ended 31.03.2010
Components and spare parts	NIL	423,590

9. Expenditure in Foreign Currency:

(Amount in ₹)

Particulars	Year ended 31.03.2011	Year ended 31.03.2010
On account of Travel	128,051	317,001

10. Disclosure in accordance with AS-7:

(Amount in ₹)

Particulars	Year ended 31.03.2011	Year ended 31.03.2010
Contract Revenue recognize as revenue in the period	148,352,210	368,738,315
Cost incurred and Recognized Profit or Losses up to the reporting period	860,162,257	711,810,047
Advances received	4,669,000	36,695,099
Retention Money	19,244,555	23,602,510
Gross amount due from customers for contract work as asset	38,989,189	78,267,851
Gross amount due from customers for contract work a liability	-	-

11. Extraordinary Income being Non-compete fee of ₹ 58,245,046/- received from SSPDL Interserve Private Limited.

12. During the year some of the fixed assets are sold to SSPDL Interserve Private Limited for an amount of ₹ 35,164,953/-

13. As per Accounting Standard 15 "Employees Benefits", the disclosures of Employees benefits as defined in the Accounting Standard are given below

i. **Defined Contribution Plans:** Contribution to defined Contribution Plan, recognized as expense for the year are as under.

(Amount in ₹)

Particulars	2010-11	2009-10
Employer's Contribution to Provident Fund	501,179	579,546

ii. **Defined Benefit Plans:** Provision for Gratuity has been provided in accordance with AS-15. Actuarial valuation was performed in respect of the Gratuity based on the following assumptions:

(Amount in ₹)

Particulars	Year ended 31.03.2011	Year ended 31.03.2010
A. Change in present value of obligation		
Present value of obligation at the beginning of the year	920,226	947,868
Current Service cost	174,141	129,289
Interest cost	73,618	75,829
Benefits paid	(36,577)	-
Net Actuarial (Gain) / Loss Recognized during the year	(7,873)	(232,760)
Present value of obligation at the end of the year	11,23,535	920,226
B. Changes in the Fair Value of Plan Assets		
Present Value of Plan Assets at the beginning of the year	257,001	11,241
Expected Return on Plan Assets	22,039	10,322
Actuarial Gain / (Loss)	NIL	(129)
Contributions	NIL	235,567
Benefits Paid	(36577)	-
Fair Value of Plan Assets at the end of the year	242,463	257,001
C. Net (Asset) / Liability recognized in the Balance Sheet		
Present value of obligation at the end of the year	11,23,535	920,226
Fair value of Plan Assets at the end of the year	242,463	257,001
Funded status (surplus) / deficit	(881,072)	663,225
Net (Asset) / Liability recognized in the Balance Sheet	(882072)	663,225
D. Expenses recognized in the Profit & Loss Account		
Service Cost	174,141	129,289
Interest Cost	73,618	75,829
Expected return on Plan Assets	(22,039)	10,322
Net Actuarial (Gain) / Loss recognized during the year	(7,873)	(232,631)
Total Expenses/ (Income) recognized in Profit and Loss account	217,847	(37,835)
E. Actuarial assumptions :		
Discount rate	8%	8%
Salary escalation - over a long term	5%	5%
Attrition Rate	5%	5%
Expected return of the planned assets	8%	8%

iii. **Other Benefit Plans:** The liability for Leave Encashment as at the year end is ₹ 246,333 /- (previous year ₹ 236,211/-).

14. Segment Information:

Since the company has only one segment, i.e. Property Development and operations of the company has been carried out in India, separate information on Segment Reporting as per the Accounting Standard 17 issued by the ICAI is not required.

15. As required under Accounting Standard 18 "Related party Disclosures" (AS-18), following are details of transactions during the year with the related parties of the Company as defined in AS 18:

i. List of the Related parties and Relationships:

<p>Subsidiaries:</p> <ol style="list-style-type: none"> 1. M/s. SSPDL Resorts Pvt Ltd. 2. M/s. SSPDL Reality India Pvt Ltd. 3. M/s. SSPDL Real Estates India Pvt Ltd. 4. M/s. SSPDL Matrix Towers Pvt Ltd. 5. M/s. SSPDL Infra Projects India Pvt Ltd. 6. M/s. Kollur Residential Project Pvt Ltd. 7. M/s. SSPDL Almoayyed Projects Pvt Ltd. 8. M/s. SSPDL Interserve Pvt Ltd. <p>Associates:</p> <p>a) By virtue of share holding.</p> <ol style="list-style-type: none"> 1. M/s. Northwood Infratech Pvt Ltd. 2. M/s. Northwood Constructions India Pvt Ltd. 3. M/s. Northwood Properties India Pvt Ltd. 4. M/s. Northwood Realty India Pvt Ltd. 5. M/s. Northwood Residential Ventures India Pvt Ltd. 6. M/s. Northwood Township Projects Pvt Ltd. 7. M/s. SSPDL Northwood Homes Pvt Ltd. 8. M/s. SSPDL Northwood Residence Pvt Ltd. 9. M/s. SSPDL Northwood Villas Pvt Ltd. 10. M/s. Alpha City Chennai IT Park Projects Pvt Ltd. 11. M/s. SSPDL Infrastructure Developers Pvt Ltd. 	<p>b) Enterprises owned/significantly influenced by Key Management Personnel</p> <ol style="list-style-type: none"> 1. M/s Alpha City Chennai IT Park Projects Pvt Ltd. 2. M/s. Sri Satya Sai Constructions (Partnership Firm) 3. M/s. Sri Satya Sai Constructions (Sole Proprietary Concern) 4. M/s. Sri Krishna Devaraya Hatcheries Private Limited 5. M/s. SSPDL Ventures Pvt Ltd. 6. M/s. SSPDL Properties Pvt Ltd. 7. M/s. SSPDL Retreat Pvt Ltd. 8. M/s. SSPDL Interserve Pvt Ltd. <p>Key Managerial Personnel:</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 70%;">1. Mr. Challa Prakash</td> <td style="width: 30%;">Managing Director</td> </tr> <tr> <td>2. Mr. Challa Suresh</td> <td>Director</td> </tr> <tr> <td>3. Mr. E. Bhaskar Rao</td> <td>Director</td> </tr> </table>	1. Mr. Challa Prakash	Managing Director	2. Mr. Challa Suresh	Director	3. Mr. E. Bhaskar Rao	Director
1. Mr. Challa Prakash	Managing Director						
2. Mr. Challa Suresh	Director						
3. Mr. E. Bhaskar Rao	Director						

ii. Related Party Transactions

(Amounts in ₹)

Nature of Transactions	Subsidiaries	Associates	Key Managerial Personnel
Contract Revenue Accepted	- (-)	26,575,684 (516,558,106)	- (-)
Remuneration	-	-	37,29,600 (2,479,200)
Rental Charges	-	-	2,462,600 (2,292,000)
Asset Purchased/Car	-	-	-
Investments	1,209,900 (699,900)	242,155,461 (179,919,542)	-
Sundry Debtors	-	268,519,290 (595,004,432)	-
Advances Given	184,227,808 (171,234,045)	11,01,728 (6,281,021)	200 (200)
Loan Taken	-	94,941,652 (69,903,447)	45,347,422 (43,138,401)
Rent Deposits	-	-	1,000,000 (910,000)
Advances received	45,432,987 (49,260,086)	130,768,052 (155,126,131)	-
Non-compete fee received	58,245,046 (-)	-	-
Sale of Assets	35,164,955 (-)	-	-
Common facilities sharing expenses	2,183,940 (-)	-	-
Project management Consultancy Fee paid	2,715,007 (-)	-	-

Note: Figures in brackets indicates previous year figures

16. Earnings Per Share:

(Amounts in ₹)

Particulars	Year ended 31.03.2011	Year ended 31.03.2010
Net Profit for the year after tax (a)	61,039,540	(2,64,07,527)
Weighted Average number of Equity shares outstanding during the year for Diluted Earnings Per Share (b)	1,29,29,250	1,29,29,250
Basic and Diluted Earnings per share (face value ₹ 10/- each) (a)/(b)	4.72	(2.04)

17. Deferred Tax Assets/(Liabilities):

(Amounts in ₹)

Particulars	Year ended 31.03.2011	Year ended 31.03.2010
a) Deferred Tax Asset		
Disallowances u/s. 43B of Income Tax Act, 1961	365,787	390,161
Unabsorbed Business Loss	9,364,838	36,074,510
Total (a)	9,730,625	36,464,670
b) Deferred Tax Liability		
Difference between book and tax depreciation	2,326,739	3,964,073
Total (b)	2,326,739	3,964,073
c) Net Deferred Tax Asset/(Liability) (a-b)	7,403,886	32,500,597

18. Other information required to be disclosed as per part II of Schedule VI to the Companies Act, is either 'NIL' or 'NOT APPLICABLE' in the case of this company.

19. Previous year figures have been regrouped / reclassified wherever considered necessary to conform to this year's classification.

As per our attached report of even date
For **KARVY & CO.,**
Chartered Accountants
(Firm Registration No. : 001757S)

For and on behalf of the Board of Directors

(K.AJAY KUMAR)
PARTNER
M. No.: 021989

PRAKASH CHALLA
MANAGING DIRECTOR

E.BHASKAR RAO
DIRECTOR

Place : Hyderabad
Date : 13.08.2011

A.SHAIENDRA BABU
COMPANY SECRETARY CUM MANAGER (FINANCE)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

Particulars	As at 31.03.2011		As at 31.03.2010	
	In ₹	In ₹	In ₹	In ₹
A. CASH FLOWS FROM OPERATING ACTIVITIES				
Net Profit before Tax and Extraordinary Items		94,371,490		(43,283,825)
Adjustments for:				
Depreciation	1,996,330		3,173,018	
Interest Income	(13,078,263)		(4,922,454)	
Interest on Borrowing	41,050,650		65,023,928	
Dividend Income	(28,155)		(25,339)	
Profit / Loss on Sale of Fixed Assets	(1,038,585)		83,267	
		<u>28,901,977</u>		<u>63,332,420</u>
Operating Profit Before Working Capital Changes		123,273,467		20,048,595
Adjustments for:				
Trade and Others Receivables	218,548,960		104,120,072	
Inventories	(11,688,491)		20,536,467	
Trade Payables and Other Liabilities	(11,799,051)		(15,256,576)	
Increase/(Decrease) in Net current Assets		195,061,418		109,399,963
Cash Generated from Operation		318,334,885		129,448,558
Adjustments for income tax paid		(8,872,860)		240,720
Net Cash from Operating Activities	(A)	309,462,025		129,689,278
B. CASH FLOWS FROM INVESTING ACTIVITIES				
Disposal of Investments		506,790		-
Purchase of Investments in Associates		(66,645,000)		(5,865,000)
Purchase of Fixed Assets		(4,929,366)		(3,227,654)
Sale of Fixed Assets		35,613,349		126,260
Profit /loss on Sale of Fixed Assets		1,038,585		(83,277)
Interest Received		12,499,385		4,117,891
Dividend Income		28,155		25,339
Net Cash from Investing Activities	(B)	(21,888,102)		(4,906,441)
C. CASH FLOWS FROM FINANCING ACTIVITIES				
Interest on Borrowings		(41,050,650)		(65,023,928)
Proceeds / (Repayment) of Borrowings		(229,809,360)		(52,252,159)
Net Cash used in Financing Activities	(C)	(270,860,010)		(117,276,087)
Net Increase/(Decrease) in Cash & Cash equivalent (A+B+C)		16,713,915		7,506,760
Cash and Cash Equivalents at the beginning of the Year		24,922,203		17,415,453
Cash and Cash Equivalents at the end of the Year		<u>41,636,118</u>		<u>24,922,203</u>

As per our attached report of even date
For **KARVY & CO.,**
Chartered Accountants
(Firm Registration No. : 001757S)

For and on behalf of the Board of Directors

(K.AJAY KUMAR)
PARTNER
M. No.: 021989

PRAKASH CHALLA
MANAGING DIRECTOR

E.BHASKAR RAO
DIRECTOR

Place : Hyderabad
Date : 13.08.2011

A.SHAIENDRA BABU
COMPANY SECRETARY CUM MANAGER (FINANCE)

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

I. Registration Details

Registration No. STATE CODE

Balance Sheet Date

Date Month Year

II Capital raised during the year : (Amount in ₹ Thousands)

Public Issue Rights Issue

Bonus Issue Private Placement

III Position of Mobilisation and Deployment of Funds : (Amount in ₹ Thousands)

Total Liabilities Total Assets

Sources of Funds :

Paid-up Capital Share application money

Reserves & Surplus Secured Loans

Unsecured Loans

Application of Funds :

Net Fixed Assets Net Current Assets

Investments Deferred Tax

Misc. Expenditure Accumulated loss

IV Performance of Company (Amount In ₹ Thousands) :

Turnover (Total Income) Total Expenditure

Profit/for the year Profit after tax

Earning per share :(In Rs)

Basic Dividend

V Generic names of principal products :

Item code No. (ITC Code)

Product Description

As per our attached report of even date

For **KARVY & CO.,**
Chartered Accountants
(Firm Registration No. : 001757S)

For and on behalf of the Board of Directors

(K.AJAY KUMAR)
PARTNER
M. No.: 021989

PRAKASH CHALLA
MANAGING DIRECTOR

E.BHASKAR RAO
DIRECTOR

Place : Hyderabad
Date : 13.08.2011

A.SHAIENDRA BABU
COMPANY SECRETARY CUM MANAGER (FINANCE)

SSPDL LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

AS ON

31ST MARCH, 2011

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To,
The Members of
M/s. SSPDL LTD (formerly SRINIVASA SHIPPING AND PROPERTY DEVELOPMENT LIMITED)

1. We have examined the attached consolidated balance sheet of SSPDL LIMITED (the company) and its subsidiaries (collectively referred to as "the Group") as at 31st March, 2011, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date and annexed thereto. These consolidated financial statements are the responsibility of the management of SSPDL LIMITED ("Management"). Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with the generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatement. An audit includes examining, on a 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 statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of subsidiary companies whose financial statements reflect total assets (net) of ₹ 71.86 Crores as at 31.03.2011, total revenue of ₹ 26.02 Crores and net Cash flows amounting to ₹ 18.49 crores for the year ended on that date. These financial statements and other financial information has been audited by the other auditors, whose report has been furnished to us and our opinion is solely based on the report of the other auditors.

4. We report that consolidated financial statements have been prepared by the company's management in accordance with the requirements of Accounting Standard (AS) 21, "Consolidated Financial Statements", AS 23 "Accounting for Investments in Associates in Consolidated Financial Statements" as notified under the Companies (Accounting Standards) Rules, 2006 ("the rules") and on the basis of the separate audited financial statements of SSPDL LIMITED and its subsidiaries.
5. Based on our audit as aforesaid, and on consideration of the reports of the other auditors on the separate financial statements / consolidated financial statements and on the other financial information of the components and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with accounting principles generally accepted in India:
 - a) In the case of the Consolidated Balance Sheet, of the State of Affairs of the Group as at 31st March, 2011,
 - b) In the case of the Consolidated Profit and Loss Account, of the PROFIT of the Group for the year ended on that date,

And

 - c) In the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For **KARVY & CO.,**
Chartered Accountants
(Registration No: 001757S)

(K.AJAY KUMAR)
Partner
M. No.: 021989

Place : Hyderabad
Date : 13.08.2011

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011

Particulars	Schedule	As at 31.03.2011 In ₹	As at 31.03.2010 In ₹
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	129,292,500	129,292,500
Reserves and Surplus	2	713,304,116	479,566,730
Minority Interest		167,981,289	-
LOAN FUNDS			
Secured Loans	3	94,801,012	350,954,190
Unsecured Loans	4	324,394,399	113,041,848
Total		1,429,773,317	1,072,855,268
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block		142,882,647	55,247,637
Less : Depreciation		18,962,708	10,266,776
Net Block		123,919,939	44,980,861
INVESTMENTS	6	243,785,179	179,786,688
PRE-OPERATIVE EXPENDITURE		1,447,895	1,380,698
DEFERRED TAX ASSETS		7,403,886	32,500,597
CURRENT ASSETS, LOANS AND ADVANCES	7		
Inventories		494,119,140	466,173,570
Sundry Debtors		431,739,726	607,343,390
Cash and Bank Balances		226,895,955	25,241,001
Other Current Assets		3,919,479	1,165,152
Loans and Advances		582,059,323	303,282,062
		1,738,733,623	1,403,205,174
LESS : CURRENT LIABILITIES AND PROVISIONS	8	685,677,094	589,150,839
NET CURRENT ASSETS		1,053,056,529	814,054,335
MISCELLANEOUS EXPENDITURE		159,889	152,089
(To the extended not written off)			
Total		1,429,773,317	1,072,855,268

Significant Accounting Policies and Notes to Consolidated Accounts 15

The Schedules referred to above and the Notes to Consolidated Accounts form an integral part of the Consolidated Balance Sheet.

As per our attached report of even date
For **KARVY & CO.**,
Chartered Accountants
(Firm Registration No. : 001757S)

For and on behalf of the Board of Directors

(K.AJAY KUMAR)
PARTNER
M. No.: 021989

PRAKASH CHALLA
MANAGING DIRECTOR

E.BHASKAR RAO
DIRECTOR

Place : Hyderabad
Date : 13.08.2011

A.SHAIENDRA BABU
COMPANY SECRETARY CUM MANAGER (FINANCE)

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

Particulars	Schedule	For the Year ended 31.03.2011 In ₹	For the Year ended 31.03.2010 In ₹
INCOME			
Contract Revenue / Income from Operations	9	619,416,235	489,815,997
Other Income	10	46,388,616	12,634,790
Extraordinary Income	15	58,245,046	-
Total		<u>724,049,897</u>	<u>502,450,787</u>
EXPENDITURE			
Work Cost	11	466,249,319	415,481,606
Personnel Cost	12	59,875,537	33,857,320
Administration Expenses	13	43,743,077	24,224,237
Finance Charges	14	45,294,713	68,973,765
Depreciation	5	15,207,007	3,197,684
Total		<u>630,369,653</u>	<u>545,734,612</u>
PROFIT / (LOSS) BEFORE TAX		93,680,244	(43,283,825)
Provision for Tax :			
Current Tax		20,662,298	-
Deferred Tax Charge/(Release)		25,096,711	(16,876,298)
MAT Credit		<u>(12,427,059)</u>	-
PROFIT / (LOSS) AFTER TAX		60,348,294	(26,407,527)
Less: Share of Profit/(Loss) of Minority Interest		(338,711)	-
Share of Profit / (Loss) from Associates (Net)		<u>(1,629,718)</u>	<u>(639,644)</u>
PROFIT / (LOSS) AFTER MINORITY INTEREST & SHARE FROM ASSOCIATES		59,057,286	(27,047,171)
Profit brought forward from Previous year		<u>240,438,271</u>	<u>267,485,442</u>
Surplus Carried to the Balance Sheet		<u>299,495,557</u>	<u>240,438,271</u>
EARNING PER SHARE (FACE VALUE OF ₹ 10/- PER SHARE)			
- Basic and Diluted		4.57	(2.09)

Significant Accounting Policies and Notes to Accounts 15

The Schedules referred to above and the Notes to Consolidated Accounts form an integral part of the Consolidated Profit and Loss Account.

As per our attached report of even date
For **KARVY & CO.**,
Chartered Accountants
(Firm Registration No. : 001757S)

For and on behalf of the Board of Directors

(K.AJAY KUMAR)
PARTNER
M. No.: 021989

PRAKASH CHALLA
MANAGING DIRECTOR

E.BHASKAR RAO
DIRECTOR

Place : Hyderabad
Date : 13.08.2011

A.SHAIENDRA BABU
COMPANY SECRETARY CUM MANAGER (FINANCE)

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

Particulars	As at 31.03.2011 In ₹	As at 31.03.2010 In ₹
SCHEDULE 1		
SHARE CAPITAL		
Authorised		
25,000,000 (Previous year 25,000,000) equity shares of ₹ 10/- each	250,000,000	250,000,000
Issued, Subscribed and Paid up		
12,929,250 (Previous year 12,929,250) equity shares of ₹ 10/- each fully paid up	129,292,500	129,292,500
Total	129,292,500	129,292,500
<hr/>		
SCHEDULE 2		
RESERVES AND SURPLUS		
Share Premium	220,887,000	220,887,000
General Reserve	18,241,459	18,241,459
Capital Reserve	174,680,100	-
Surplus in Profit and Loss Account	299,495,557	240,438,271
Total	713,304,116	479,566,730
<hr/>		
SCHEDULE 3		
SECURED LOANS		
Term Loan from banks	13,583,617	200,000,000
Cash Credit from banks	78,305,082	146,785,885
Hire Purchase Loans from others	2,912,313	4,168,305
Total	94,801,012	350,954,190
<hr/>		
SCHEDULE 4		
UNSECURED LOANS		
Inter Corporate Deposits	279,046,977	69,903,447
Loan from Directors	45,347,422	43,138,401
Total	324,394,399	113,041,848

SCHEDULE FORMING PART OF CONSOLIDATED BALANCE SHEET

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2010	Additions During the year	Deletions During the year	As at 31.03.2011	Upto 31.03.2010	For the Year	Adjust- ments	Upto 31.03.2011	As at 31.03.2011	As at 31.03.2010
Buildings	3,353,908	-	3,353,908	-	161,794	12,427	174,221	-	-	3,192,114
Construction Equipments	32,562,243	62,579,589	34,899,460	60,242,372	5,031,500	8,591,600	5,473,830	8,149,270	52,093,102	27,530,743
Furniture and Fixtures	4,328,739	720,806	148,773	4,900,772	1,212,353	366,905	16,698	1,562,560	3,338,212	3,116,386
Computers	2,007,394	3,352,689	215,988	5,144,095	952,030	648,062	96,530	1,503,562	3,640,533	1,055,364
Office Equipments	2,853,768	630,219	46,904	3,437,083	602,843	217,571	6,098	814,316	2,622,767	2,250,925
Vehicles (including assets acquired under finance lease)	10,141,585	4,234,061	3,462,366	10,913,280	2,306,256	1,002,066	743,673	2,564,624	8,348,656	7,835,329
Intangible Assets	-	58,245,045	-	58,245,045	-	4,368,377	-	4,368,377	53,876,668	-
Total	55,247,637	129,762,409	42,127,399	142,882,647	10,266,776	15,207,007	6,511,050	18,962,708	123,919,939	44,980,861
Previous Year	52,735,373	3,269,620	757,356	55,247,637	7,700,188	3,197,684	631,096	10,266,776	44,980,861	45,011,559

SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET

Particulars	As at 31.03.2011 In ₹	As at 31.03.2010 In ₹
SCHEDULE 6		
INVESTMENTS :		
TRADE INVESTMENTS - Unquoted and Long Term		
A. In Equity Shares of Other Companies: Fully Paid-up :		
- SSPDL Properties Pvt. Ltd. 168,796 (Previous Year : 168,796) Equity Shares of ₹ 10/- each	1,687,960	1,687,960
B. In Equity Shares of Associates - Fully Paid-up :		
- Alpahcity Chennai IT Parks Pvt. Ltd. 9,980 (Previous Year : 9,980) Equity Shares of ₹ 10/- each	99,800	99,800
- SSPDL Infrastructure Developers Pvt. Ltd. 234,000 (Previous Year : 234,000) Class A Equity Shares of ₹ 10/- each [Goodwill Identified : ₹ 70,638/- (Previous year : ₹ 1,130,509/-)]	70,638	1,700,356
1 (Previous Year : 1) Class B Equity Shares of ₹ 10/- each	10	10
- Northwood Constructions India Pvt. Ltd. : 2,500 (Previous Year : 2,500) Equity Shares of ₹ 10/- each 10,000(Previous Year : 10,000) Class B Equity Shares of ₹ 10/- each Share Application Money	25,000 100,000 2,450,684	25,000 100,000 1,500,684
- Northwood Properties India Pvt. Ltd. 2,500 (Previous Year : 2,500) Equity Shares of ₹ 10/- each 10,000 (Previous Year : 10,000) Class B Equity Shares of ₹ 10/- each Share Application Money	25,000 100,000 3,530,849	25,000 100,000 2,130,849
- Northwood Realty India Pvt. Ltd. 2,500 (Previous Year : 2,500) Equity Shares of ₹ 10/- each 10,000 (Previous Year : 10,000) Class B Equity Shares of ₹ 10/- each Share Application Money	25,000 100,000 2,250,849	25,000 100,000 1,170,849
- Northwood Residential Ventures Pvt. Ltd. 2,500 (Previous Year : 2,500) Equity Shares of ₹ 10/- each 10,000 (Previous Year : 10,000) Class B Equity Shares of ₹ 10/- each Share Application Money	25,000 100,000 1,858,622	25,000 100,000 473,622
- Northwood Township Project Pvt. Ltd. 2,500 (Previous Year : 2,500) Equity Shares of ₹ 10/- each 10,000 (Previous Year : 10,000) Class B Equity Shares of ₹ 10/- each Share Application Money	25,000 100,000 2,563,622	25,000 100,000 1,383,622
- SSPDL Northwood Homes Pvt. Ltd. 2,500 (Previous Year : 2,500) Equity Shares of ₹ 10/- each 10,000 (Previous Year : 10,000) Class B Equity Shares of ₹ 10/- each Share Application Money	25,000 100,000 2,890,845	25,000 100,000 1,820,845
- SSPDL Northwood Residence Pvt. Ltd. 2,500 (Previous Year : 2,500) Equity Shares of ₹ 10/- each 10,000 (Previous Year : 10,000) Class B Equity Shares of ₹ 10/- each Share Application Money	25,000 100,000 2,270,849	25,000 100,000 1,370,849
- SSPDL Northwood Villas Pvt. Ltd. 2,500 (Previous Year : 2,500) Equity Shares of ₹ 10/- each 10,000 (Previous Year : 10,000) Class B Equity Shares of ₹ 10/- each Share Application Money	25,000 100,000 2,630,849	25,000 100,000 1,480,849

SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET

Particulars	As at 31.03.2011 In ₹	As at 31.03.2010 In ₹
- Northwood Infratech Pvt. Ltd. 2,500 (Previous Year : 2,500) Equity Shares of ₹ 10/- each	25,000	25,000
10,000 (Previous Year : 10,000) Class B Equity Shares of ₹ 10/- each	100,000	100,000
Share Application Money	1,028,603	428,603
C. Debentures in Associates (Non Quoted and Long Term) :		
- SSPDL Infrastructure Developers Pvt. Ltd. 70,460 (Previous Year : 14,040) Class Y 27.46% Cumulative Compulsory Convertible Debentures of ₹ 1000/- each	70,460,000	14,040,000
Optionally Convertible 15% Debentures (Series B) of ₹ 10/- each fully paid-up :		
- Northwood Constructions India Pvt. Ltd. : 1,786,830 (Previous Year : 1,786,830) of ₹ 10/- each	17,868,300	17,868,300
- Northwood Properties India Pvt. Ltd. 1,824,060 (Previous Year : 1,824,060) of ₹ 10/- each	18,240,600	18,240,600
- Northwood Realty India Pvt. Ltd. 1,786,830 (Previous Year : 1,786,830) of ₹ 10/- each	17,868,300	17,868,300
- Northwood Residential Ventures India Pvt. Ltd. 1,228,390 (Previous Year : 1,228,390) of ₹ 10/- each	12,283,900	12,283,900
- Northwood Township Project Pvt. Ltd. 1,902,070 (Previous Year : 1,902,070) of ₹ 10/- each	19,020,700	19,020,700
- SSPDL Northwood Homes Pvt. Ltd. 1,769,100 (Previous Year : 1,769,100) of ₹ 10/- each	17,691,000	17,691,000
- SSPDL Northwood Residence Pvt. Ltd. 1,769,100 (Previous Year : 1,769,100) of ₹ 10/- each	17,691,000	17,691,000
- SSPDL Northwood Villas Pvt. Ltd. 1,866,610 (Previous Year : 1,866,610) of ₹ 10/- each	18,666,100	18,666,100
- Northwood Infratech Pvt. Ltd. 953,610 (Previous Year : 953,610) of ₹ 10/- each	9,536,100	9,536,100
NON-TRADE INVESTMENTS - Quoted and Long Term		
D. In Equity Shares of Other Companies - Fully Paid-up :		
- Andhra Bank NIL(Previous Year : 5,631) Equity Shares of ₹ 10/- each	-	506,790
Total	243,785,179	179,786,688
Aggregate Book Value of Quoted Investments	-	506,790
Aggregate Market Value of Quoted Investments	-	609,274
Aggregate Book Value of Non-Quoted Investments	243,785,179	179,279,898

SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET

Particulars	As at 31.03.2011 In ₹	As at 31.03.2010 In ₹
SCHEDULE 7		
CURRENT ASSETS, LOANS AND ADVANCES		
Inventories		
Work-in-Progress	391,454,040	192,798,552
Land	102,665,100	273,375,018
	<u>494,119,140</u>	<u>466,173,570</u>
Sundry Debtors		
(Unsecured, Considered Good Debts outstanding for a period exceeding 6 months)	300,834,931	483,208,789
Others	130,904,795	124,134,601
	<u>431,739,726</u>	<u>607,343,390</u>
Cash and Bank Balances		
Cash on Hand	845,886	1,190,435
Balances with Scheduled Banks		
- In Current Accounts	11,061,226	9,651,866
- In Deposit Accounts	214,988,843	14,398,700
	<u>226,895,955</u>	<u>25,241,001</u>
Other Current Assets		
Interest Accrued on Investments	2,398,784	-
Interest Accrued on Fixed Deposits and Margin Money on BGs	1,520,695	1,165,152
	<u>3,919,479</u>	<u>1,165,152</u>
Loans and Advances		
(Unsecured, Considered Good, Recoverable in Cash or in Kind or for value to be received)		
Advances Recoverable	449,307,925	202,423,659
Deposits	4,910,034	2,388,285
MAT Credit Entitlement Account	12,427,059	-
TDS and Advances Income Tax	115,414,305	98,470,118
	<u>582,059,323</u>	<u>303,282,062</u>
Total	<u>1,738,733,623</u>	<u>1,403,205,175</u>

SCHEDULE 8**CURRENT LIABILITIES AND PROVISIONS****Current Liabilities****Sundry Creditors**

- Dues to Small and Micro Enterprises
- Dues to Others

Unclaimed Dividend F.Y. 2006-07

Advances Received from Clients

Other Liabilities

-	-
96,175,828	91,844,933
109,152	109,152
397,719,031	367,730,181
170,129,713	128,803,348
<u>664,133,724</u>	<u>588,487,614</u>

Provisions:

Retirement Benefits

Income Tax

881,072	663,225
20,662,298	-
<u>21,543,370</u>	<u>663,225</u>
Total	685,677,094

SCHEDULES FORMING PART OF CONSOLIDATED PROFIT AND LOSS ACCOUNT

Particulars	For the year ended 31.03.2011 In ₹	For the year ended 31.03.2010 In ₹
SCHEDULE 9		
CONTRACT REVENUE / INCOME FROM OPERATIONS		
From Sales	220,122,776	121,077,682
From Contract Revenue	399,293,459	368,738,315
Total	619,416,235	489,815,997
SCHEDULE 10		
OTHER INCOME		
Rental Income	6,650	4,577,007
Interest Income		
- On Deposits with Banks	8,589,030	1,067,070
- On Trade Investments	11,367,040	3,855,384
- Others	3,880,706	28,705
Dividend Received	28,155	25,339
Commission Received	-	517,114
Provisions no longer required written back	15,450,082	-
Profit on sale of Fixed Assets	1,038,585	-
Receipts from Alphacity maintenance charges	2,976,106	-
Miscellaneous Income	3,052,262	2,564,171
Total	46,388,616	12,634,790
SCHEDULE 11		
WORK COST		
Work Cost including Contractor's Bills	279,570,371	257,222,031
Masonry and Other Works	188,535,229	80,563,221
Power and Fuel Charges	3,706,616	6,978,851
Rates and Taxes	5,087,933	25,748,701
Survey and Investigation Work	15,272	560,885
Project Consultancy Fee	7,779,469	2,944,191
Land	9,500,000	29,950,336
Increase/Decrease in Work-in-Progress		
Add: Opening Work-in-Progress	466,173,570	477,686,959
Less: Closing Work-in-Progress	(494,119,140)	(466,173,570)
Total	466,249,319	415,481,606
SCHEDULE 12		
PERSONNEL COST		
Salaries and Wages	50,688,764	32,028,821
Staff Welfare	5,923,026	1,086,776
Contribution to Provident Fund and Other Funds	3,263,747	741,723
Total	59,875,537	33,857,320

SCHEDULES FORMING PART OF CONSOLIDATED PROFIT AND LOSS ACCOUNT

Particulars	For the year ended 31.03.2011 In ₹	For the year ended 31.03.2010 In ₹
SCHEDULE 13		
ADMINISTRATION EXPENSES		
Rent	3,682,102	2,292,000
Rates and Taxes	2,407,564	482,132
Electricity Charges	590,694	384,566
Vehicle Maintenance	684,981	785,952
Insurance	1,491,811	119,937
Communication Expenses	1,714,834	1,317,425
Travelling and Conveyance	7,176,999	5,131,331
Repairs and Maintenance		
- Buildings	225,354	445,363
- Plant and Machinery	895,993	120,939
Office Maintenance	397,774	281,725
Printing and Stationery	921,927	697,873
Remuneration to Managing Director	3,600,000	2,400,000
Professional Charges	6,057,984	2,373,768
Payment to Auditors :		
- As Auditors	958,175	302,510
- For Tax Matters	132,725	-
- Others Services	44,120	84,270
Security expenses	1,987,987	11,030
Advertisement Charges	4,833,966	1,957,620
Business Promotion	1,439,770	142,493
Commission and Brokerage	3,638	962,323
Loss on Sale/Discarding of Fixed Assets	-	83,267
General Expenses	4,494,679	3,814,623
Total	43,743,077	24,224,237

SCHEDULE 14

FINANCIAL CHARGES

Interest on Fixed Loans	11,486,310	15,142,753
Interest on Overdraft	13,297,297	32,202,533
Interest on Others including debentures	16,316,611	17,678,642
Bank Charges	4,194,495	3,949,837
Total	45,294,713	68,973,765

SCHEDULE 15

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF CONSOLIDATED ACCOUNTS:

I. SIGNIFICANT ACCOUNTING POLICIES:

a. Basis of Preparation

The Consolidated financial statements of SSPDL Limited, its subsidiaries and associates ("the Group") are prepared under the historical cost convention and in accordance with the requirements of the Companies Act, 1956.

b. Principles of Consolidation:

The consolidated financial statements relate to SSPDL Limited and its subsidiary companies. The consolidated financial statements have been prepared on the following basis:

- i. The Financial statements of the company and its subsidiaries are combined on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses, after fully eliminating intra group balances and intra group transactions, except wherever otherwise stated in accordance with accounting standard (AS-21) "Consolidated Financial Statements" notified under the Companies (Accounting Standards, 2006) ("the rules").
- ii. The difference between the costs of investments in the subsidiaries, over the net assets at the time of acquisition of the shares in the subsidiaries is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.
- iii. Minority Interest in the net assets of consolidated subsidiaries is identified and presented in consolidated balancesheet separately from liabilities and equity of company's shareholders.
- iv. Minority Interest in the net assets of consolidated subsidiaries consists of:
 - a) The amount of equity attributable to minority at the date on which investment in subsidiaries is made ; and
 - b) The minority share of movements in equity since the date parent subsidiary relationship came into existence.
- v. Minority interest's share of net profit for the year of consolidated subsidiaries is identified and against the profit after tax of the group. Investment in Associates Companies has been accounted under the equity method as per (AS 23) -"Accounting for Investments in Associates in Consolidation Financial Statements".
- vi. The company accounts for its share in the change in net assets of the subsidiaries, post acquisition, after eliminating unrealized profits and losses resulting from transactions between the company and its subsidiaries to the extent of its share, through its Profit and Loss Account to the extent such change is attributable to the associates' Profit and Loss account and through its reserves for the balance, based on available information.
- vii. The difference between the costs of investments in the subsidiaries and the share of net assets at the time of acquisition of the shares in the subsidiaries is identified in the financial statements as Goodwill or Capital Reserve as the case may be.
- viii. The Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar and are presented in the same manner as the Company's separate financial statements.

c) The Subsidiary Companies considered in the consolidated financial statements are:

Name of the Subsidiary	Country of Incorporation	Ownership Interest
M/s. SSPDL Resorts Pvt. Ltd.	India	100%
M/s. SSPDL Realty India Pvt. Ltd.	India	100%
M/s. SSPDL Real Estate India Pvt. Ltd.	India	100%
M/s. SSPDL Matrix Towers Pvt. Ltd.	India	100%
M/s. SSPDL Infra Projects India Pvt. Ltd.	India	100%
M/s. Kollur Residential Project Pvt. Ltd.	India	100%
M/s. SSPDL Almoayyed Projects Pvt. Ltd.	India	99.90%
M/s. SSPDL Interserve Pvt. Ltd.	India	51%

d) The significant Associates considered in the consolidated financial statements are:

Name of the Associate	Country of Incorporation	Ownership Interest
M/s. Northwood Infratech Pvt. Ltd.	India	25.00%
M/s. Northwood Constructions India Pvt. Ltd.	India	25.00%
M/s. Northwood Properties India Pvt. Ltd.	India	25.00%
M/s. Northwood Realty India Pvt. Ltd.	India	25.00%
M/s. Northwood Residential Ventures India Pvt. Ltd.	India	25.00%
M/s. Northwood Township Projects Pvt. Ltd.	India	25.00%
M/s. SSPDL Northwood Homes Pvt. Ltd.	India	25.00%
M/s. SSPDL Northwood Residence Pvt. Ltd.	India	25.00%
M/s. SSPDL Northwood Villas Pvt. Ltd.	India	25.00%
M/s. SSPDL Infrastructure Developers Pvt. Ltd.	India	26.00%

e. Revenue Recognition:

i. Construction Contracts

In accordance with AS-7 (Revised), the company recognizes revenue on percentage completion method stated on the basis of physical measurement of work actually completed at the balance sheet date, taking into account the contractual price and revision thereto. Foreseeable losses are accounted for when they are determined except to the extent they are expected to be recovered through claims presented or to be presented to the customer or in arbitration. Expenditure incurred in respect of additional cost / delays is accounted in the year in which they are incurred. Claims made in respect thereof are accounted as income in the year of receipt of arbitration award or acceptance by client or evidence of acceptance received from the client.

ii. Development Projects

Revenue is recognized when the company enters into an agreement for sale with the buyer and all significant risks and rewards have been transferred to the buyer and there is no uncertainty regarding reliability of the sale consideration.

iii. Real Estate Projects

Sale of land and plots (including development rights) is recognized in the financial year in which the legal title passes to the buyer. Where the Company has any remaining substantial obligations as per the agreements, revenue is recognized on the percentage of completion method of accounting.

iv. Interest Income

Income from interest is being accounted for on time proportion basis taking into account the amount outstanding and the applicable rate of interest.

v. Rental Receipts

Rent and service receipts are accounted for on accrual basis, except in cases where ultimate collection is considered doubtful.

f. Fixed Assets:

All the Fixed Assets are stated at cost less depreciation, wherever applicable. Cost comprises the purchase price and any other attributable costs of bringing the asset to its working condition for its intended use.

g. Depreciation:

Depreciation is provided on straight-line basis at the rates prescribed in schedule XIV of The Companies Act, 1956. The Company follows the policy of charging depreciation on pro-rata basis on the assets acquired or disposed off during the year.

h. Intangible assets and amortization:

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are amortized over their economic useful lives. Management's estimate of useful life of intangible assets-

Asset Category	Amortization period
Non-Compete Fee	10 Years

i. Investments:

Long-term investments are stated at cost and provision for diminution is made if the decline in value is other than temporary in nature.

Investments other than Long Term Investments are stated at cost or market value whichever is less. Any increase/reduction in the carrying cost is credited/ charged to the Profit and Loss account.

j. Inventories:

- i. Land and plots are valued at cost or net realizable value whichever is less.
- ii. Work-in-Progress with respect to construction contracts is valued at the contract rates and with respect to development projects is valued at cost.

k. Retirement Benefits:**i. Provident Fund:**

The Company has Defined Contribution Plan for its employees' retirement benefits comprising of Provident Fund. The Company contributes to State Plans namely Employees Pension Scheme, 1995.

ii. Gratuity:

The company has Defined Benefit Plan comprising of Gratuity Fund. The Company contributes to Gratuity Fund administered by LIC. The liability for the Gratuity Fund is determined on the basis of actuarial valuation done at the year end. Actuarial Gains and Losses comprise experience adjustments and the effect of changes in the actuarial assumptions and are recognized immediately in the profit and loss account as income or expense.

iii. Compensated Absences:

The Company has been providing for disbursement of leave encashment on calendar year basis as per policy.

l. Borrowing Costs:

Borrowing costs that are directly attributable to the acquisition of a fixed asset are capitalized as part of the cost of the asset till the date the asset is ready for commercial use. All other borrowing costs are charged to Revenue.

m. Foreign Currency Transactions:

Foreign currency transactions are recorded at the exchange rates prevailing on the date of transactions. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date. Exchange differences arising on foreign exchange transactions during the year and on restatement of monetary assets and liabilities are recognized in the profit and loss account of the year.

n. Leases:

Assets acquired under leases where substantially all the risks and rewards of ownership are retained by the company are classified as finance leases. Assets acquired on leases where a significant portion of the risks and rewards of the ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the profit and loss account on straight line basis over the lease term.

o. Taxation:

The current charge for taxes is calculated in accordance with relevant tax regulations applicable to the Company.

The deferred tax for the timing differences between the book and tax profits for the year-end is accounted for, using the tax rates and laws that have been substantially enacted as of the balance sheet date.

Deferred tax Assets arising from timing differences are recognized and carried forward only if there is reasonable certainty that they will be realized in future and reviewed for the appropriateness of their respective carrying value at each balance sheet date.

p. Earnings per Share:

The basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders is divided by the weighted average number of shares outstanding during the period which are adjusted for the effects of all dilutive potential equity shares.

q. Impairment of Assets:

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the assets or the recoverable amount of the cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

r. Provisions:

Provisions are recognized when the Company has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of obligation.

II. NOTES ON ACCOUNTS**1. Contingent liabilities:**

- i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ Nil (Previous Year ₹ Nil).
- ii) The Company has given a corporate guarantee on behalf of M/s SSPDL Infrastructure Developers Private Limited for an amount of ₹ 85,739,276 /- (Previous Year ₹ 85,739,276/-) in favour of Accent Hotels Private Limited and for an amount of ₹ 52,758,962 /- (Previous Year ₹ 52,758,962/-) in favour of Inter Globe Hotels Private Limited.
- iii) Claims against the Company not acknowledged as debts include demands raised by Income Tax authorities ₹ 117,844,020/- (Previous year ₹ 21,191,937/-). Upto the balancesheet date the company has deposited against these claims amounting to ₹ 66,346,651/- (Previous year ₹ 21,977,469/-). No provision has been made in the accounts for these demands as the Company expects a favorable decision in appeal.
- iv) Guarantees given by bank to various parties on behalf of the company outstanding as on 31st March, 2011 ₹ 107,507,376/- (Previous Year ₹ 71,987,376/-).
- v) During the Financial year 2009-10 the company has received a notice from the Office of the Commercial Tax Officer, Chennai directing to pay ₹ 32,96,101/- along with interest on disallowance of input Tax claimed by the company during 2006-07 under Section 19(11) of Tamil Nadu VAT Act due to delay in submission of returns. The Company has filed a writ petition against the notice in the High Court of Madras and interim stay was granted by the Hon'ble High Court. Issue of demand notice will be decided after outcome of the Judgment on Writ Petition.
- vi) The Company has a Sales tax demand in respect of Inter-state purchase of goods relating to the financial year 2002-03 under Tamilnadu General Sales Tax Act for an amount of ₹ 320,340 /- (Previous Year ₹ 320340/-).
- vii) Other claims against the Company which are not acknowledged as debt is ₹ 3,147,532/- (Previous Year ₹ Nil)

2. Loans and Advances include:**(Amount in ₹)**

Particulars	Maximum Amount Outstanding at any time during the year		As at	As at
	2010-11	2009-10	31.03.2011	31.03.2010
Advances to companies in which director is interested :				
- M/s. Alpha City Chennai IT Park Projects Pvt Ltd	15,947,079	10,650	15,947,079	10,650
- M/s. SSPDL Infrastructure Developers Pvt. Ltd.	4,917,142	659,199	4,917,142	416,382
- M/s. SSPDL Properties Pvt. Ltd.	20,394	20,394	23,394	20,394

Since the above details meet the requirements of clause 32 of the Listing Agreement, no separate disclosure is made.

3. Managerial Remuneration:**(Amount in ₹)**

Particulars	Year ended 31.03.2011	Year ended 31.03.2010
Salary & Allowances	36,00,000	24,00,000
Commission	-	-
Contribution to Provident fund	1,29,600	79,200
Perquisites	-	-
Total	37,29,600	24,79,200

4. Value of Direct Imports calculated on C.I.F basis:**(Amount in ₹)**

Particulars	Year ended 31.03.2011	Year ended 31.03.2010
Capital Goods	4,158,042	423,590

5. Expenditure in Foreign Currency:**(Amount in ₹)**

Particulars	Year ended 31.03.2011	Year ended 31.03.2010
On account of Travel	761,837	317,001
Others	105,306	-

6. Disclosure in accordance with AS-7:

(Amount in ₹)

Particulars	Year ended 31-03-2011	Year ended 31-03-2010
Contract Revenue recognize as revenue in the period	482,912,817	368,738,315
Cost incurred and Recognized Profit or Losses up to the reporting period	1,188,955,415	711,810,047
Advances received	50,952,599	36,695,099
Retention Money	27,537,532	23,602,510
Gross amount due from customers for contract work as asset	60,129,022	78,267,851
Gross amount due to customers for contract work as liability	10,433,579	-

7. Extraordinary Income being Non-compete fee of ₹ 58,245,046 received from SSPDL Interserve Private Limited.

8. As per Accounting Standard 15 "Employees Benefits", the disclosures of Employees benefits as defined in the Accounting Standard are given below

i) **Defined Contribution Plans:** Contribution to defined Contribution Plan, recognized as expense for the year are as under.

(Amount in ₹)

Particulars	2010-11	2009-10
Employer's Contribution to Provident Fund	1,193,564	579,546
Employer's Contribution to State Insurance Plan	486,484	NIL

ii) **Defined Benefit Plans:** Provision for Gratuity has been provided in accordance with AS-15. Actuarial valuation was performed in respect of the Gratuity based on the following assumptions:

(Amount in ₹)

Particulars	Year Ended 31.03.2011	Year Ended 31.03.2010
A. Change in present value of obligation		
Present value of obligation at the beginning of the year	920,226	947,868
Current Service cost	569,884	129,289
Interest cost	73,618	75,829
Benefits paid	(36,577)	-
Net Actuarial (Gain) / Loss Recognized during the year	(7,873)	(232,760)
Present value of obligation at the end of the year	2,459,978	920,226
B. Changes in the Fair Value of Plan Assets		
Present Value of Plan Assets at the beginning of the year	257,001	11,241
Expected Return on Plan Assets	22,039	10,322
Actuarial Gain / (Loss)	NIL	(129)
Contributions	NIL	235,567
Benefits Paid	(36,577)	-
Fair Value of Plan Assets at the end of the year	242,463	257,001
C. Net (Asset) / Liability recognized in the Balance Sheet		
Present value of obligation at the end of the year	1,123,535	920,226
Fair value of Plan Assets at the end of the year	242,463	257,001
Funded status (surplus) / deficit	(881,072)	663,225
Net (Asset) / Liability recognized in the Balance Sheet	(882072)	663,225
D. Expenses recognized in the Profit & Loss Account		
Service Cost	569,884	129,289
Interest Cost	73,618	75,829
Expected return on Plan Assets	(22,039)	10,322
Net Actuarial (Gain) / Loss recognized during the year	932,827	(232,631)
Total Expenses/ (Income) recognized in Profit and Loss account	1,554,290	(37,835)
E. Actuarial assumptions :		
Discount rate	8%	8%
Salary escalation - over a long term(Average)	7.5%	5%
Attrition Rate (Average)	6.5%	5%
Expected return of the planned assets	8%	8%

iii. **Other Benefit Plans:** The liability for Leave Encashment as at the year end is ₹ 830,468 /- (previous year ₹ 236,211/-).

9. Segment Information:

Since the company has only one segment, i.e. Property Development and operations of the company has been carried out in India, separate information on Segment Reporting as per the Accounting Standard 17 issued by the ICAI is not required.

10. As required under Accounting Standard 18 "Related party Disclosures" (AS-18), following are details of transactions during the year with the related parties of the Company as defined in AS 18:

<p>Subsidiaries:</p> <ol style="list-style-type: none"> M/s. SSPDL Resorts Pvt. Ltd. M/s. SSPDL Reality India Pvt. Ltd. M/s. SSPDL Real Estates India Pvt. Ltd. M/s. SSPDL Matrix Towers Pvt. Ltd. M/s. SSPDL Infra Projects India Pvt. Ltd. M/s. Kollur Residential Project Pvt. Ltd. M/s. SSPDL Almoayyed Projects Pvt. Ltd. M/s. SSPDL Interserve Pvt. Ltd. <p>Associates:</p> <p>a) By virtue of share holding</p> <ol style="list-style-type: none"> M/s. Northwood Infratech Pvt. Ltd. M/s. Northwood Constructions India Pvt. Ltd. M/s. Northwood Properties India Pvt. Ltd. M/s. Northwood Realty India Pvt. Ltd. M/s. Northwood Residential Ventures India Pvt. Ltd. M/s. Northwood Township Projects Pvt. Ltd. M/s. SSPDL Northwood Homes Pvt. Ltd. M/s. SSPDL Northwood Residence Pvt. Ltd. M/s. SSPDL Northwood Villas Pvt. Ltd. M/s. Alpha City Chennai IT Park Projects Pvt. Ltd. M/s. SSPDL Infrastructure Developers Pvt. Ltd. 	<p>b) Enterprises owned/significantly influenced by Key Management Personnel</p> <ol style="list-style-type: none"> M/s Alpha City Chennai IT Park Projects Pvt. Ltd. M/s. Sri Satya Sai Constructions (Partnership Firm) M/s. Sri Satya Sai Constructions (Sole Proprietary Concern) M/s. Sri Krishna Devaraya Hatcheries Private Limited M/s. SSPDL Ventures Pvt. Ltd. M/s. SSPDL Properties Pvt. Ltd. M/s. SSPDL Retreat Pvt. Ltd. M/s. SSPDL Interserve Pvt. Ltd. <p>Key Managerial Personnel:</p> <table> <tr> <td>1. Mr. Challa Prakash</td> <td>Managing Director</td> </tr> <tr> <td>2. Mr. Challa Suresh</td> <td>Director</td> </tr> <tr> <td>3. Mr. E. Bhaskar Rao</td> <td>Director</td> </tr> </table>	1. Mr. Challa Prakash	Managing Director	2. Mr. Challa Suresh	Director	3. Mr. E. Bhaskar Rao	Director
1. Mr. Challa Prakash	Managing Director						
2. Mr. Challa Suresh	Director						
3. Mr. E. Bhaskar Rao	Director						

Related Party Transactions**(Amounts in ₹)**

Nature of Transactions	Associates	Key Managerial Personnel	Entities in which directors are interested
Contract Revenue Accepted	28,155,270 (516,558,106)	- (-)	84,129,706 (-)
Remuneration	- (-)	3,729,600 (2,479,200)	- (-)
Rental Charges	- (-)	2,732,981 (2,292,000)	- (-)
Asset Purchased/Car	- (-)	- (350,000)	- (-)
Finance(including Loans and Equity contributions in cash or kind)	582,883,837 (775,407,054)	1,000,000 (910,000)	- (-)
Outstanding Balance	141,529,491 (225,029,578)	146,150,732 (184,665,777)	42,498,394 (-)

Note: Figures in brackets indicates previous year figures

11. Lease Obligations:

The group is obligated under lease agreements in relating to vehicles obtained on finance lease basis. The details are as under:

(Amounts in ₹)

Particulars	As at 31.03.2011	As at 31.03.2010
Future minimum lease payments		
Not later than 1 year	250,560	NIL
Later than 1 year and not later than 5 years	856,080	NIL
Total	1,106,640	NIL
Less : Future interest	203,232	NIL
Present Value of Minimum lease payments	903,408	NIL
Due not later than 1 year	173,237	NIL
Due later than 1 year and not later than 5 years	730,171	NIL

12. Earnings Per Share:

(Amounts in ₹)

Particulars	Year ended 31.03.2011	Year ended 31.03.2010
Net Profit for the year after tax (a)	59,057,286	(2,70,47,171)
Weighted Average number of Equity shares outstanding during the year for Diluted Earnings Per Share (b)	1,29,29,250	1,29,29,250
Basic and Diluted Earnings per share (face value ₹ 10/- each) (a) /(b)	4.57	(2.09)

13. Deferred Tax Assets/(Liabilities):

(Amount in ₹)

Particulars	Year ended 31.03.2011	Year ended 31.03.2010
Deferred Tax Asset		
Disallowances u/s. 43B of Income Tax Act, 1961	1,121,758	390,161
Unabsorbed Business Loss	11,642,603	36,074,510
Total (a)	12,764,361	36,464,670
Deferred Tax Liability		
Difference between book and tax depreciation	5,360,475	3,964,073
Total (b)	5,360,475	3,964,073
Net Deferred Tax Asset/(Liability) (a-b)	7,403,886	32,500,597

14. Previous year figures have been regrouped / reclassified wherever considered necessary to conform to this year's classification.

As per our attached report of even date

For **KARVY & CO.,**
Chartered Accountants
(Firm Registration No. : 001757S)

For and on behalf of the Board of Directors

(K.AJAY KUMAR)
PARTNER
M. No.: 021989**PRAKASH CHALLA**
MANAGING DIRECTOR**E.BHASKAR RAO**
DIRECTORPlace : Hyderabad
Date : 13.08.2011**A.SHAIENDRA BABU**
COMPANY SECRETARY CUM MANAGER (FINANCE)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

Particulars	As at 31.03.2011		As at 31.03.2010	
	In ₹	In ₹	In ₹	In ₹
A. CASH FLOWS FROM OPERATING ACTIVITIES				
Net Profit before Tax and Extraordinary Items		93,680,244		(43,923,469)
Adjustments for:				
Depreciation	15,207,007		3,197,684	
Interest Income	(19,956,070)		(4,922,454)	
Interest on Borrowing	41,100,218		65,023,928	
Dividend Income	(28,155)		(25,339)	
Profit / Loss on Sale of Fixed Assets	(1,038,585)		83,267	
		<u>35,284,415</u>		<u>63,357,086</u>
Operating Profit Before Working Capital Changes		128,964,659		19,433,617
Adjustments for:				
Trade and Others Receivables	(73,062,982)		110,714,819	
Inventories	(28,684,939)		11,445,182	
Trade Payables and Other Liabilities	<u>75,428,263</u>		<u>(12,767,707)</u>	
Increase/(Decrease) in Net current Assets		(26,319,658)		109,392,294
Cash Generated from Operation		102,645,001		128,825,911
Adjustments for income tax paid		(16,944,187)		240,720
Net Cash from Operating Activities (A)		85,700,814		129,066,631
B. CASH FLOWS FROM INVESTING ACTIVITIES				
Disposal of Investments		506,790		-
Purchase of Investments		(65,699,307)		(5,225,356)
Increase in Minority Interest		168,320,000		-
Purchase of Fixed Assets		(129,762,409)		(3,293,246)
Sale of Fixed Assets		35,616,324		42,983
Profit /loss on Sale of Fixed Assets		1,038,585		-
Increase in Capital Reserve		174,680,100		-
Interest Received		17,201,743		4,117,891
Pre-Operative Expenses		(67,197)		(59,712)
Miscellaneous Expenditure		(7,800)		-
Dividend Income		28,155		25,339
Net Cash from Investing Activities (B)		201,854,984		(4,392,101)
C. CASH FLOWS FROM FINANCING ACTIVITIES				
Interest on Borrowings		(41,100,218)		(65,023,928)
Proceeds / (Repayment) of Borrowings		(44,800,627)		(52,252,159)
Net Cash used in Financing Activities (C)		(85,900,845)		(117,276,087)
Net Increase/(Decrease) in Cash & Cash equivalent (A+B+C)		201,654,953		7,398,443
Cash and Cash Equivalents at the beginning of the Year		<u>25,241,001</u>		<u>17,842,558</u>
Cash and Cash Equivalents at the end of the Year		<u>226,895,955</u>		<u>25,241,001</u>

As per our attached report of even date
For **KARVY & CO.**,
Chartered Accountants
(Firm Registration No. : 001757S)

For and on behalf of the Board of Directors

(K.AJAY KUMAR)
PARTNER
M. No.: 021989

PRAKASH CHALLA
MANAGING DIRECTOR

E.BHASKAR RAO
DIRECTOR

Place : Hyderabad
Date : 13.08.2011

A.SHAIENDRA BABU
COMPANY SECRETARY CUM MANAGER (FINANCE)

Statement Pursuant to Section 212 (8) of the Companies Act, 1956 relating to Subsidiary Companies

(Particulars regarding subsidiary companies, pursuant to general exemption granted by Ministry of Corporate Affairs vide its General Circular No: 2 /2011 dated 8th February, 2011)

(Amount in ₹)

Sl. No.	Name of the Subsidiary Company	Financial Year ended	Capital	Reserves	Total Assets	Total Liabilities	Investments (except in case of investment in subsidiaries)	Turnover	Profit/ (Loss) before Taxation	Provision for Taxation	Profit (Loss) after Taxation	Proposed Dividend	Country
1	SSPDL Resorts Pvt Ltd	31.03.2011	100,000	-	70,461,829	70,361,829	-	-	-	-	-	-	India
2	SSPDL Reality India Pvt Ltd	31.03.2011	100,000	-	68,031,462	67,931,462	-	-	-	-	-	-	India
3	SSPDL Real Estates India Pvt Ltd	31.03.2011	100,000	-	85,341,432	85,241,432	-	-	-	-	-	-	India
4	SSPDL Matrix Towers Pvt Ltd	31.03.2011	100,000	-	127,386	27,385	-	-	-	-	-	-	India
5	SSPDL Infra Projects India Pvt Ltd	31.03.2011	100,000	-	39,845,753	39,745,753	-	-	-	-	-	-	India
6	Kollur Residential Project Pvt Ltd	31.03.2011	100,000	-	120,000	20,000	-	-	-	-	-	-	India
7	SSPDL Almoayyed Projects Pvt Ltd	31.03.2011	100,000	-	169,039	69,039	-	-	-	-	-	-	India
8	SSPDL Interserve Pvt Ltd	31.03.2011	1,000,000	342,510,000	454,455,919	110,945,919	-	346,586,190	(691,245)	-	(691,245)	-	India

For and on behalf of the Board of Directors

PRAKASH CHALLA
MANAGING DIRECTOR

E.BHASKAR RAO
DIRECTOR

A.SHAILENDRA BABU
COMPANY SECRETARY CUM MANAGER (FINANCE)

Place : Hyderabad
Date : 13.08.2011

SSPDL LIMITED

Registered Office: 8-2-595/3/6, Eden Gardens, Road No. 10,
Banjara Hills, Hyderabad - 500 034. A.P.

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

I hereby record my presence at the SEVENTEENTH ANNUAL GENERAL MEETING of the Company held at Qutub Shahi Hall, Country Club, 6-3-1219, Begumpet, Hyderabad - 500 016 (A.P.) on Friday, the 30th September, 2011 at 3.00 P.M.

NAME(S) OF THE SHAREHOLDER(S) (in block capitals) -----

NAME OF THE PROXY (in block capitals) -----

FOLIO NO./CLIENT ID NO.*: ----- DP ID No.* -----

SIGNATURE(S) If Shareholder: ----- / If Proxy: -----

NOTE : No duplicate Attendance Slip will be issued at the Meeting Hall. You are requested to bring your copy of the Annual Report to the Meeting. Photo copies of the Attendance slips will not be accepted.

* Applicable to only Shareholders holding shares in demat form.

SSPDL LIMITED

Registered Office: 8-2-595/3/6, Eden Gardens, Road No. 10,
Banjara Hills, Hyderabad - 500 034. A.P.

PROXY FORM

I/We ----- of (Place) -----

being a member / members of SSPDL LIMITED under Folio No. / Client ID No. -----

DP ID. No. ----- hereby appoint Mr./ Ms.-----

of (Place) ----- failing him/her Mr./Ms----- of

(Place) ----- as my/our proxy to vote for me / us and on my / our behalf at the SEVENTEENTH ANNUAL

GENERAL MEETING of the Company to be held at Qutub Shahi Hall, Country Club, 6-3-1219, Begumpet, Hyderabad - 500 016 (A.P.)

on Friday the 30th September, 2011 at 3.00 P.M. and at any adjournment(s) thereof.

Signed this ----- day of ----- 2011.

Note: The Proxy Form must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.

Affix Ps.15/-
Revenue
Stamp
and sign
across

PLEASE NOTE THAT NO GIFTS WILL BE GIVEN AT THE AGM AS THE SAME IS PROHIBITED

IMPORTANT COMMUNICATION TO MEMBERS

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliance by the companies and has issued circulars, vide nos. 17/2011 and 18/2011, dated 21 and 29 April 2011 respectively, stating that services of notice/documents including annual report can be sent electronically by e-mail to its members.

This move by the Ministry is welcome since it will benefit the society at large through reduction in paper consumption and contribution towards a greener environment. Additionally, it will avoid loss in postal transit, save time, energy and costs.

By understanding the underlying theme of the above circulars, to support this green initiative of the government in full measure, the Company henceforth proposes to send documents like Notice convening general meetings, Financial Statements, Directors Report, Auditors' Report etc., for the year ended March 31st, 2011 onwards, to the e-mail address registered with the depositories by the shareholders holding shares in electronic form and for Shareholders holding Shares in physical form with Registrar and Share transfer Agents of the Company.

In this regard, we request shareholders who have not registered their e-mail address, so far, to register their e-mail addresses, in respect of electronic holding with depository through their concerned Depository Participants and Members who hold shares in physical form are requested to register the same with Karvy Computershare Private Limited, Registrar and Share Transfer Agents of the Company.



Handing Over Happiness





8-2-595/3/6, Eden Gardens, Road No. 10, Banjara Hills, Hyderabad - 500 034.
Tel : +91 040-6663 7560, 2335 1484, Fax : 040-6663 7969.

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