



SSPDL
Limited

Building the big picture



ANNUAL REPORT
2013-14

SSPDL BHEL CYBER COLONY



East Elevation



West Elevation

SSPDL LIMITED	CORPORATE IDENTITY NUMBER (CIN): L70100TG1994PLC018540												
BOARD OF DIRECTORS	<table border="0"> <tr> <td>Sri PRAKASH CHALLA</td> <td>Managing Director</td> </tr> <tr> <td>Sri E.BHASKAR RAO</td> <td>Director</td> </tr> <tr> <td>Sri SURESH CHALLA</td> <td>Director</td> </tr> <tr> <td>Sri S.SURYANARAYANA</td> <td>Director</td> </tr> <tr> <td>Sri K.AKMALUDDIN SHERIFF</td> <td>Director</td> </tr> <tr> <td>Sri B.LOKANATH</td> <td>Director</td> </tr> </table>	Sri PRAKASH CHALLA	Managing Director	Sri E.BHASKAR RAO	Director	Sri SURESH CHALLA	Director	Sri S.SURYANARAYANA	Director	Sri K.AKMALUDDIN SHERIFF	Director	Sri B.LOKANATH	Director
Sri PRAKASH CHALLA	Managing Director												
Sri E.BHASKAR RAO	Director												
Sri SURESH CHALLA	Director												
Sri S.SURYANARAYANA	Director												
Sri K.AKMALUDDIN SHERIFF	Director												
Sri B.LOKANATH	Director												
AUDIT COMMITTEE	<table border="0"> <tr> <td>Sri S.SURYANARAYANA</td> <td>Chairman</td> </tr> <tr> <td>Sri B.LOKANATH</td> <td>Member</td> </tr> <tr> <td>Sri E.BHASKAR RAO</td> <td>Member</td> </tr> </table>	Sri S.SURYANARAYANA	Chairman	Sri B.LOKANATH	Member	Sri E.BHASKAR RAO	Member						
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SHAREHOLDERS AND INVESTOR GRIEVANCES REDRESSAL COMMITTEE	<table border="0"> <tr> <td>Sri SURESH CHALLA</td> <td>Chairman</td> </tr> <tr> <td>Sri S.SURYANARAYANA</td> <td>Member</td> </tr> <tr> <td>Sri E.BHASKAR RAO</td> <td>Member</td> </tr> </table>	Sri SURESH CHALLA	Chairman	Sri S.SURYANARAYANA	Member	Sri E.BHASKAR RAO	Member						
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NOMINATION AND REMUNERATION COMMITTEE	<table border="0"> <tr> <td>Sri S.SURYANARAYANA</td> <td>Chairman</td> </tr> <tr> <td>Sri K.AKMALUDDIN SHERIFF</td> <td>Member</td> </tr> <tr> <td>Sri B.LOKANATH</td> <td>Member</td> </tr> </table>	Sri S.SURYANARAYANA	Chairman	Sri K.AKMALUDDIN SHERIFF	Member	Sri B.LOKANATH	Member						
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Sri K.AKMALUDDIN SHERIFF	Member												
Sri B.LOKANATH	Member												
COMPANY SECRETARY CUM MANAGER (FINANCE)	Sri A.SHAILENDRA 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 - HYDERABAD & CHENNAI & AXIS BANK LIMITED - HYDERABAD & CHENNAI												
REGISTERED OFFICE	8-2-595/3/6, 'EDEN GARDENS', ROAD NO.10, BANJARA HILLS, HYDERABAD - 500 034, TELANGANA.												
CORPORATE OFFICE	'SSPDL HOUSE', NEW NO. #2, OLD NO. 15, VELLAIYAN STREET, KOTTURPURAM, CHENNAI - 600 085, TAMIL NADU.												
SHARE TRANSFER AGENTS AND ELECTRONIC REGISTRARS	KARVY COMPUTERSHARE PRIVATE LIMITED PLOT NO.17 TO 24, VITTALRAO NAGAR, MADHAPUR, HYDERABAD - 500 081, TELANGANA.												

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NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWENTIETH 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, TELANGANA. AT 12.00 P.M. ON TUESDAY, THE 30TH DAY OF SEPTEMBER, 2014, TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

- To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss for the year ended as on that date, Cash Flow Statement together with the Auditor's Report and Directors' Report thereon.
- To appoint a Director in place of Sri E.Bhaskar Rao, who retires by rotation and, being eligible, offers himself for re-appointment.
- 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 pursuant to the provisions of sections 139 of the Companies Act, 2013 ("Act") and other applicable provisions of the Act, if any, and the Rules framed thereunder, as amended from time to time, M/s Karvy & Co., Chartered Accountants (ICAI Firm Registration No. 001757S) be and is hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of twenty third AGM of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM), at such remuneration plus service tax, out-of pocket, travelling and living expenses, etc., as may be mutually agreed upon between the Board of Directors of the Company and the Auditors."

SPECIAL BUSINESS:

- Appointment of Sri S.Suryanarayana as an Independent Director in terms of section 149 of the Companies Act, 2013**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed there under, read with Schedule IV to the Act (including any statutory modification(s) or re-enactment thereof for the time being in force), Sri S.Suryanarayana (DIN 01951750), a non-executive director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent

Director of the Company, with effect from 30th September, 2014 up to 29th September, 2019."

- Appointment of Sri K.Akmaluddin Sheriff as an Independent Director in terms of section 149 of the Companies Act, 2013**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed there under, read with Schedule IV to the Act (including any statutory modification(s) or re-enactment thereof for the time being in force), Sri K.Akmaluddin Sheriff (DIN 01121372), a non-executive director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, with effect from 30th September, 2014 up to 29th September, 2019."

- Appointment of Sri B.Lokanath as an Independent Director in terms of section 149 of the Companies Act, 2013**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed there under, read with Schedule IV to the Act (including any statutory modification(s) or re-enactment thereof for the time being in force), Sri B.Lokanath (DIN 00037303), a non-executive director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, with effect from 30th September, 2014 up to 29th September, 2019."

- Amendment to Articles of Association of the Company**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013, the Articles of Association of the Company be and is hereby altered in the manner following:

Article 166 shall be deleted and the following new Article substituted therefor:

166. **Chairman**

The Directors may from time to time elect from among them a Chairman of each meeting of the Board or Chairman of the Board and determine the period for which he is to hold office. The Chairman of the board shall be entitled to take the Chair at every meeting of the Board. If at any meeting of the Board, he shall not be present within fifteen minutes of the time appointed for holding such meeting or if he shall be unable or unwilling to take the chair the Directors present shall choose one among them to be the Chairman of such meeting.

Subject to provisions of the Companies Act, 2013, the Directors or the Company, may from time to time, appoint any Director as the chairperson as well as the Managing Director or Chief Executive Officer of the Company at the same time and remove him or her from the office and appoint another Director in his or her place."

"RESOLVED FURTHER THAT for the purpose of giving effect to above resolutions, the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds and things as are incidental thereto or as may be deemed necessary or desirable and settle any question or difficulty that may arise, in such manner as it may deem fit."

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

A. Shailendra Babu
Company Secretary cum
Manager (Finance)

Place : Hyderabad
Date : 02.08.2014

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.

A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, under its seal, etc. as applicable.

2. The Register of Members and the transfer books of the Company will be closed from 24.09.2014 to 30.09.2014 (both days inclusive).
3. Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted under Item Nos. 4 to 7 at the ensuing Annual General Meeting is annexed hereto and forms part of the Notice.
4. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations (in Form No.SH.13), power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP

will then be automatically reflected in the Company's records which will help the Company and the Company's Registrar and Transfer Agent, M/s. Karvy Computershare Private Limited to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to M/s. Karvy Computershare Private Limited.

The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrar and Transfer Agent.

Further, the members who hold shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares. Members can contact the Company or M/s. Karvy Computershare Private Limited for assistance in this regard.

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.

The Registrar and Transfer Agent Karvy Computershare Private Limited, Plot No. 17-24, Vittal Rao Nagar, Madhapur, Hyderabad - 500 081, is handling registry work in respect of shares held both in physical form and in electronic/demat form.

5. **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.**

6. Members/Proxies are requested to bring their copies of Annual Report and the attendance slip duly filled in for attending the meeting.
7. 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.
8. Corporate Members intending to send their Authorized Representatives to attend the meeting are requested to send a duly certified copy of the Board Resolution or other governing body, authorizing their representatives to attend and vote at the Annual General Meeting.
9. 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.
10. Members are requested to note that, as per Section 205A and 205C of the Companies Act, 1956, as amended, the unpaid or unclaimed dividend and application moneys received for allotment of securities and due for refund, etc., 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.

11. 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 2014-15.
12. **Appointment/Re-appointment of Directors:** The Information to be provided in terms of Clause 49 of the Listing Agreement relating to Appointment/Re-appointment of Directors is provided in the Corporate Governance Report.
13. To promote green initiative, members are requested to register their e-mail addresses through their Depository Participants for sending the future communications by e-mail. Members holding the shares in physical form may register their e-mail addresses through the RTA, giving reference of their Folio Number.

Members are requested to update their email Id's with the Company in the enclosed form for receiving the notices and other documents at their email address.

14. Electronic copy of the Annual report is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the notice of 20th Annual General Meeting and the Annual report, inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form, is being sent in the permitted mode.
15. Members may also note that the Annual Report for the financial year 2013-14 will also be available on the Company's website www.sspdl.com for their download.
16. All documents referred to in the accompanying Notice and the Statement (pursuant to Schedule IV and section 102 of the Companies Act, 2013) shall be open for inspection by the members at the Registered Office of the Company during normal business hours on all working days, up to and including the date of the Annual General Meeting of the Company.

17. VOTING THROUGH ELECTRONIC MEANS:

A. For shareholders receiving e-mail communication from KARVY

I	In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and clause 35B of the listing agreement, the Company is pleased to provide e-voting facility to the members to exercise their right to vote electronically on all the resolutions set forth in the 20th Annual General Meeting (AGM) of the Company. The Company has engaged the services of Karvy Computershare Private Limited (Karvy) to provide e-voting facility. It is hereby clarified that it is not mandatory for a member to vote using the e-voting facility, and a member may avail of the facility at his/her/it discretion, subject to compliance with the instructions prescribed below. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.
	The instructions for e-voting are as under:
i	Launch internet browser by typing the URL: https://evoting.karvy.com
ii	Enter the login credentials (i.e. User ID and password mentioned overleaf). Your Folio No./DP ID- Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
iii	After entering these details appropriately, click on "LOGIN".

iv	You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,\$,etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
v	You need to login again with the new credentials.
vi	On successful login, the system will prompt you to select the E-Voting Event Number for SSPDL LIMTIED.
vii	On the voting page enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR/ AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as mentioned overleaf. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.
viii	Members holding multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.
ix	Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
x	You may then cast your vote by selecting an appropriate option and click on "Submit".
xi	A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
xii	Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI. etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID: savitajyoti@yahoo.com. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name EVENT NO."
II	The e-voting period commences on 24.09.2014 (9.00 A.M.) and ends on 26.09.2014 (6.00 P.M.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date being 8th August, 2014, may cast their vote electronically in the manner and process set out herein above. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. Further the Members who have casted their vote electronically shall not vote by way of poll, if held at the meeting.
III	In case of any query pertaining to e-voting, please visit Help & FAQ's section available at Karvy's website https://evoting.karvy.com OR contact Karvy on its toll free No. 1-800-34-54-001.
IV	The voting rights of the Members shall be in proportion to the paid-Up value of their shares in the equity capital of the Company as on the cut-off date.
V	Smt. Savita Jyothi, Practicing Company Secretary, vide Membership No. FCS 3738, CP No.1796, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
VI	The Scrutinizer shall within a period not exceeding three working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Meeting.
VII	The results shall be declared on or after the Annual General Meeting of the Company. The results along with the Scrutinizer's Report will be placed on the Company's website www.sspdl.com and on the website of Karvy and communicated to the BSE Limited.
B.	For shareholders' receiving physical copy of the Annual General Meeting Notice by Post [for Members whose email IDs are not registered with the Company/Depository Participants]: (i) User ID and initial password as provided in the e-Voting Form. (ii) Please follow all steps from Sr. No. (i) to (xii) as mentioned in (A) above, to cast your vote.

for SSPDL Limited

A. Shailendra Babu
Company Secretary cum
Manager (Finance)

Place : Hyderabad
Date : 02.08.2014

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

As required under Section 102 of the Companies Act, 2013, the following Statement sets out all material facts relating to the Special Business specified in item no(s) 4 to 7 of the Notice of the Meeting.

Item No.4 to 6: Appointment of Independent Directors

The Company had, pursuant to the provisions of Clause 49 of the Listing Agreement entered with the Bombay Stock Exchange, appointed Sri S.Suryanarayana, Sri K.Akmaluddin Sheriff and Sri B.Lokanath, as Independent Directors at various times, in compliance with the requirements of the Clause.

Pursuant to the provisions of section 149 of the Act, which came in to effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as independent directors, who are not liable to retire by rotation. In pursuance of the notification issued by the Ministry of Corporate Affairs vide its General Circular No.14/2014 dated 9th June, 2014, Company is required to appoint its independent directors, including its existing Independent Directors.

The Nomination and Remuneration Committee of the Company has recommended the appointment of these directors as Independent Directors from 30th September, 2014 up to 29th September, 2019.

Sri S.Suryanarayana, Sri K.Akmaluddin Sheriff and Sri B.Lokanath, non-executive directors of the Company, have given their consent, intimation to the effect that they are not disqualified and a declaration to the Board that they meet the criteria of independence as provided under section 149(6) of the Act.

In the opinion of the Board, each of these directors fulfil the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and they are independent of the management.

In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Directors is now being placed before the Members for their approval.

A copy of the draft letter of appointment setting out the terms and conditions of appointment of the above Directors is available for inspection by the Members at the Registered Office of the Company during normal business hours on any working day.

Other details of the Independent Directors, in pursuance of Clause 49 (IV)(G) of the Listing Agreement, whose appointment is proposed at Item Nos. 4 to 6 of the accompanying Notice, have been given in the Corporate Governance Report.

Sri S.Suryanarayana, Sri K.Akmaluddin Sheriff and Sri B.Lokanath, respectively, are concerned or interested in the Resolutions of the accompanying Notice relating to their own appointment. The relatives of Sri S.Suryanarayana, Sri K.Akmaluddin Sheriff and Sri B.Lokanath may be deemed to be interested to the extent of their shareholding interest, if any, in the Company. And, no other Director and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 4 to 6.

Item No. 7: Amendment to Articles of Association of the Company

There was no restriction in the Companies Act, 1956 with respect to appointment of Chairperson as well as the Managing Director or Chief Executive Officer at the same time. The Ministry of Corporate Affairs (MCA) has introduced the new Companies Act, 2013 and as per the provisions of Section 203 of the Companies Act, 2013, an individual cannot be appointed as the chairperson as well as the Managing Director or Chief Executive Officer of the Company at the same time, unless articles of the Company provides for such appointment. As the existing Articles of Association does not provide the said provision, it is proposed to amend the Articles of Association of the Company (Article 166) as stated in the resolution to comply with the provisions of the said Section of the Companies Act, 2013. Hence, the Directors commend this resolution for your acceptance.

None of the Directors, Key Managerial Personnel of the Company, and/or their relatives in any way concerned or interested in the said resolution.

A copy of the Articles of Association of the Company is open for inspection of the members at the Registered Office of the Company during business hours on any working day.

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

A. Shailendra Babu
Company Secretary cum
Manager (Finance)

Place : Hyderabad
Date : 02.08.2014

DIRECTORS' REPORT

To,
The Members

Your Directors have pleasure in presenting the Twentieth Annual Report on the business and operations of the Company together with the Audited Financial Accounts for the year ended 31st March, 2014.

FINANCIAL RESULTS

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

PARTICULARS	₹ in Lakhs	
	2013-2014	2012-2013
Total Income	1,041.41	697.39
Less: Operating Expenses	1,470.77	1,695.64
Gross Profit/(Loss) before Depreciation and Interest	(429.36)	(998.25)
Less: Depreciation	14.05	16.09
Interest & Finance Charges	347.73	315.32
Profit/(Loss) before Tax Before exceptional and extra-ordinary items	(791.14)	(1,329.66)
Exceptional and Extra-ordinary Item	0.00	0.00
Profit/(Loss) before Tax after exceptional and extra-ordinary items	(791.14)	(1,329.66)
Less: Provision for Tax	(4.93)	(74.86)
Profit/(Loss) after Tax	(796.07)	(1,254.80)
Balance of Profit brought forward	1,382.95	2,637.75
Profit available for appropriation	586.88	1,382.95
APPROPRIATIONS		
Proposed Dividend	-	-
Tax on proposed dividend	-	-
Transfer to General Reserve	-	-
Balance carried to Balance Sheet	586.88	1,382.95

BUSINESS OVERVIEW

The total income of your Company for the year under review is ₹ 1041.41 lakhs as compared to ₹ 697.39 lakhs for the previous year ended 31st March, 2013. Profit/(Loss) after tax is ₹ (796.07) lakhs as against ₹ (1254.80) 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., 2014-15 is expected to be in accordance with Company's plans.

PROPERTY DEVELOPMENT PROJECTS

CHENNAI

Alpha City Project

The construction of 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 ₹ 2.38 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. Total value of the hotel projects is ₹ 47.93 crores and 100% of work is completed.

The Construction is being executed by your subsidiary Company M/s. SSPDL Interserve Private Limited (SIPL).

A Hotel construction project was awarded by SSPDL Infrastructure Developers Pvt Ltd. The original estimated value of this project was ₹ 28 Crores. Subsequently the project scope has been extended and its value is revised to ₹ 38.25 Crores considering the variations, escalations, etc. Construction work is completed in August 2013 and since handed over in Sept, 2013.

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.

As the residential Markets in Chennai have undergone a downward slump we negotiated with the land owners into a profit sharing model from area sharing.

SSPDL Green Acres LLP has entered into partnership with M/s. Godrej Properties Limited to develop a residential project in Padur, OMR, Chennai on profit sharing model on 27.03.2014.

The various NOCs have been received and the project is planned to be launched in the fourth quarter of this financial year.

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. We are happy to inform that both the buildings have been pre-certified GOLD by Indian Green Building Council (IGBS).

We have already sold our share about 12 Villas and 21 apartments in the two projects. The project is slated for delivery in all aspects by September, 2014 or so.

HYDERABAD

The Retreat

The Company has entered into a letter of Intent with one of the employees union of BHEL for developing 1262 homes in about 90+ acres. We have entered into MOU with BHEL Employees Model Mutually Aided Co-operative House Building Society Ltd on 5th September, 2012 for the total sale value of ₹ 317 Crores.

The total revenue to SSPDL to the tune of ₹ 317 crores over the next three years. The architect has provided the final layout drawing and the application made for the draft layout with housing under gated community development has been approved by the HMDA and the final draft approval with stamped drawings are to be received from the Kollur and Osman Nagar Village Panchayats.

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. During the previous year process of merging 9 SPVs incorporated for Northwood Project into one operating company was initiated. The Honorable High Court has sanctioned the scheme of amalgamation from the appointed date i.e., 01.04.2013, vide its order dated 09.07.2014.

Since, the micro market is not supporting for villa development, during the year under review, Company and Investor (i.e., Indiareit) has decided to do a layout development for selling the developed plots instead of doing original villa development. The HMDA has issued the draft approval for the layout. Initial steps taken to sell the developed plots.

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.

The Kerala budget had announced and recently Government has relaxed the conditions for housing and resorts. However, after the recent publication of Kasturi Rangan Committee report there has been lot of confusion on the development of the project in the Iddukki District. The Kerala Government has appealed to Government of India, Ministry of Environment to have a relook at the report. Unless that is settled we do not see any scope of commencing the project.

CONSTRUCTION BUSINESS:

Members are aware that, Company has incorporated a Subsidiary Company i.e., SSPDL Interserve Private Limited (SIPL) for carrying on the Construction Business. Our Company was holding 51% and M/s. Interserve Holdings Limited, UK based Construction and allied services company is holding 49% equity in SSPDL Interserve Private Limited (SIPL). Consequent to Interserve's exit and sale of its stake to our company has become a wholly owned subsidiary of our company with effect from 16.05.2014. Also, consequent to exit of Interserve, name of the Company is changed to SSPDL Infratech Private Limited (SIPL). The details of construction contracts executed by SIPL are provided below:

Lakewood Enclave & Mayfair Apartments, 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 sqft. and the expected completion is in December 2014. This project is for SSPDL Limited. Construction of Villas in Lakewood is in progress and Apartments in Mayfair the structural work has been completed. The structure comprises of Stilt plus four floors an area of about 1,05,000 sqft.

Novotel/IBIS Hotels, Chennai

A Hotel construction project was awarded by SSPDL Infrastructure Developers Pvt Ltd. The original estimated value of this project was ₹ 28 Crores. Subsequently the project scope has been extended and its value is revised to ₹ 38.25 Crores considering the variations, escalations, etc. Construction work is completed and handed over in Sept, 2013.

Frangipani, Pudupakkam

Construction of Residential Building at Pudupakkam inside Siruseri IT park, Chennai, for building 3,41,440 sqft. for M/s. Arihant Foundations & Housing Ltd. The value of the order is ₹ 22.26 crores additional work of ₹ 7.79 Crores has been awarded, and Value of the work completed up to 31st March 2014 is ₹ 29.05 crores. Construction work is nearing completion and expected to be completed in Sept 2014.

Meeting House/Service Centre, Bangalore

A Meeting House building project for LDS with a value of ₹ 15.00 Crores is awarded by M/s. Indian Society of Church of Latter day Saints in the year 2010. This project has been completed and handed over to the client in December, 2012. The architects for the project are M/s. Sundara Sundaram Architects, Coimbatore.

Further orders for construction of Service Centre Building in the same premises were received for ₹ 14 crores and work is completed in February 2014.

Fairfield & Marriot Hotel

Originally the value of the Project is ₹ 30.24 Crores from M/s. SAMHI, this is scaled down to ₹ 21 crores. The Project Management Consultant is M/s Archetype. Construction work is under progress and 90% is approximately completed and total work is expected to be completed in Sept, 2014.

Projects completed during the year 2013-14: - 1. Service Centre, Bangalore and 2. Novotel/IBIS, Chennai.

DIVIDEND

Your Directors do not recommend any dividend for the Financial Year ended 31st March, 2014.

DIRECTORS

There were no changes in the composition of the Board for the financial year ended 31st March, 2014. Sri E.Bhaskar Rao, Director retires by rotation at the ensuing Annual General Meeting and being eligible offers themselves for re-appointment.

The Company had, pursuant to the provisions of Clause 49 of the Listing Agreements entered into with the Bombay Stock Exchange, appointed Sri S.Suryanarayana, Sri K.Akmaluddin Sheriff and Sri B.Lokanath as Independent Directors of the Company. The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49. In accordance with the provisions of Section 149(4) and proviso to Section 152(5) of the Companies Act, 2013, these Directors are being appointed as Independent Directors to hold office as per their tenure of appointment mentioned in the Notice of the forthcoming Annual General Meeting (AGM) of the Company.

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

Your Directors recommend the reappointment of Sri E.Bhaskar Rao as Director and Sri S.Suryanarayana, Sri K.Akmaluddin Sheriff and Sri B.Lokanath as Independent Directors of the Company at the ensuing Annual General Meeting.

AUDITORS

M/s. Karvy & Co., Chartered Accountants, Hyderabad, who are the statutory auditors of the Company, hold office till the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment. Pursuant to the provisions of section 139 of the Companies Act, 2013 and the Rules framed thereunder, it is proposed to appoint M/s. Karvy & Co., as the statutory auditors of the Company from the conclusion of the forthcoming AGM till the conclusion of the twenty-third AGM to be held in the year 2017, subject to ratification of their appointment at every AGM. M/s. Karvy & Co., has, under Section 139 given a written consent and under section 141 of the Act, furnished a certificate of its eligibility for re-appointment. The Members year on year will be requested, to ratify their appointment as Auditors and to authorize the Board of Directors to fix their remuneration. In this connection, the attention of the Members is invited to Item No.3 of the Notice.

AUDITORS' REPORT

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, 2014, your Company has 5 subsidiaries i.e., (1) SSPDL Infra Projects India Private Limited, (2) SSPDL Resorts Private Limited, (3) SSPDL Realty India Private Limited, (4) SSPDL Real Estates India Private Limited, and (5) SSPDL Interserve Private Limited (with effect from 24.07.2014, name of the subsidiary is changed to SSPDL Infratech Private Limited).

SSPDL Infratech Private Limited ("SIPL")

(formerly SSPDL Interserve Private Limited):

Consequent to the decision taken by M/s. Interserve Holdings Limited, UK ("Interserve") to exit from construction business in India (as better opportunities are available internationally to them), Company has purchased the 49% stake from Interserve. Accordingly, with effect from 16.05.2014 SIPL has become a wholly owned subsidiary of the Company.

In view of the Interserve's exit, the name of SIPL is changed from SSPDL Interserve Private Limited to SSPDL Infratech Private Limited on 24.07.2014.

The Board of Directors also decided to take up the construction business by the company itself depending on the opportunities.

The Company has appointed Independent Director in its material non-listed subsidiaries in compliance with the provisions of Listing Agreement.

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 2013-14 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, 2014 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 company 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 shareholder 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 21 on Consolidated Financial Statements read with Accounting Standard 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

On 13.06.2011 Sri E.Bhaskar Rao, Director of the Company has created pledge on the shares of the company held by him in favour of State Bank of India, Hospet, Karnataka for availing loan for business purposes.

The 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	E. Bhaskar Rao	1,50,000
	Total	1,50,000

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 Real Estate, Property Development and Civil Construction which are 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 : NIL

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, there were no particulars to be furnished since no employee of your company is drawing remuneration in excess of the prescribed limits as laid down in the rules.

DEMATERIALISATION OF SHARES:

Of the total shares, 1.68% shares have been held in physical form as of now. Shareholders holding shares in physical form are once again advised to dematerialize their shares to avoid the risk associated with the physical holding of share certificates and also for facilitating easy liquidity for shares.

TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unclaimed amounts lying with the Company on the website of the Company (www.sspdl.com) as also on the Ministry of Corporate Affairs website.

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 selected and 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 loss 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

PRAKASH CHALLA **E.BHASKAR RAO**
MANAGING DIRECTOR DIRECTOR

Place : Hyderabad

Date : 02.08.2014

MANAGEMENT DISCUSSION AND ANALYSIS REPORT 2013-14

1. ECONOMY OVERVIEW:

Global activity has broadly strengthened in the second half of 2013, as did world trade, but the pickup was uneven: broad based in advanced economies, but mixed in emerging market economies and is expected to improve further in 2014-15, with much of the impetus coming from advanced economies. Looking ahead, global growth is projected to strengthen from 3 percent in 2013 to 3.6 percent in 2014 and 3.9 percent in 2015. The global recovery is still fragile despite improved prospects, and significant downside risks - both old and new remain. Emerging market economies will have to weather turbulence and maintain high medium-term growth. (Source: The International Monetary Fund - April report)

However, the downside risks remain a concern. Increased geopolitical risks could lead to sharply higher oil prices. In many advanced and emerging market economies, structural reforms are urgently needed to close infrastructure gaps, strengthen productivity, and lift potential growth.

The Indian Economy:

India's growth is expected to recover from 4.4 percent in 2013 to 5.4 percent in 2014, supported by slightly stronger global growth, improving export competitiveness, and implementation of recently approved investment projects. A pickup in exports in recent months and measures to curb gold imports has contributed to lowering the current account deficit. Policy measures to bolster capital flows have further helped reduce external vulnerabilities. Overall growth is expected to firm up on policies supporting investment and a confidence boost from recent policy actions, but will remain below trend. Consumer price inflation is expected to remain an important challenge, but should continue to move onto a downward trajectory. (Source: The International Monetary Fund - April report)

Annual average CPI inflation has touched double digits or stayed just below for the last six years. This has had a debilitating effect on macro-financial stability, like, a rise in inflation expectations and contributed to financial disintermediation, lower financial and overall savings, a wider current account gap and a weaker currency.

The easing course of monetary policy was disrupted by 'tapering' fears in May 2013 that caused capital outflows and exchange rate pressures amid unsustainable CAD, as also renewed inflationary pressures on the back of the rupee depreciation and a vegetable price shock. The Reserve Bank resorted to exceptional policy measures for further tightening the monetary policy.

While the global environment remains challenging, policy action in India has rebuilt buffers to cushion it against possible spillovers. With the narrowing of the twin deficits - both current account and fiscal - as well as the replenishment of foreign exchange reserves, adjustment of the rupee exchange rate, and more importantly, setting in motion disinflationary impulses, the risks of near-term macro instability have diminished. Much more efforts in terms of removing structural impediments, building business confidence and creating fiscal space to support investments will be needed to secure growth.

Recent tightening (in January 2014), was aimed at containing the second round effects of the food price pressures felt during June-November 2013. Since then, inflation expectations have somewhat moderated and the temporary relative price shock from higher vegetable prices has substantially corrected along with a seasonal fall in these prices, without further escalation in ex-food and fuel CPI inflation.

Growth concerns remain significant with GDP growth staying sub-5 percent for seven successive quarters and index of industrial production (IIP) growth stagnating for two successive years. This means that monetary policy needs to be conscious of the impact of supply-side constraints on long-run growth, recognizing that the negative output gap may be minimal at this stage.

Decline in financial savings, sluggish growth in fixed capital formation over successive quarters, persistently high inflation and low business confidence contributed to the decline in potential growth, particularly in the absence of adequate structural policy measures to lower inflation on a durable basis through improved supply responses and to facilitate implementation of large investment projects. Growth of core industries remained sluggish at compared to a growth of 6.9 percent in the corresponding period a year ago.

Efforts to address infrastructure bottlenecks have yielded modest revival so far i.e., the Cabinet Committee on Investment (CCI) and the Project Monitoring Group (PMG) had together undertaken resolution of impediments for 296 projects with an estimated project cost of ₹ 6.6 trillion. Though there has been an increase in the number of projects without date of commissioning, mostly in roads reflecting the growing uncertainty about their completion. This suggests that it may take some more time before these clearances result in investment cycle turnaround.

Since first quarter of 2013-14 growth appears to have bottomed out, and activity picked up gradually after the postelection, recovery in business sentiment, offsetting the

effect of an unfavorable monsoon on agricultural growth. However, this improvement has been feeble and clear signs of recovery are yet to emerge, even as the economy seems to be gearing for a modest recovery during 2014-15.

As per the labour bureau survey, employment generation in eight key sectors that was moderating since January 2012 showed some improvement in July-September 2013.

During 2014-15, the gross fiscal deficit-GDP ratio is budgeted to decline by 0.5 percentage points to 4.1 percent. With a lower Current Account Deficit and build-up of foreign exchange reserves, the downward pressure on the currency and the volatility in the Indian rupee began to subside. Their forecast for CAD in 2014-15 is also now significantly lower at 2.4 percent of GDP.

OUTLOOK:

The outlook for 2014-15, the Indian economy has improved over the past two months with cautiously positive business sentiments, improved consumer confidence, expectations of a modest recovery in growth and decline in inflation expectations. The Reserve Bank's 65th round of Industrial Outlook Survey reaffirmed that, the Business Expectations Index improved in quarter 4 of 2013-14 as compared to the previous quarter. The expected CPI inflation for 2014-15 has been revised downwards to 8.0 percent from 8.5 percent in the previous round of the survey.

Risks to inflation are more on the upside. They largely due to adverse outcome on the monsoon and which emanate from geopolitical risks that could lift commodity prices, sharper-than-anticipated tapering that could lead to exchange rate pass-through pressures and return of pricing power as the output gap narrows.

2. INDUSTRY STRUCTURE AND DEVELOPMENTS:

It comprises four sub-sectors - housing, retail, hospitality, and commercial. While housing contributes to five-six percent of India's gross domestic product (GDP), the remaining three sub-sectors are also increasing at a fast pace. The total realty market in the country is expected to touch US\$ 180 billion by 2020.

Real estate is a highly fragmented sector with only a few organized players. Most real estate developers have only a local or regional presence and there is moderate participation from large corporations till now.

After Foreign Direct Investment (FDI) was allowed in the real estate sector in 2005, there was a major transformation of the investment sentiment for the sector. In addition to traditional sources of funding, the policy change opened up the floodgates for funds from global Real Estate Funds, Private

Equity Funds, hedge funds, and strategic investors/foreign developers. In the post liberalization era, India has attracted huge quantum of foreign direct investment on account of its excellent economic performance and recently real estate sector has also been deregulated and liberalized. Today India is seen as a prime destination for investment by overseas investors across the board. India's favorable demographic and economic scenario makes it an attractive destination for the real estate investors. The growing flow of Foreign Direct Investment (FDI) into Indian real estate is encouraging increased transparency. Several investments by both domestic and foreign funds took place at entity and project levels.

Securities and Exchange Board of India (SEBI) has notified guidelines for introduction of Real Estate Investment Trust. This has laid the foundation for introduction of these instruments in the country, which shall help real estate developers and large real estate owners raise long term capital from investors both in India and abroad.

The Real Estate (Regulation and Development) Bill, 2013: The Bill provides for a uniform regulatory environment, to protect consumer interests, help speedy adjudication of disputes and ensure orderly growth of the real estate sector. It is a pioneering initiative to protect the interest of consumers, to promote fair play in real estate transactions and to ensure timely execution of projects. The Real Estate Regulatory Bill currently awaits approval of the Parliament.

3. OPPORTUNITIES, THREATS/RISKS AND CONCERNS:

Opportunities:

The housing sector in India holds tremendous potential to have a positive impact on the economic and social development of the country. The rise in population and migration from rural to urban areas has led to pressure on infrastructure and increasing costs coupled with the unavailability of requisite units has made housing inaccessible to lower strata of population.

As per the latest Economic Survey of India, institutional credit for housing investment is expected to grow at a CAGR of about 18-20 percent per annum in next three-five years and the housing sector's contribution to GDP is likely to increase substantially.

Urbanization in India has generated huge demand for housing for which neither the cities nor the housing sector is prepared for. Besides an annual 2.1% rise in the number of urban agglomerations resulting from the population growth and the development of new urban centres, an increasing deficit in housing supply coupled with rural migration will result in the proliferation of slums in cities other the existing metros.

Urbanisation in India has been increasing at an unprecedented rate, at this rate, close to 534 million people will live in Indian cities by 2026. This offers tremendous opportunities for real estate development, particularly for housing.

Market Size/ Growth Prospects

The Indian real estate sector, with backward and forward linkages to approximately 250 ancillary industries, has been making rapid strides in recent times and has emerged as one of the most important contributors to the Indian economy. The sector continues its metamorphosis from being largely fragmented and unorganized to become as structured and organized as its peers in developed economies across the globe. The growing prominence of India in the global scenario has had a positive impact leading to increased expectations and responsibilities on this sector.

As real estate construction and values have expanded in India - buoyed by healthy economic growth. These trends of growth and modernisation are set to continue, with some market participants forecasting that *real estate development in India will grow from US\$12 billion in 2005 to US\$90 billion by 2015 and by 2020, the sector is expected to earn a revenue of US\$ 180 billion.*

Growing infrastructure requirements from sectors such as education, healthcare and tourism are providing numerous opportunities in the sector. In addition, presence of a large number of Fortune 500 and other reputed companies will attract more companies to initiate their operational bases in India thus, creating more demand for corporate space.

Investments

As corporates look to expand businesses, India is expected to witness major demand for office space in 2015. Office space absorption across the country's seven major cities - Delhi-NCR, Mumbai, Bengaluru, Chennai, Pune, Hyderabad and Kolkata - is likely to increase seven percent this year to 29 million square feet (sq ft), according to global real estate consultant DTZ.

New supply of retail space in shopping malls in India's top seven cities is expected to more than double to 11.7 million sq ft in 2014. This will take up the mall stock across India's metropolitan cities to 87.7 million sq ft by the end of the year, according to a report by Jones Lang LaSalle.

The construction development sector, including townships, housing, built-up infrastructure and construction-development projects garnered total Foreign Direct Investment (FDI) worth US\$ 23,131.64 million in the period April 2000-February 2014. Construction (infrastructure) activities during the period

received FDI worth US\$ 2,462.60 million, according to the Department of Industrial Policy and Promotion (DIPP).

Threats/Risks and Concerns:

Despite India's acute need for housing spaces as well as other commercial workspace needs, project launch and completion delays are becoming increasingly commonplace. Though there are a variety of factors contributing to the delays such as bottlenecks in the supply of raw materials and labour, difficulties in accessing funding, impact of changing market dynamics, etc., it is the process of complying with regulatory approvals that is contributing substantially to the delays. The process of approvals is extremely long drawn and tedious. Hence, it is important to facilitate policy measures that streamline approval processes (both at state as well as at national level), which help in reducing the number of approvals required for real estate projects.

Also, there are certain intrinsic challenges that hinder growth of the sector and performance of your Company, factors such as high borrowing costs, lack of funding, liquidity issues and slow (and uneven) development of urban infrastructure. Being the real estate a cyclical industry gets impacted more by the changes in macroeconomic variables like interest rate, GDP Growth, employment, purchasing power, inflation. Generally the real estate projects have a long gestation project i.e., it spans into multiple years. In high inflationary environment delay in execution of a project adversely affects the project profitability and the Company.

4. FUTURE OUTLOOK

The Indian economy is steadily moving forward on its path to prosperity with economic development being the focal point of the progress. Macro-economic and policy uncertainties, persisting inflation, tight liquidity conditions and high interest rates adversely impacted business environment in India in the year 2013-14. Despite the continuing slowdown, the macro environment has shown early signs of recovery, and with the stable government (it has already taken few steps to revive the sentiment), the sector will improve gradually in coming years. The revival in the sector has brought hope as we move towards the New Year.

Considering the difficulties faced by the construction industry, your Company plans to primarily focus on the development of land, plotted lands, etc. and reduce the construction contracts work. However, on finding better opportunities it will take up and execute the construction contracts either directly by your company or through it wholly owned subsidiary i.e., SSPDL Infratech Private Limited (formerly SSPDL Interserve Private Limited).

Government Initiatives

To support affordable housing, an additional benefit for first-home buyers which was introduced in the last Union Budget continues in terms of section 80EE of the Income-tax Act, 1961. There are several tax advantages that can be availed by investing in a second home, like, (1) The rent received from the second home (Less 30 percent for repairs & maintenance) can be set off against the interest paid on the home loan taken for purchase of the said home. If the rent received is less than the interest paid, then the resultant "Loss from House property" can be set off against income from any other source/ heads. Thus, there is a tax hedge provided by the property till it begins to pay for itself. (2) When the flat is sold, the acquisition cost (adjusted for indexation) is deducted from the sale proceeds and only the balance is taxable.

Further, the incentives provided in the Union Budget for FY 2012-13 continues such as Allowance of External Commercial Borrowing (ECB) for the affordable housing, extension of one percent tax subvention on home loans up to ₹ 15 lac where the cost of the house is upto ₹ 25 lac.

SEGEMENT 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.

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.

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

Total Revenue: During the year under review the total revenue of the company is ₹ 4204.97 lakhs, against ₹ 6468.29 lakhs in 2012-13.

Profit/(Loss) before Depreciation and Interest: The Company's Profit before Depreciation, Interest and Tax for the year at ₹ 12.65 lakhs, as against loss of ₹ (1528.84) lakhs for 2012-13.

Profit/(Loss) Before Tax: The Company's Loss before Tax for the year at ₹ 719.10 lakhs, as against loss of ₹ 2244.09 lakhs in 2012-13.

Profit/(Loss) After Tax: The Company's Loss after Tax and minority interest is ₹ 717.12 lakhs as against loss of ₹ 1607.76 lakhs in 2012-13.

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, 2014 SSPDL Ltd has 26 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, 2014, the Board comprised of six members. The Board consists of both promoter and external Directors.

During the year 2013-14 Seven Meetings of the Board of Directors were held on 26th April, 2013, 30th May, 2013, 24th July, 2013, 21st August, 2013, 14th November, 2013, 07th February, 2014 and 7th March, 2014. 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 as at the end of the year under review 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	6	Yes	Nil	21*	Nil	23,59,390
2	Sri E. Bhaskar Rao	Non-Executive Promoter Director	4	Yes	Nil	29#	Nil	21,27,500
3	Sri Suresh Challa	Non-Executive Promoter Director	7	Yes	Nil	16	Nil	8,87,600
4	Sri S.Suryanarayana	Independent Non-Executive Director	7	Yes	Nil	1	Nil	300
5	Sri K.Akmaluddin Sheriff	Independent Non-Executive Director	2	No	Nil	4	Nil	6,634
6	Sri B.Lokanath	Independent Non-Executive Director	7	Yes	Nil	2	Nil	0

* Including one Limited Liability Partnership Firm.

Including Companies under liquidation and under process of striking off.

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 and Re-appointment of Directors

Brief profile of Sri E.Bhaskar Rao (DIN 00003608):

Sri E.Bhaskar Rao, who retires by rotation, and being eligible, offers himself for reappointment. Sri E. Bhaskar Rao, aged about 53 years is on the Board of the Company since its inception. He is a Commerce graduate and has varied experience in the business of poultry breeding and real estate and construction spanning more than two decades.

He is also a Director in the following Companies:

Srinivasa Agri Tech Pvt. Ltd., Sri Krishna Devaraya Hatcheries Pvt. Ltd., Sri Srinivasa Aqua Feeds Pvt. Ltd., Sri Jagapati Farms Pvt. Ltd., Monisha Sri Durga Farms Pvt. Ltd., Jaagruthi Foundations Pvt. Ltd., Sri Lakshmi Narasamma Minerals Pvt. Ltd., Sahiti Farms Pvt. Ltd., Mojasa Enterprises Pvt. Ltd., Jaagruthi Ventures Pvt. Ltd., Edala Infrastructures Pvt. Ltd., Edala Estates Pvt. Ltd., Sahiti Suharika Properties Pvt. Ltd., Sahiti Suharika Estates Pvt. Ltd., SSPDL Retreat Pvt. Ltd., SSPDL Ventures Pvt. Ltd., SSPDL Resorts Pvt. Ltd., SSPDL Real Estates India Pvt. Ltd., SSPDL Realty India Pvt. Ltd., SSPDL Infrastructure Developers Pvt. Ltd., SSPDL Infra Projects India Pvt. Ltd., CBA Hotels and Resorts Pvt. Ltd., Kansas Feeds Pvt. Ltd., Jahnvi Realtors Pvt. Ltd., Edala Properties Pvt. Ltd., Edala Hotels Private Limited and Corporate Enterprises Pvt. Ltd.

Mojasa Fragrances and Cosmetics Pvt. Ltd, (under the processing of Striking off), Pallavi Perfumes And Cosmetics Pvt. Ltd. (under liquidation).

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 E.Bhaskar Rao.

A brief profile of the Independent Directors to be appointed is given below:

Particulars	Sri S.Suryanarayana	Sri K.Akmaluddin Sheriff	Sri B.Lokanath
Director Identification Number (DIN)	01951750	01121372	00037303
Date of Birth	24.08.1966	15.06.1962	04.12.1957
Date of Appointment	17.06.2004	31.12.2005	31.03.2010
Qualifications	- Graduate in Commerce, and - Fellow Member of the Institute of Chartered Accountants of India	Masters Degree in Business Administration	- Bachelor Degree in Commerce - Fellow member of the Institute of Chartered Accountants of India
Expertise in specific functional area	He is a practicing Chartered Accountant. Having over a decade of experience in areas of finance and taxation.	Construction and real estate	He is a practicing Chartered Accountant and has over 25 years of substantial experience in the areas of Audit, Taxation, Compliance, corporate advisory and consulting and handled corporate and non-corporate clients in the varied industrial sectors.
Directorships held in other companies (excluding foreign companies)	SSPDL Infratech Private Limited (formerly SSPDL Interserve Private Limited)	1. Crescent Information And Management Centre Private Limited 2. Network Homes Private Limited 3. Crescent Projects Private Limited 4. Sanaathana Infra Projects Private Limited	1. Rampex Labs Private Limited 2. Surenmax Estates (India) Private Limited
Memberships/Chairmanships of committees of other companies (includes only Audit Committee and Shareholders/Investors Grievance Committee)	Nil	Nil	Nil
Number of shares held in the Company:			
- Own	300	6,634	Nil
- For other persons on a beneficial basis	Nil	Nil	Nil

3. BOARD COMMITTEES

As on 31.03.2014, 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 26th April, 2013, 30th May, 2013, 24th July, 2013, 14th November, 2013 and 7th February, 2014. 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	3
Sri B.Lokanath	Member	5	5

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 non-payment of declared dividends) and creditors.
12. To review the functioning of the Whistle Blower mechanism.
13. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
14. 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 02nd April, 2013, 30th May, 2013, 20th June, 2013, 24th July, 2013, 14th November, 2013 and 07th February, 2014. 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	4
Sri S.Suryanarayana	Member	6	6

During the year the Company has received 7 complaints from the investors and all the complaints were resolved. There were no complaints and no shares pending transfer as on 31st March, 2014.

The status of shareholder's complaints during the financial year 2013-14 is as under:

Sl.No.	Nature of Complaint/Correspondence	Received	Cleared	Pending
1	SEBI	0	0	0
2	Stock Exchange	0	0	0
3	Change / Correction of Address	0	0	0
4	No. of transfers	0	0	0
5	No. of Transmissions	0	0	0
6	Loss of Securities and Issue of Duplicate Securities	0	0	0
7	Non-receipt of Annual Reports	7	7	0
8	Non-receipt of Dividend Warrant	0	0	0
9	Non-receipt of Refund order	0	0	0
10	Non-allotment of Rights issue Shares	0	0	0
	Total	7	7	0

SEBI Complaints Redress System (SCORES): SEBI vide its Circular No. CIR/OIAE/2/2011 dated June 03, 2011, has commenced processing of investor complaints on a centralized web based.

Complaints redress system called SCORES. During the financial year 2013-14, the Company has not received any investor complaints through the same.

(C) REMUNERATION COMMITTEE**Composition**

The Company has constituted the Remuneration Committee as per the terms in Schedule XIII of the Companies Act, 1956. As on 31st March, 2013 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 Nomination and Remuneration Committee be present at its meeting.
- Chairman of the Nomination and Remuneration Committee be present at the Annual General Meeting
- Appoint and Fix 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.

During the year under review, Committee has met zero times.

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 or 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 2013-14 are given below:

Name of the Director	Sitting Fee (In ₹)			Remuneration (In ₹)	Commission (In ₹)
	Board Meetings	Audit Committee Meetings	Shareholders and Investors Grievances Redressal Committee Meetings		
Sri Prakash Challa	Nil	Nil	Nil	37,19,580*	Nil
Sri E.Bhaskar Rao	80,000	22,500	10,000	Nil	Nil
Sri Suresh Challa	1,40,000	Nil	15,000	Nil	Nil
Sri S Suryanarayana	1,40,000	27,500	15,000	Nil	Nil
Sri K. Akmaluddin Sheriff	40,000	Nil	Nil	Nil	Nil
Sri B. Lokanath	1,40,000	27,500	Nil	Nil	Nil

* Includes, Salary of ₹ 36,00,000/- and Contribution to Provident Fund of ₹ 119,580/-.

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, from 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 met 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 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
2012-2013	Country Club, Begumpet, Hyderabad	AGM	27th September, 2013	12.00 P.M.	1 Special Resolution was passed
2011-2012	Country Club, Begumpet, Hyderabad	AGM	14th September, 2012	3.30 P.M.	No Special Resolution was passed
2010-2011	Country Club, Begumpet, Hyderabad	AGM	30th September, 2011	3.00 P.M.	No Special Resolution was passed

* A Special Resolution was passed by the shareholders with requisite majority, considering the no profits or inadequacy of profits during year 2012-13, 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 two years i.e., from 01.10.2012 to 30.09.2014.

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

5. DISCLOSURES

- 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.
- 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.
- 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 safe guards against victimization of employees who avail the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.
- 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 Infratech Pvt. Ltd. (formerly 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 Infratech Pvt. Ltd. (formerly SSPDL Interserve Pvt. Ltd.)

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, 2014 the Tuesday, at 12.00 P.M. At Qutub Shahi Hall, Country Club, 6-3-1219, Begumpet, Hyderabad - 500 016, Telangana.
2.	Financial Year	1st April, 2014 to 31st March, 2015
3.	Financial Calendar (tentative and subject to change)	For the Quarter ending : <ul style="list-style-type: none"> ● 30th June, 2014 : by 02.08.2014 ● 30th September, 2014 : by 14.11.2014 ● 31st December, 2014 : by 14.02.2015 ● 31st March, 2015 : by 30.05.2014, Audited Results. Annual General Meeting for the year ending 31st March, 2015 : by 30.09.2015
4.	Dates of Book Closure	From 24.09.2014 to 30.09.2014 (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 2014-15.
7.	Stock Code	(BSE) 530821 SCRIP ID OF BOLT SYSTEM SSPDL

Green Initiative by Ministry of Corporate Affairs

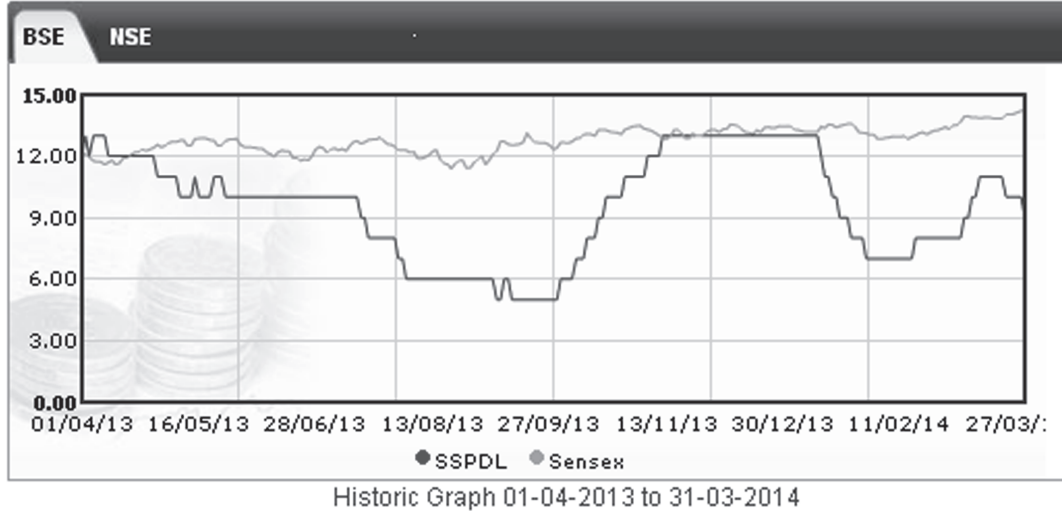
The Ministry of Corporate Affairs vide Circular No. 17/2011 dated 21.04.2011 and Circular No. 18/2011 dated 29.04.2011, has permitted Companies to deliver annual reports to investors through electronic mode. In furtherance to the same, SEBI vide its circular CIR/CFD/DIL/7/2011 dated October 05, 2011 has made consequential amendments to Clause 32 of the Listing Agreement directing listed companies to send soft copies of the annual report to shareholders who have registered their e-mail address.

In view of the same, shareholders are requested to update their email IDs with their depository participants where shares are held in dematerialized mode and where the shares are held in physical form to update the same in the records of the Company so as to facilitate electronic servicing of Annual Reports and other documents.

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

Month and Year	High (In ₹)	Low (In ₹)
April, 2013	13.59	11.41
May, 2013	11.80	9.61
June, 2013	10.00	9.90
July, 2013	9.50	6.78
August, 2013	6.45	5.32
September, 2013	5.80	5.21
October, 2013	11.07	5.64
November, 2013	13.36	11.27
December, 2013	12.85	12.60
January, 2014	12.60	6.72
February, 2014	8.17	6.61
March, 2014	11.70	7.94

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, Telangana.
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 15 days if the documents are order in all respects.

13. Shareholding Information:

i) Distribution Schedule as on 31.03.2014:

Sl. No.	Category (No. of Shares)	No. of Shareholders	% of Shareholders	Amount (₹)	% of Shareholding
1	Upto 500	2923	75.57	44,68,560	3.46
2	501 - 1000	370	9.57	29,74,320	2.30
3	1001 - 2000	212	5.48	32,41,090	2.51
4	2001 - 3000	88	2.27	22,48,940	1.74
5	3001 - 4000	56	1.45	19,66,530	1.52
6	4001 - 5000	36	0.93	16,63,550	1.29
7	5001 - 10000	74	1.91	53,08,220	4.10
8	10001 - and above	109	2.82	10,74,21,290	83.08
	Total	3868	100.00	12,92,92,500	100.00

ii) Shareholding Pattern as on 31.03.2014:

Sl. No.	Category	No. of Shareholders	Total Shares	% to Equity
1	PROMOTERS	16	70,07,454	54.20
2	RESIDENT INDIVIDUALS	3613	41,24,822	31.90
3	BODIES CORPORATE	95	4,32,958	3.35
4	NON-RESIDENT INDIANS	38	11,67,195	9.03
5	HUF	100	1,95,742	1.51
6	CLEARING MEMBERS	6	1,079	0.01
	Total	3868	1,29,29,250	100.00

14. Dematerialisation of Shares and 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. 98.32% of Company's shares are now held in Electronic form. The Company's shares are currently traded in TS Group on the BSE, Mumbai.

Shareholding Summary

As of 31st March 2014, the shareholding summary is as under:

Category	No. of Holders	Total Shares	% to Equity
Physical	222	2,17,670	1.68
NSDL	2,201	88,92,169	68.78
CDSL	1,445	38,19,411	29.54
Total	3,868	1,29,29,250	100.00

In accordance with stipulations of SEBI, a Company Secretary in practice carried out Secretarial Audit to reconcile the total issued capital with NSDL and CDSL with the listed capital and the Report was submitted to the Stock Exchanges along with quarterly statement of shareholding pattern and Corporate Governance compliance report for the quarter ended 30.06.2013, 30.09.2013, 31.12.2013 and 31.03.2014.

15. Outstanding ADRs/GDRs

As on March 31, 2014, the Company has not issued any ADR/GDR.

16. Plant Locations

Not applicable

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

SSPDL Limited (CIN: L70100TG1994PLC018540)
8-2-595/3/6, Eden Gardens, Road No.10,
Banjara Hills, Hyderabad-500 034, Telangana.
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, Telangana.
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, 2014 as envisaged in Clause 49 of the Listing Agreement.

Place : Hyderabad
Date : 02.08.2014

PRAKASH CHALLA
MANAGING DIRECTOR

MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER CERTIFICATION

We, Prakash Challa, Managing Director and P.Muthyam Reddy, Chief Financial Officer of SSPDL Ltd certify that:

- a. We have reviewed the financial statements and the cash flow statements for the year ended 31st March, 2014 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)

P.MUTHYAM REDDY
Chief Financial Officer

Place : Hyderabad
Date : 02.08.2014

AUDITOR'S CERTIFICATE 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 2014, 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
Firm Registration No: 0017575

K.AJAY KUMAR
PARTNER
M. No. 021989

Place : Hyderabad
Date : 02.08.2014

INDEPENDENT AUDITORS' REPORT

To the Members of SSPDL Limited

Report on the Financial Statements

We have audited the accompanying financial statements of SSPDL Limited ("the Company") which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles accepted in India, including Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the

information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) In the case of the Statement of Profit and Loss, of the Loss for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. 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;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013; and
 - e. on the basis of written representations received from the directors as on March 31, 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014 from being appointed as a director in terms of Clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **KARVY & CO.**,
Chartered Accountants
Firm Registration Number: 001757S

Place : Hyderabad
Date : May 10, 2014

K. AJAY KUMAR
Partner
Membership No. 021989

Annexure to the Independent Auditors' Report

The Annexure referred to in our report to the members of SSPDL Limited ('the Company') for the year ended March 31, 2014. We report that:

- i. In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) The Company has a phased program 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 program, substantial fixed assets were physically verified by management during the year and no material discrepancies were identified during such verification.
 - (c) In our opinion, fixed assets disposed off during the year were not substantial and therefore do not affect the going concern assumption.
- ii. In respect of its inventories:
 - (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of inventory, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to the books of account were not material and have been properly dealt with in the books of accounts.
- iii. In respect of loans granted by the Company
 - (a) The Company has granted loans to companies covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount outstanding during the year is ₹ 2,696.57 lakhs and the year end balances is ₹ 2,057.35 lakhs.
 - (b) In our opinion and according to the information and explanations given to us, the aforesaid loans are interest free and other terms and conditions are not prima facie prejudicial to the interest of the Company.
 - (c) The said loans are repayable on demand and hence no repayment schedule
 - (d) Since the loans are repayable on demand, the question of overdue amount does not arise.

In respect of loans taken by the Company;

 - (e) The Company has taken unsecured loans from one company and one individual covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount outstanding during the year is ₹ 1,835.40 lakhs and the year end balances is ₹ 930.19 lakhs.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and nature of its business with regard to the purchase of inventory and fixed assets and also for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal controls.
- v. According to the information and explanations given to us, contracts or arrangements which need to be entered, during the period, in the register to be maintained under Section 301 of the Companies Act, 1956 have been so entered.
- vi. The Company has not accepted deposits from the public within the meaning of Section 58A and 58AA of the Companies Act, 1956 and the rules framed there under.
- vii. In our opinion, the Company has an internal audit system commensurate with the size and the nature of its business.
- viii. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government of India for the maintenance of cost records prescribed under Clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 in respect of the financial year ended March 31, 2014 and are of the opinion that prima facie, the prescribed accounts and records have been maintained. However, we have not made a detailed examination of the records.
- ix. In respect of Statutory dues:
 - (a) According to the books and records as produced and examined by us and also based on the Management representations, it was found that there were no undisputed statutory dues in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues to the extent applicable to be deposited with the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2014 for a period of more than six months from the date on which they became 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 to	Forum where dispute is pending
Tamilnadu General Sales Tax Act.	Disallowances of Input Tax Credit	0.33	2006-2007	Supreme Court
Finance Act 1994	Service Tax demand	3.95	2006-2011	CESTAT, Chennai
Finance Act 1994	Service Tax demand	0.023	2011-12	CESTAT, Chennai

- x. The Company does not have accumulated losses at the end of the financial year. However, the Company has incurred cash losses amounting to ₹ 777.09 lakhs during the financial year covered by audit and ₹ 1,313.57 lakhs in the immediately 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 and financial institutions. The Company did not have any debentures outstanding as at the Balance Sheet date.
- xii. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, Clause 4 (xii) of the Order is not applicable to the Company.
- xiii. In our opinion, the Company is not a Chit fund or a Nidhi/ Mutual Benefit fund/ Society. Accordingly, Clause 4 (xiii) of the Order is not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in Shares, Securities, debentures and other investments. Accordingly, Clause 4 (xiv) of the Order is not applicable to the Company.
- xv. According to the information and explanations given to us, the Company has given corporate guarantee for loans taken by wholly owned subsidiaries from banks. The terms and conditions of the guarantee are not prejudicial to the interest of the Company.
- xvi. In our opinion, and according to the information and explanations given to us, the term loans have been applied, on an overall basis, for the purposes for which they were obtained.
- xvii. According to the information and explanations given to us and overall examination of the balance sheet of the Company, we are of the opinion that there are no funds raised on short-term basis that have been used for long term investment.
- xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act, during the period.
- xix. According to the information and explanations given to us and the records examined by us, no debentures were issued by the Company. Accordingly, Clause 4 (xix) of the Order is not applicable to the Company.
- xx. The Company has not raised any money by public issues during the year.
- xxi. In our opinion and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year.

For **KARVY & CO.,**
Chartered Accountants
Firm Registration Number: 001757S

Place : Hyderabad
Date : May 10, 2014

K. AJAY KUMAR
Partner
Membership No. 021989

BALANCE SHEET AS AT 31ST MARCH, 2014

(Amount in ₹)

Particulars	Note No.	As at March 31, 2014	As at March 31, 2013
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
(a) Share Capital	2	12,92,92,500	12,92,92,500
(b) Reserves and Surplus	3	29,78,16,733	37,74,23,992
2. Non-current Liabilities			
(a) Long-term Borrowings	4	-	-
(b) Other Long-term Liabilities	5	1,00,000	1,00,000
3. Current Liabilities			
(a) Short-term Borrowings	6	17,39,53,563	27,51,00,159
(b) Trade Payables	7	8,42,23,643	4,69,41,694
(c) Other Current Liabilities	8	57,19,53,494	51,83,99,946
(d) Short-term Provisions	9	16,87,320	-
TOTAL		1,25,90,27,253	1,34,72,58,291
II. ASSETS			
1. Non-current Assets			
(a) Fixed Assets			
(i) Tangible Assets	10	77,66,993	91,06,830
(b) Non-current Investments	11	20,60,71,252	25,03,64,542
(c) Deferred Tax Assets (Net)	12	3,43,92,048	3,43,92,048
(d) Long-term Loans and Advances	13	2,83,63,472	2,61,10,986
2. Current Assets			
(a) Inventories	14	42,12,53,245	26,75,58,685
(b) Trade Receivables	15	24,12,46,941	27,00,52,026
(c) Cash and Bank Balances	16	1,24,29,259	11,82,44,829
(d) Short-term Loans and Advances	17	30,66,20,341	36,82,22,786
(e) Other Current Assets	18	8,83,702	32,05,559
TOTAL		1,25,90,27,253	1,34,72,58,291

III. Notes to the Financial Statements

1-32

The accompanying notes form an integral part of the Financial Statements.

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
Membership No. : 021989

PRAKASH CHALLA
MANAGING DIRECTOR

E. BHASKAR RAO
DIRECTOR

Place : Hyderabad
Date : 10.05.2014

P.MUTHYAM REDDY
CHIEF FINANCIAL OFFICER

A.SHAIENDRA BABU
COMPANY SECRETARY CUM MANAGER (FINANCE)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

(Amount in ₹)

Particulars	Note No.	For the year ended March 31, 2014	For the year ended March 31, 2013
Revenue:			
1. Revenue from Operations	19	7,60,92,476	5,67,13,929
2. Other Income	20	2,80,48,689	1,30,25,511
Total Revenue (1+2)		10,41,41,165	6,97,39,440
3. Expenses:			
a) Construction Expenses	21.a	11,17,53,022	12,94,57,843
b) Employee Benefits Expense	22	221,91,926	1,99,44,367
c) Finance Costs	23	3,47,73,195	3,15,31,818
d) Depreciation and Amortization Expense	10	14,05,153	16,08,947
e) Other Expenses	24	1,31,31,972	2,01,62,228
Total Expenses		18,32,55,268	20,27,05,203
4. Profit/(Loss) before Exceptional and Extraordinary Items and Tax (1+2-3)		(7,91,14,103)	(13,29,65,763)
5. Exceptional Items		-	-
6. Profit/(Loss) before Extraordinary Items and Tax (4-5)		(7,91,14,103)	(13,29,65,763)
7. Extra Ordinary Items		-	-
8. Profit/(Loss) before Tax (6-7)		(7,91,14,103)	(13,29,65,763)
9. Tax Expense:			
(a) Current Tax		-	-
(b) Tax Provision for earlier years		4,93,156	(1,88,258)
(c) Deferred Tax		-	(72,97,291)
10. Profit/(Loss) for the Year		(7,96,07,259)	(12,54,80,214)
11. Earnings Per Share (Face value of ₹ 10 each)			
- Basic and Diluted	25	(6.16)	(9.71)
Notes to the Financial Statements	1-32		

The accompanying notes form an integral part of the Financial Statements.

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
Membership No. : 021989

PRAKASH CHALLA
MANAGING DIRECTOR

E.BHASKAR RAO
DIRECTOR

Place : Hyderabad
Date : 10.05.2014

P.MUTHYAM REDDY
CHIEF FINANCIAL OFFICER

A.SHAIENDRA BABU
COMPANY SECRETARY CUM MANAGER (FINANCE)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(Amount in ₹)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit before Tax and Extraordinary Items	(7,91,14,103)	(13,29,65,763)
Adjustments for:		
Depreciation	14,05,153	16,08,947
Interest income	(59,90,559)	(86,43,705)
Interest on borrowings	3,47,73,195	3,15,31,818
Liabilities no longer required written back	(76,994)	(17,22,420)
Advance written off	16,000	57,48,826
Bad debts written off	15,23,863	
Provision for future losses	14,37,402	-
Profit/loss on sale of investments	(2,15,40,834)	-
Profit/loss on sale of fixed assets	(10,312)	-
	1,15,36,914	2,85,23,466
	(6,75,77,189)	(10,44,42,297)
Operating Profit before Working Capital Charges		
Adjustments for:		
Decrease/(increase) in inventories	(15,36,94,561)	2,08,24,807
Decrease/(increase) in trade receivables	2,72,81,222	51,68,662
Decrease/(increase) in other current and non-current assets	-	(72,97,471)
Decrease/(increase) in loans and advances	3,66,10,361	(27,50,672)
Increase/(decrease) in trade payables, provisions and other current liabilities	9,85,75,367	33,38,14,537
Increase/(Decrease) in Net Current Assets	87,72,389	34,97,59,863
Cash Generated from Operation	(5,88,04,800)	24,53,17,566
Adjustments for income tax (paid)/refund	2,22,30,442	(1,73,78,867)
Net Cash from Operating Activities A	(3,65,74,358)	22,79,38,699
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Disposal of investment in associates	6,58,34,124	1,75,50,000
Purchase of investments in subsidiaries	-	(2,04,00,000)
Purchase of fixed assets	(1,07,173)	(2,79,392)
Proceeds from sale of fixed assets	52,170	23,568
Interest received	83,12,416	62,28,189
Bank balances not considered as cash equivalents	7,420	9,25,430
Net Cash from Investing Activities B	7,40,98,957	40,47,795
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid on borrowings	(4,21,28,877)	(4,13,26,197)
Proceeds from/(repayment of) borrowings	(10,12,03,872)	(8,15,18,300)
Net Cash used in Financing Activities C	(14,33,32,749)	(12,28,44,497)
Net Increase/(Decrease) in Cash and Cash Equivalent A+B+C	(10,58,08,150)	10,91,41,997
Cash and cash equivalents at the beginning of the year	11,20,92,758	29,50,761
Cash and cash equivalents at the end of the year	62,84,608	11,20,92,758

- 1) The Cash Flow Statement has been prepared under the Indirect Method set out in Accounting Standard-3 on Cash Flow Statement prescribed under the Companies (Accounting Standards) Rules, 2006.
- 2) Figures in brackets indicates outflow.
- 3) Previous year's figures have been regrouped /recast wherever required.

As per our attached report of even date

For **KARVY & CO.,**

Chartered Accountants

Firm Registration No. : 001757S

K.AJAY KUMAR

PARTNER

Membership No. : 021989

Place : Hyderabad

Date : 10.05.2014

For and on behalf of the Board of Directors

PRAKASH CHALLA
MANAGING DIRECTOR**E.BHASKAR RAO**
DIRECTOR**P.MUTHYAM REDDY**
CHIEF FINANCIAL OFFICER**A.SHAIENDRA BABU**
COMPANY SECRETARY CUM MANAGER (FINANCE)

NOTES TO THE FINANCIAL STATEMENTS

1) 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. 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 in to 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:

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

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. Employee Benefits:

i. Provident Fund:

The Company has Defined Contribution Plan for its employees' retirement benefits comprising of Provident Fund. The Company contributes to State

NOTES TO THE FINANCIAL STATEMENTS (Contd..)

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 statement of profit and loss 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 forwarded 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 and the weighted average number of shares outstanding during the period 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.

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

(Amount in ₹)

Particulars	As at March 31, 2014	As at March 31, 2013
2) SHARE CAPITAL		
Authorised Capital	25,00,00,000	25,00,00,000
2,50,00,000 (Previous Year: 2,50,00,000) equity shares of ₹ 10 each		
Issued, Subscribed and Paid up		
1,29,29,250 (Previous Year: 1,29,29,250) equity shares of ₹ 10 each fully paid up	12,92,92,500	12,92,92,500
	12,92,92,500	12,92,92,500

(a) Reconciliation of shares outstanding at the beginning and at the end of the reporting period

Equity shares	As at March 31, 2014		As at March 31, 2013	
	Number of shares	Value	Number of shares	Value
At the beginning of the year	1,29,29,250	12,92,92,500	1,29,29,250	12,92,92,500
Issued during the year	-	-	-	-
Outstanding at the end of the year	1,29,29,250	12,92,92,500	1,29,29,250	12,92,92,500

(b) Terms/rights attached to equity shares

The Company has only one class of equity shares referred to as equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

(c) Shares in the Company held by each shareholder holding more than 5% shares

Equity shares	As at March 31, 2014		As at March 31, 2013	
	Number of shares	Value	Number of shares	Value
Prakash Challa	23,59,390	18.25	23,59,390	18.25
Edala Bhaskar Rao	21,27,500	16.45	21,27,500	16.45
Sri Krishna Devaraya Hatcheries Private Limited	11,70,152	9.05	11,70,152	9.05
Suresh Challa	8,87,600	6.87	8,87,600	6.87

Particulars	As at March 31, 2014	As at March 31, 2013
3) RESERVES AND SURPLUS		
(a) General Reserve		
Opening balance	1,82,41,459	1,82,41,459
Addition during the year	-	-
(A)	1,82,41,459	1,82,41,459
(b) Securities Premium Account		
Opening balance	22,08,87,000	22,08,87,000
Addition during the year	-	-
(B)	22,08,87,000	22,08,87,000
(c) Surplus in Statement of Profit and Loss		
Opening balance	13,82,95,533	26,37,75,745
Less: Profit/(loss) for the year	(7,96,07,259)	(12,54,80,212)
(C)	5,86,88,274	13,82,95,533
Total (A)+(B)+(C)	29,78,16,733	37,74,23,992

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

(Amount in ₹)

Particulars	As at March 31, 2014	As at March 31, 2013
4) LONG-TERM BORROWINGS		
Secured		
Vehicle loans*	-	-
Total	<u>-</u>	<u>-</u>
*Vehicle loans are secured by hypothecation of respective vehicles.		
5) OTHER LONG-TERM LIABILITIES		
Security deposits received	1,00,000	1,00,000
Total	<u>1,00,000</u>	<u>1,00,000</u>
6) SHORT-TERM BORROWINGS		
Secured		
Loans repayable on demand from bank*	8,09,34,197	9,15,60,135
Unsecured		
Loans and advances from related parties	9,30,19,366	18,35,40,024
	<u>17,39,53,563</u>	<u>27,51,00,159</u>
*Cash credit from SBI is secured by;		
As primary security		
a. The first charge on all the current assets of the Company including hypothecation on construction materials, work in progress, receivables.		
b. First charge (equitable mortgage) of Company's share of 70% of the proposed built-up space together with undivided share of land to an extent of 75,865 Sq.ft at Navallur Village, Old Mahabalipuram Road, Kanchipuram District, Chennai.		
As collateral security		
a. Equitable mortgage of residential property at Hakimpet village, Jubilee Hills, Hyderabad.		
b. Equitable mortgage of vacant land at Kollur village, Medak, Telangana.		
Personal guarantee of directors		
Sri Prakash Challa		
Sri Suresh Challa		
7) Trade Payables		
- Dues to micro and small enterprises (*See below)	-	-
- Others	8,42,23,643	4,69,41,694
	<u>8,42,23,643</u>	<u>4,69,41,694</u>
*The Company is seeking confirmation from its suppliers whether they fall under the category of micro and small 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 and Small Enterprises. Further the Company has not paid/accrued any interest under the MSMED Act, 2006.		
8) Other Current Liabilities		
Current maturities of long-term debts*	-	57,276
Interest accrued and due on borrowings	-	73,55,682
Advance received from clients**	56,60,26,009	50,29,19,868
Statutory liabilities	15,63,203	20,22,846
Unclaimed dividends	1,01,732	1,09,152
Outstanding expenses and others	42,62,550	59,35,122
	<u>57,19,53,494</u>	<u>51,83,99,946</u>
* Current maturities of long-term debts represents vehicle loan taken from Axis bank and are secured by the respective vehicles.		
** Advance received from client includes ₹ 24.00 crores received from BHEL Employees Model Mutually Aided Co-Operative House Building Society for construction of houses and ₹ 13.76 crores from directors and ₹ 5.00 crores from others for sale of land.		
9) Short-term Provisions		
Provision for employee benefits	2,49,918	-
Other provisions		
Provision for contract losses	14,37,402	-
	<u>16,87,320</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

10) FIXED ASSETS		(Amount in ₹)											
Tangible Assets:		GROSS BLOCK					DEPRECIATION					NET BLOCK	
PARTICULARS	As at April 01, 2013	Additions	Deletions	As at March 31, 2014	Upto March 31, 2013	For the year	Adjustments	Upto March 31, 2014	As at March 31, 2014	As at March 31, 2013			
Construction equipments	9,77,274	-	-	9,77,274	1,26,104	46,421	-	1,72,525	8,04,750	8,51,171			
Furniture and fixtures	40,37,105	57,173	-	40,94,278	19,30,304	2,57,046	-	21,87,350	19,06,928	21,06,801			
Computers	33,26,254	50,000	-	33,76,254	23,63,903	3,30,333	-	26,94,236	6,82,018	9,62,351			
Office equipments	29,14,477	-	-	29,14,477	9,73,650	1,22,534	-	10,96,184	18,18,293	19,40,827			
Vehicles	67,31,482	-	52,170	66,79,312	34,85,800	6,48,819	10,312	41,24,307	25,55,005	32,45,682			
Total	1,79,86,592	1,07,173	52,170	1,80,41,595	88,79,761	14,05,153	10,312	1,02,74,602	77,66,993	91,06,831			
Previous Year	1,77,36,951	2,79,392	29,750	1,79,86,592	72,76,997	16,08,946	6,182	88,79,761	91,06,831	4,46,47,267			

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

(Amount in ₹)

Particulars	As at March 31, 2014	As at March 31, 2013
11) Non-current Investments		
Trade Investments		
A. In Equity shares of Subsidiary Companies - Unquoted, Fully Paid-up		
- SSPDL Resorts Private Limited 10,000 (Previous Year: 10,000) Equity shares of ₹ 10 each	1,00,000	1,00,000
- SSPDL Realty India Private Limited 10,000 (Previous Year: 10,000) Equity shares of ₹ 10 each	1,00,000	1,00,000
- SSPDL Real Estates India Private Limited 10,000 (Previous Year: 10,000) Equity shares of ₹ 10 each	1,00,000	1,00,000
- SSPDL Infra Projects India Private Limited 10,000 (Previous Year: 10,000) Equity shares of ₹ 10 each	1,00,000	1,00,000
- SSPDL Interserve Private Limited 5,10,000 (Previous Year: 5,10,000) Equity shares of ₹ 1 each	5,10,000	5,10,000
B. In Equity shares of Associates - Unquoted, Fully Paid-up		
- SSPDL Infrastructure Developers Private Limited* 36,422 (Previous Year: 3,51,223) Class A equity shares of ₹ 10 each 1 (Previous Year: 1) Class B Equity shares of ₹ 10 each	1,09,56,710 10	5,52,50,000 10
- Northwood Constructions India Private Limited : 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 1,00,000 24,50,684	25,000 1,00,000 24,50,684
- Northwood Properties India Private Limited : 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 1,00,000 35,30,849	25,000 1,00,000 35,30,849
- Northwood Realty India Private Limited : 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 1,00,000 22,50,849	25,000 1,00,000 22,50,849
- Northwood Residential Ventures Private Limited 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 1,00,000 18,58,622	25,000 1,00,000 18,58,622
- Northwood Township Project Private Limited 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 1,00,000 25,63,622	25,000 1,00,000 25,63,622
- SSPDL Northwood Homes Private Limited 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 1,00,000 28,90,845	25,000 1,00,000 28,90,845
- SSPDL Northwood Residence Private Limited 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 1,00,000 22,70,849	25,000 1,00,000 22,70,849
- SSPDL Northwood Villas Private Limited 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 1,00,000 26,30,849	25,000 1,00,000 26,30,849

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

(Amount in ₹)

Particulars	As at March 31, 2014	As at March 31, 2013
Non-current Investments (Contd.)		
- Northwood Infratech Private Limited 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	1,00,000	1,00,000
Share application money	10,28,603	10,28,603
C. Investments in Limited Liability Partnership		
SSPDL Green Acres LLP	2,50,000	2,50,000
D. In Equity shares of Other Enterprises - Unquoted, Fully Paid-up		
- Alpha City Chennai IT Park Projects Private Limited 9,980 (Previous Year: 9,980) Equity shares of ₹ 10 each	99,800	99,800
- SSPDL Properties Private Limited 1,68,796 (Previous Year: 1,68,796) Equity shares of ₹ 10 each	16,87,960	16,87,960
E. In Debentures of Subsidiary Company - Unquoted, Fully Paid-up		
- SSPDL Interserve Private Limited 20,400 (Previous Year: 20,400) 12% Compulsorily Convertible Debentures of ₹ 1,000 each	2,04,00,000	2,04,00,000
F. Debentures of Associate Company - Unquoted, Fully Paid-up Optionally Convertible 15% Debentures (Series B) ("OCD's");		
- Northwood Constructions India Private Limited 17,86,830 (Previous Year: 1,7,86,830) OCD's of ₹ 10 each	1,78,68,300	1,78,68,300
- Northwood Properties India Private Limited 18,24,060 (Previous Year: 18,24,060) OCD's of ₹ 10 each	1,82,40,600	1,82,40,600
- Northwood Realty India Private Limited 17,86,830 (Previous Year: 17,86,830) OCD's of ₹ 10 each	1,78,68,300	1,78,68,300
- Northwood Residential Ventures India Private Limited 12,28,390 (Previous Year: 12,28,390) OCD's of ₹ 10 each	1,22,83,900	1,22,83,900
- Northwood Township Project Private Limited 19,02,070 (Previous Year: 19,02,070) OCD's of ₹ 10 each	1,90,20,700	1,90,20,700
- SSPDL Northwood Homes Private Limited 17,69,100 (Previous Year: 17,69,100) OCD's of ₹ 10 each	1,76,91,000	1,76,91,000
- SSPDL Northwood Residence Private Limited 17,69,100 (Previous Year: 17,69,100) OCD's of ₹ 10 each	1,76,91,000	1,76,91,000
- SSPDL Northwood Villas Private Limited 18,66,610 (Previous Year: 18,66,610) OCD's of ₹ 10 each	1,86,66,100	1,86,66,100
- Northwood Infratech Private Limited 9,53,610 (Previous Year: 9,53,610) OCD's of ₹ 10 each	95,36,100	95,36,100
Non-trade Investments		
G. In Government Securities-Unquoted		
National Savings Certificate	3,00,000	3,00,000
Total	20,60,71,252	25,03,64,542
Aggregate Value of		
- Quoted Investments	-	-
- Unquoted Investments	20,60,71,252	24,75,64,442

* During the current year, out of the 3,51,223 shares in SSPDL Infrastructure Developers Private Limited ("SIDPL"), 3,14,800 shares disposed off, therefore SIDPL ceased to be an associate of SSPDL with effect from January 10, 2014.

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

(Amount in ₹)

Particulars	As at March 31, 2014	As at March 31, 2013
12) DEFERRED TAX ASSETS (NET)		
a) Deferred Tax Asset		
On account of		
Unabsorbed depreciation	7,06,835	5,34,600
Brought forward business losses	9,43,20,584	6,48,69,991
Total (a)	9,50,27,419	6,54,04,591
b) Deferred Tax Liability		
On account of		
Depreciation	14,31,561	17,00,357
Total (b)	14,31,561	17,00,357
c) Net Deferred Tax Asset/(Liability) (a-b) *	9,35,95,858	6,37,04,234
* In accordance with the Accounting Standard 22 - "Accounting for Taxes on Income"(AS-22), the Deferred tax assets arising from timing differences are recognized and carried forwarded only if there is virtual certainty that they will be realized in future and reviewed for the appropriateness of their respective carrying value at each balance sheet date. In view of this, deferred tax asset (net) to the extent of ₹ 5,92,03,622 (Previous Year: ₹ 2,93,12,187) is not recognized.		
13) LONG-TERM LOANS AND ADVANCES		
Advance to suppliers/contractors	66,41,496	55,94,863
Security deposits	42,08,306	30,02,253
Others	1,75,13,670	1,75,13,870
	2,83,63,472	2,61,10,986
14) INVENTORIES		
Work-in-progress	20,41,48,230	17,76,59,370
Cost of land under development	21,71,05,015	8,98,99,315
	42,12,53,245	26,75,58,685
15) TRADE RECEIVABLES		
Trade Receivables outstanding for a period exceeding six months from the day they became due for payment		
- Secured, considered good		
i) Due by private companies in which directors are interested	21,48,70,382	23,87,19,692
ii) Others	3,03,048	-
- Unsecured, considered good	2,60,73,512	2,75,72,176
Other Trade Receivables		
- Secured, considered good	-	37,60,158
	24,12,46,941	27,00,52,026
16) CASH AND BANK BALANCES		
Cash and cash equivalents		
Cash on hand	53,391	56,474
Balances with banks		
- In current account	62,31,217	1,20,36,285
- In deposits accounts (Original maturity of 3 months or less)	-	10,00,00,000
	62,84,608	11,20,92,758
Other banks balances		
- In margin money account	38,42,919	38,42,919
- In unpaid dividend	1,01,732	1,09,152
- In deposits accounts (Original maturity more than 3 months)	22,00,000	22,00,000
	61,44,651	61,52,071
	1,24,29,259	11,82,44,829

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

(Amount in ₹)

Particulars	As at March 31, 2014	As at March 31, 2013
17) SHORT-TERM LOANS AND ADVANCES		
Unsecured, considered good		
Loans and advances to employees	46,945	17,495
Loans and advances to related parties [Refer note 17 (1)]	20,57,35,196	25,31,01,319
Advance to suppliers and contractors	99,84,208	63,79,361
Other loans and advances;		
Balance with statutory/government authorities	8,99,05,037	10,83,43,541
Prepaid expenses	9,48,954	3,81,070
	<u>30,66,20,341</u>	<u>36,82,22,786</u>

17) (1) Loans and Advances Include

Particulars	Maximum Amount Outstanding at any time during the year		As At March 31, 2014	As At March 31, 2013
	2013-2014	2012-2013		
a) Advances to subsidiaries :				
SSPDL Realty India Private Limited	6,33,52,825	6,33,52,825	5,13,13,325	6,33,52,825
SSPDL Real Estates India Private Limited	10,14,58,152	10,14,58,152	5,51,01,814	10,14,58,152
SSPDL Infra Projects India Private Limited	3,79,14,132	3,79,14,132	3,29,80,132	3,79,14,132
SSPDL Resorts Private Limited	10,276	10,276	10,276	10,276
b) Advances to Associates:			-	
SSPDL Infrastructure Developers Private Limited	5,92,285	5,92,285	-	5,92,285
SSPDL Green Acres LLP	6,60,61,625	4,95,05,625	6,60,61,625	4,95,05,625
c) Payments on behalf of associate companies	2,68,025	2,68,025	2,68,025	2,68,025
Total	26,96,57,320	25,31,01,320	20,57,35,196	25,31,01,320

Since the above details meet the requirements of Clause 32 of the listing agreement, no separate disclosure is made.

18) OTHER CURRENT ASSETS

Interest accrued on deposits	8,83,702	32,05,559
Total	<u>34,92,687</u>	<u>7,90,043</u>

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

Particulars	(Amount in ₹)	
	For the year ended March 31, 2014	For the year ended March 31, 2013
19) REVENUE FROM OPERATIONS		
Sale of flats	5,88,96,170	1,84,78,383
Contract revenue	-	3,82,35,546
Other operating revenues	1,71,96,306	-
	<u>7,60,92,476</u>	<u>5,67,13,929</u>
20) OTHER INCOME		
a) Interest Income		
Interest on deposits with banks	8,55,722	48,30,775
Interest on non-current investments	27,61,962	38,12,930
Interest on income tax refund	23,72,875	-
b) Other Non Operative Income		
Maintenance charges	-	26,59,387
Liabilities no longer required written back	76,994	17,22,420
Profit on sale of investments	2,15,40,834	-
Profit on sale of fixed assets	10,312	-
Other income	4,29,990	-
	<u>2,80,48,689</u>	<u>1,30,25,511</u>
21) CONSTRUCTION EXPENSES		
Works contract including contractor's bills	11,40,16,899	7,55,80,054
Masonry and other works	10,51,116	20,77,205
Project consultancy charges	23,34,199	45,68,027
Land cost and development charges	14,80,45,368	2,64,07,750
	<u>26,54,47,582</u>	<u>10,86,33,036</u>
21) (a) Changes in Inventories of Work-in-progress and Stock-in-trade		
Inventories at the end of the year		
- Work-in-progress	20,41,48,230	17,76,59,370
- Cost of land under development	21,71,05,015	8,98,99,315
	<u>(A) 42,12,53,245</u>	<u>26,75,58,685</u>
Inventories at the beginning of the year		
- Work-in-progress	17,76,59,370	21,46,16,377
- Cost of land under development	8,98,99,315	7,37,67,115
	<u>(B) 26,75,58,685</u>	<u>28,83,83,492</u>
Net (increase)/decrease in inventories	(B) - (A)	(15,36,94,560)
Construction expenses	<u>11,17,53,022</u>	<u>12,94,57,843</u>
22) EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	2,14,14,675	1,91,42,145
Contribution to provident and other funds	5,47,224	4,89,309
Staff welfare expenses	2,30,027	3,12,913
	<u>2,21,91,926</u>	<u>1,99,44,367</u>

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

(Amount in ₹)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
23) FINANCE COSTS		
a) Interest expense :		
i) Borrowings	3,32,26,935	3,01,88,488
ii) Others		
- Interest on deferred payment of income tax	15,46,260	2,305
b) Other borrowing costs	-	13,41,025
Total	3,47,73,195	3,15,31,818
24) OTHER EXPENSES		
Rent	18,10,250	25,22,674
Electricity charges	5,60,964	6,97,296
Repairs and maintenance - others	2,24,755	2,90,311
Insurance	1,97,582	1,90,314
Rates and taxes	1,14,529	11,35,381
Communication expenses	6,39,412	7,35,030
Travelling and conveyance	23,46,307	23,53,570
Foreign travel expenses	-	9,00,159
Printing and stationery	2,39,624	2,64,233
Business promotion	1,36,826	1,52,376
Security charges	3,15,014	3,94,468
Director sitting fees	5,40,000	5,00,000
Advances written off	16,000	57,48,826
Bad debts written off	15,23,863	-
Legal and professional	12,27,346	15,82,075
Payments to auditors:		
a) As audito - Statutory audit fee	4,00,000	4,00,000
- Tax audit fee	1,00,000	1,00,000
b) for Other services	80,000	62,472
c) for Reimbursement of expenses	92,490	85,029
Vehicle running and maintenance	9,43,708	7,28,900
Bank charges	2,79,070	1,38,638
Miscellaneous expenses	13,44,231	11,80,476
Total	1,31,31,972	2,01,62,228
25) EARNINGS PER SHARE ("EPS")		
Net profit/(loss) for the year after tax	(a) (7,96,07,259)	(12,54,80,214)
Weighted average number of equity shares outstanding during the year used for calculating EPS	(b) 1,29,29,250	1,29,29,250
Basic and diluted EPS (Face value ₹ 10 each)	(a)/(b) (6.16)	(9.71)

NOTES TO THE FINANCIAL STATEMENTS (Contd...)**26) 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) Company has given a corporate guarantee in favour of Federal Bank Limited towards the working capital loans taken by M/s. SSPDL Infra Projects Private Limited, M/s SSPDL Real Estates India Private Limited and M/s. SSPDL Reality India Private Limited (the wholly owned subsidiaries) for ₹ 40.00 Lakhs, ₹ 120.00 Lakhs and ₹ 140.00 Lakhs respectively.
- iii) 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 SLP before the Hon'ble Supreme Court of India against the decision of Hon'ble High Court of Madras.
- iv) During the financial year 2011-12 the Company has received a Service Tax demand for ₹ 2,30,730. The Company has filed appeal before the Appellate Tribunal.
- v) Service Tax demand notice received to the extent of ₹ 3,76,38,547 for the period 2006-07 to 2010 and ₹ 19,02,192 for the period October 2010 to September 2011. The Company has filed an appeal against the demand notice before the Commissioner of Service Tax, Chennai. The Commissioner of Service Tax confirmed the demand notice; subsequently appeal is filed before the Central Excise and Service Tax Appellate Tribunal against the said Commissioner's Order.

27) EXPENDITURE IN FOREIGN CURRENCY:

(Amounts in ₹)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
On account of Travel	-	9,00,519
Others	-	-

28) DISCLOSURE IN ACCORDANCE WITH ACCOUNTING STANDARD - 7 (REVISED):

(Amounts in ₹)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Contract Revenue recognised as revenue in the period	-	3,82,35,546
Cost incurred and Recognized Profit or Losses up to the reporting period	-	3,93,13,516
Advances received	-	-
Retention Money	-	16,36,345
Gross amount due from customers for contract work as asset	-	97,32,903
Gross amount due to customers for contract work as liability	-	-

29) AS PER ACCOUNTING STANDARD 15 "EMPLOYEES BENEFITS", THE DISCLOSURES OF EMPLOYEES BENEFITS AS DEFINED IN THE ACCOUNTING STANDARD ARE GIVEN BELOW:

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

(Amounts in ₹)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Employer's Contribution to Provident Fund	5,47,224	4,89,309

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

- b. **Defined Benefit Plans:** The following table sets out the disclosures are required under Accounting Standard 15 "Employee Benefits" in respect of Gratuity:

(Amounts in ₹)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
A. Change in present value of obligation		
Present value of obligation at the beginning of the year	13,76,060	11,67,384
Current service cost	1,74,869	1,28,728
Interest cost	1,10,085	93,391
Benefits paid	(9,197)	-
Net actuarial (gain) /loss recognized during the year	73,561	(13,443)
Present value of obligation at the end of the year	17,25,378	13,76,060
B. Changes in the fair value of plan assets		
Present value of plan assets at the beginning of the year	14,39,107	5,29,225
Expected return on plan assets	1,25,371	1,06,189
Actuarial gain/ (loss) on plan assets	-	-
Contributions	-	8,03,693
Benefits paid	(9,197)	-
Fair value of plan assets at the end of the year	15,55,281	14,39,107
C. Net (asset)/liability recognized in the Balance Sheet		
Present value of obligation at the end of the year	17,25,378	13,76,060
Fair value of plan assets at the end of the year	15,55,281	14,39,107
Funded status (surplus)/deficit	1,70,097	(63,047)
Net (asset)/liability recognized in the Balance Sheet	1,70,097	(63,047)
D. Expenses recognized in the Statement of Profit and Loss		
Service cost	1,74,869	1,28,728
Interest cost	1,10,085	93,391
Expected return on plan assets	(1,25,371)	(1,06,189)
Net actuarial (gain)/loss recognized during the year	73,561	(13,443)
Total expenses/ (income) recognized in Statement of Profit and Loss	2,33,144	1,02,487
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%

30) 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.

31) RELATED PARTY DISCLOSURES:

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:

The management has identified the following as related parties

Relationship	Name of Related Party
Subsidiaries	SSPDL Resorts Private Limited SSPDL Reality India Private Limited SSPDL Real Estates India Private Limited SSPDL Infra Projects India Private Limited SSPDL Interserve Private Limited
Associates	Northwood Infratech Private Limited Northwood Constructions India Private Limited Northwood Properties India Private Limited Northwood Realty India Private Limited Northwood Residential Ventures India Private Limited Northwood Township Projects Private Limited SSPDL Northwood Homes Private Limited SSPDL Northwood Residence Private Limited SSPDL Green Acres LLP SSPDL Northwood Villas Private Limited SSPDL Infrastructure Developers Private Limited (upto January 10, 2014 - Refer Note 11)
Enterprises owned/significantly influenced by Key Managerial Personnel	Alpha City Chennai IT Park Projects Private Limited Sri Satya Sai Constructions (Partnership Firm) Sri Satya Sai Constructions (Sole Proprietary Concern) Sri Krishna Devaraya Hatcheries Private Limited SSPDL Ventures Private Limited
Key Managerial Personnel	Mr. Prakash Challa, Managing Director Mr. Suresh Challa, Director Mr. E. Bhaskar Rao, Director

a. Transactions with related parties are as follows:

(Amounts in ₹)

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Construction services received		
SSPDL Interserve Private Limited	9,73,95,554	5,62,09,154
Investments in compulsorily convertible debentures		
SSPDL Interserve Private Limited	-	2,04,00,000
Common sharing expenses		
SSPDL Interserve Private Limited	-	16,93,200
Interest paid on unsecured loans		
Sri Krishna Devaraya Hatcheries Private Limited	34,34,727	30,92,875
E. Bhaskar Rao	70,34,529	63,34,392
SSPDL Infrastructure Developers Private Limited	59,39,070	82,05,150
Interest received		
SSPDL Infrastructure Developers Private Limited	21,51,639	30,21,518
SSPDL Interserve Private Limited	6,10,323	7,91,412
Project consultancy service provided		
SSPDL Green Acres LLP	1,00,00,000	-

Advance given/(recovered)		
SPPDL Green Acres LLP	65,56,000	2,29,87,888
SSPDL Real Estates India Private Limited	(4,63,56,338)	87,44,682
SSPDL Infra Projects India Private Limited	(49,34,000)	-
SSPDL Realty India Private Limited	(1,20,39,500)	-
SSPDL Infrastructure Developers Private Limited	(5,92,285)	(19,321)
Advance received towards sale of land		
Sri Satya Sai Constructions (sole proprietary concern)	1,55,00,000	-
Rent paid		
Suresh Challa	11,40,000	11,75,224
Prakash Challa	6,70,250	13,47,450
Remuneration		
Prakash Challa	37,19,580	37,29,600

(b) Year end balances

(Amounts in ₹)

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Trade payables		
SSPDL Interserve Private Limited	6,17,12,644	2,49,04,374
Interest receivable		
SSPDL Interserve Private Limited	-	5,43,258
Unsecured loan		
Sri Krishna Devaraya Hatcheries Private Limited	3,05,17,567	2,74,26,313
SSPDL Resorts Private Limited	-	4,46,42,988
SSPDL Infrastructure Developers Private Limited	-	5,53,00,000
E. Bhaskar Rao	6,25,01,799	5,61,70,723
Interest due on unsecured loans		
SSPDL Ventures Private Limited	-	21,25,061
SSPDL Infrastructure Developers Private Limited	-	52,30,621
Trade receivables		
Alpha City Chennai IT Park Projects Private Limited	21,48,70,382	23,87,19,691
Sri Satya Sai Constructions (Partnership Firm)	4,80,843	4,80,843
Loans and advance recoverable		
SSPDL Green Acres LLP	6,60,61,625	4,95,05,625
SSPDL Infrastructure Developers Private Limited	-	5,92,285
SSPDL Realty India Private Limited	5,13,13,325	6,33,52,825
SSPDL Resorts Private Limited	10,276	10,276
SSPDL Real Estates India Private Limited	5,51,01,814	10,14,58,152
SSPDL Infra Projects India Private Limited	3,29,80,132	3,79,14,132
Northwood Infratech Private Limited	29,781	29,781
Northwood Constructions India Private Limited	29,781	29,781
Northwood Properties India Private Limited	29,781	29,781
Northwood Realty India Private Limited	29,781	29,781
Northwood Residential Ventures India Private Limited	29,781	29,781
Northwood Township Projects Private Limited	29,781	29,781

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

SSPDL Northwood Homes Private Limited	29,781	29,781
SSPDL Northwood Residence Private Limited	29,781	29,781
SSPDL Northwood Villas Private Limited	29,781	29,781
Loans and advance payable		
E. Bhaskar Rao	13,75,62,478	13,75,62,478
SSPDL Ventures Private Limited	6,90,00,000	6,90,00,000
Sri Satya Sai Constructions (Sole Proprietary Concern)	1,55,00,000	-
Sri Satya Sai Constructions (Partnership Firm)	2,92,00,000	2,92,00,000
Rent deposits		
Suresh Challa	90,000	90,000
Prakash Challa	9,10,000	9,10,000

32) Comparatives

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
Membership No. : 021989

PRAKASH CHALLA
MANAGING DIRECTOR

E.BHASKAR RAO
DIRECTOR

Place : Hyderabad
Date : 10.05.2014

P.MUTHYAM REDDY
CHIEF FINANCIAL OFFICER

A.SHAIENDRA BABU
COMPANY SECRETARY CUM MANAGER (FINANCE)

SSPDL LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

AS ON

31ST MARCH, 2014

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
SSPDL Limited

We have audited the accompanying consolidated financial statements of SSPDL Limited ("the Company") and its subsidiaries (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2014, and the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as

evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the 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 March 31, 2014;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the Loss 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.

Emphasis of Matter

Without qualifying our opinion, we draw attention to the matters as mentioned in the Note 37, where the auditors of SIPL (SSPDL Interserve Private Limited) have drawn attention on certain points relating to strengthening of internal controls.

Other Matters

We did not audit the financial statements of subsidiaries, whose financial statements reflect total assets of ₹ 27.98 crores as at March 31, 2014, total revenues of ₹ 0.74 crores and net cash flows amounting to ₹ 0.08 crores (outflow) for the year ended on that date and certain associates, whose financial statements reflects the Group's share of profits (net) of ₹ 0.73 crore for the year ended on that date. These financial statements have been audited by other auditors, whose reports have been furnished to us and our opinion is based solely on the reports of the other auditors.

Our opinion is not qualified in respect of other matters.

For **KARVY & CO.,**
Chartered Accountants
Firm registration number: 001757S

(K.AJAY KUMAR)
PARTNER

Place : Hyderabad
Date : May 10, 2014

Membership No. 021989

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2014

(Amount in ₹)

Particulars	Note No.	As at March 31, 2014	As at March 31, 2013
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
(a) Share Capital	2	12,92,92,500	12,92,92,500
(b) Reserves and Surplus	3	37,55,72,700	46,95,56,095
(c) Minority Interest	4	8,12,90,236	7,46,52,695
2. Non-current Liabilities			
(a) Long-term Borrowings	5	7,97,01,999	8,03,99,241
(b) Other Long-term Liabilities	6	1,00,000	1,00,000
(c) Long-term Provisions	7	3,04,320	8,08,350
3. Current Liabilities			
(a) Short-term Borrowings	8	20,38,10,603	23,04,57,171
(b) Trade Payables	9	6,62,01,882	14,02,48,847
(c) Other Current Liabilities	10	66,62,27,863	65,89,96,054
(d) Short-term Provisions	11	19,37,899	77,16,045
TOTAL		1,60,44,40,002	1,79,22,26,998
II. ASSETS			
1. Non-current Assets			
(a) Fixed Assets			
Tangible Assets	12.a	5,88,99,347	8,69,65,152
Intangible Assets	12.b	3,85,28,704	4,49,74,357
(b) Non-current Investments	13	18,47,61,252	24,39,96,900
(c) Deferred Tax Assets (Net)	14	3,43,92,048	3,43,92,048
(d) Long-term Loans and Advances	15	4,96,46,623	5,37,46,484
(e) Other Non-current assets	16	1,38,02,291	43,77,585
2. Current Assets			
(a) Inventories	17	65,16,71,325	50,60,68,937
(b) Trade Receivables	18	27,81,19,628	35,12,65,841
(c) Cash and Bank Balances	19	1,78,03,808	12,27,91,092
(d) Short-term Loans and Advances	20	21,64,81,773	23,79,20,257
(e) Other Current Assets	21	6,03,33,203	10,57,28,345
TOTAL		1,60,44,40,002	1,79,22,26,998
III. Notes to the Financial Statements		1-38	

The accompanying notes form an integral part of the Financial Statements.

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
Membership No. : 021989

PRAKASH CHALLA
MANAGING DIRECTOR

E.BHASKAR RAO
DIRECTOR

Place : Hyderabad
Date : 10.05.2014

P.MUTHYAM REDDY
CHIEF FINANCIAL OFFICER

A.SHAIENDRA BABU
COMPANY SECRETARY CUM MANAGER (FINANCE)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

(Amount in ₹)

Particulars	Note No.	For the year ended March 31, 2014	For the year ended March 31, 2013
Revenue:			
1. Revenue from operations	22	38,56,32,002	63,47,59,163
2. Other Incomes	23	3,48,65,092	1,20,70,240
Total Revenue (1 + 2)		42,04,97,094	64,68,29,403
3. Expenses:			
a) Construction Expenses	24.a	31,67,13,704	65,24,44,494
b) Employee Benefits Expense	25	6,59,31,970	8,52,20,879
c) Finance Costs	26	3,98,05,137	3,78,72,317
d) Depreciation and Amortization Expense	27	3,33,70,425	3,36,52,651
e) Other Expenses	28	3,65,86,198	6,20,48,333
Total Expenses		49,24,07,434	87,12,38,674
4. Profit/(Loss) before Exceptional and Extraordinary Items and Tax (1+2-3)		(7,19,10,340)	(22,44,09,271)
5. Exceptional Items		-	-
6. Profit/(Loss) before Extraordinary Items and Tax (4-5)		(7,19,10,340)	(22,44,09,271)
7. Extra Ordinary Items		-	-
8. Profit/(Loss) before Tax (6-7)		(7,19,10,340)	(22,44,09,271)
9. Tax Expense:			
(a) Current Tax		-	-
(b) Tax Provision for earlier years		4,93,156	(1,88,258)
(c) Deferred tax		-	(72,97,291)
10. Profit/(Loss) for the year before Minority Interest and Share of Results of Associates (8-9)		(7,24,03,496)	(21,69,23,722)
11. Less : Share of Profit/(Loss) of Minority Interest		66,37,541	(4,48,07,320)
12. Share of Net Profit/(Loss) of Associates		73,28,592	1,13,39,939
13. Profit/(Loss) for the year (10+11+12)		(7,17,12,445)	(16,07,76,463)
14. Earnings Per Share (Face value of ₹ 10 each)			
- Basic and Diluted	29	(5.55)	(12.44)
Notes to the Financial Statements	1-38		

The accompanying notes form an integral part of the Financial Statements.

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
Membership No. : 021989

PRAKASH CHALLA
MANAGING DIRECTOR

E.BHASKAR RAO
DIRECTOR

Place : Hyderabad
Date : 10.05.2014

P.MUTHYAM REDDY
CHIEF FINANCIAL OFFICER

A.SHAIENDRA BABU
COMPANY SECRETARY CUM MANAGER (FINANCE)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014 (Amount in ₹)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit before Tax and Extraordinary Items	(7,19,10,340)	(22,44,09,271)
Adjustments for:		
Depreciation	3,33,70,425	3,36,52,651
Interest income	(19,47,880)	(88,36,350)
Interest on borrowings	3,98,05,137	3,78,72,317
Fixed asset written off	-	15,09,853
Advances written off	2,41,764	57,48,826
Bad debts written off	15,23,863	-
Liabilities no longer required written back	(48,11,746)	(22,67,703)
(Profit)/loss on sale of investments	(2,15,40,834)	
(Profit)/loss on sale of fixed assets (net)	4,09,794	13,287
Provision for future losses	14,37,402	
	4,84,87,925	6,76,92,881
	(2,34,22,415)	(15,67,16,390)
Operating Profit before Working Capital Charges		
Adjustments for:		
Decrease/(increase) in inventories	(14,56,02,388)	1,49,82,789
Decrease/(increase) in trade receivables	6,71,88,052	3,18,02,479
Decrease/(increase) in other current and non-current assets	3,39,03,673	(3,63,26,443)
Decrease/(increase) in loans and advances	(12,62,617)	(2,17,72,226)
Increase/(decrease) in trade payables, provisions and other current liabilities	(5,64,41,926)	33,14,42,255
Increase/(Decrease) in Net Current Assets	(10,22,15,206)	32,01,28,854
Cash Generated from Operation	(12,56,37,621)	16,34,12,464
Adjustments for income tax (paid)/refund	2,60,66,042	(1,95,84,501)
Net Cash from Operating Activities	A	14,38,27,963
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Disposal of investments	6,58,34,124	1,75,50,000
Purchase of fixed assets	(1,43,913)	(1,40,26,964)
Proceeds from sale of fixed assets	8,75,146	7,55,805
Interest received	40,14,643	68,06,509
Bank balances not considered as cash equivalents	7,420	69,81,778
Net Cash from Investing Activities	B	1,80,67,128
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid on borrowings	(4,83,74,626)	(4,41,81,815)
Proceeds from issue of debentures	-	7,96,00,000
Proceeds from/(repayment of) borrowings	(2,76,21,079)	(8,86,80,865)
Net Cash used in Financing Activities	C	(5,32,62,680)
Net Increase/(Decrease) in Cash and Cash Equivalent	A+B+C	10,86,32,411
Cash and Cash Equivalents at the beginning of the Year	11,66,39,021	80,06,610
Cash and Cash Equivalents at the end of the Year	1,16,59,157	11,66,39,021

1) The Cash Flow Statement has been prepared under the Indirect Method set out in Accounting Standard-3 on Cash Flow Statement prescribed under the Companies (Accounting Standards) Rules, 2006.

2) Figures in brackets indicates outflow.

3) Previous year's figures have been regrouped/recast wherever required.

As per our attached report of even date

For **KARVY & CO.,**

Chartered Accountants

Firm Registration No. : 001757S

K.AJAY KUMAR

PARTNER

Membership No. : 021989

Place : Hyderabad

Date : 10.05.2014

For and on behalf of the Board of Directors

PRAKASH CHALLA
MANAGING DIRECTOR

E.BHASKAR RAO
DIRECTOR

P.MUTHYAM REDDY
CHIEF FINANCIAL OFFICER

A.SHAIENDRA BABU
COMPANY SECRETARY CUM MANAGER (FINANCE)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS:**1) 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 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 subsidiary 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), Rules 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 balance sheet separately from liabilities and equity of company's shareholders.
- iv. Minority Interest in the 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 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 associates, post-acquisition, after eliminating unrealized profits and losses resulting from transactions between the company and its associates to the extent of its share, through its Statement of Profit and Loss to the extent such change is attributable to the associates' Statement of Profit and Loss and through its reserves for the balance, based on available information.
- vii. The difference between the costs of investments in the associates and the share of net assets at the time of acquisition of the shares in the associates 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	Proportion of Ownership Interest
SSPDL Resorts Private Limited	India	100%
SSPDL Realty India Private Limited	India	100%
SSPDL Real Estate India Private Limited	India	100%
SSPDL Infra Projects India Private Limited	India	100%
SSPDL Interserve Private Limited	India	51%

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

Name of the Associate	Country of Incorporation	Proportion of Ownership Interest
Northwood Infratech Private Limited	India	25.00%
Northwood Constructions India Private Limited	India	25.00%
Northwood Properties India Private Limited	India	25.00%
Northwood Realty India Private Limited	India	25.00%
Northwood Residential Ventures India Private Limited	India	25.00%
Northwood Township Projects Private Limited	India	25.00%
SSPDL Northwood Homes Private Limited	India	25.00%
SSPDL Northwood Residence Private Limited	India	25.00%
SSPDL Northwood Villas Private Limited	India	25.00%
SSPDL Infrastructure Developers Private Limited	India	26.00% *
SSPDL Green Acres LLP	India	5.04% **

* During the current year, out of the 3,51,223 shares held in SSPDL Infrastructure Developers Private Limited ("SIDPL"), 3,14,800 shares have been disposed off, therefore SIDPL ceased to be an associate of SSPDL with effect from January 10, 2014.

** up to March 27, 2014 36%

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 in to 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-

Assets Category	Amortization period
Non-compete Fee	10 Years
Software	5 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 Statement of Profit and Loss.

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. Employee 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 Statement of Profit and Loss as income or expense.

iii. Compensated Absences

The Company has been providing for disbursement of the 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 Transaction:

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 of 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. Lease:

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 and the weighted average number of shares outstanding during the period 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

(Amount in ₹)

Particulars	As at March 31, 2014	As at March 31, 2013
2) SHARE CAPITAL		
Authorised Capital	25,00,00,000	25,00,00,000
2,50,00,000 (Previous Year: 2,50,00,000) equity shares of ₹ 10 each		
Issued, Subscribed and Paid up	12,92,92,500	12,92,92,500
1,29,29,250 (Previous Year: 1,29,29,250) equity shares of ₹ 10 each fully paid up		
	12,92,92,500	12,92,92,500

(a) Reconciliation of number of shares

Equity shares	As at March 31, 2014		As at March 31, 2013	
	Number of shares	Value	Number of shares	Value
At the beginning of the year	1,29,29,250	12,92,92,500	1,29,29,250	12,92,92,500
Issued during the year	-	-	-	-
At the end of the year	1,29,29,250	12,92,92,500	1,29,29,250	12,92,92,500

(b) Terms/rights attached to equity shares

The Company has only one class of equity shares referred to as equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

(c) Shares in the Company held by each shareholder holding more than 5% shares

Equity shares	As at March 31, 2014		As at March 31, 2013	
	Number of shares	% holding	Number of shares	% holding
Prakash Challa	23,59,390	18.25	23,59,390	18.25
Edala Bhaskar Rao	21,27,500	16.45	21,27,500	16.45
Sri krishna Devaraya Hatcheries Private Limited	11,70,152	9.05	11,70,152	9.05
Suresh Challa	8,87,600	6.87	8,87,600	6.87

Particulars	As at March 31, 2014	As at March 31, 2013
3) RESERVES AND SURPLUS		
a) Capital Reserve on Consolidation		
Opening balance	17,46,80,100	17,46,80,100
Addition during the year	-	-
	A	17,46,80,100
(b) Share Premium Account		
Opening balance	22,08,87,000	22,08,87,000
Addition during the year	-	-
	B	22,08,87,000
c) General Reserve		
Opening balance	1,82,41,459	1,82,41,459
Addition during the year	-	-
	C	1,82,41,459
d) Surplus in Statement of Profit and Loss		
Opening balance	5,57,47,536	21,65,23,999
Elimination of profits of associate upon it ceasing to be an associate	(2,22,70,950)	-
Less: Profit/(loss) for the year	(7,17,12,445)	(16,07,76,463)
	D	5,57,47,536
Total (A+B+C+D)	37,55,72,700	46,95,56,095

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

(Amount in ₹)

Particulars	As at March 31, 2014	As at March 31, 2013
4) MINORITY INTEREST		
Share capital	4,90,000	4,90,000
Share premium	16,78,29,900	16,78,29,900
Share of profits	<u>(8,70,29,664)</u>	<u>(9,36,67,205)</u>
Total	<u>8,12,90,236</u>	<u>7,46,52,695</u>
5) LONG-TERM BORROWINGS		
Secured		
Vehicle loans*	1,01,999	7,99,241
Unsecured		
12% Compulsorily convertible debentures of ₹ 1,000 each fully paid up**	7,96,00,000	7,96,00,000
	<u>7,97,01,999</u>	<u>8,03,99,241</u>
6) OTHER LONG-TERM LIABILITIES		
Security deposits received	1,00,000	1,00,000
Total	<u>1,00,000</u>	<u>1,00,000</u>
7) LONG-TERM PROVISIONS		
Provision for employee benefits		
Compensated absences	3,04,320	8,08,350
Total	<u>3,04,320</u>	<u>8,08,350</u>
8) SHORT-TERM BORROWINGS		
Secured		
Loans repayable on demand from bank*	11,07,91,237	9,15,60,135
Unsecured		
Loans and advances from related parties	9,30,19,366	13,88,97,036
	<u>20,38,10,603</u>	<u>23,04,57,171</u>

*Cash credit from SBI is secured by;

As primary security

- 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 proposed built-up space together with undivided share of land to an extent of 75,865 Sq.ft at Navallur Village, Old Mahabalipuram Road, Kanchipuram District, Chennai.

As collateral security

- Equitable mortgage of residential property at Hakimpet village, Jubilee Hills, Hyderabad.
- Equitable mortgage of vacant land at Kollur village, Medak, Telangana.

Personal guarantee of directors

Sri Prakash Challa
Sri Suresh Challa

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

(Amount in ₹)

Particulars	As at March 31, 2014	As at March 31, 2013
9) TRADE PAYABLES		
Dues to micro and small enterprises		
Others	6,62,01,882	14,02,48,847
Total	6,62,01,882	14,02,48,847
10) OTHER CURRENT LIABILITIES		
Current maturities of long-term debts*	2,96,684	5,73,953
Interest accrued and due on borrowings	22,71,074	1,08,40,563
Advance received from clients**	63,40,09,869	60,01,88,133
Statutory liabilities	23,58,829	58,54,719
Unclaimed dividends	1,01,732	1,09,152
Outstanding expenses and others	57,47,468	76,10,935
Retention money to suppliers	1,80,17,900	1,59,16,042
Billing excess revenue	16,64,196	1,22,07,220
Employee benefit payable	17,60,111	56,95,337
	66,62,27,863	65,89,96,054
* Current maturities of long-term debts represents vehicle loan taken from Axis bank, and Kotak Mahindra Prime Limited are secured by the respective vehicles.		
** Advance received from client includes ₹ 24.00 crores received from BHEL Employees Model Mutually Aided Co-Operative House Building Society for construction of houses and ₹ 13.76 crores from directors and ₹ 5.00 crores from others for sale of land.		
11) SHORT-TERM PROVISIONS		
Provision for employee benefits		
- Gratuity	2,49,918	-
- Compensated absences	1,02,797	2,80,003
Other provisions		
- Provision for contract loss	15,85,184	74,36,042
	19,37,899	77,16,045

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd....)

12(a) FIXED ASSETS

Tangible Assets:

(Amount in ₹)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at April 01, 2013	Additions	Deletions	As at March 31, 2014	Upto March 31, 2013	Depreciation	Deletions	Upto March 31, 2014	As at March 31, 2014	As at March 31, 2013
Construction equipments	11,33,30,485	-	-	11,33,30,485	5,10,17,299	2,08,85,661	-	7,19,02,960	4,14,27,526	6,23,13,187
Furniture and fixtures	1,11,40,379	67,673	-	1,12,08,052	29,13,114	9,10,477	-	38,23,591	73,84,461	82,27,265
Computers	69,63,738	50,000	3,18,370	66,95,368	36,55,106	10,26,608	1,90,996	44,90,718	22,04,650	33,08,632
Office equipments	48,99,750	26,240	-	49,25,990	14,28,920	4,59,517	-	18,88,437	30,37,553	34,70,830
Vehicles	1,23,86,598	-	17,38,452	1,06,48,146	51,17,225	12,66,644	5,80,886	58,02,983	48,45,163	72,69,373
Leasehold improvements	59,39,662	-	-	59,39,662	35,63,797	23,75,865	-	59,39,662	-	23,75,865
Total	15,46,60,612	1,43,913	20,56,822	15,27,47,703	6,76,95,461	2,69,24,772	7,71,882	9,38,48,351	5,88,99,352	8,69,65,151
Previous Year	14,62,74,208	1,09,21,199	25,79,507	15,46,15,900	4,04,37,775	2,74,69,074	3,00,562	6,76,06,287	8,69,65,152	10,58,36,749
Note 12(b):										
Intangible Assets										
Non-compete fee	5,82,45,045	-	-	5,82,45,045	1,60,17,376	58,24,500	-	2,18,41,876	3,64,03,169	4,22,27,669
Software	31,05,765	-	-	31,05,765	3,59,077	6,21,153	-	9,80,230	21,25,535	27,46,688
Total	6,13,50,810	-	-	6,13,50,810	1,63,76,453	64,45,653	-	2,28,22,106	3,85,28,704	4,49,74,357
Previous Year	5,82,45,045	31,05,765	-	6,13,50,810	1,01,92,876	61,83,577	-	1,63,76,453	4,49,74,357	4,80,52,168

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

(Amount in ₹)

Particulars	As at March 31, 2014	As at March 31, 2013
13) NON-CURRENT INVESTMENTS		
Trade Investments		
A. In Equity shares of Associates - Unquoted, Fully Paid-up		
SSPDL Infrastructure Developers Private Limited : *	1,09,56,710	7,01,92,358
36,422 (Previous Year: 3,51,223) Class A equity shares of ₹ 10 each		
1 (Previous Year: 1) Class B Equity shares of ₹ 10 each	10	10
Northwood Constructions India Private Limited :		
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	1,00,000	1,00,000
Share application money	24,50,684	24,50,684
Northwood Properties India Private Limited :		
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	1,00,000	1,00,000
Share application money	35,30,849	35,30,849
Northwood Realty India Private Limited :		
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	1,00,000	1,00,000
Share application money	22,50,849	22,50,849
Northwood Residential Ventures Private Limited :		
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	1,00,000	1,00,000
Share application money	18,58,622	18,58,622
Northwood Township Project Private Limited :		
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	1,00,000	1,00,000
Share application money	25,63,622	25,63,622
SSPDL Northwood Homes Private Limited :		
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	1,00,000	1,00,000
Share application money	28,90,845	28,90,845
SSPDL Northwood Residence Private Limited :		
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	1,00,000	1,00,000
Share application money	22,70,849	22,70,849
SSPDL Northwood Villas Private Limited :		
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	1,00,000	1,00,000
Share application money	26,30,849	26,30,849
Northwood Infratech Private Limited :		
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	1,00,000	1,00,000
Share application money	10,28,603	10,28,603

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

(Amount in ₹)

Particulars	As at March 31, 2014	As at March 31, 2013
NON-CURRENT INVESTMENTS (Contd.)		
B. Investments in Limited Liability Partnership		
SSPDL Green Acres LLP	2,50,000	2,50,000
C. In Equity shares in Other Enterprises - Unquoted, Fully Paid-up		
Alpha City Chennai IT Park Projects Private Limited	99,800	99,800
9,980 (Previous Year: 9,980) Equity shares of ₹ 10 each		
SSPDL Properties Private Limited	16,87,960	16,87,960
1,68,796 (Previous Year: 1,68,796) Equity shares of ₹ 10 each		
D. Debentures of Associate Company - Unquoted, Fully Paid-up Optionally Convertible 15% Debentures (Series B);		
- Northwood Constructions India Private Limited	1,78,68,300	1,78,68,300
17,86,830 (Previous Year: 1,7,86,830) OCD's of ₹ 10 each		
- Northwood Properties India Private Limited	1,82,40,600	1,82,40,600
18,24,060 (Previous Year: 18,24,060) OCD's of ₹ 10 each		
- Northwood Realty India Private Limited	1,78,68,300	1,78,68,300
17,86,830 (Previous Year: 17,86,830) OCD's of ₹ 10 each		
- Northwood Residential Ventures India Private Limited	1,22,83,900	1,22,83,900
12,28,390 (Previous Year: 12,28,390) OCD's of ₹ 10 each		
- Northwood Township Project Private Limited	1,90,20,700	1,90,20,700
19,02,070 (Previous Year: 19,02,070) OCD's of ₹ 10 each		
- SSPDL Northwood Homes Private Limited	1,76,91,000	1,76,91,000
17,69,100 (Previous Year: 17,69,100) OCD's of ₹ 10 each		
- SSPDL Northwood Residence Private Limited	1,76,91,000	1,76,91,000
17,69,100 (Previous Year: 17,69,100) OCD's of ₹ 10 each		
- SSPDL Northwood Villas Private Limited	1,86,66,100	1,86,66,100
18,66,610 (Previous Year: 18,66,610) OCD's of ₹ 10 each		
- Northwood Infratech Private Limited	95,36,100	95,36,100
9,53,610 (Previous Year: 9,53,610) OCD's of ₹ 10 each		
E. Non-trade Investments		
In Government Securities-Unquoted		
National Savings Certificate	3,00,000	3,00,000
Total	18,47,61,252	24,39,96,900
Aggregate Value of		
- Quoted Investments	-	-
- Unquoted Investments	18,47,61,252	24,39,96,900

* During the current year, out of the 3,51,223 shares in SSPDL Infrastructure Developers Private Limited ("SIDPL"), 3,14,800 shares disposed off, therefore SIDPL ceased to be an associate of SSPDL with effect from January 10, 2014.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

(Amount in ₹)

Particulars	As at March 31, 2014	As at March 31, 2013
14) DEFERRED TAX ASSETS (NET)		
a) Deferred Tax Asset		
On account of;		
Unabsorbed depreciation	7,06,835	5,34,600
Brought forward business losses	9,43,20,584	6,48,69,991
Total (a)	<u>9,50,27,419</u>	<u>6,54,04,591</u>
b) Deferred Tax Liability		
On account of;		
Depreciation	14,31,561	17,00,357
Total (b)	<u>14,31,561</u>	<u>17,00,357</u>
c) Net Deferred Tax Asset/(Liability) (a-b) *	<u>9,35,95,858</u>	<u>6,37,04,234</u>
* In accordance with the Accounting Standard 22 - "Accounting for Taxes on Income"(AS-22), the Deferred tax assets arising from timing differences are recognized and carried forwarded only if there is virtual certainty that they will be realized in future and reviewed for the appropriateness of their respective carrying value at each balance sheet date. In view of this, deferred tax asset (net) to the extent of ₹ 5,92,03,622 (Previous Year: ₹ 2,93,12,187) is not recognized.		
15) LONG-TERM LOANS AND ADVANCES		
Unsecured, considered good		
Advance to suppliers/contractors	66,70,296	55,76,844
Security deposits	62,39,663	80,90,332
Tax deducted at source	1,92,22,994	2,25,65,438
Others	1,75,13,670	1,75,13,870
Total	<u>4,96,46,623</u>	<u>5,37,46,484</u>
16) OTHER NON-CURRENT ASSETS		
Unsecured, considered good		
Pre-operative expenses	11,98,509	12,33,830
Deposits with banks maturing after 12 months from the reporting date	1,19,00,000	28,44,600
Interest accrued on fixed deposits	7,03,782	2,99,155
Total	<u>1,38,02,291</u>	<u>43,77,585</u>
17) INVENTORIES		
Work-in-progress	43,45,66,310	27,73,91,577
Cost of land under development	21,71,05,015	21,71,05,015
Construction materials	-	1,15,72,345
Total	<u>65,16,71,325</u>	<u>50,60,68,937</u>
18) TRADE RECEIVABLES		
Trade receivables outstanding for a period exceeding six months from the day they became due for payment		
Secured considered good		
i) Due by private companies in which directors are interested	21,49,42,521	23,87,19,691
ii) Others	3,03,048	-
Unsecured considered good	2,60,73,512	2,75,72,176
Doubtful	44,42,380	80,82,990
Other Trade Receivables		
- Secured considered good	3,68,00,547	37,60,158
- Unsecured considered good	-	8,12,13,816
- Doubtful	-	7,93,688
Less: Provision for doubtful debts	(44,42,380)	(88,76,678)
Total	<u>27,81,19,628</u>	<u>35,12,65,841</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

(Amount in ₹)

Particulars	As at March 31, 2014	As at March 31, 2013
19) CASH AND BANK BALANCES		
Cash and Cash equivalents		
Cash on hand	2,15,077	1145,682
Balances with banks		
- In current account	1,14,44,080	14093,339
- In deposits accounts (Original maturity of 3 months or less)	-	101400,000
	<u>1,16,59,157</u>	<u>116639,021</u>
Other banks balances		
- In margin money account	38,42,919	3842,919
- In dividend account	1,01,732	109,152
- In deposits accounts (Original maturity more than 3 months)	22,00,000	2200,000
	<u>61,44,651</u>	<u>6152,071</u>
	<u>1,78,03,808</u>	<u>122791,092</u>
20) SHORT-TERM LOANS AND ADVANCES		
Unsecured, considered good		
Current portion of long-term loans and advances other than related parties	31,43,685	22,92,000
Loans and advances to employees	2,03,312	2,07,758
Advance to suppliers and contractors	1,68,22,677	1,73,26,285
Balance with statutory/government authorities	9,21,27,262	11,60,98,332
Loans and advances related parties [sec 20(1) note below]	6,63,33,766	5,03,59,775
Retention money	3,45,37,085	4,98,12,247
Prepaid expenses	26,35,947	18,23,860
Doubtful		
Advances to suppliers	38,17,470	38,17,470
Retention money	34,84,791	34,84,791
Less: Provision for doubtful advance	(66,24,222)	(73,02,261)
	<u>21,64,81,773</u>	<u>23,79,20,257</u>

20) 1. Loans and Advances include :

Particulars	Maximum Amount Outstanding at any time during the year		As At March 31, 2014	As At March 31, 2013
	2013-2014	2012-2013		
a) Advances to subsidiaries :				
SSPDL Infrastructure Developers Private Limited	5,92,285	5,92,285	-	5,92,285
SSPDL Green Acres LLP	6,60,61,625	4,95,05,625	6,60,61,625	4,95,05,625
b) Payments on behalf of associate companies				
	2,68,025	2,68,025	2,68,025	2,68,025
	6,69,21,935	5,03,65,935	6,63,29,650	5,03,65,935

Since the above details meet the requirements of Clause 32 of the listing agreement, no separate disclosure is made.

21) OTHER CURRENT ASSETS**Unsecured, considered good**

Preliminary expenses	62,766	83,688
Interest accrued on fixed deposits	8,83,702	29,50,465
Unbilled revenue	5,93,86,735	10,26,94,192
	<u>6,03,33,203</u>	<u>10,57,28,345</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

(Amount in ₹)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
22) REVENUE FROM OPERATIONS		
Contract revenue	30,05,98,704	61,41,37,921
Sale of flats	5,88,96,170	1,84,78,383
Other operating revenue	2,61,37,128	21,42,859
	<u>38,56,32,002</u>	<u>63,47,59,163</u>
23) OTHER INCOME		
a) Interest Income		
Interest on deposits with banks	19,47,880	58,14,832
Interest on non-current investments	21,51,639	30,21,518
Interest on income tax refund	23,72,875	-
b) Other Non-operating Income		
Maintenance charges	15,98,066	9,66,187
Liabilities no longer required written back	48,11,746	22,67,703
Profit on sale of investments	2,15,40,834	-
Profit on sale of fixed assets	10,312	-
Other income	4,31,740	-
	<u>3,48,65,092</u>	<u>1,20,70,240</u>
24) CONSTRUCTION EXPENSES		
Work cost including contractor's bills	32,24,57,754	59,88,65,438
Masonry and other works	10,51,116	4,72,893
Power and fuel charges	-	3,27,316
Rates and taxes	-	1,38,000
Project consultancy fee	23,34,199	39,81,231
Land cost and development charges	14,80,45,368	3,36,76,827
	<u>47,38,88,437</u>	<u>63,74,61,705</u>
24) a. Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-trade		
Inventories at the end of the year		
- Work-in-progress	43,45,66,310	40,45,97,277
- Cost of land under development	21,71,05,015	8,98,99,315
	(A)	<u>49,44,96,592</u>
Inventories at the beginning of the year		
- Work-in-progress	40,45,97,277	43,57,12,266
- Cost of land under development	8,98,99,315	7,37,67,115
	(B)	<u>50,94,79,381</u>
Net (increase)/decrease in inventories	(B) - (A)	<u>1,49,82,789</u>
Construction expenses	<u>31,67,13,704</u>	<u>65,24,44,494</u>
25) EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	6,11,36,948	7,49,43,863
Contribution to provident and other funds	13,88,783	37,63,250
Staff welfare expenses	34,06,239	65,13,766
	<u>6,59,31,970</u>	<u>8,52,20,879</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

(Amount in ₹)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
26) FINANCE COSTS		
a) Interest expense :		
i) Borrowings	3,79,97,903	3,57,64,356
ii) Others		
- Interest on deferred payment of income tax	15,46,260	2,305
b) Other borrowing costs	2,60,974	21,05,656
	3,98,05,137	3,78,72,317
27) DEPRECIATION AND AMORTISATION EXPENSE	3,33,70,425	3,36,52,651
28) OTHER EXPENSES		
Rent	89,18,046	1,14,86,791
Rates and taxes	11,43,840	7,84,417
Electricity charges	15,66,320	11,24,488
Repairs and maintenance		
- Machinery	12,23,474	13,91,362
- Buildings	1,54,746	5,54,365
- Others	5,86,662	8,98,771
Insurance	20,62,187	33,68,177
Advertisement charges	1,70,770	-
Commission and brokerages	59,798	-
Communication expenses	13,82,347	18,30,511
Travelling and conveyance	52,80,263	66,14,786
Foreign travel expenses	-	9,00,159
Printing and stationery	5,42,280	9,08,723
Business promotion	1,31,226	5,18,231
Director sitting fees	5,40,000	5,00,000
Legal and professional	26,77,701	38,07,720
Security charges	30,02,883	33,06,012
Provision for doubtful advances	-	34,84,791
Provision for doubtful debts	-	88,76,678
Advances written off	2,41,764	57,48,826
Bad debts written off	15,23,863	-
Fixed assets written off	-	15,09,853
Loss on sale of fixed assets	4,20,106	13,287
Payment to Auditors;		
a) As auditors		
Statutory audit fee	6,60,000	13,00,000
Tax audit fee	1,50,000	2,00,000
b) Other services	80,000	62,472
c) Reimbursement of expenses	2,29,095	1,34,338
Vehicle running and maintenance	9,87,263	7,15,128
Bank charges	6,69,438	1,38,637
Miscellaneous expenses	21,82,126	18,69,810
	3,65,86,198	6,20,48,333
29) EARNINGS PER SHARE ("EPS")		
Net profit/(loss) for the year after tax	(a) (7,17,12,445)	(16,07,76,463)
Weighted average number of equity shares outstanding during the year used for calculating EPS	(b) 1,29,29,250	1,29,29,250
Basic and diluted EPS (Face value ₹ 10 each)	(a)/(b) (5.55)	(12.44)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)**30) 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) Company has given a corporate guarantee in favour of Federal Bank Limited towards the working capital loans taken by M/s SSPDL Infra Projects Private Limited, M/s SSPDL Real Estates India Private Limited and M/s. SSPDL Reality India Private Limited (the wholly owned subsidiaries) for ₹ 40.00 Lakhs, ₹ 120.00 Lakhs and ₹ 140.00 Lakhs respectively.
- iii) 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 SLP before the Hon'ble Supreme Court of India against the decision of Hon'ble High Court of Madras.
- iv) During the financial year 2011-12 the Company has received a Service Tax demand for ₹ 2,30,730. The Company has filed appeal before the Appellate Tribunal.
- v) Service Tax demand notice received to the extent of ₹ 3,76,38,547 for the period 2006-07 to 2010 and ₹ 19,02,192 for the period October 2010 to September 2011. The Company has filed an appeal against the demand notice before The Commissioner of Service Tax, Chennai. The Commissioner of Service Tax confirmed the demand notice; subsequently appeal is filed before the Central Excise and Service Tax Appellate Tribunal against the said Commissioner's Order.

31) EXPENDITURE IN FOREIGN CURRENCY (ON ACCRUAL BASIS):

(Amounts in ₹)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
On account of Travel	-	15,53,257
Others	-	2,87,040

32) DISCLOSURE IN ACCORDANCE WITH ACCOUNTING STANDARD - 7 (REVISED):

(Amounts in ₹)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Contract Revenue recognized as revenue in the period	30,05,98,704	63,78,56,413
Cost incurred and Recognized Profit or Losses up to the reporting period	39,49,47,999	104,84,96,686
Advances received	30,73,477	5,19,53,538
Retention Money	3,06,43,845	2,82,90,832
Gross amount due from customers for contract work as asset	6,38,48,694	9,03,33,811
Gross amount due to customers for contract work as liability	-	1,33,26,110

33) EMPLOYEE BENEFITS: AS PER ACCOUNTING STANDARD 15 "EMPLOYEE BENEFITS", THE DISCLOSURES OF EMPLOYEE BENEFITS AS DEFINED IN THE ACCOUNTING STANDARD ARE GIVEN BELOW

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

(Amounts in ₹)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Employer's Contribution to Provident Fund	8,16,411	14,69,879

- b. **Defined Benefit Plans:** The following table sets out the disclosures are required under Accounting Standard 15 Employee Benefits in respect of Gratuity:

(Amounts in ₹)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
A. Change in present value of obligation		
Present value of obligation at the beginning of the year	28,43,758	18,42,226
Current service cost	3,76,576	11,95,923
Interest cost	2,37,775	1,46,029
Benefits paid	(9,197)	-
Net actuarial (gain)/loss recognized during the year	(10,66,214)	(3,40,420)
Present value of obligation at the end of the year	23,82,698	28,43,758
B. Changes in the fair value of plan assets		
Present value of plan assets at the beginning of the year	29,36,309	19,15,523
Expected return on plan assets	2,45,147	2,17,093
Actuarial gain/(loss) on plan assets	-	-
Contributions	-	8,03,693
Benefits paid	(9,197)	-
Fair Value of Plan Assets at the end of the year	31,72,259	29,36,309
C. Net (asset)/liability recognized in the Balance Sheet		
Present value of obligation at the end of the year	23,82,698	28,43,758
Fair value of Plan Assets at the end of the year	31,72,259	29,36,309
Funded status (surplus)/deficit	(7,89,561)	92,551
Net (asset)/liability recognized in the Balance Sheet	(7,89,561)	33,543
D. Expenses recognized in the Statement of Profit and Loss		
Service cost	3,76,576	11,95,923
Interest cost	2,37,775	146,029
Expected return on plan assets	(2,45,147)	4,715
Net actuarial (gain)/loss recognized during the year	(10,66,214)	(340,420)
Total expenses/(income) recognized in Statement of Profit and Loss	(6,97,010)	784,279
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%

34) Segment Information:

Primary Segments

The Group's business is organized into two main business segments mainly Property Development and Construction & Project Management services. Segments have been identified and reported taking into account the organization structure.

Segment Revenue and Results

All segment revenues and expenses that are directly attributable to the segments are reported under the respective segment. The revenues and expenses that are not directly attributable to any segments are shown as unallocated expenses.

Segment Assets and Liabilities

Segment assets include all operating assets used by the business segment and consists principally Fixed Assets, Debtors and Inventories. Segment liabilities primarily include creditors and other liabilities. Assets and Liabilities that cannot be allocated between the segments are shown as a part of unallocated assets and liabilities respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

Primary Segment:

Particulars	(Amount in ₹)							
	Property Development		Construction & Project Management services		Unallocated		Total	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	
External sales	7,60,75,805	5,67,13,929	40,69,35,080	63,65,19,303	-	-	48,30,27,556	69,32,33,232
Inter segment sales	-	-	(9,73,95,554)	(5,84,74,069)	-	-	(9,73,95,554)	(5,84,74,069)
Total Revenue	7,60,75,805	5,67,13,929	30,95,39,526	57,80,45,234	-	-	38,56,32,002	63,47,59,163
Segment results before other income, Finance cost, exceptional items and tax	(7,21,89,081)	(11,44,59,456)	54,75,553	(8,41,47,738)	-	-	(6,69,70,295)	(19,86,07,194)
Less: Unallocable expenses (net)								
Finance cost			3,98,05,137		3,98,05,137	3,78,72,317	3,98,05,137	3,78,72,317
Exceptional items			-		-	-	-	-
Total Unallocable Expenses (net)							3,98,05,137	3,78,72,317
Profit before tax and extraordinary items							(10,67,75,432)	(23,64,79,511)
Add : Other income (net)			3,48,65,092		3,48,65,092	1,20,70,240	3,48,65,092	1,20,70,240
Add : Extraordinary item (net)							-	-
Net Profit before taxes							(7,19,10,340)	(22,44,09,271)
Less : Provision for taxation								
Current tax					-	-	-	-
Deferred tax					4,93,156	(1,88,258)	4,93,156	(1,88,258)
MAT Credit					-	(72,97,291)	-	(72,97,291)
Net profit for the year							(7,14,17,184)	(21,69,23,721)
OTHER INFORMATION								
Segment assets	78,89,39,838	73,23,73,161	56,78,81,661	65,39,20,322	24,76,18,504	40,59,33,516	1,60,44,40,002	1,79,22,26,999
Segment liabilities	77,00,52,648	77,10,14,501	13,82,66,827	26,63,94,465	10,99,65,091	8,13,16,743	1,01,82,84,566	1,11,87,25,709
Depreciation and amortization	14,05,153	16,08,947	3,19,65,272	3,20,43,704	-	-	3,33,70,425	3,36,52,651
Capital expenditure	1,07,173	2,79,392	36,740	1,37,47,572	-	-	1,43,913	1,40,26,964

Secondary Segments

The Group operates solely in one geographic segment i.e. India and hence no separate information for geographic segment wise disclosure is not required.

35) Related Party Disclosure:

As required under Accounting Standard 18 "Related Party Disclosures" (AS-18), following are details of transactions related parties during the year:

The management has identified the following as related parties:

Relationship	Name of Related Party
Associates	Northwood Infratech Private Limited Northwood Constructions India Private Limited Northwood Properties India Private Limited Northwood Realty India Private Limited Northwood Residential Ventures India Private Limited Northwood Township Projects Private Limited SSPDL Northwood Homes Private Limited SSPDL Northwood Residence Private Limited SSPDL Northwood Villas Private Limited SPPDL Green Acres LLP SSPDL Infrastructure Developers Private Limited (upto January 10, 2014 - Refer Note 13)
Enterprises owned/significantly influenced by Key Managerial Personnel	Alpha City Chennai IT Park Projects Private Limited Sri Satya Sai Constructions (Partnership Firm) Sri Satya Sai Constructions (Sole Proprietary Concern) Sri Krishna Devaraya Hatcheries Private Limited SSPDL Ventures Private Limited
Key Managerial Personnel	Mr. Prakash Challa, Managing Director Mr. Suresh Challa, Director Mr. E. Bhaskar Rao, Director

a. Transactions with related parties are as follows:

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Interest paid on unsecured loans		
Sri Krishna Devaraya Hatcheries Private Limited	34,34,727	30,92,875
E. Bhaskar Rao	70,34,529	63,34,392
SSPDL Infrastructure Developers Private Limited	59,39,070	82,05,150
Project consultancy service provided		
SPPDL Green Acres LLP	1,00,00,000	-
Interest received		
SSPDL Infrastructure Developers Private Limited	21,51,639	30,21,518
Advance received towards sale of land		
Sri Satya Sai Constructions (Sole Proprietary Concern)	1,55,00,000	-
Advance given/(recovered)		
SPPDL Green Acres LLP	65,56,000	2,29,87,888
SSPDL Infrastructure Developers Private Limited	(5,92,285)	(19,321)
Rent paid		
Suresh Challa	11,40,000	11,75,224
Prakash Challa	6,70,250	13,47,450
Remuneration		
Prakash Challa	37,19,580	37,29,600

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

b. Year end balances

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Unsecured loan		
Sri Krishna Devaraya Hatcheries Private Limited	3,05,17,567	2,74,26,313
SSPDL Infrastructure Developers Private Limited	-	5,53,00,000
E. Bhaskar Rao	6,25,01,799	5,61,70,723
Interest due on unsecured loans		
SSPDL Ventures Private Limited	-	21,25,061
SSPDL Infrastructure Developers Private Limited	-	52,30,621
Trade receivables		
Alpha City Chennai IT Park Projects Private Limited	21,49,42,521	23,87,19,691
Sri Satya Sai Constructions (Partnership Firm)	4,80,843	4,80,843
Loans and advance recoverable		
SSPDL Green Acres LLP	6,60,61,625	4,95,05,625
SSPDL Infrastructure Developers Private Limited	-	5,92,285
Northwood Infratech Private Limited	29,781	29,781
Northwood Constructions India Private Limited	29,781	29,781
Northwood Properties India Private Limited	29,781	29,781
Northwood Realty India Private Limited	29,781	29,781
Northwood Residential Ventures India Private Limited	29,781	29,781
Northwood Township Projects Private Limited	29,781	29,781
SSPDL Northwood Homes Private Limited	29,781	29,781
SSPDL Northwood Residence Private Limited	29,781	29,781
SSPDL Northwood Villas Private Limited	29,781	29,781
Loans and advance payable		
E. Bhaskar Rao	13,75,62,478	13,75,62,478
SSPDL Ventures Private Limited	6,90,00,000	6,90,00,000
Sri Satya Sai Constructions (Sole Proprietary Concern)	1,55,00,000	-
Sri Satya Sai Constructions (Partnership Firm)	2,92,00,000	2,92,00,000
Rent deposits		
Suresh Challa	90,000	90,000
Prakash Challa	9,10,000	9,10,000

36) LEASE OBLIGATIONS:

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

Future minimum lease payments

Particulars	As at March 31, 2014	As at March 31, 2013
Not later than one year	2,96,687	5,16,677
Later than one year and not later than five years	1,01,999	7,99,241
Total	3,98,686	13,15,918

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

37) The auditors of SSPDL Interserve Private Limited ("SIPL") have drawn attention to the following matters in their auditor's report for the year ended March 31, 2014.

The company needs to strengthen the inventory control procedures followed at the stores, with regards to issue and consumption.

38) COMPARATIVES

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
Membership No. : 021989

PRAKASH CHALLA
MANAGING DIRECTOR

E.BHASKAR RAO
DIRECTOR

Place : Hyderabad
Date : 10.05.2014

P.MUTHYAM REDDY
CHIEF FINANCIAL OFFICER

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 Companies Affairs vide its General Circular No: 2/2011 dated 8th February, 2011)

(Amount in ₹)

Sl. No.	Name of the Subsidiary Company	Financial Year ended on	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 Private Limited	31.03.2014	1,00,000	(8,75,490)	6,42,57,716	6,50,33,206	-	1,750	(8,75,490)	-	(8,75,490)	-	India
2.	SSPDL Reality India Private Limited	31.03.2014	1,00,000	(10,67,035)	7,19,08,072	7,28,75,107	-	27,61,523	(10,67,035)	-	(10,67,035)	-	India
3.	SSPDL Real Estates India Private Limited	31.03.2014	1,00,000	(44,60,116)	10,13,67,845	10,57,27,961	-	27,12,934	(44,60,116)	-	(44,60,116)	-	India
4.	SSPDL Infra Projects India Private Limited	31.03.2014	1,00,000	60,410	4,23,14,174	4,21,53,764	-	19,31,316	60,410	-	60,410	-	India
5.	SSPDL Interserve Private Limited	31.03.2014	10,00,000	16,48,98,439	33,48,03,926	16,89,05,487	-	40,69,54,283	1,35,46,001	-	1,35,46,001	-	India

For and on behalf of the Board of Directors

PRAKASH CHALLA
MANAGING DIRECTOR

E.BHASKAR RAO
DIRECTOR

P.MUTHYAM REDDY
CHIEF FINANCIAL OFFICER

A.SHAIENDRA BABU
COMPANY SECRETARY CUM MANAGER (FINANCE)

Place : Hyderabad
Date : 10.05.2014

SSPDL LIMITED

CIN: L70100TG1994PLC018540

Registered office: 8-2-595/3/6, Eden Gardens, Road No. 10, Banjara Hills,
Hyderabad - 500 034, Telangana, India.

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19 (3) of the Companies
(Management and Administration) Rules, 2014]

Name of Member(s) : _____

Registered Address : _____

Email Id : _____

Regd. Folio No./Client ID : _____ DP ID: _____

I/We, being the member (s) of _____ Shares of SSPDL Limited, hereby appoint:

1. Name _____ Address _____

Email ID _____ Signature _____

or failing him

2. Name _____ Address _____

Email ID _____ Signature _____

or failing him

3. Name _____ Address _____

Email ID _____ Signature _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twentieth Annual General Meeting of the Company, to be held on Tuesday, the 30th day of September, 2014 at 12:00 P.M. at Qutub Shahi Hall, Country Club, 6-3-1219, Begumpet, Hyderabad - 500 016, Telangana and at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business:

1. To receive, consider and adopt the standalone and consolidated financial statements of the Company for the financial year ended March 31, 2014.
2. To appoint a Director in place of Sri E.Bhaskar Rao, who retires by rotation.
3. To appoint Statutory Auditors and fix their remuneration.

Special Business:

4. To Appointment of Sri S.Suryanarayana as an Independent Director.
5. To Appointment of Sri K.Akmaluddin Sheriff as an Independent Director.
6. To Appointment of Sri B.Lokanath as an Independent Director.
7. To Amendment to Articles of Association of the Company.

Affix a
15 paise
Revenue
Stamp

Signed this _____ day of _____, 2014.

Signature of Shareholder

Signature of Proxy holder(s)

NOTE: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



SSPDL LIMITED

CIN: L70100TG1994PLC018540

Registered office: 8-2-595/3/6, Eden Gardens Road No. 10, Banjara Hills,
Hyderabad - 500 034, Telangana, India.

ATTENDANCE SLIP

Registered Folio / DP ID & Client ID	
Number of Shares held	
Name and address of the Shareholder (In block letters)	

1. I hereby record my presence at the Twentieth Annual General Meeting of the Company held on Tuesday, 30th September, 2014 at 12:00 P.M. at Qutub Shahi Hall, Country Club, 6-3-1219, Begumpet, Hyderabad - 500 016, Telangana.
2. Signature of the Shareholder / Proxy Present _____
3. Shareholder / Proxy Holder wishing to attend the meeting must bring the duly signed Attendance Slip to the meeting.
4. Shareholder/Proxy Holder attending the meeting is requested to bring his / her copy of the Annual Report.




PLEASE CUT HERE AND BRING THE ABOVE ATTENDANCE SLIP TO THE MEETING



ELECTRONIC VOTING PARTICULARS

EVSN (Electronic Voting Sequence Number)	USER ID PASSWORD	USER ID PASSWORD

Note: Please read the instructions given in the Notes to the Twentieth Annual General Meeting dated August, 02, 2014. The E-Voting period starts on 24th September, 2014 at 9:00 A.M. and ends on 26th September, 2014 at 6:00 P.M. The e-voting module shall be disabled by Karvy for voting thereafter.




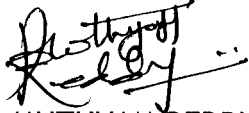

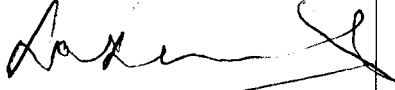
NORTHWOODS PROJECT





Regd. Office: 8-2-595/3/6, Eden Gardens, Road No. 10, Banjara Hills, Hyderabad - 500 034, Telangana.
Tel : +91 040-6663 7560, 2335 1484, Fax : 040-6663 7969.
CIN: L70100TG1994PLC018540
www.sspdl.com

FORM A

1	Name of the company	SSPDL Limited
2	Annual financial statements for the year ended	31 st March, 2014
3	Type of Audit observation	Un-qualified
4	Frequency of observation	Not Applicable
5	To be signed by- • CEO/Managing Director • CFO • Auditor of the company • Audit Committee Chairman	 PRAKASH CHALLA Managing Director  P.MUTHYAM REDDY Chief Financial Officer  K.AJAY KUMAR Partner, Karvy & CO.,  S. SURYANARAYANA B. LOKANATH

NOTE:

Due to demise of father of Sri S. Suryanarayana, the Chairman of the Audit Committee of the Company, he is not available for signing the above document as he is attending the necessary formalities in village. Hence, Sri B. Lokanath, member of the Audit Committee has signed in place of Chairman of the Audit Committee. However, we will submit a revised Form A as soon as the Chairman of Audit Committee is available. Requesting you to consider the same.