



SSPDL
Limited

Building the big picture



ANNUAL REPORT
2012-13



SSPDL Green Acres, Kalipathur, OMR, Chennai

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

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NOTICE

NOTICE IS HEREBY GIVEN THAT THE NINETEENTH 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, A.P. AT 12.00 P.M. ON FRIDAY, THE 27TH DAY OF SEPTEMBER, 2013, TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss for the year ended as on that date, together with the Auditor's Report and Directors' Report thereon.
2. To appoint a Director in place of Sri B.Lokanath, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Sri Suresh Challa, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint Statutory Auditors and fix their remuneration and for this purpose to consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

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

SPECIAL BUSINESS:

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

"RESOLVED THAT in compliance of the provisions of Sections 198, 269, 309, 310 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof, for the time being in force) and subject to such sanctions and approvals as may be necessary, consent of the members of the Company be and is hereby accorded for

payment of remuneration to Sri Prakash Challa, Managing Director of the Company for a period of two years i.e., from 01.10.2012 to 30.09.2014 on the following terms and conditions as recommended by the remuneration committee and approved by the Board of Directors:

- a) **Salary** : Rs.3,00,000/- (Rupees Three Lakhs Only) per month including dearness and all other allowances
- b) **Perquisites** :
 - i) Contribution to the Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961,
 - ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service, and,
 - iii) Encashment of leave at the end of the tenure."

"RESOLVED FURTHER THAT the Board of Directors of the Company on the recommendation of the Remuneration Committee is hereby authorised to revise upwards suitably if the Company makes adequate profits during the above mentioned period and during the balance tenure of his appointment as per the applicable provisions of the Companies Act, 1956 and any other applicable provisions, if any (including any statutory modifications or re-enactment thereof, for the time being in force)."

"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 and 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 : 24.07.2013

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. THE PROXY, SO APPOINTED, NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE EFFECTIVE, SHOULD BE DULY STAMPED, COMPLETED, SIGNED AND DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Register of Members and the transfer books of the Company will be closed from 23.09.2013 to 27.09.2013 (both days inclusive).

3. The Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at the ensuing Annual General Meeting is annexed hereto and forms part of the Notice.
4. Members holding shares in physical form are requested to notify immediately any change in their address along with their Folio No. to the Registrars and Share Transfer Agents of the Company i.e., M/s. Karvy Computershare Private Limited, or to the Company at its Registered Office at 8-2-595/3/6, Eden Gardens, Road No.10, Banjara Hills, Hyderabad - 500 034, Andhra Pradesh.

Members are also requested to notify immediately any change in their address to their Depository Participants in respect of their holdings held in electronic form.

Non-Resident Indian Members are requested to inform M/s. Karvy Computershare Private Limited of the change in residential status immediately on return to India for permanent settlement.

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 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 of the Companies Act, 1956, as amended, the unpaid or unclaimed dividend for a period of seven years shall be transferred to the Investor Education and Protection Fund

(IEPF) administered by the Central Government. Accordingly, the last date for claiming unpaid / unclaimed dividend declared for the year 2006-07 is 26.10.2014. The Members who have not en-cashed their Dividend for the year 2006-07, are requested to write to the Company Secretary and Compliance Officer at the Registered Office of the Company.

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 2013-14.
12. Members who hold shares in physical form and wish to make/change nomination in respect of their shareholding in the Company may submit duly filled in and signed Form No.2B to the Registrars and Share Transfer Agents of the Company.
13. Members who hold shares in physical form are requested to submit a copy of Permanent Account number (PAN) to the Share Transfer and Registrar of the Company.
14. **Appointment/Re-appointment of Directors:** The Information to be provided in terms of Clause 49 of the Listing Agreement relating to Appointment/Reappointment of Directors is provided in the Corporate Governance Report.

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

A. Shailendra Babu
Company Secretary cum
Manager (Finance)

Place : Hyderabad
Date : 24.07.2013

Explanatory Statement pursuant to the provisions of Section 173 (2) of the Companies Act, 1956.

As required under Section 173(2) of the Companies Act, 1956, the following Explanatory Statement sets out all material facts relating to the Special Business specified in item No. 5 of the Notice of the Meeting.

Item No.5

Sri Prakash Challa was re-appointed as the Managing Director of the Company at the 15th Annual General Meeting held on 30th September, 2009 for a period of five years w.e.f. 01.10.2009.

As per the provisions of the Companies Act, 1956, read with Schedule XIII wherein any financial year during the currency of tenure of the managerial personnel, a company has no profits or its profits are inadequate, it may pay remuneration to a managerial person based on the effective capital of the Company and subject to compliance of other terms and conditions of Schedule XIII.

In compliance of the above said provisions of the Companies Act, 1956 Company has revised the salary, for a period of three years i.e., from 01.10.2009 to 30.09.2012, payable to Sri Prakash Challa, Managing Director in the 16th Annual General Meeting of the Company held on 30.09.2010.

Since the Company had no profits or inadequate profits, subject to the approval of the shareholders the Board of Directors of the Company have fixed the remuneration, as approved by the Remuneration Committee, of Sri Prakash Challa, Managing

Director of the Company in compliance of provisions of Section 198 of the Companies Act, 1956, read with Schedule XIII.

The terms and conditions of the remuneration such as salary, perquisites and commission are laid in detail in the Resolution above.

None of the Directors except the appointee i.e., Sri Prakash Challa and Sri Challa Suresh, being a relative of the Managing Director is concerned or interested in the resolution.

Your Directors recommend the passing of this resolution as Special Resolution.

The proposed resolution as set out in Item No.5 and this explanatory statement may be treated as an abstract of the terms and conditions of the appointment/remuneration of Sri Prakash Challa, as the Managing Director of the Company in terms of Section 302 of the Companies Act, 1956.

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

A. Shailendra Babu
Company Secretary cum
Manager (Finance)

Place : Hyderabad
Date : 24.07.2013

STATEMENT OF INFORMATION GIVEN TO THE SHAREHOLDERS PURSUANT TO SCHEDULE XIII OF THE COMPANIES ACT, 1956:

I. General Information:

- (1) Nature of industry : Real Estate, Property Development and Construction
- (2) Date or expected date of commencement of commercial production : 17.10.1994
- (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus : Not Applicable
- (4) Financial performance based on given indicators :

Rs. In Lakhs

Financial Parameters	2007-08	2008-09	2009-10	2010-11	2011-12
Total Income/Turnover	12193.22	4490.54	5024.51	4638.18	1198.20
Net Profit as computed under section 198	2154.26	80.19	(264.08)	610.40	(383.42)
Net Profit as per Profit & Loss Account	2154.26	80.19	(264.08)	610.40	(383.42)
Amount of Dividend Paid (including dividend tax)	NIL	NIL	NIL	NIL	NIL
Rate of Dividend declared	NIL	NIL	NIL	NIL	NIL

- (5) Export performance and net foreign exchange collaborations : NIL
- (6) Foreign investments or collaborators, if any : NIL

II. Information about the appointee:

- (1) **Background details:** Sri Prakash Challa, aged about 60 Years, is a Graduate in MSc., CAIIB and having vast experience of over 35 years in the construction, banking, aquaculture and pisciculture Industry. Before turning as an entrepreneur, Sri Prakash Challa was a banker for over 13+ years, holding senior positions in Andhra Bank and Punjab National Bank. He has started Construction activities since July 1993 for property development in Chennai, Hyderabad and Bangalore. He has the ability to force successful alliances and he is the person behind the Company's growth and instrumental in Company's success. He was the Past Vice President of Credai National and currently he is the Chairman of Taxation Committee, CREDAI National, New Delhi.
- (2) **Past remuneration:** The Shareholders of the Company in 15th Annual General Meeting of the Company held on 30.09.2009 has re-appointed Sri Prakash Challa as the Managing Director for a period of 5 (five) years and fixed the remuneration as ₹ 4,50,000/- per month and Perquisites.

However, the above remuneration was not paid to him and in pursuance of the applicable provisions of the Companies Act, 1956 and with the approval of the shareholders of the Company in 16th Annual General Meeting of the Company held on 30.09.2010, the remuneration payable to Sri Prakash Challa has been revised to ₹ 3,00,000/- (Rupees Three Lakhs Only) per month including dearness and all other allowances and perquisites, for a period of three years i.e., from 01.10.2009 to 30.09.2012. The remuneration as approved by the shareholders in 16th Annual General Meeting is paid to Sri Prakash Challa during the period from 01.10.2009 to 30.09.2012.

- (3) **Recognition or awards:** NIL.
- (4) **Job profile and his suitability:** Sri Prakash Challa is responsible for identifying and bringing new business and execution of the same in the interest of the Company. Also, he is responsible to discharge the duties entrusted by the Board of Directors from time to time, which may include day-to-day management and administration of the Company.
- (5) **Remuneration proposed:** ₹ 3,00,000/- per month including dearness and all other allowances and Perquisites i.e., (i) Contribution to the Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961, (ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service, and (iii) Encashment of leave at the end of the tenure.

(6) **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):**

Taking into consideration the size of the Company, the profile of Sri Prakash Challa, Managing Director and the responsibilities shouldered by him, the aforesaid Remuneration package is commensurate with the remuneration package paid to managerial position in other companies.

(7) **Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:** Sri Prakash Challa, Managing Director has rented his premises situated in Chennai for Corporate Office of the Company and the rent paid by the Company during the year was ₹ 13.47 Lakhs.

III. Other information:

(1) **Reasons of loss or inadequate profits:** As you are well aware, our Company has purchased Lands in Kollur/Osman Nagar and Gundla Pochampalli (Kompally) during the years 2005/2008. However, on account of Governmental procedures the Projects could not be taken up during that period immediately after acquisition. Subsequently, the Global Financial Crisis coupled with the disturbances in Telangana did not create any conducive atmosphere for the demand to pick up and we were forced to hold the projects. This trend has been there for majority of the Real Estate Companies of Hyderabad.

(2) **Steps taken or proposed to be taken for improvement:** Company is putting its efforts to align the strategies of the Company with the prevailing consumer sentiments and market conditions by altering the specifications/features of the project to reduce the costs and meet the market requirement. As part of the same, Company has entered into a Memorandum of Understanding with M/s. BHEL Employees Model Mutually Aided Co-operative House Building Society, Hyderabad for development and sale of 1200 affordable independent residential houses and the execution of the project is expected to start in the year 2013-14. The measures taken by the Company are expected to reward and the same may produce good results to the Company once the property market improves.

IV. Disclosures :

All the elements of remuneration package, of the managerial person have been given elsewhere in the Annual Report. The Directors recommend the resolutions for your approval. Except, Sri Prakash Challa, Managing Director of the Company and Sri Suresh Challa, no other directors of the Company are concerned or interested in the proposed resolution.

IMPORTANT COMMUNICATION TO MEMBERS

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

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

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

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

DIRECTORS' REPORT

To,
The Members

Your Directors have pleasure in presenting the Nineteenth Annual Report on the business and operations of the Company together with the Audited Financial Accounts for the year ended 31st March, 2013.

	(₹ in Lakhs)	
PARTICULARS	2012-2013	2011-2012
Total Income	697.39	1,198.20
Less: Operating Expenses	1,695.64	1,467.36
Gross Profit/(Loss) before Depreciation and Interest	(998.25)	(269.16)
Less: Depreciation	16.09	15.85
Interest & Finance Charges	315.32	338.56
Profit/(Loss) before Tax Before exceptional and extra-ordinary items	(1,329.66)	(623.58)
Exceptional Item	0.00	3.88
Extra-ordinary Item	0.00	0.00
Profit/(Loss) before Tax after exceptional and extra-ordinary items	(1,329.66)	(627.46)
Less: Provision for Tax	(74.86)	(244.04)
Profit/(Loss) after Tax	(1,254.80)	(383.42)
Balance of Profit brought forward	2,637.75	3,021.17
Profit available for appropriation	1,382.96	2,637.76
APPROPRIATIONS		
Proposed Dividend	-	-
Tax on proposed dividend	-	-
Transfer to General Reserve	-	-
Balance carried to Balance Sheet	1,382.96	2,637.76

BUSINESS OVERVIEW

The total income of your Company for the year under review is ₹ 697.39 lakhs as compared to ₹ 1198.20 lakhs for the previous year ended 31st March, 2012. Profit/(Loss) after tax is ₹ (1254.80) lakhs as against ₹ (383.42) 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., 2013-14 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

₹ 4.10 crores has been recovered from Alpha City IT park.

Matrix Towers

The construction of this 1,40,000 Sft. IT Park is almost completed. Due to slump in IT space the state of the project has not changed and Company is exploring the market for sale/lease of the balance unsold space of about 8,500 Sft.

NOVOTEL/IBIS Hotels at the Promenade

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

However, as the commercial markets got hit, Company has reduced its scope of development to the Novotel & IBIS Hotels only. The requisite sanctions have been received and the work has commenced and slated to complete by September, 2013. Total value of the hotel projects is ₹ 47.93 crores and 95% of work is completed.

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

Green Acres

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

Considering the market scenario the Company has renegotiated with the Land Owners for enhanced sharing ratio for us. Also, Company has identified an investor for doing the project jointly.

For this purpose Company incorporated a new SPV on 10.06.2011 in the name of "SSPDL Green Acres LLP" with sharing of 36:64 respectively by the Company and the investor.

The built up area is around 9.00 lakhs sft. and SSPDL Green Acres LLP share will be 6.40 lakh sft. The development will mostly be residential with some commercial area of value ₹ 500 crores for development in a period January 2014-December 2016. Architects have been appointed and detailed drawings are currently being developed. The project will be launched in mid of January, 2014.

SSPDL Crescent

A Residential Premium Apartments project on a 1.12 Acres plot of land situated at Keelambakkam on Vandalur Road, Off the IT Express Highway, Chennai. Out of total 53 Apartments to our Company's share and Company has sold all apartments of its shares and handover all the apartments during the month of April-2012.

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 Modul Mutully 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 we have applied for building permission with HMDA in April. The legal is cleared and we are awaiting final sanction letter by October, 2013.

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. It is proposed to merger 9 SPVs incorporated for Northwood Project into one operating company and initiated the process of merger.

Since, the micro market is not supporting for villa development, Company is planning to do a layout development for selling the developed plots instead of doing original villa development. An application to HMDA has been submitted and the file is under process. The permissions are expected by end of August.

KERALA

The Retreat

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

Plots have been demarcated for sale. Preliminary work with regard to roads has been completed. After receiving the necessary approvals from the authorities plots will be registered in favour of the buyers. Applications are submitted for obtaining the permission for construction of villas. This project is slated for commencement in first quarter of 2014.

We are happy that the Kerala budget is announced and recently Government has relaxed the conditions for housing and resorts. Considering the same, Company is developing a strategy to make it more attractive to the customers.

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 is holding 51% and M/s. Interserve Holdings Limited, UK based Construction and allied services company is holding 49% equity in SSPDL Interserve Private Limited. 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 sft. and the expected completion is in December 2013. This project is for SSPDL Limited. Construction of Villas in Lakewood is in progress and Apartments in Mayfair stilt floor roof has been concreted. The structure comprises of Stilt plus four floors an area of about 1,05,000 sft.

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 ₹ 36.46 crores considering the variations, escalations, etc. Construction work is under progress and expected to be completed in August, 2013.

The Retreat, Bangalore

A high end Villa project with an area of about 6,00,000 sft and the work is awarded by Sri Satya Sai Constructions for a total value of ₹ 115 Crores. Constructions work is in progress and work completed as on March 31st, 2013 is ₹ 40.54 Crores. The project is expected to be completed in December 2014.

Frangipani, Pudupakkam

Construction of Residential Building at Pudupakkam inside Siruseri IT park, Chennai, for building 3,41,440 sft. for M/s. Arihant Foundations & Housing Ltd. The value of the order is ₹ 22.26 crores additional work of ₹ 5.85 crores has been awarded, and Value of the work completed up to 31st March, 2013 is ₹ 25.17 crores. Construction work is under progress and expected to be completed in August, 2013.

Sundara Kanda Residential Building at Medavakkam, Chennai

Revised Value of the project is ₹ 8.30 Crores from M/s. Vishranthi Homes Pvt. Ltd., Chennai for construction of Residential Building at Medavakkam, Chennai. Work completed and handed over to the client in September, 2012.

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 have been received for ₹ 14 crores and work is in progress. It is slated for delivery by October, 2013.

Fairfield & Marriot Hotel,

Value of the Project is ₹ 30.24 Crores from M/s. SAMHI. The Project Management Consultant is M/s Archetype. Construction work is under progress and expected to be completed in May, 2014.

Projects completed during the year 2012-13: (1) Sundara kand, Chennai - This project is located at Medavakkam, Chennai (2) Meeting House, Bangalore.

DIVIDEND

Your Directors do not recommend any dividend for the Financial Year ended 31st March, 2013.

DIRECTORS

There were no changes in the composition of the Board for the financial year ended 31st March, 2013.

Sri B.Lokanath and Sri Suresh Challa, Directors retires by rotation at the ensuing Annual General Meeting and being eligible offers themselves for re-appointment.

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

Your Directors recommend the reappointment of Sri B.Lokanath and Sri Suresh Challa as Directors at the ensuing Annual General Meeting.

Sri K. Akmaluddin Sheriff, and Sri E.Bhaskar Rao were retired and re-appointed as Directors of the Company at the previous annual general meeting.

AUDITORS AND AUDITORS' REPORT

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

SUBSIDIARY COMPANIES

As on 31st March, 2013, your Company has 7 subsidiaries i.e., (1) Kollur Residential Project Private Limited, (2) SSPDL Infra Projects India Private Limited, (3) SSPDL Matrix Towers Private Limited, (4) SSPDL Resorts Private Limited, (5) SSPDL Realty India Private Limited, (6) SSPDL Real Estates India Private Limited, and (7) SSPDL Interserve Private Limited. There has been no material change in the nature of the business of the subsidiaries.

Considering the application submitted by (1) Kollur Residential Project Private Limited, and (2) SSPDL Matrix Towers Private Limited, the Registrar of Companies, Andhra Pradesh has given approval under section 560(5) of the Companies Act, 1956 and issued a notice stating that the names of (1) Kollur Residential Project Private Limited, and (2) SSPDL Matrix Towers Private Limited has been struck off from the Register and the said Companies are dissolved. Accordingly, as on the date of this report, Company has only 5 subsidiaries.

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 2012-13 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, 2013 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 shareholders in the registered office of the company and same will be kept on the company's website i.e., www.sspdl.com.

CONSOLIDATED FINANCIAL STATEMENTS

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

INSURANCE

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

DEPOSITS

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

CORPORATE GOVERNANCE CODE

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

SHARES PLEDGED BY THE PROMOTERS/DIRECTORS

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** : ₹ 900,519

PARTICULARS OF EMPLOYEES UNDER SECTION 217 (2A)

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

Sl. No.	Name	Age (Yrs)	Designation	Remuneration	Qualification	Experience (Yrs)	Date of Joining	Previous Employment	Nature of Duties
1.	Prakash Challa	60	Managing Director	₹ 37.30 Lakhs	M. Sc and CIAB	36 Years	From Date of Inception	Andhra Bank	As per the provisions of the Companies Act, 1956

1. Remuneration comprises of Salary, Bonus, and Companies contribution to PF, as eligible.
2. Sri. Prakash Challa is a relative of Sri Suresh Challa, Director as per the definition of "relative" under the Companies Act, 1956.
3. Nature of employment: Sri Prakash Challa appointment is as per provisions of the Companies Act, 1956.
4. Sri Prakash Challa holds 2% or more of the paid up equity share capital of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

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

1. In preparation of the Annual Accounts, the applicable accounting standards have been followed.
2. Appropriate accounting policies have been applied consistently. Judgments and estimates, which are reasonable and prudent, have been made so far as to give a true and fair view of the state of affairs of the Company as at the end of the Financial Year and of the 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

Place : Hyderabad
Date : 24.07.2013

PRAKASH CHALLA
MANAGING DIRECTOR

E.BHASKAR RAO
DIRECTOR

MANAGEMENT DISCUSSION AND ANALYSIS REPORT 2012-13

1. ECONOMY OVERVIEW:

The Indian economy is estimated to have registered a growth rate of 5.0 per cent in 2012-13 in terms of gross domestic product following a growth of 6.2 percent in 2011-12. Growth in 2011-12 and 2012-13 is on the lower side, in the context of the decadal average of 7.9 per cent during 2003-04 to 2012-13. This is attributable mainly to weakening Industrial growth in the context of tight monetary policy followed by the Reserve Bank of India (RBI) through most of 2011-12, and continued uncertainty in the global economy. The slowdown in the economy, particularly in the Industry sector has entailed a lower-than budgeted growth in government revenues. However, measures undertaken as part of mid-course correction have helped in improving the expenditure outcome in 2012-13. Measures including the increase in the price of diesel by ₹ 5 per litre, allowing oil marketing companies (OMCs) to raise diesel prices by small amounts regularly, and a cap on the number of subsidized LPG cylinders are expected to rein in the fiscal deficit. The widening of the trade and current account deficits has been accompanied by a sharp decline in the value of the Rupee recently.

Outlook

The Indian economy is about to experience one of the slowest growth years in nearly a decade. In realization of this, a push for reforms was made in September 2012 bringing a sense of cautious optimism. However, the impact of reforms has remained muted till date. Global economic uncertainties have not helped the case for domestic growth either. A drop in savings and investment has exacerbated the Current account Deficit (CAD) and fiscal deficit scenario. While a considerable portion of savings was eroded due to fiscal stimulus in meeting the financial crisis, a sustainable plan in putting savings back on track never materialized. Consequently, worsening macroeconomic environment, particularly high inflation, over the past couple of years and a depreciating rupee add a strain on domestic savings resulting in households hedging against this trend by investing in gold or similar products. During this period, corporate savings also fell in light of the wage price spiral and reduced margins due to high borrowing costs and supply side constraints. With the RBI maintaining high rates, corporate borrowing costs escalated and consequently investments waned. The key concern at this point is the fiscal deficit. Sustainable plans need to be considered to further reduce subsidies, widen the tax base, decrease other expenditure and augment revenue through public sector disinvestments. The twin action of fiscal and monetary policies is expected to help raise savings and promote investments in the economy. Though the announcements of reforms have helped in lifting investor sentiments, committed implementation of these reforms as well as introduction of further reforms will be required to maintain confidence and show a path to recovery.

2. INDUSTRY STRUCTURE AND DEVELOPMENTS:

Real Estate sector is not only the biggest contributor to Gross Domestic Product ('GDP') of the country but is also the fourth largest sector in terms of Foreign Direct Investment ('FDI') inflows in the country. The contribution of the real estate sector to India's GDP has been estimated at 6.3 per cent in 2013, and the segment is expected to generate 7.6 million jobs in the same period. However, the past year proved to be a mixed bag for the sector. Real estate companies continued to face a series of challenges, the biggest unequivocally being the availability of finance and hardening of the interest rates. This had an adverse effect on the borrowing costs of the developers, liquidity and impacted the demand, a large part of which is funded by home loans. The industry was looking forward at the budget to come with policy decisions, such as the long standing demand of the realty sector for an Infrastructure status, which would have eased the borrowing cost and open new avenues for raising funds for the developers. Though one may argue that even with the steep increase in home loan costs, the realty prices have not shown any major correction. However, it cannot be denied that the volumes have come down significantly, projects are delayed and launches have been deferred leading to pileup of inventory. Pessimism in the Western economies continued influencing market sentiments and foreign capital inflow in the sector. Only time will tell whether the recent Cash Reserve Ratio ('CRR') cut and the proposed rate cut would translate to lending to the cash strapped real estate developers. The increase in the rate of excise on steel and cement (along with marginal increase in service tax) will push the price. The sector will have to wait longer for a bigger piece of the pie of tax incentives including proposals under consideration to address the shortage of housing for low income groups in major cities and towns including allowing External Commercial Borrowings (ECB) for low cost housing projects, setting up of a credit guarantee trust fund etc.

The Real Estate (Regulation and Development) Bill, 2013: The Bill is approved by the Union Cabinet in its meeting held on 4th June 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 and has been much awaited by all aspiring home buyers. 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. This will catalyze domestic and foreign investment into the sector, thereby contributing to enhanced activity, and increase in GDP growth.

3. OPPORTUNITIES, THREATS/RISKS AND CONCERNS:

Opportunities:

The real estate sector in India has come a long way by becoming one of the fastest growing markets in the world.

It is not only successfully attracting domestic real estate developers, but foreign investors as well. The growth of the industry is attributed mainly to a large population base, rising income level, and rapid urbanisation.

The sector comprises of four sub-sectors - housing, retail, hospitality, and commercial. While housing contributes to five-six percent of the country's gross domestic product (GDP), the remaining three sub-sectors are also growing at a rapid pace, meeting the increasing infrastructural needs.

The real estate sector has transformed from being unorganised to a dynamic and organised sector over the past decade. Government policies have been instrumental in providing support after recognising the need for infrastructure development in order to ensure better standard of living for its citizens. In addition to this, adequate infrastructure forms a prerequisite for sustaining the long-term growth momentum of the economy.

Easier investment norms should be provided for end users and investors for attracting investments in the sector, especially in residential real estate. Reduced interest rates and decreasing the limit of margin money requirement will attract more retail investors towards the sector and help propel real estate demand.

Market Size/ Growth Prospects

The total revenue of the real estate sector is about US\$ 66.8 billion. By 2020, the sector is expected to earn a revenue of US\$ 180 billion. In fact, the demand is expected to grow at a compound annual growth rate (CAGR) of 19 per cent between 2010 and 2014, with tier I metropolitan cities projected to account for about 40 per cent of this.

Growing infrastructure requirements from sectors such as education, healthcare and tourism are providing numerous opportunities in the sector. Further, India is going to produce an estimated two million new graduates from various Indian universities during this year, creating demand for 100 million square feet of office and industrial space. 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

India is ranked 20th in the list of world's top real estate investment markets with investment volume of US\$ 3.4 billion in 2012, according to the latest report titled 'International Investment Atlas' by Cushman & Wakefield. The sector is set for robust inflows of US\$ 4-5 billion from overseas investors in the next couple of years, with Bangalore, Delhi and Mumbai emerging as the favourites, according to Jones Lang LaSalle, a global real estate consultancy giant.

Construction development sector (including townships, housing, built-up infrastructure & construction-development projects) has attracted a cumulative foreign direct investment (FDI) worth US\$ 22,007.67 million from April 2000 to

February 2013. FDI flows into the construction sector for the period April-February 2012-13 stood at US\$ 1,260 million, according to the department of industrial policy and promotion (DIPP).

India needs to invest US\$ 1.2 trillion over the next 20 years to modernise urban infrastructure and keep pace with the growing urbanisation, as per a report released by McKinsey Global Institute (MGI)-India's urban awakening.

Threats/Risks and Concerns:

The sector has been bogged down by multitude of regulatory approvals which need to be cleared by developers to commence construction. Approvals regarding building layouts, ownership, environment clearances, structural planning, utilities, amongst others, are time consuming, cumbersome and are often delayed. The delays often result into an increase in costs which ultimately trickle down to the buyers. 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. This can be enabled by establishing regulatory bodies/investment boards to oversee the approval process for real estate projects, especially for large scale integrated townships.

Real estate being 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 Finance Ministry had requested the leading lenders in India to help the developers out of cash crunch. As a result, after a gap of almost two years, banks are likely to start offering construction finance to residential projects in 2013.

Developers with longer operating history will find it easier to raise funds in the coming year, owing to have good track record and specific target class in key locations. Joint ventures with landlords will be given priorities considering the ever rising land prices across the country. Big players with strong local presence will try to strengthen their expanse locally, rather than imprinting footprints nationally.

Government Initiatives

- According to the latest reforms, FDI up to 100 per cent is allowed under the automatic route in townships, housing, built-up infrastructure and construction development projects to increase investment, generate economic activity, create new employment opportunities and add to the available housing stock and built-up infrastructure.
- The Ministry of Housing & Urban Poverty Alleviation has planned to introduce a single-window system for clearance of all real estate projects across the country.

The system could bring down the average approval time from the current 196 days to 45-60 days.

- The Government of India has sanctioned projects worth ₹ 41,723 crores (US\$ 7.51 billion) for building of 1,569,000 houses/dwelling units for economically weaker/lower income group sections under the Ministry's flagship Jawaharlal Nehru National Urban Renewal Mission (JNNURM) programs.

Road Ahead

- The real estate industry in India is yet again in a promising stage. The sector happens to be the second largest employer after agriculture and is expected to grow at the rate of 30 per cent over the next decade. A growing migrant population due to increasing job opportunities, together with healthy infrastructure development, is underpinning demand in the region's residential real estate market.
- The Finance Ministry's motivation through softening of interest rates and lending more to the real estate sector will have a positive impact on both developers and consumers. The real estate market could start to perform better as the easing of FDI norms will begin to show results during the second half of the year. "The economy will also recover in 2013 which in turn will perk up the real estate sector in India. With the government trying to introduce developer and buyer friendly policies, the outlook for real estate in 2014 does look promising.

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 Income: During the year under review the total income of the company is ₹ 6468.29 lakhs, against ₹ 7552.54 lakhs in 2011-12.

Loss before Depreciation and Interest: Rs.1528.84, as against loss of ₹ 944.71 lakhs for 2011-12.

Profit Before Tax: The Company's Loss before Tax for the year at ₹ 2244.09 lakhs, as against loss of ₹ 1617.69 lakhs in 2011-12.

Profit After Tax: The Company's Loss after Tax is ₹ 2169.24 lakhs as against loss of ₹ 1373.64 lakhs in 2011-12.

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, 2013 SSPDL Ltd has 34 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, 2013, the Board comprised of six members. The Board consists of both promoter and external Directors.

During the year 2012-13 Five Meetings of the Board of Directors were held on 26th May, 2012, 7th August, 2012, 5th September, 2012, 10th November, 2012 and 12th February, 2013. The time gap between any two board meetings did not exceed four months. Minimum four Board Meetings are held in each year, which are pre-scheduled. And apart from the pre-scheduled Board Meetings, additional Board Meetings are convened to address specific business needs of the Company. In case of business exigencies or urgency of matters, resolutions are passed by circulation.

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

Sl. No.	Name of the Director	Position /Category	No. of Board Meetings attended	Whether Attended last AGM	No. of other Directorships held other than SSPDL Limited		In other Committees as Member (or/and) Chairman	Shareholding of the Directors
					Public	Private		
1	Sri Prakash Challa	Managing Director; Executive Promoter Director	5	Yes	Nil	23*	Nil	2359390
2	Sri E.Bhaskar Rao	Non-Executive Promoter Director	5	Yes	Nil	29	Nil	2127500
3	Sri Suresh Challa	Non-Executive Promoter Director	5	Yes	Nil	22	Nil	887600
4	Sri S.Suryanarayana	Independent Non-Executive Director	5	Yes	Nil	1	Nil	300
5	Sri K.Akmaluddin Sheriff	Independent Non-Executive Director	5	Yes	Nil	5	Nil	6634
6	Sri B.Lokanath	Independent Non-Executive Director	5	Yes	Nil	2	Nil	0

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

* Including one Limited Liability Partnership Firm.

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 sharetransfer etc.
- Details of any joint venture or collaboration agreement.
- Show cause, demand, prosecution notices and penalty notices which are materially important.
- General notice of interest of Directors
- Terms of reference of Board Committees.
- Any material default in financial obligations to and by the Company.
- Sale of material nature, of investments, subsidiaries, assets, which is not in normal course of business, etc.

Appointment/Re-appointment of Directors:

Brief profile of Sri B.Lokanath:

Sri B.Lokanath holds the office up to the date of ensuing Annual General Meeting. Sri B. Lokanath aged about 56 years holds a Bachelor Degree in Commerce and fellow member of the Institute of Chartered Accountants of India and senior partner in M/s Tukaram & Co. Chartered Accountants. He is a practicing Chartered Accountant and has over a 25 years of substantial experience in the area of Audit, Taxation, Compliance, corporate advisory and consulting and handled corporate and non-corporate clients in the varied industrial sectors. He holds Directorship in Rampax Laboratories Pvt. Ltd., and Surenmax Estates (India) Pvt. Ltd.

Brief profile of Sri Suresh Challa:

Sri Suresh Challa, Director, did his Bachelors Degree in Mechanical Engineering from Jawaharlal Nehru Technological University, India and Masters in Industrial Engineering from University of Texas. He has varied experience spanning over 22 years in the area of software, manufacturing and real estate development.

He is also a Director in the following Companies: SSPDL Interserve Private Limited, SSPDL Ventures Private Limited, Alpha City Chennai IT Park Projects Private Limited, SSPDL Infra Projects India Private Limited, Kollur Residential Projects Private Limited, SSPDL Matrix Towers Private Limited, SSPDL Resorts Private Limited, SSPDL Realty India Private Limited, SSPDL Real Estates India Private Limited, Northwood Properties India Private Limited, Northwood Reality India Private Limited, Northwood Constructions India Private Limited, SSPDL Northwood Homes Private Limited, SSPDL Northwood Residence Private Limited, SSPDL Northwood Villas Private Limited, Northwood Residential Ventures India Private Limited, Northwood Township Project Private Limited, Northwood Infratech Private Limited, Sernity Homes Private Limited, Intelligent Software Solutions Private Limited, Neotrax Software Private Limited and Sri Vijaya Educational Academy.

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

3. BOARD COMMITTEES

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

(A) AUDIT COMMITTEE

Composition:

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

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

During the year under review, the Audit Committee met four times, i.e., on 26th May, 2012, 7th August, 2012, 10th November, 2012 and 12th February, 2013. 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	4	4
Sri E.Bhaskar Rao	Member	4	4
Sri B.Lokanath	Member	4	4

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 Four times, i.e., on 26th May, 2012, 7th August, 2012, 10th November, 2012 and 12th February, 2013. 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	4	4
Sri E. Bhaskar Rao	Member	4	4
Sri S. Suryanarayana	Member	4	4

During the year the Company has received zero complaints from the investors and all the complaints were resolved. There were no complaints and no shares pending transfer as on 31st March, 2013.

The status of shareholder's complaints during the financial year 2012-13 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	0	0	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	0	0	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 2012-13, 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 remuneration committee be present at its meeting.
- Chairman of the remuneration committee be present at the Annual General Meeting
- Fix and approve the remuneration packages for executive directors. The remuneration Committee while approving the remuneration shall:
 - Take into account, financial position of the Company, trend in the industry, appointee's qualification, experience, past performance, past remuneration, etc.,
 - Be in a position to bring about objectivity in determining the remuneration package while striking the balance between the interest of the company and the shareholders.

During the year under review, Committee has met on 05.09.2012 and all the members have attended the meeting. 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 2012-13 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	37,29,600*	Nil
Sri E. Bhaskar Rao	1,00,000	10,000	10,000	Nil	Nil
Sri Suresh Challa	1,00,000	Nil	10,000	Nil	Nil
Sri S. Suryanarayana	1,00,000	10,000	10,000	2,500	Nil
Sri K. Akmaluddin Sheriff	1,00,000	Nil	Nil	2,500	Nil
Sri B. Lokanath	1,00,000	10,000	Nil	2,500	Nil

* Includes, Salary of ₹ 36,00,000/- and Contribution to Provident Fund of ₹ 129,600/-.
Notice period, severance fee and stock options are not applicable.

(D) BORROWING COMMITTEE**Composition**

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

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

Terms of reference

- All the members of the remuneration committee be present at its meeting.
- All the resolutions shall be passed unanimously and in case of difference in opinion in the members on any matter, such matter be placed before the Board Meeting for its approval.
- borrow money, 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
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
2009-2010	Country Club, Begumpet, Hyderabad	AGM	30th September,2010	11.30 A.M.	*1 Special Resolution was passed

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

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

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 safeguards against victimization of employees who avail the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.
- Details of Compliance with non-mandatory requirements: The Board of Directors has constituted a Remuneration Committee to fix and approve the remuneration package for executive directors.

6. SUBSIDIARY COMPANIES

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

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 27th September, 2013 the Friday, at 12.00 P.M. At Qutub Shahi Hall, Country Club, 6-3-1219, Begumpet, Hyderabad - 500 016, A.P.
2.	Financial Year	1st April, 2013 to 31st March, 2014
3.	Financial Calendar (tentative and subject to change)	For the Quarter ending : <ul style="list-style-type: none"> • 30th June, 2013 : by 14.08.2013 • 30th September, 2013 : by 14.11.2013 • 31st December, 2013 : by 14.02.2014 • 31st March, 2014 : by 30.05.2014, Audited Results. Annual General Meeting for the year ending 31st March, 2014 : by 30.09.2014
4.	Dates of Book Closure	From 23.09.2013 to 27.09.2013 (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 2013-14.
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 2012	23.50	13.11
May 2012	18.10	14.70
June 2012	15.45	13.35
July 2012	16.90	14.05
August 2012	15.75	13.50
September 2012	19.95	14.00
October 2012	20.75	15.30
November 2012	18.90	14.60
December 2012	18.10	14.45
January 2013	18.00	15.15
February 2013	17.85	14.00
March 2013	17.95	11.35

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



11. Registrar and Transfer Agents

[for both physical and electronic (demat) segments]

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

12. Share Transfer System

Shares lodged for Physical Transfer would be processed and approved by the Shareholders and Investor Grievances Redressal Committee within a period of 15 days if the documents are order in all respects.

13. Shareholding Information:

i) Distribution Schedule as on 31.03.2013:

Sl. No.	Category (No. of Shares)	No. of Shareholders	% of Shareholders	Amount (₹)	% of Shareholding
1	Upto 500	2990	75.83	46,01,090	3.56
2	501 - 1000	370	9.38	29,74,790	2.30
3	1001 - 2000	219	5.55	33,47,300	2.59
4	2001 - 3000	90	2.28	22,98,760	1.78
5	3001 - 4000	56	1.42	19,46,890	1.51
6	4001 - 5000	40	1.01	18,37,590	1.42
7	5001 - 10000	71	1.80	50,85,920	3.93
8	10001 - and above	107	2.71	10,72,00,160	82.91
	Total	3943	100.00	12,92,92,500	100.00

ii) Shareholding Pattern as on 31.03.2013:

Sl. No.	Category	No. of Shareholders	Total Shares	% to Equity
1	PROMOTERS	16	69,94,041	54.09
2	RESIDENT INDIVIDUALS	3671	41,74,967	32.29
3	BODIES CORPORATE	108	5,99,873	4.64
4	NON-RESIDENT INDIANS	37	9,61,370	7.44
5	HUF	106	1,97,470	1.53
6	CLEARING MEMBERS	5	1,529	0.01
	Total	3943	1,29,29,250	100

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. 98.30% 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 2013, the shareholding summary is as under:

Category	No. of Holders	Total Shares	% to Equity
Physical	225	2,18,970	1.70
NSDL	2229	79,33,905	61.36
CDSL	1489	47,76,375	36.94
Total	3943	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 30.06.2012, 30.09.2012, 31.12.2012 and 31.03.2013.

15. Outstanding ADRs/GDRs

As on March 31, 2013, the Company has not issued any ADR/GDR.

16. Plant Locations

Not applicable

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

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

Registrars and Transfer Agents:

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

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

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

DECLARATION ON CODE OF CONDUCT

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

ended on 31st March, 2013 as envisaged in Clause 49 of the Listing Agreement with Stock Exchanges.

Place : Hyderabad
Date : 24.07.2013

PRAKASH CHALLA
MANAGING DIRECTOR

MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER CERTIFICATION

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

- a. We have reviewed the financial statements and the cash flow statements for the year ended 31st March, 2013 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 which are fraudulent, illegal or violative of Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have

disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

- d. We have indicated to the auditors and the Audit Committee
 - i. Significant changes in internal controls over financial reporting during the year;
 - ii. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. That there have been no instances of significant fraud of which we have become aware, and the involvement there in, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

PRAKASH CHALLA
Managing Director (CEO)

D.BALAKRISHNAN
General Manager (Accounts)

Place : Hyderabad
Date : 24.07.2013

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 March 31, 2013, 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: 001757S)

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

Place : Hyderabad
Date : 24.07.2013

INDEPENDENT AUDITOR'S REPORT

To the Members of SSPDL Limited
(formerly SRINIVASA SHIPPING AND PROPERTY DEVELOPMENT 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, 2013, 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). 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. 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, 2013;
- (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; and
 - e. on the basis of written representations received from the directors as on March 31, 2013 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013 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
(Registration No: 0017575)

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

Place : Hyderabad
Date : May 30, 2013

Annexure to the Auditors' Report

The Annexure referred to in our report to the members of SSPDL Limited ('the Company') for the year ended March 31, 2013. 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 ₹ 2995.18 lakhs and the year end balances is ₹ 2994.98 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 a company covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount outstanding during the year is ₹ 2626.76 lakhs and the year end balances is ₹ 2525.40 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, 2013 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, 2013 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	Commercial Tax Officer, Chennai
Finance Act 1994	Service Tax demand	3.76	2006-2010	The Commissioner of Service Tax, Chennai
Finance Act 1994	Service Tax demand	0.023	2011-12	Decided to appeal before Appellate Tribunal.

- x. The Company does not have accumulated losses at the end of the financial year. However, the Company has incurred cash losses amounting to ₹ 1,313.57 lakhs during the financial year covered by audit and ₹ 607.73 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 not given any guarantee for loans taken by others or financial institutions.
- 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
(Registration No: 001757S)

Place : Hyderabad
Date : 30.05.2013

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

BALANCE SHEET AS AT 31ST MARCH, 2013

Particulars	Note No.	As at 31.03.2013 In ₹	As at 31.03.2012 In ₹
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	129,292,500	129,292,500
(b) Reserves and Surplus	3	377,423,993	502,904,205
(2) Non-Current Liabilities			
(a) Long-Term Borrowings	4	–	57,276
(b) Other Long Term Liabilities	5	100,000	900,000
(c) Long-Term Provisions	6	–	884,806
(3) Current Liabilities			
(a) Short-Term Borrowings	7	344,100,159	355,579,642
(b) Trade Payables	8	47,052,535	65,853,624
(c) Other Current Liabilities	9	449,220,447	183,381,981
(d) Short-Term Provisions	10	220,069	590,763
TOTAL		1,347,409,703	1,239,444,797
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	11	9,106,832	10,459,955
(b) Non-Current Investments	12	250,364,542	247,514,542
(c) Deferred Tax Assets (Net)	13	34,392,047	27,094,757
(d) Long-Term Loans and Advances	14	26,092,967	42,157,450
(2) Current Assets			
(a) Inventories	15	267,558,685	288,383,492
(b) Trade Receivables	16	223,679,583	280,969,514
(c) Cash and Cash Equivalents	17	118,244,830	10,028,261
(d) Short-Term Loans and Advances	18	414,477,530	332,046,783
(e) Other Current Assets	19	3,492,687	790,043
TOTAL		1,347,409,703	1,239,444,797
III. Notes to financial Statements		1-34	

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
M. No.: 021989

PRAKASH CHALLA
MANAGING DIRECTOR

E.BHASKAR RAO
DIRECTOR

Place : Hyderabad
Date : 30.05.2013

D.BALAKRISHNAN
GENERAL MANAGER (ACCOUNTS)

A.SHAIENDRA BABU
COMPANY SECRETARY CUM MANAGER (FINANCE)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	Note No.	For the year ended 31.03.2013 In ₹	For the year ended 31.03.2012 In ₹
INCOME			
1. Revenue from Operations	20	56,713,929	87,134,410
2. Other Incomes	21	13,025,512	32,685,135
Total Revenue (1+2)		69,739,441	119,819,545
3. Expenses:			
a) Construction expenses	22	130,128,207	109,655,423
b) Employee Benefits Expenses	23	19,954,380	19,689,289
c) Finance Costs	24	31,531,818	33,856,278
d) Depreciation and Amortization Expense	11	1,608,947	1,584,990
e) Other Expenses	25	19,481,850	17,391,240
Total Expenses		202,705,202	182,177,220
4. Profit/(Loss) before Exceptional and Extraordinary Items and Tax (1+2-3)		(132,965,761)	(62,357,675)
5. Exceptional Items		-	388,100
6. Profit /(Loss) before Extraordinary Items and Tax (4-5)		(132,965,761)	(62,745,775)
7. Extra Ordinary Items		-	-
8. Profit/(Loss) before Tax (6-7)		(132,965,761)	(62,745,775)
9. Tax Expense:			
(a) Current tax expense for current year		-	-
(b) (Less): MAT credit Entitlement of earlier years		(188,258)	(4,713,195)
(c) Deferred tax		(7,297,291)	(19,690,871)
10. Profit/(Loss) for the period		(125,480,212)	(38,341,709)
11. Earnings Per Share (Face value of ₹ 10 each) - Basic and Diluted	26	(9.71)	(2.97)

Notes to financial Statements

1-34

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
M. No.: 021989

PRAKASH CHALLA
MANAGING DIRECTOR

E.BHASKAR RAO
DIRECTOR

Place : Hyderabad
Date : 30.05.2013

D.BALAKRISHNAN
GENERAL MANAGER (ACCOUNTS)

A.SHAILENDRA BABU
COMPANY SECRETARY CUM MANAGER (FINANCE)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	As at 31.03.2013		As at 31.03.2012	
	In ₹	In ₹	In ₹	In ₹
A CASH FLOWS FROM OPERATING ACTIVITIES				
Net Profit/(Loss) before Tax and Extraordinary items		(132,965,761)		(62,745,775)
Adjustments for:				
Depreciation and Amortization	1,608,947		1,584,990	
Interest Income	(8,643,705)		(22,555,995)	
Interest on Borrowing	31,531,818		33,938,803	
Advances Written off	5,748,826		–	
		30,245,886		12,967,798
		(102,719,875)		(49,777,977)
Operating Profit /(Loss) before Working Capital Charges				
Adjustments for:				
Inventories	20,824,807		(1,668,492)	
Trade and Others Receivables	4,503,469		197,891,507	
Trade Payables and Other Liabilities	255,757,798		(116,886,415)	
Decrease/(Increase) in Net Current Assets		281,086,074		79,336,600
Cash Generated from Operations		178,366,199		29,558,623
Adjustments for income tax paid		(19,140,370)		(37,058,040)
Net Cash flow from/(used in) Operating Activities (A)		159,225,829		(7,499,417)
B. CASH FLOWS FROM INVESTING ACTIVITIES				
Disposal of Investments in Associates		17,550,000		299,902
Purchase of Investments in Subsidiaries		(20,400,000)		(250,000)
Purchase of Fixed Assets		(279,392)		(149,635)
Sale of Fixed Assets		23,568		–
Bank Balances not considered as Cash equivalents		925,429		3,175,111
Interest Received		5,941,061		23,509,981
Net Cash flow from/(used in) Investing Activities (B)		3,760,666		26,585,359
C. CASH FLOWS FROM FINANCING ACTIVITIES				
Interest on Borrowings		(41,326,197)		(33,938,803)
Proceeds/(Repayment) of Borrowings		(12,518,300)		(13,579,883)
Net Cash flow from/(used in) Financing Activities (C)		(53,844,497)		(47,518,686)
Net Increase/(Decrease) in Cash and Cash Equivalent (A+B+C)		109,141,998		(28,432,744)
Cash and Cash Equivalents at the beginning of the Year		2,950,761		31,383,505
Cash and Cash Equivalents at the end of the Year		112,092,759		2,950,761

NOTES :

- 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 and recasted wherever required.

As per our attached report of even date

For **KARVY & CO.,**

Chartered Accountants

(Firm Registration No. : 001757S)

For and on behalf of the Board of Directors

(K.AJAY KUMAR)

PARTNER

M. No.: 021989

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

DIRECTOR

Place : Hyderabad

Date : 30.05.2013

D.BALAKRISHNAN
GENERAL MANAGER (ACCOUNTS)**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 & 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 into account the contractual price and revision thereto. Foreseeable losses are accounted for when they are determined except to the extent they are expected to be recovered through claims presented or to be presented to the customer or in arbitration. Expenditure incurred in respect of additional cost/delays is accounted in the year in which they are incurred. Claims made in respect thereof are accounted as income in the year of receipt of arbitration award or acceptance by client or evidence of acceptance received from the client.

ii. Development Projects

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

iii. Real Estate Projects

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

iv. Interest Income

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

v. Rental Receipts

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

d. Fixed Assets:

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

e. Depreciation:

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

f. Investments:

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 Plans namely Employees Pension Scheme, 1995.

ii. Gratuity:

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

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

Particulars	As at 31.03.2013 In ₹	As at 31.03.2012 In ₹
2) SHARE CAPITAL		
Authorised Capital	250,000,000	250,000,000
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	129,292,500	129,292,500
	129,292,500	129,292,500

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

Equity shares	As at March 31, 2013		As at March 31, 2012	
	Number	Value	Number	Value
At the beginning of the period	12,929,250	129,292,500	12,929,250	129,292,500
Issued during the period	-	-	-	-
Outstanding at the end of the period	12,929,250	129,292,500	12,929,250	129,292,500

(b) Terms/rights attached to equity shares

The Company has only one class of equity shares referred to as equity shares having at 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

Particulars	As at March 31, 2013		As at March 31, 2012	
	Number	% holding in the class	Number	% holding in the class
Prakash Challa	2,359,390	18.25	2,359,390	18.25
Edala Bhaskar Rao	2,127,500	16.45	2,127,500	16.45
Sri krishna Devaraya Hatcheries Private Limited	1,170,152	9.05	1,170,152	9.05
Suresh Challa	887,600	6.87	887,600	6.87

Particulars	As at 31.03.2013 In ₹	As at 31.03.2012 In ₹
3) RESERVES AND SURPLUS		
(a) General Reserve		
As per last Balance Sheet	18,241,459	18,241,459
Addition during the year	-	-
(A)	18,241,459	18,241,459
(b) Securities Premium		
As per last Balance Sheet	220,887,000	220,887,000
Addition during the year	-	-
(B)	220,887,000	220,887,000
(c) Surplus i.e. Balance in the Statement of Profit & Loss		
As per last Balance Sheet	263,775,746	302,117,455
Addition during the year	(125,480,212)	(38,341,709)
(C)	138,295,534	263,775,746
Total (A)+(B)+(C)	377,423,993	502,904,205

NOTES TO THE FINANCIAL STATEMENTS

Particulars	As at 31.03.2013 In ₹	As at 31.03.2012 In ₹
4) LONG-TERM BORROWINGS		
Term Loan		
Vehicle loans*	-	57,276
Total	-	57,276
*Vehicle loans are secured by hypothecation of respective vehicles		
5) OTHER LONG-TERM LIABILITIES		
Security Deposits Received	100,000	900,000
Total	100,000	900,000
6) LONG-TERM PROVISIONS		
Provision for employee benefits		
- Provision for Gratuity	-	884,806
Total	-	884,806
7) SHORT-TERM BORROWINGS		
(a) Secured Loans		
- Loans repayable on demand from bank* (Refer below)	91,560,135	92,903,395
(b) Unsecured Loans		
- Loans and advances from Related Parties	252,540,024	262,676,247
Total	344,100,159	355,579,642
*Cash credit from SBI is secured by		
As Primary Security		
1.	The first charge on all the current assets of the company including hypothecation on construction materials, work in progress, receivables.	
2.	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		
1.	Equitable mortgage of residential property at hakimpet village, jubilee hills, Hyderabad.	
2.	Equitable mortgage of vacant land at kollur village, medak, Andhra Pradesh.	
Personal Guarantee of director.		
1.	Sri Prakash Challa	
2.	Sri Suresh Challa	
8) TRADE PAYABLES		
- Micro Small and Medium Enterprises *(Refer Below)	-	-
- Others	47,052,535	65,853,624
Total	47,052,535	65,853,624
* 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 this MSMED Act, 2006.		
9) OTHER CURRENT LIABILITIES		
a) Current Maturities of Long Term Debts* (Refer below)	57,276	1,038,817
b) Interest accrued and due on borrowings	7,355,682	17,150,061
c) Advance received from clients**	433,919,868	159,439,515
d) Statutory Liabilities	1,847,892	3,089,193
e) Unclaimed Dividends	109,152	109,152
f) Outstanding expenses and others	5,930,577	2,555,243
Total	449,220,447	183,381,981
*Current maturities of long term debts represents vehicle loan taken from Axis bank and HDFC 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 and ₹ 13.76 crores from directors.		
10) SHORT-TERM PROVISIONS		
Provision for Employee Benefits		
Provision for Gratuity	220,069	590,763
Total	220,069	590,763

NOTES TO THE FINANCIAL STATEMENTS

11) FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at 01.04.2012	Additions during the year	Deletions during the year	As at 31.03.2013	Upto 31.03.2012	For the year	Adjust- ments	Upto 31.03.2013	As at 31.03.2013	As at 31.03.2012
Construction Equipments	977,274	-	-	977,274	79,682	46,421	-	126,103	851,171	897,592
Furniture and Fixtures	4,013,805	23,300	-	4,037,105	1,675,620	254,684	-	1,930,304	2,106,801	2,338,185
Computers	3,132,812	223,193	29,750	3,326,255	1,839,256	530,829	6,182	2,363,903	962,352	1,293,556
Office Equipments	2,881,578	32,899	-	2,914,477	836,128	137,523	-	973,651	1,940,826	2,045,450
Vehicles	6,731,482	-	-	6,731,482	2,846,310	639,490	-	3,485,800	3,245,682	3,885,172
Total	17,736,951	279,392	29,750	17,986,593	7,276,996	1,608,947	6,182	8,879,761	9,106,832	10,459,955
Previous Year	17,587,316	149,635	-	17,736,951	5,692,006	1,584,990	-	7,276,996	10,459,955	11,895,310

Tangible Assets: (In ₹)

NOTES TO THE FINANCIAL STATEMENTS

Particulars	As at 31.03.2013 In ₹	As at 31.03.2012 In ₹
12) NON-CURRENT INVESTMENTS		
Trade Investments - Unquoted		
A. In Equity Shares of Subsidiary Companies - Unquoted, Fully Paid-up		
- SSPDL Resorts Pvt. Ltd. 10,000 (Previous Year: 10,000) Equity Shares of ₹ 10/- each	100,000	100,000
- SSPDL Realty India Pvt. Ltd. 10,000 (Previous Year: 10,000) Equity Shares of ₹ 10/- each	100,000	100,000
- SSPDL Real Estates India Pvt. Ltd. 10,000 (Previous Year: 10,000) Equity Shares of ₹ 10/- each	100,000	100,000
- SSPDL Infra Projects India Pvt. Ltd. 10,000 (Previous Year: 10,000) Equity Shares of ₹ 10/- each	100,000	100,000
- SSPDL Interserve Pvt. Ltd. 510,000 (Previous Year: 510,000) Equity Shares of ₹ 1/- each	510,000	510,000
B. In Equity Shares of Associates - Unquoted, Fully Paid-up		
- Alpha City Chennai IT Park Projects Pvt. Ltd. 9,980 (Previous Year: 9,980) Equity Shares of ₹ 10/- each	99,800	99,800
- SSPDL Infrastructure Developers Pvt. Ltd. 3,51,223 (Previous Year 2,34,000) Class A Equity Shares of ₹ 10/- each and including Share Premium	55,250,000	2,340,000
1 (Previous Year : 1) Class B Equity Shares of ₹ 10/- each	10	10
- Northwood Constructions India Pvt. Ltd. 2,500 (Previous Year : 2,500) Equity Shares of ₹ 10/- each	25,000	25,000
10,000 (Previous Year : 10,000) Class B Equity Shares of ₹ 10/- each	100,000	100,000
Share Application Money	2,450,684	2,450,684
- Northwood Properties India Pvt. Ltd. 2,500 (Previous Year : 2,500) Equity Shares of ₹ 10/- each	25,000	25,000
10,000 (Previous Year : 10,000) Class B Equity Shares of ₹ 10/- each	100,000	100,000
Share Application Money	3,530,849	3,530,849
- Northwood Realty India Pvt. Ltd. 2,500 (Previous Year : 2,500) Equity Shares of ₹ 10/- each	25,000	25,000
10,000 (Previous Year : 10,000) Class B Equity Shares of ₹ 10/- each	100,000	100,000
Share Application Money	2,250,849	2,250,849
- Northwood Residential Ventures India Pvt. Ltd. 2,500 (Previous Year : 2,500) Equity Shares of ₹ 10/- each	25,000	25,000
10,000 (Previous Year : 10,000) Class B Equity Shares of ₹ 10/- each	100,000	100,000
Share Application Money	1,858,622	1,858,622
- Northwood Township Project Pvt. Ltd. 2,500 (Previous Year : 2,500) Equity Shares of ₹ 10/- each	25,000	25,000
10,000 (Previous Year : 10,000) Class B Equity Shares of ₹ 10/- each	100,000	100,000
Share Application Money	2,563,622	2,563,622
- SSPDL Northwood Homes Pvt. Ltd. 2,500 (Previous Year : 2,500) Equity Shares of ₹ 10/- each	25,000	25,000
10,000 (Previous Year : 10,000) Class B Equity Shares of ₹ 10/- each	100,000	100,000
Share Application Money	2,890,845	2,890,845
- SSPDL Northwood Residence Pvt. Ltd. 2,500 (Previous Year : 2,500) Equity Shares of ₹ 10/- each	25,000	25,000
10,000 (Previous Year : 10,000) Class B Equity Shares of ₹ 10/- each	100,000	100,000
Share Application Money	2,270,849	2,270,849

(Contd.)

NOTES TO THE FINANCIAL STATEMENTS

Particulars	As at	As at
	31.03.2013 In ₹	31.03.2012 In ₹
- SSPDL Northwood Villas Pvt. Ltd. 2,500 (Previous Year : 2,500) Equity Shares of ₹ 10/- each	25,000	25,000
10,000 (Previous Year : 10,000) Class B Equity Shares of ₹ 10/- each	100,000	100,000
Share Application Money	2,630,849	2,630,849
- Northwood Infratech Pvt. Ltd. 2,500 (Previous Year : 2,500) Equity Shares of ₹ 10/- each	25,000	25,000
10,000 (Previous Year : 10,000) Class B Equity Shares of ₹ 10/- each	100,000	100,000
Share Application Money	1,028,603	1,028,603
- SSPDL Green Acres LLP	250,000	250,000
C. In Equity Shares of Other Companies - Fully Paid-up		
- SSPDL Properties Pvt. Ltd. 168,796 (Previous Year: 168,796) Equity Shares of ₹ 10/- each	1,687,960	1,687,960
D. In Debentures of Subsidiary Company - (Non Quoted, Fully Paid-up)		
- SSPDL Interserve Pvt. Ltd. 20,400 (Previous Year: Nil) 12% Compulsorily Convertible Debentures of ₹ 1000/- each	20,400,000	-
E. In Debentures in Associate Company - (Non Quoted, Fully Paid-up)		
- SSPDL Infrastructure Developers Pvt. Ltd. Nil (Previous Year : 70,460) Class Y 27.46% Cumulative Compulsory Convertible Debentures of ₹ 1000/- each	-	70,460,000
Optionally Convertible 15% Debentures (Series B) of ₹ 10/- each fully paid-up		
- Northwood Constructions India Pvt. Ltd. 1,786,830 (Previous Year : 1,786,830) of ₹ 10/- each	17,868,300	17,868,300
- Northwood Properties India Pvt. Ltd. 1,824,060 (Previous Year : 1,824,060) of ₹ 10/- each	18,240,600	18,240,600
- Northwood Realty India Pvt. Ltd. 1,786,830 (Previous Year : 1,786,830) of ₹ 10/- each	17,868,300	17,868,300
- Northwood Residential Ventures India Pvt. Ltd. 1,228,390 (Previous Year : 1,228,390) of ₹ 10/- each	12,283,900	12,283,900
- Northwood Township Project Pvt. Ltd. 1,902,070 (Previous Year : 1,902,070) of ₹ 10/- each	19,020,700	19,020,700
- SSPDL Northwood Homes Pvt. Ltd. 1,769,100 (Previous Year : 1,769,100) of ₹ 10/- each	17,691,000	17,691,000
- SSPDL Northwood Residence Pvt. Ltd. 1,769,100 (Previous Year : 1,769,100) of ₹ 10/- each	17,691,000	17,691,000
- SSPDL Northwood Villas Pvt. Ltd. 1,866,610 (Previous Year : 1,866,610) of ₹ 10/- each	18,666,100	18,666,100
- Northwood Infratech Pvt. Ltd. 953,610 (Previous Year : 953,610) of ₹ 10/- each	9,536,100	9,536,100
NON-TRADE INVESTMENTS-Unquoted		
F. Investment in Govt. Securities-Unquoted		
- National Savings Certificate	300,000	300,000
Total	250,364,542	247,514,542
Aggregate Value of		
- Quoted Investments	-	-
- Unquoted Investments	250,364,542	247,514,542

NOTES TO THE FINANCIAL STATEMENTS

Particulars	As at 31.03.2013 In ₹	As at 31.03.2012 In ₹
13) DEFERRED TAX ASSETS (NET)		
a) Deferred Tax Asset		
On account of:		
Provision for Gratuity	-	287,075
Unabsorbed Depreciation Losses carry forward	419,371	3,996,763
Brought forward Business Losses	35,888,481	24,861,272
Total (a)	<u>36,307,852</u>	<u>29,145,110</u>
b) Deferred Tax Liability		
On account of:		
Depreciation	1,915,805	2,050,353
Total (b)	<u>1,915,805</u>	<u>2,050,353</u>
c) Net Deferred Tax Asset/(Liability) (a-b)	<u>34,392,047</u>	<u>27,094,757</u>
14) LONG-TERM LOANS AND ADVANCES		
a) Advance to Suppliers/Contractors	5,576,844	6,260,090
b) Telephone Deposit	59,944	59,944
c) Electricity Deposit	792,218	792,218
d) Rental Deposit	1,000,000	1,000,000
e) Security Deposits	1,150,091	13,386,158
f) Others	17,513,870	20,659,040
Total	<u>26,092,967</u>	<u>42,157,450</u>
15) INVENTORIES		
Work-in-Progress	148,761,385	185,718,392
Land held for sale	118,797,300	102,665,100
Total	<u>267,558,685</u>	<u>288,383,492</u>
16) 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	192,347,250	227,312,250
ii) Others	-	23,538,357
- Unsecured, considered good	27,572,175	30,118,907
Other Trade Receivables		
- Secured, considered good	3,760,158	-
Total	<u>223,679,583</u>	<u>280,969,514</u>
17) CASH AND CASH EQUIVALENTS		
(a) Balances with Banks		
- In Current Account	12,036,286	2,522,845
- In Deposits accounts (original maturity of 3 months or less)	100,000,000	-
(b) Cash on Hand	56,473	427,916
Total (a+b)	<u>112,092,759</u>	<u>2,950,761</u>
(c) Other banks Balances		
- In Margin Money account	3,842,919	6,968,348
- In unpaid Dividend	109,152	109,152
- In Deposits accounts (original maturity more than 3 months)	2,200,000	-
Total (c)	<u>6,152,071</u>	<u>7,077,500</u>
Total (a+b+c)	<u>118,244,830</u>	<u>10,028,261</u>

NOTES TO THE FINANCIAL STATEMENTS

Particulars	As at	As at
	31.03.2013	31.03.2012
	In ₹	In ₹
18) SHORT-TERM LOANS ADVANCES		
Unsecured, considered good		
Loans and Advances to Employees	17,495	81,691
Loans and Advances to Related Parties [Refer note 18 (a)]	299,498,271	236,907,491
Advance to Suppliers and contractors	6,659,730	6,128,516
Other Loans and advances		
Balance with Statutory/Government authorities	107,920,964	88,780,594
Prepaid Expenses	381,070	148,491
Total	414,477,530	332,046,783

18 (a) Loans and Advances Include

Particulars	Maximum Amount Outstanding at any time during the year		As At	As At
	2012-2013	2011-2012	31.03.2013	31.03.2012
a) Advances to Subsidiaries :				
- SSPDL Realty India Private Limited	63,352,825	63,352,825	63,352,825	63,352,825
- SSPDL Real Estates India Private Limited.	101,458,152	92,721,571	101,458,152	92,713,471
- SSPDL Infra Projects India Private Limited	37,914,132	37,914,132	37,914,132	37,914,132
- SSPDL Resorts Private Limited	10,276	-	10,276	-
Advances to companies in which directors are interested:				
- SSPDL Retreat Private Limited	4,116	872	4,116	872
- Alpha City Chennai IT Park Projects Private Limited	46,372,441	15,796,848	46,372,441	15,796,848
- SSPDL Infrastructure Developers Private Limited	611,606	611,606	592,285	611,606
- SSPDL Properties Private Limited	20,394	-	20,394	-
- SSPDL Green Acres LLP	49,505,625	26,517,737	49,505,625	26,517,737
b) Payments on behalf of Associate Companies	268,025	-	268,025	-
Total			299,498,271	236,907,491

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

19) OTHER CURRENT ASSETS

Interest accrued on deposits	3,492,687	790,043
Total	3,492,687	790,043

NOTES TO THE FINANCIAL STATEMENTS

Particulars	For the year ended 31.03.2013 In ₹	For the year ended 31.03.2012 In ₹
20) REVENUE FROM OPERATIONS		
Sale of flats	18,478,383	81,687,568
Contract Revenue	38,235,546	5,446,842
Total	56,713,929	87,134,410
21) OTHER INCOMES		
a) Interest Income		
Interest from Fixed Deposits and Margin Money Deposits	4,830,775	1,468,900
Interest on Debentures	3,812,930	19,402,545
Interest on Tax refunds	-	1,684,549
b) Other Non Operative Income		
Maintenance Charges	2,659,387	6,593,607
Infrastructure/Amenities charges	-	658,932
Other Income	1,722,420	2,876,602
Total	13,025,512	32,685,135
22) (a) CONSTRUCTION EXPENSES		
Works Construct including Contractor's Bills	77,308,315	95,659,341
Masonry and other works	472,893	8,027,760
Power and Fuel Charges	327,316	1,106,329
Rates & Taxes	138,000	3,257,622
Survey and Investigation Work	-	8,824
Project Consultancy Charges	3,981,231	2,914,039
Land Cost & Development charges	27,075,645	350,000
Total	109,303,400	111,323,915
(b) Changes in Inventories of Work-in-Progress and Stock-in-Trade		
Inventories at the end of the year		
- Work in process	148,761,385	185,718,392
- Land	118,797,300	102,665,100
	(A) 267,558,685	288,383,492
Inventories at the beginning of the year		
- Work in process	185,718,392	184,049,900
- Land	102,665,100	102,665,100
	(B) 288,383,492	286,715,000
Net (Increase)/Decrease in inventories	(B) - (A) 20,824,807	(1,668,492)
Construction Expenses	130,128,207	109,655,423
23) EMPLOYEE BENEFITS EXPENSES		
Salaries and Wages	19,128,085	18,120,947
Contribution to Provident and Other Funds	489,309	1,143,971
Staff Welfare Expenses	336,986	424,371
Total	19,954,380	19,689,289

NOTES TO THE FINANCIAL STATEMENTS

Particulars	For the year ended 31.03.2013 In ₹	For the year ended 31.03.2012 In ₹
24) FINANCE COSTS		
a) Interest Expenses on:		
i) Borrowings	30,188,488	32,251,275
ii) Others	-	-
- Interest on deferred payment of income tax	2,305	-
b) Other Borrowing Costs	1,341,025	1,605,003
Total	31,531,818	33,856,278
25) OTHER EXPENSES		
Power & Fuel	375,980	354,247
Rent	2,522,674	2,670,010
Repairs and maintenance - Machinery	-	-
Repairs and maintenance - Others	601,217	992,185
Insurance	173,394	106,403
Rates & Taxes	161,940	847,637
Communication Expenses	735,030	797,297
Travelling and conveyance	2,367,342	2,118,196
Foreign Travel Expenses	900,159	-
Printing and stationery	280,221	266,952
Business promotion	152,376	874,753
Security Charges	328,468	323,315
Director Sitting Fees	500,000	420,000
Advances Written off	5,748,826	-
Legal and professional	2,015,219	3,021,268
Payment to Auditors:		
(a) Auditor		
- Statutory Audit fee	400,000	337,080
- Tax Audit Fees	100,000	112,360
(b) for management services	62,472	44,326
(c) for Reimbursement of expenses	85,029	24,088
Vehicle Running & Maintenance	715,128	730,752
Bank Charges	138,637	82,525
Miscellaneous Expenses	1,117,738	3,267,846
Total	19,481,850	17,391,240
26) EARNINGS PER SHARE		
Net Profit/(Loss) for the year after tax	(a) (125,480,212)	(38,341,709)
Weighted Average number of Equity shares outstanding during the year for Diluted Earnings Per Share	(b) 12,929,250	12,929,250
Basic and Diluted Earnings per share (face value ₹ 10/- each)	(a)/(b) (9.71)	(2.97)

NOTES TO THE FINANCIAL STATEMENTS**27) 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 on behalf of M/s SSPDL Infrastructure Developers Private Limited for an amount of ₹ Nil during the year 2012-13 (Previous Year ₹ 85,739,276/-) in favour of Accent Hotels Private Limited and for an amount of ₹ Nil during the year 2012-13 (Previous Year ₹ 52,758,962/-) in favour of Inter Globe Hotels Private Limited.
- 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 writ, demand notice will be decided after outcome of the judgment on Writ Petition.
- iv) During the Financial year 2011-12 the Company has received a Service Tax demand for ₹ 230,730/-. The company has filed an appeal before the Service Tax Tribunal .No provision has been made in the accounts for this demand has the Company expects a favorable decision in appeal.
- v) Service Tax demand to the extent of ₹ 3,76,38,547/- for the period 2006-07 to 2010. The company has filed an appeal against the notice before the Commissioner of Service tax, Chennai. No provision has been made in the accounts for this demand as the Company expects a favorable decision in appeal.

28) C.I.F. VALUE OF IMPORTS:

(Amounts in ₹)

Particulars	Year ended 31.03.2013	Year ended 31.03.2012
Components and spare parts	-	-

29) EXPENDITURE IN FOREIGN CURRENCY:

(Amounts in ₹)

Particulars	Year ended 31.03.2013	Year ended 31.03.2012
On account of Travel	900,519	-

30) DISCLOSURE IN ACCORDANCE WITH AS-7:

(Amounts in ₹)

Particulars	Year ended 31.03.2013	Year ended 31.03.2012
Contract Revenue recognised as revenue in the period	38,235,546	5,446,842
Cost incurred and Recognized Profit or Losses up to the reporting period	39,313,516	23,963,463
Retention Money	1,636,345	2,742,584
Gross amount due from customers for contract work as asset	9,732,903	15,070,063
Gross amount due to customers for contract work as liability	-	-

31) 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.
Particulars

(Amounts in ₹)

Particulars	2012-13	2011-12
Employer's Contribution to Provident Fund	489,309	414,823

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

(Amounts in ₹)

Particulars	Year ended 31.03.2013	Year ended 31.03.2012
A. Change in present value of obligation		
Present value of obligation at the beginning of the year	1,167,384	1,123,535
Current Service cost	128,728	109,895
Interest cost	93,391	89,883
Benefits paid	-	(196,339)
Net Actuarial (Gain)/Loss Recognized during the year	(13,443)	40,410
Present value of obligation at the end of the year	1,376,060	1,167,384
B. Changes in the Fair Value of Plan Assets		
Present Value of Plan Assets at the beginning of the year	529,225	242,463
Expected Return on Plan Assets	106,189	30,170
Actuarial gain/ (loss) on plan assets	-	-
Contributions	803,693	452,931
Benefits Paid	-	(196,339)
Fair Value of Plan Assets at the end of the year	1,439,107	529,225
C. Net (Asset)/Liability recognized in the Balance Sheet		
Present value of obligation at the end of the year	1,376,060	1,167,884
Fair value of Plan Assets at the end of the year	1,439,107	529,225
Funded status (surplus)/deficit	63,047	(638,159)
Net (Asset)/Liability recognized in the Balance Sheet	63,047	(638,159)
D. Expenses recognized in the Profit & Loss Account		
Service Cost	128,728	109,895
Interest Cost	93,391	89,883
Expected return on Plan Assets	(106,189)	(30,170)
Net Actuarial (Gain)/Loss recognized during the year	(13,443)	40,410
Total Expenses/(Income) recognized in Profit and Loss account	102,487	210,018
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%

32) 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.

33) 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 Northwood Villas Private Limited SSPDL Infrastructure Developers Private Limited SSPDL Green Acres LLP
Enterprises owned/significantly influenced by Key Management Personnel	Alpha City Chennai IT Park Projects Private Limited Sri SatyaSai Constructions (Partnership Firm) Sri SatyaSai Constructions (Sole Proprietary Concern) Sri Krishna Devaraya Hatcheries Private Limited SSPDL Ventures Private Limited SSPDL Retreat Private Limited
Key Managerial Personnel	Mr. Challa Prakash, Managing Director Mr. Challa Suresh, Director Mr. E. Bhaskar Rao, Director

a. Transactions with related parties are as follows:

(Amounts in ₹)

Particulars	2012-2013	2011-2012
SSPDL Interserve Private Limited		
Income from construction contracts	56,209,154	77,900,036
Project management consultancy fee paid	-	753,204
Investments in 12% compulsorily convertible debentures	20,400,000	-
Interest income on compulsorily convertible debentures	791,412	-
Common sharing expenses	1,693,200	3,663,409
Sri Krishna Devaraya Hatcheries Private Limited		
Interest paid	3,092,875	2,778,971
SSPDL Real Estates India Private Limited		
Advance given	8,744,682	9,036,394
SSPDL Infrastructure Developers Private Limited		
Interest paid	8,205,150	10,219,922
Advance recovered	19,321	4,305,536
SSPDL Green Acres LLP		
Advance given	22,987,888	26,517,737
SSPDL Retreat Private Limited		
Advance given	3244	872

Alpha City Chennai IT Park Projects Private Limited		
Advance given/(recovered)	30,575,593	(150,231)
E. Bhaskar Rao		
Interest paid	6,334,392	5,691,499
Suresh Challa		
Rent paid	1,175,224	1,256,410
Prakash Challa		
Rent paid	1,347,450	1,413,600
Remuneration	3,729,600	3,729,600

(b) Year end balances

Particulars	31-03-2013	31-03-2012
SSPDL Interserve Private Limited		
Trade payables	24,926,570	37,300,491
Interest Receivable on compulsorily convertible debentures	543,258	-
Unsecured loan	-	1,120,761
SSPDL Infrastructure Developers Private Limited		
Unsecured loan	55,300,000	72,800,000
Loans and Advance recoverable	592,285	611,606
Interest due on unsecured loans	5,230,621	-
Sri Krishna Devaraya Hatcheries Private Limited		
Unsecured loan	27,426,313	24,642,726
SSPDL Resorts Private Limited		
Unsecured loan	44,642,988	44,642,988
Loans and Advance recoverable	10,276	10,276
SSPDL Properties Private Limited		
Loans and Advance recoverable	20,394	20,394
SSPDL Ventures Private Limited		
Unsecured loan	69,000,000	69,000,000
Interest due on unsecured loans	2,125,061	17,150,061
SSPDL Realty India Private Limited		
Loans and Advance recoverable	63,352,825	63,352,825
SSPDL Real Estates India Private Limited		
Loans and Advance recoverable	101,458,152	92,713,471
SSPDL Infra Projects India Private Limited		
Loans and Advance recoverable	37,914,132	37,914,132
SSPDL Retreat Private Limited		
Loans and Advance recoverable	4,116	872
SSPDL Green Acres LLP		
Loans and Advance recoverable	49,505,635	26,517,737
Alpha City Chennai IT Park Projects Private Limited		
Loans and Advance recoverable	46,372,441	15,796,484
Trade receivables	192,347,250	227,312,250
Northwood Infratech Private Limited		
Loans and Advance recoverable	29,781	29,781

Northwood Constructions India Private Limited		
Loans and Advance recoverable	29,781	29,781
Northwood Properties India Private Limited		
Loans and Advance recoverable	29,781	29,781
Northwood Realty India Private Limited		
Loans and Advance recoverable	29,781	29,781
Northwood Residential Ventures India Private Limited		
Loans and Advance recoverable	29,781	29,781
Northwood Township Projects Private Limited		
Loans and Advance recoverable	29,781	29,781
SSPDL Northwood Homes Private Limited		
Loans and Advance recoverable	29,781	29,781
SSPDL Northwood Residence Private Limited		
Loans and Advance recoverable	29,781	29,781
SSPDL Northwood Villas Private Limited		
Loans and Advance recoverable	29,781	29,781
E. Bhaskar Rao		
Unsecured loan	56,170,723	50,469,771
Advance from customers	137,562,478	137,562,478
Suresh Challa		
Rent Deposits	90,000	90,000
Prakash Challa		
Rent Deposits	910,000	910,000

34) 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
M. No.: 021989

PRAKASH CHALLA
MANAGING DIRECTOR

E.BHASKAR RAO
DIRECTOR

Place : Hyderabad
Date : 30.05.2013

D.BALAKRISHNAN
GENERAL MANAGER (ACCOUNTS)

A.SHAIENDRA BABU
COMPANY SECRETARY CUM MANAGER (FINANCE)

SSPDL LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

AS ON

31ST MARCH, 2013

INDEPENDENT AUDITOR'S 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, 2013, 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"). 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, 2013;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Emphasis of Matter

Without qualifying our opinion, we draw attention to the matters as mentioned in the Note 38, where the auditors of SIPL (SSPDL Interserve Private Limited) have drawn attention on certain points relating to Fixed Assets, strengthening of internal controls and delays in remittances of taxes and other statutory dues and default in repayment of dues to debenture holders.

Other Matters

We did not audit the financial statements of subsidiaries, whose financial statements reflect total assets of ₹ 73.75 crores as at March 31, 2013, total revenues of ₹ 63.80 crores and net cash flows amounting to ₹ 0.05 crores for the year ended on that date and certain associates, whose financial statements reflects the Group's share of profits (net) of ₹ 1.13 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 No: 001757S)

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

Place : Hyderabad
Date : May 30, 2013

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2013

Particulars	Note No.	As at 31.03.2013 In ₹	As at 31.03.2012 In ₹
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	129,292,500	129,292,500
(b) Reserves and Surplus	3	469,556,095	630,332,558
(c) Minority Interest	4	74,652,695	119,460,015
(2) Non-Current Liabilities			
(a) Long-Term Borrowings	5	80,399,241	1,315,881
(b) Other Long Term Liabilities	6	100,000	900,000
(c) Long-Term Provisions	7	808,350	1,174,551
(3) Current Liabilities			
(a) Short-Term Borrowings	8	299,457,171	455,199,131
(b) Trade Payables	9	140,052,828	28,553,133
(c) Other Current Liabilities	10	589,972,004	304,777,160
(d) Short-Term Provisions	11	7,936,115	11,675,310
TOTAL		1,792,226,999	1,682,680,239
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	12.a	86,965,152	105,836,749
(ii) Intangible Assets	12.b	44,974,357	48,052,168
(b) Non-Current Investments	13	243,996,900	250,206,961
(c) Deferred Tax Assets (Net)	14	34,392,047	27,094,757
(d) Long term loans and advances	15	53,746,484	69,924,661
(e) Other Non current assets	16	4,377,585	2,778,876
(2) Current Assets			
(a) Inventories	17	506,068,937	521,051,726
(b) Trade Receivables	18	304,893,400	374,191,642
(c) Cash and Cash Equivalents	19	122,791,092	21,140,459
(d) Short-Term Loans and Advances	20	284,292,699	186,134,179
(e) Other Current Assets	21	105,728,346	76,268,061
TOTAL		1,792,226,999	1,682,680,239
III Notes to consolidated financial statements	1-39		

The accompanying notes form an integral part of the Consolidated 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
M. No.: 021989

PRAKASH CHALLA
MANAGING DIRECTOR

E.BHASKAR RAO
DIRECTOR

Place : Hyderabad
Date : 30.05.2013

D.BALAKRISHNAN
GENERAL MANAGER (ACCOUNTS)

A.SHAILENDRA BABU
COMPANY SECRETARY CUM MANAGER (FINANCE)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	Note No.	For the year ended 31.03.2013 In ₹	For the year ended 31.03.2012 In ₹
INCOME			
1. Revenue from Operations	22	634,759,163	720,633,805
2. Other Incomes	23	12,070,240	34,620,648
Total Revenue (1+2)		646,829,403	755,254,453
3. Expenses:			
a) Construction Expenses	24	652,444,493	706,173,351
b) Employee Benefit Expenses	25	85,220,879	97,969,393
c) Finance Costs	26	37,872,317	35,222,193
d) Depreciation and Amortization Expense	27	33,652,651	31,687,456
e) Other Expenses	28	62,048,333	45,582,540
Total Expenses		871,238,673	916,634,933
4. Profit before Exceptional and Extraordinary Items and Tax (1+2-3)		(224,409,270)	(161,380,480)
5. Exceptional Items		-	388,100
6. Profit before Extraordinary Items and Tax (4-5)		(224,409,270)	(161,768,580)
7. Extra Ordinary Items		-	-
8. Profit/(Loss) before Tax (6-7)		(224,409,270)	(161,768,580)
9. Tax Expense:			
(a) Current tax			
(b) MAT credit entitlement of earlier years		(188,258)	(4,713,195)
(c) Deferred tax		(7,297,291)	(19,690,871)
10. Profit/(Loss) for the year from continuing operations (8-9)		(216,923,721)	(137,364,514)
11. Less : Share of Profit/(Loss) of Minority Interest		(44,807,320)	(48,521,175)
12. Share of Profit from Associated Company		11,339,939	5,871,781
13. Profit/(Loss) for the year (10+11+12)		(160,776,463)	(82,971,558)
Earning Per Share			
- Basic and Diluted	29	(12.44)	(6.42)

Notes to the financial statements

1-39

The accompanying notes form an integral part of the Consolidated 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
M. No.: 021989

PRAKASH CHALLA
MANAGING DIRECTOR

E.BHASKAR RAO
DIRECTOR

Place : Hyderabad
Date : 30.05.2013

D.BALAKRISHNAN
GENERAL MANAGER (ACCOUNTS)

A.SHAIENDRA BABU
COMPANY SECRETARY CUM MANAGER (FINANCE)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	As at 31.03.2013		As at 31.03.2012	
	In ₹	In ₹	In ₹	In ₹
A. CASH FLOWS FROM OPERATING ACTIVITIES				
Net Profit before Tax and Extraordinary items		(224,409,270)		(161,768,580)
Adjustments for:				
Depreciation	33,652,651		31,687,456	
Interest Income	(8,836,350)		(26,175,827)	
Interest on Borrowing	37,872,317		35,304,718	
Fixed Asset written off	1,509,853		-	
Credit balances written back	5,748,826		-	
Profit/Loss on Sale of Fixed Assets	(13,287)	69,934,010		40,816,347
		(154,475,260)		(120,952,233)
Operating Profit before Working Capital Charges				
Adjustments for:				
Trade and Other Receivables	(11,999,624)		275,466,501	
Inventories	14,982,789		(26,932,586)	
Trade Payables and Other Liabilities	231,098,357		(110,904,833)	
Increase/(Decrease) in Net current Assets		234,081,522		137,629,082
Cash Generated from Operation		79,606,262		16,676,849
Adjustments for income tax paid		(29,523,371)		(37,058,041)
Net Cash from Operating Activities (A)		50,082,891		(20,381,192)
B. CASH FLOWS FROM INVESTING ACTIVITIES				
Disposal of Investment		17,550,000		-
Purchase of Investments		-		(250,000)
Purchase of Fixed Assets		(13,982,187)		(61,751,894)
Sale of Fixed Assets		769,092		95,460
Profit /loss on Sale of Fixed Assets		13,287		-
Increase in Capital Reserve		-		29,093,635
Interest Received		6,806,509		214,065
Pre-Operative Expenses		-		76,201
Bank Balances not considered as Cash equivalents		6,981,778		(2,881,238)
Dividend Income		-		-
Net Cash from Investing Activities (B)		18,138,479		(35,403,771)
C. CASH FLOWS FROM FINANCING ACTIVITIES				
Interest on Borrowings		(37,872,317)		(35,304,718)
Proceeds/(Repayment) of Borrowings		78,283,358		(117,547,052)
Net Cash used in Financing Activities (C)		40,411,041		(152,851,770)
Net Increase/(Decrease) in Cash & Cash equivalent (A+B+C)		108,632,411		(208,636,733)
Cash and Cash Equivalents at the beginning of the Year		8,006,610		216,643,343
Cash and Cash Equivalents at the end of the Year		116,639,021		8,006,610

NOTES :

- 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 and recasted wherever required.

As per our attached report of even date

For **KARVY & CO.,**

Chartered Accountants

(Firm Registration No. : 0017575)

(K.AJAY KUMAR)

PARTNER

M. No.: 021989

Place : Hyderabad

Date : 30.05.2013

For and on behalf of the Board of Directors

PRAKASH CHALLA
MANAGING DIRECTOR**E.BHASKAR RAO**
DIRECTOR**D.BALAKRISHNAN**
GENERAL MANAGER (ACCOUNTS)**A.SHAIENDRA BABU**
COMPANY SECRETARY CUM MANAGER (FINANCE)

NOTES FORMING PART OF 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, 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 Profit and Loss Account to the extent such change is attributable to the associates' Profit and Loss account and through its reserves for the balance, based on available information.
- vii. The difference between the costs of investments in the 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 Estates 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	36.00%

e. Revenue Recognition:**i. Construction Contracts**

In accordance with AS -7 (Revised), the company recognizes revenue on percentage completion method stated on the basis of physical measurement of work actually completed at the balance sheet date, taking 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 Profit and Loss account.

j. Inventories:

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

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

k. 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 profit and loss account 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 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	As at 31.03.2013 In ₹	As at 31.03.2012 In ₹
2) SHARE CAPITAL		
Authorised Capital	250,000,000	250,000,000
2,50,00,000 equity share of ₹ 10/- each (Previous Year 2,50,00,000 equity shares of ₹ 10/- each)		
Issued, Subscribed and Paid up		
1,29,29,250 equity shares of ₹ 10/- each fully paid up (Previous Year 1,29,29,250 equity shares of ₹ 10/- each fully paid up)	129,292,500	129,292,500
	129,292,500	129,292,500

(a) Reconciliation of number of shares

Equity shares	As at March 31, 2013		As at March 31, 2012	
	Number	Value	Number	Value
At the beginning of the period	12,929,250	129,292,500	12,929,250	129,292,500
Issued during the period	-	-	-	-
At the end of the period	12,929,250	129,292,500	12,929,250	129,292,500

(b) Terms/rights attached to equity shares

The Company has only one class of equity shares referred to as equity shares having at 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

Particulars	As at March 31, 2013		As at March 31, 2012	
	Number	% holding in the class	Number	% holding in the class
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
Challa Suresh	8,87,600	6.87	8,87,600	6.87

Particulars	As at 31.03.2013 In ₹	As at 31.03.2012 In ₹
3) RESERVES AND SURPLUS		
a) Capital Reserve		
As per last Balance Sheet	174,680,100	174,680,100
Addition during the year	-	-
	A	174,680,100
b) Share Premium Account		
As per last Balance Sheet	220,887,000	220,887,000
Addition during the year	-	-
	B	220,887,000
c) General Reserve		
As per last Balance Sheet	18,241,459	18,241,459
Addition during the year	-	-
	C	18,241,459
d) Surplus from Profit & Loss Account		
As per last Balance Sheet	216,523,999	299,495,557
Addition during the year	(160,776,463)	(82,971,558)
	D	216,523,999
Total (A+B+C+D)	469,556,095	630,332,558

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	As at 31.03.2013 In ₹	As at 31.03.2012 In ₹
4) MINORITY INTEREST		
Share Capital	490,000	490,000
Share Premium	167,829,900	167,829,900
Share of Profits	(93,667,205)	(48,859,885)
Total	74,652,695	119,460,015
5) LONG TERM BORROWINGS		
Secured		
Vehicle Loans*	799,241	1,315,881
Unsecured		
12% Compulsorily Convertible Debentures of ₹ 1,000/- each fully paid up**	79,600,000	-
	80,399,241	1,315,881
* Vehicle loan secured by hypothecation of respective vehicles and are payable in equal monthly installments as stipulated in the agreements with the lenders.		
** The unsecured compulsorily convertible debentures ("CCD") have the conversion period falling at the end of the 10 years from the completion allotment of first tranche CCD's.		
6) OTHER LONG-TERM LIABILITIES		
Security Deposits Received	100,000	900,000
Total	100,000	900,000
7) LONG TERM PROVISIONS		
Provision for Employee Benefits		
Provision for Gratuity	-	884,806
Provision for Leave benefits	808,350	289,745
Total	808,350	1,174,551
8) SHORT TERM BORROWINGS		
(a) Secured Loans		
Loans repayable on demand from bank* (Refer below)	91,560,135	92,903,395
(b) Unsecured Loans		
From Related Parties	207,897,036	362,295,736
	299,457,171	455,199,131

* Cash credit from SBI is secured by

As Primary Security

1. The first charge on all the current assets of the company including hypothecation on construction materials, work in progress, receivables.
2. 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

1. Equitable mortgage of residential property at hakimpet village, jubilee hills, Hyderabad.
2. Equitable mortgage of vacant land at kollur village, medak, Andhra Pradesh.

Personal Guarantee of director.

1. Sri Prakash Challa
2. Sri Suresh Challa

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	As at 31.03.2013 In ₹	As at 31.03.2012 In ₹
9) TRADE PAYABLES		
Trade Payables	140,052,828	28,553,133
Total	140,052,828	28,553,133
10) OTHER CURRENT LIABILITIES		
a) Current Maturities of Long Term Debts* (Refer below)	573,953	1,558,696
b) Interest accrued and due on borrowings	10,840,563	17,150,061
c) Advance received from clients**	531,188,133	237,074,936
d) Statutory Liabilities	5,830,669	11,963,599
e) Unclaimed Dividends	109,152	109,152
f) Outstanding expenses and others	7,610,935	9,927,802
g) Retention money to Suppliers	15,916,042	9,125,282
h) Billing Excess Revenue	12,207,220	13,326,110
i) Employee Benefit payable	5,695,337	4,541,522
Total	589,972,004	304,777,160
* Current maturities of long term debts represents vehicle loan taken from Axis bank, Kodak Mahindra Prime limited and HDFC bank and are secured by the respective vehicles.		
** Advance received from client includes ₹ 24 crores received from BHEL Employees Model Mutually Aided Co-Operative House Building, Society and ₹ 13.76 crores from directors.		
11) SHORT-TERM PROVISIONS		
Provision for Employee Benefits		
(i) Provision for Gratuity	220,070	590,763
(ii) Provision for Compensated Absences	280,003	96,581
(iii) Provision for contract loss	7,436,042	10,987,966
Total	7,936,115	11,675,310

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

12(a) FIXED ASSETS

Tangible Assets:

PARTICULARS	GROSS BLOCK				DEPRECIATION/AMORTSATION			NET BLOCK	
	As at 01.04.2012	Additions during the year	Deletions during the year	As at 31.03.2013	Upto 31.03.2012	For the yea	Upto 31.03.2013	As at 31.03.2013	As at 31.03.2012
Buildings									
Construction Equipments	111,759,563	3,069,773	1,517,413	113,311,923	30,271,875	20,705,600	50,974,136	62,319,541	81,487,688
Furniture and Fixtures	6,028,875	5,239,048	141,015	11,126,908	1,932,714	992,473	2,886,172	8,227,265	4,096,161
Computers	5,698,749	1,360,128	95,138	6,963,739	2,482,267	1,203,079	3,655,106	3,308,633	3,216,482
Office Equipments	3,842,312	1,191,840	147,082	4,887,070	1,120,460	349,273	1,409,851	3,464,476	2,722,169
Vehicles	13,005,047	60,410	678,859	12,386,598	3,917,701	1,367,611	5,117,225	7,269,373	9,087,346
Leasehold improvements	5,939,662	-	-	5,939,662	712,759	2,851,038	3,563,798	2,375,864	5,226,903
Total	146,274,208	10,921,199	2,579,507	154,615,900	40,437,775	27,469,074	67,606,287	86,965,152	105,836,749
Previous Year	84,637,602	61,776,779	95,460	146,274,208	14,594,331	25,862,955	40,437,775	105,836,749	70,043,271
Note 12 (b):									
Intangible Assets									
Non-Compete fee	58,245,045	-	-	58,245,045	10,192,876	5,824,500	16,017,376	42,227,669	48,052,168
Software	-	3,105,765	-	3,105,765	-	359,077	359,077	2,746,688	-
Total	58,245,045	3,105,765	-	61,350,810	10,192,876	6,183,577	16,376,453	44,974,357	48,052,168
Previous Year	58,245,045	-	-	58,245,045	4,368,377	5,824,500	10,192,877	48,052,168	53,876,668

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	As at 31.03.2013 In ₹	As at 31.03.2012 In ₹
13) NON-CURRENT INVESTMENTS		
Trade Investments - Unquoted		
A. In Equity Shares of Associate Companies - Fully Paid-up :		
Alpah City Chennai IT Park Projects Pvt. Ltd.	99,800	99,800
9,980 (Previous Year: 9,980) Equity Shares of ₹ 10/- each		
SSPDL Infrastructure Developers Pvt. Ltd.	70,192,358	5,942,419
3,51,223 (Previous Year 2,34,000) Class A Equity Shares of ₹ 10/- each		
1 (Previous Year : 1) Class B Equity Shares of ₹ 10/- each	10	10
Northwood Constructions India Pvt. Ltd.		
2,500 (Previous Year : 2,500) Equity Shares of ₹ 10/- each	25,000	25,000
10,000 (Previous Year : 10,000) Class B Equity Shares of ₹ 10/- each	100,000	100,000
Share Application Money	2,450,684	2,450,684
Northwood Properties India Pvt. Ltd.		
2,500 (Previous Year : 2,500) Equity Shares of ₹ 10/- each	25,000	25,000
10,000 (Previous Year : 10,000) Class B Equity Shares of ₹ 10/- each	100,000	100,000
Share Application Money	3,530,849	3,530,849
Northwood Realty India Pvt. Ltd.		
2,500 (Previous Year : 2,500) Equity Shares of ₹ 10/- each	25,000	25,000
10,000 (Previous Year : 10,000) Class B Equity Shares of ₹ 10/- each	100,000	100,000
Share Application Money	2,250,849	2,250,849
Northwood Residential Ventures Pvt. Ltd.		
2,500 (Previous Year : 2,500) Equity Shares of ₹ 10/- each	25,000	25,000
10,000 (Previous Year : 10,000) Class B Equity Shares of ₹ 10/- each	100,000	100,000
Share Application Money	1,858,622	1,858,622
Northwood Township Project Pvt. Ltd.		
2,500 (Previous Year : 2,500) Equity Shares of ₹ 10/- each	25,000	25,000
10,000 (Previous Year : 10,000) Class B Equity Shares of ₹ 10/- each	100,000	100,000
Share Application Money	2,563,622	2,563,622
SSPDL Northwood Homes Pvt. Ltd.		
2,500 (Previous Year : 2,500) Equity Shares of ₹ 10/- each	25,000	25,000
10,000 (Previous Year : 10,000) Class B Equity Shares of ₹ 10/- each	100,000	100,000
Share Application Money	2,890,845	2,890,845
SSPDL Northwood Residence Pvt. Ltd.		
2,500 (Previous Year : 2,500) Equity Shares of ₹ 10/- each	25,000	25,000
10,000 (Previous Year : 10,000) Class B Equity Shares of ₹ 10/- each	100,000	100,000
Share Application Money	2,270,849	2,270,849
SSPDL Northwood Villas Pvt. Ltd.		
2,500 (Previous Year : 2,500) Equity Shares of ₹ 10/- each	25,000	25,000
10,000 (Previous Year : 10,000) Class B Equity Shares of ₹ 10/- each	100,000	100,000
Share Application Money	2,630,849	2,630,849
Northwood Infratech Pvt. Ltd.		
2,500 (Previous Year : 2,500) Equity Shares of ₹ 10/- each	25,000	25,000
10,000 (Previous Year : 10,000) Class B Equity Shares of ₹ 10/- each	100,000	100,000
Share Application Money	1,028,603	1,028,603
SSPDL Green Acres LLP	250,000	250,000

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	As at 31.03.2013 In ₹	As at 31.03.2012 In ₹
B. In Equity Shares of Other Companies - Fully Paid-up		
SSPDL Properties Pvt. Ltd. 168,796 (Previous Year: 168,796) Equity Shares of ₹ 10/- each	1,687,960	1,687,960
C. In Debentures of Associate Company - Unquoted, Fully Paid-up		
Nil (Previous Year :70,460) Class Y 27.46% Cumulative Compulsory Convertible Debentures of ₹ 1000/- each	-	70,460,000
Optionally Convertible 15% Debentures (Series B) fully paid-up		
- Northwood Constructions India Pvt. Ltd. 1,786,830 (Previous Year : 1,786,830) of ₹ 10/- each	17,868,300	17,868,300
- Northwood Properties India Pvt. Ltd. 1,824,060 (Previous Year : 1,824,060) of ₹ 10/- each	18,240,600	18,240,600
- Northwood Realty India Pvt. Ltd. 1,786,830 (Previous Year : 1,786,830) of ₹ 10/- each	17,868,300	17,868,300
- Northwood Residential Ventures India Pvt. Ltd. 1,228,390 (Previous Year : 1,228,390) of ₹ 10/- each	12,283,900	12,283,900
- Northwood Township Project Pvt. Ltd. 1,902,070 (Previous Year : 1,902,070) of ₹ 10/- each	19,020,700	19,020,700
- SSPDL Northwood Homes Pvt. Ltd. 1,769,100 (Previous Year : 1,769,100) of ₹ 10/- each	17,691,000	17,691,000
- SSPDL Northwood Residence Pvt. Ltd. 1,769,100 (Previous Year : 1,769,100) of ₹ 10/- each	17,691,000	17,691,000
- SSPDL Northwood Villas Pvt. Ltd. 1,866,610 (Previous Year : 1,866,610) of ₹ 10/- each	18,666,100	18,666,100
- Northwood Infratech Pvt. Ltd. 953,610 (Previous Year : 953,610) of ₹ 10/- each	9,536,100	9,536,100
D. Non-Trade Investments		
In Government Securities-Unquoted		
National Savings Certificate	300,000	300,000
Total	243,996,900	250,206,961
Aggregate Value of		
- Quoted Investments	-	-
- Unquoted Investments	243,996,900	250,206,961

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	As at 31.03.2013 In ₹	As at 31.03.2012 In ₹
14) DEFERRED TAX ASSETS (NET)		
a) Deferred Tax Asset		
On account of:		
Provision for Gratuity	-	287,075
Unabsorbed Depreciation Losses carry forward	419,371	3,996,763
Brought forward Business Losses	35,888,481	24,861,272
Total (a)	36,307,852	29,145,110
b) Deferred Tax Liability		
On account of:		
Depreciation	1,915,805	2,050,353
Total (b)	1,915,805	2,050,353
c) Net Deferred Tax Asset/(Liability) (a-b)	34,392,047	27,094,757
15) LONG TERM LOANS AND ADVANCES		
Unsecured, considered good		
a) Advance to Suppliers/Contractors	5,576,844	6,260,090
b) Telephone Deposit	59,944	59,028
c) Electricity Deposit	792,218	792,218
d) Rental Deposit	1,000,000	1,000,000
e) Security Deposits	6,238,170	20,794,481
f) Tax deducted at source	22,565,438	20,359,804
g) Others	17,513,870	20,659,040
Total	53,746,484	69,924,661
16) OTHER NON CURRENT ASSETS		
Unsecured, considered good		
Pre-operative expenses	1,233,830	1,233,830
Deposits with banks maturing after 12 months from the reporting date	2,844,600	1,464,000
Interest accrued on fixed deposits	299,155	81,046
Total	4,377,585	2,778,876
17) INVENTORIES		
Work-in-Progress	387,271,637	418,386,626
Land	118,797,300	102,665,100
Total	506,068,937	521,051,726
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	192,347,250	227,312,250
ii) Others	-	33,984,359
Unsecured considered good	27,572,175	18,836,440
Doubtful	8,082,990	-
Other Trade Receivables		
- Secured considered good	3,760,158	-
- Unsecured considered good	81,213,817	94,058,593
- Doubtful	793,688	-
Less: Provision for doubtful debts	(8,876,678)	-
Total	304,893,400	374,191,642

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	As at 31.03.2013 In ₹	As at 31.03.2012 In ₹
19) CASH AND CASH EQUIVALENTS		
a) Balance with Banks		
- In Current Account	14,093,340	7,267,361
- In Deposits accounts (original maturity of 3 months or less)	101,400,000	-
b) Cash on Hand	1,145,681	739,249
Total-(A)	116,639,021	8,006,610
OTHER BANKS BALANCES		
- In Margin Money account	3,842,919	13,024,697
- In Dividend Account	109,152	109,152
- In Deposits accounts (original maturity more than 3 months)	2,200,000	-
Total-(B)	6,152,071	13,133,849
Total-(A+B)	122,791,092	21,140,459
20) SHORT TERM LOANS AND ADVANCES		
Unsecured, considered good		
Current Portion of long-term loans and advances other than related parties	2,292,000	1,841,790
Loans and Advances to Employees	207,758	476,271
Advance to Suppliers and contractors	17,295,615	50,351,456
Balance with Statutory/Government authorities	116,098,332	88,780,595
Loans & Advances Related Parties (note)	96,762,886	42,927,063
Retention money	49,812,247	-
Prepaid expenses	1,823,861	1,757,004
Doubtful		
Advances to suppliers	3,817,470	817,440
Retention money	3,484,791	-
Less: Provision for doubtful advance	(7,302,261)	(817,440)
Total	284,292,699	186,134,179

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

20 (a) Loans and Advances Include

Particulars	Maximum Amount Outstanding at any time during the year		As At	As At
	2012-2013	2011-2012	31.03.2013	31.03.2012
a) Advances to companies in which directors are interested:				
- SSPDL Retreat Private Limited	4,116	872	4,116	872
- Alpha City Chennai IT Park Projects Private Limited	46,372,441	15,796,848	46,372,441	15,796,848
- SSPDL Infrastructure Developers Private Limited	611,606	611,606	592,285	611,606
- SSPDL Properties Private Limited	20,394	-	20,394	-
- SSPDL Green Acres LLP	49,505,625	26,517,737	49,505,625	26,517,737
b) Reimbursement of expenses	268,025	-	268,025	-
Total			96,762,886	42,927,063

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

Particulars	As at 31.03.2013 In ₹	As at 31.03.2012 In ₹
21) OTHER CURRENT ASSETS		
Unsecured, considered good		
Preliminary expenses	83,688	83,688
Interest accrued on fixed deposits	2,950,465	920,624
Unbilled revenue	102,694,193	75,263,749
Total	105,728,346	76,268,061

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	For the year ended 31.03.2013 In ₹	For the year ended 31.03.2012 In ₹
22) REVENUE FROM OPERATIONS		
Sale of Flats	18,478,383	81,687,568
Contract Revenue	614,137,921	637,856,413
Revenue from project management consultancy services	-	753,204
Other Operating Revenue	2,142,859	336,620
Total	634,759,163	720,633,805
23) OTHER INCOMES		
a) Interest Income		
Interest on Fixed Deposits	5,814,832	5,088,732
Interest Received on Debentures	3,021,518	19,402,546
Interest on Tax refunds	-	1,684,549
b) Other Non Operative Income		
Other Income from Maintenance	966,187	2,930,198
Infrastructure & Amenities charges	-	658,932
Credit balances written back	2,267,703	4,855,691
Total	12,070,240	34,620,648
24) a. CONSTRUCTION EXPENSES		
Work cost including Contractor's bills	598,865,438	717,441,363
Masonary and other works	472,893	8,027,760
Power and fuel charges	327,316	1,106,329
Rates and taxes	138,000	3,257,622
Survey and investigation work	-	8,824
Project Consultancy fee	3,981,231	2,914,039
Land Cost & Development charges	33,676,826	350,000
Total	637,461,704	733,105,937
b. Changes in Inventories of Work-in-Progress and Stock-in-Trade		
Inventories at the end of the year		
- Work in Process	387,271,637	418,386,626
- Land	118,797,300	102,665,100
	(A)	506,068,937
Inventories at the beginning of the year		
- Work in Process	418,386,626	391,454,040
- Land	102,665,100	102,665,100
	(B)	521,051,726
Decrease/(Increase) In Inventories	(B) - (A)	14,982,789
Construction Expenses	652,444,493	706,173,351
25) EMPLOYEE BENEFIT EXPENSES		
Salaries and Wages	74,943,863	86,287,197
Contribution to Provident and Other Funds	3,763,250	4,164,657
Staff Welfare Expenses	6,513,766	7,517,539
Total	85,220,879	97,969,393

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	For the year ended 31.03.2013 In ₹	For the year ended 31.03.2012 In ₹
26) FINANCE COST		
a) Interest Expenses on:		
i) Borrowings	35,764,356	32,049,565
ii) Others		
- Interest on deferred payment of income tax	2,305	-
b) Other Borrowing Costs	2,105,656	3,172,628
Total	37,872,317	35,222,193
27) DEPRECIATION	33,652,651	31,687,456
28) OTHER EXPENSES		
Power & Fuel	1,124,488	622,382
Rent	11,486,791	8,619,703
Repairs and maintenance - Machinery	1,391,362	1,463,697
Repairs and maintenance - Buildings	554,365	449,181
Repairs and maintenance - Others	898,771	1,160,090
Insurance	3,368,177	3,425,971
Rates & Taxes	784,417	1,116,915
Communication Cost	1,830,511	2,084,709
Travelling and conveyance	6,614,786	8,456,004
Foreign Travel Expenses	900,159	0
Printing and stationery	908,723	993,346
Business promotion	518,231	1,005,336
Director Sitting Fees	500,000	420,000
Legal and professional	3,807,720	4,203,888
Security charges	3,306,012	4,604,641
Provision for doubtful advances	3,484,791	817,440
Provision for doubtful debts	8,876,678	0
Advances Written off	5,748,826	160,306
Fixed Assets written off	1,509,853	0
Loss on sale of fixed assets	13,287	38,001
Payment to Auditors:		
a) Auditors		
Statutory Audit Fee	1,300,000	1,337,080
Tax Audit Fee	200,000	112,360
b) Management services	62,472	44,326
c) Reimbursement of expenses	134,338	24,088
Vehicle Running & Maintenance	715,128	730,750
Bank Charges	138,637	82,525
Miscellaneous Expenses	1,869,810	3,609,801
Total	62,048,333	45,582,540
29) EARNINGS PER SHARE		
Net Profit/Loss for the year after tax	(a) (160,776,463)	(82,971,558)
Weighted Average number of Equity shares outstanding during the year for Diluted Earnings Per Share	(b) 12,929,250	12,929,250
Basic and Diluted Earnings per share (face value ₹ 10/- each)	(a)/(b) (12.44)	(6.42)

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 Rs. Nil).
- ii) Company has given a corporate guarantee on behalf of M/s SSPDL Infrastructure Developers Private Limited for an amount of ₹ Nil- (Previous Year ₹ 85,739,276/-) in favour of Accent Hotels Private Limited and for an amount of ₹ Nil/- (Previous Year ₹ 52,758,962/-) in favour of Inter Globe Hotels Private Limited.
- 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 as filed a writ demand notice will be decided after outcome of the judgment on Writ Petition
- iv) During the Financial year 2011-12 the Company has received a Service Tax demand for ₹ 230,730/-. Company has filed an appeal before the Service Tax Tribunal. No provision has been made in the accounts for this demands as the Company expects a favorable decision in appeal.
- v) Service Tax demand to the extent of ₹ 3,76,38,547/- for the period 2006-07 to 2010. Represented the case before The Commissioner of Service tax, Chennai. No provision has been made in the accounts for this demands as the Company expects a favorable decision in appeal.

31) C.I.F VALUE OF IMPORTS:

(Amounts in ₹)

Particulars	Year ended 31.03.2013	Year ended 31.03.2012
Capital Goods	-	986,164

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

(Amounts in ₹)

Particulars	Year ended 31.03.2013	Year ended 31.03.2012
On account of Travel	15,53,257	726,444
Professional and consultancy fee	-	311,000
Others	96,011	287,040

33) DISCLOSURE IN ACCORDANCE WITH AS-7:

(Amounts in ₹)

Particulars	Year ended 31.03.2013	Year ended 31.03.2012
Contract Revenue recognize as revenue in the period	614,137,921	637,856,413
Cost incurred and Recognized Profit or Losses up to the reporting period	590,254,859	1,048,496,686
Advances received	23,711,505	51,953,538
Retention Money	31,266,241	28,290,832
Gross amount due from customers for contract work as asset	56,785,282	90,333,811
Gross amount due to customers for contract work as liability	19,562,467	13,326,110

34) EMPLOYEE BENEFITS

As per Accounting Standard 15 "Employees 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	2012-13	2011-12
Employer's Contribution to Provident Fund	14,69,879	2,290,664
Employer's Contribution to State Insurance Plan	6,85,390	1,222,156

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

(Amount in ₹)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
A. Change in present value of obligation		
Present value of obligation at the beginning of the year	1,842,226	2,459,978
Current Service cost	1,195,923	600,491
Interest cost	146,029	200,808
Benefits paid	-	(1,96,339)
Net Actuarial (Gain) / Loss Recognized during the year	(340,420)	(1,222,712)
Present value of obligation at the end of the year	2,843,758	1,842,226
B. Changes in the Fair Value of Plan Assets		
Present Value of Plan Assets at the beginning of the year	242,463	242,463
Expected Return on Plan Assets	217,093	90,398
Actuarial gain/ (loss) on plan assets	-	1,338,405
Contributions	803,693	440,596
Benefits Paid	-	(196,339)
Fair Value of Plan Assets at the end of the year	1,263,249	1,915,523
C. Net (Asset)/Liability recognized in the Balance Sheet		
Present value of obligation at the end of the year	2,843,758	842,726
Fair value of Plan Assets at the end of the year	2,936,309	1,915,523
Funded status (surplus) / deficit	33,543	(1,349,615)
Net (Asset) / Liability recognized in the Balance Sheet	33,543	1,349,615
D. Expenses recognized in the Profit & Loss Account		
Service Cost	11,95,923	600,491
Interest Cost	146,029	200,808
Expected return on Plan Assets	4,715	(90,398)
Net Actuarial (Gain) /Loss recognized during the year	(340,420)	(1,210,377)
Total Expenses/ (Income) recognized in Profit and Loss account	784,279	(499,476)
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%

- i) Other Benefit Plans: The Liability for Leave Encashment as at the year is Rs.Nil /-(previous year Rs.386,326/-)

35) 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 & Results

All segment revenues & 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 consist 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.

Particulars	(Amount in ₹)							
	Property Development		Construction & Project Management services		Unallocated		Total	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
External sales	56,713,929	87,134,410	636,519,303	250,941,249	-	-	693,233,232	338,075,659
Inter segment Sales			(58,474,069)	(81,862,723)	-	-	(58,474,069)	(81,862,723)
Total Revenue	56,713,929	87,134,410	578,045,234	169,078,526	-	-	634,759,163	256,212,936
Segment results Before other income, Finance cost, Exceptional items & tax	(114,459,455)	(61,186,533)	(84,147,738)	(99,592,404)			(198,607,193)	(160,778,937)
Less: Unallocable Expenses (net)								
Finance Cost					37,872,317	35,222,193	37,872,317	35,222,193
Exceptional items					-	388,100	-	388,100
Total Unallocable Expenses (net)					-	35,610,293	37,872,317	35,610,293
Profit before tax & Extraordinary Items							(236,479,510)	(196,389,230)
Add : Other Income (net)					12,070,240	34,620,648	12,070,240	34,620,648
Add : Extraordinary Item (Net)							-	-
Net Profit before taxes							(224,409,270)	(161,768,582)
Less : Provision for Taxation								
Current Tax					-	-	-	-
Deferred Tax-					(188,258)	(4,713,195)	(188,258)	(4,713,195)
MAT Credit					(7,297,291)	(19,690,871)	(7,297,291)	(19,690,871)
Net Profit for the year							(216,923,721)	(137,364,516)
OTHER INFORMATION								
Segment assets	732,373,161	606,564,793	653,920,322	715,641,071	405,933,516	390,939,417	1,792,226,999	1,713,145,280
Segment liabilities	771,014,501	525,195,461	266,394,465	276,434,203	81,316,743	1,965,502	1,118,725,709	803,595,166
Depreciation & Amortization	1,608,947	1,584,990	32,043,704	30,102,466	-	-	33,652,651	31,687,456
Capital Expenditure	279,392	149,635	13,747,572	61,612,644	-	-	14,026,964	61,762,279

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.

36) Related Party Disclosure

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
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 SSPDL Infrastructure Developers Private Limited SSPDL Green Acres LLP
Enterprises owned/significantly influenced by Key Management Personnel	Alpha City Chennai IT Park Projects Private Limited Sri SatyaSai Constructions (Partnership Firm) Sri SatyaSai Constructions (Sole Proprietary Concern) Sri Krishna Devaraya Hatcheries Private Limited SSPDL Ventures Private Limited SSPDL Retreat Private Limited
Key Managerial Personnel	Mr. Challa Prakash, Managing Director Mr. Challa Suresh, Director Mr. E. Bhaskar Rao, Director

a. Transactions with related parties are as follows:

Particulars	2012-2013	2011-2012
Sri Krishna Devaraya Hatcheries Private Limited		
Interest paid	3,092,875	2,778,971
SSPDL Infrastructure Developers Private Limited		
Interest paid	8,205,150	10,219,922
Advance recovered	19,321	4,305,536
SPPDL Green Acres LLP		
Advance given	22,987,888	26,517,737
SSPDL Retreat Private Limited		
Advance given	3244	872
Alpha City Chennai IT Park Projects Private Limited		
Advance given/(recovered)	30,575,593	(150,231)
E. Bhaskar Rao		
Interest paid	6,334,392	5,691,499
Suresh Challa		
Rent paid	1,175,224	1,256,410
Prakash Challa		
Rent paid	1,347,450	1,413,600
Remuneration	3,729,600	3,729,600

(b) Year end balances

Particulars	31-03-2013	31-03-2012
SSPDL Infrastructure Developers Private Limited		
Unsecured loan	55,300,000	72,800,000
Loans and Advance recoverable	592,285	611,606
Interest due on unsecured loans	5,230,621	-
Sri Krishna Devaraya Hatcheries Private Limited		
Unsecured loan	27,426,313	24,642,726
SSPDL Properties Private Limited		
Loans and Advance recoverable	20,394	20,394
SSPDL Ventures Private Limited		
Advance from customers	69,000,000	69,000,000
Interest due on unsecured loans	2,125,061	17,150,061
SSPDL Retreat Private Limited		
Loans and Advance recoverable	4,116	872
SSPDL Green Acres LLP		
Loans and Advance recoverable	49,505,635	26,517,737
Alpha City Chennai IT Park Projects Private Limited		
Loans and Advance recoverable	46,372,441	15,796,484
Trade receivables	192,347,250	227,312,250
Northwood Infratech Private Limited		
Loans and Advance recoverable	29,781	29,781
Northwood Constructions India Private Limited		
Loans and Advance recoverable	29,781	29,781
Northwood Properties India Private Limited		
Loans and Advance recoverable	29,781	29,781
Northwood Realty India Private Limited		
Loans and Advance recoverable	29,781	29,781
Northwood Residential Ventures India Private Limited		
Loans and Advance recoverable	29,781	29,781
Northwood Township Projects Private Limited		
Loans and Advance recoverable	29,781	29,781
SSPDL Northwood Homes Private Limited		
Loans and Advance recoverable	29,781	29,781
SSPDL Northwood Residence Private Limited		
Loans and Advance recoverable	29,781	29,781
SSPDL Northwood Villas Private Limited		
Loans and Advance recoverable	29,781	29,781
E. Bhaskar Rao		
Unsecured loan	56,170,723	50,469,771
Other receivables	100	100
Advance from customers	137,562,478	137,562,478
Suresh Challa		
Rent Deposits	90,000	90,000
Other receivables	100	100
Prakash Challa		
Rent Deposits	910,000	910,000

37) LEASE OBLIGATIONS:

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

Particulars	As at 31-03-2013	As at 31-03-2012
Future minimum lease payments		
Not later than one year	516,677	462,603
Later than one year and not later than five years	799,241	1,315,881
Total	1,315,918	1,778,484

38) 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, 2013.

- In relation to fixed assets, the company has to further strengthen its records so as to include comprehensive details of quantitative information and situation of fixed assets.
- Pursuant to physical verification of fixed assets, certain fixed assets were counted during the year and the company is in the process of reconciling the differences with the book records.
- Internal controls in respect of purchase of inventories and sale of services need to be significantly strengthened to make it commensurate with the size and nature of its business.
- There are certain delays in remittances of sales tax and service tax dues ranging between 1 to 31 days.
- The company has defaulted in repayment of dues to the debenture holders. Interest due on debentures amounting to Rs.6,193,906 have not been paid in the due dates and Rs.4,028,139 is yet to be paid.

The Board of SIPL has initiated necessary steps to address the above mentioned matters.

39) 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. : 0017575)

For and on behalf of the Board of Directors

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

PRAKASH CHALLA
MANAGING DIRECTOR

E.BHASKAR RAO
DIRECTOR

Place : Hyderabad
Date : 30.05.2013

D.BALAKRISHNAN
GENERAL MANAGER (ACCOUNTS)

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 Pvt. Ltd	31.03.2013	100,000	-	72,936,545	72,836,545	-	-	-	-	-	-	India
2	SSPDL Reality India Pvt. Ltd	31.03.2013	100,000	-	70,617,729	70,517,729	-	-	-	-	-	-	India
3	SSPDL Real Estates India Pvt. Ltd	31.03.2013	100,000	-	102,965,961	102,865,961	-	-	-	-	-	-	India
4	SSPDL Infra Projects India Pvt. Ltd	31.03.2013	100,000	-	41,964,217	41,864,217	-	-	-	-	-	-	India
5	SSPDL Interserve Pvt. Ltd	31.03.2013	1,000,000	151,352,438	448,948,499	296,596,061	-	638,048,643	(91,443,511)	-	(91,443,511)	-	India

For and on behalf of the Board of Directors

PRAKASH CHALLA
MANAGING DIRECTOR

E.BHASKAR RAO
DIRECTOR

D.BALAKRISHNAN
GENERAL MANAGER (ACCOUNTS)

A.SHAILENDRA BABU
COMPANY SECRETARY CUM MANAGER (FINANCE)

Place : Hyderabad
Date : 30.05.2013

SSPDL LIMITED

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

ATTENDANCE SLIP

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

I hereby record my presence at the NINETEENTH ANNUAL GENERAL MEETING of the Company held at Qutub Shahi Hall, Country Club, 6-3-1219, Begumpet, Hyderabad - 500 016 (A.P.) on Friday, the 27th September, 2013 at 12.00 P.M.

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

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

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

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

* Applicable to only Shareholders holding shares in Demat form.

NOTE : Members are requested to bring their copies of the Annual Report to the meeting.

SSPDL LIMITED

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

PROXY FORM

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

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

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

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

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

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

(A.P.) on Friday the 27th September, 2013 at 12.00 P.M. and at any adjournment(s) thereof.

Signed this ----- day of ----- 2013.

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

Affix Ps.15/-
Revenue
Stamp
and sign
across

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

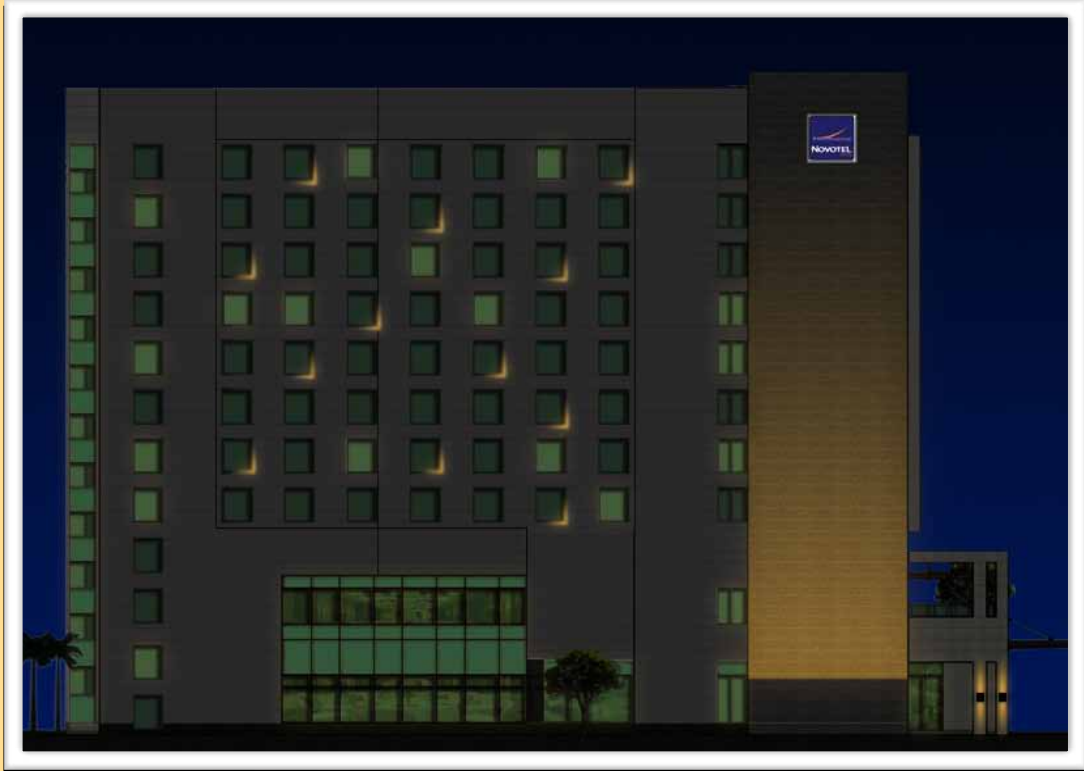
IMPORTANT COMMUNICATION TO MEMBERS

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

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

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

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



Hotel Novotel & IBIS, Sipcot, OMR, Chennai



Lakewood Enclave, Thalambur, OMR, Chennai



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

www.sspdl.com