

ANNUAL REPORT 2008 - 2009



SSPDL
Limited

CHENNAI | BANGALORE | HYDERABAD | KERALA

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

AUDIT COMMITTEE

Sri S. SURYANARAYANA	Chairman
Sri K.AKMALUDDIN SHERIFF	Member
Sri E. BHASKAR RAO	Member

**COMPANY SECRETARY CUM
MANAGER (FINANCE)**

Sri. A.SHAILENDRA BABU

AUDITORS

M/S. KARVY & CO.,
CHARTERED ACCOUNTANTS,
No. 2, BHOOMA PLAZA,
St.No. 4, AVENUE 7, BANJARA HILLS,
HYDERABAD - 500 034.

BANKERS

STATE BANK OF INDIA - 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 FIFTEENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF THE COMPANY WILL BE HELD AT QUTUB SHAHI HALL, COUNTRY CLUB, 6-3-1219, BEGUMPET, HYDERABAD - 500 016, AT 11.30.AM ON WEDNESDAY, THE 30TH DAY OF SEPTEMBER, 2009 TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2009 and the Profit & Loss Account for the year ended as on that date, together with the Auditor's Report and Directors' Report thereon.
2. To appoint a Director in place of Sri.Akmaluddin Sheriff, who retires by rotation, and being eligible, offers himself for reappointment.
3. 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, be and are hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of Fifteenth Annual General Meeting till the conclusion of Sixteenth Annual General Meeting at a remuneration as may be fixed by the Board of Directors of the Company."

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the Provisions of Section 198, 269, 309, 310, 314 and 317 read with Schedule XIII of the Companies Act, 1956 and other applicable provisions, if any, of the said Act including any statutory modification(s) or re-enactment thereof, and subject to such other consents/approvals as may be required, approval of the Company be and is hereby accorded to the re-appointment of Sri Challa Prakash as Managing Director of the Company for a further period of Five years with effect from 01.10.2009 on the terms and conditions including remuneration as set out hereunder:

a) Remuneration:

- i) **Salary :** Rs. 4,50,000/- per month, including dearness and all other allowances.
- ii) **Perquisites :**
 - contribution to 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.
 - gratuity payable at a rate not exceeding half a month's salary for each completed year of service, and
 - encashment of leave at the end of the tenure.

iii) **Commission:** Commission upto 5% (Five Percent) of the net profits of the Company inclusive of salary and the value of perquisites in accordance with the provisions of the Companies Act, 1956.

- b) **Minimum Remuneration:** Where in any financial year, during the currency of tenure of service, the Company has no profits or its profits are inadequate, the Company shall pay to Sri Prakash Challa, Managing Director remuneration by way of salary and perquisites not exceeding the limits specified in Schedule XIII of the Companies Act, 1956 including any statutory modifications or re-enactment thereof, as may, for the time being, be in force.
- c) The Board of Directors of the Company shall be at liberty and are hereby authorised to revise, enhance, alter and vary from time to time the aforesaid terms, conditions and remuneration in such manner as it may deem fit, provided such revision, enhancement, alteration, variation etc., is in accordance with, and within the limits prescribed in, the Companies Act, 1956 including any statutory modification(s) or re-enactment thereof."

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

Place : Hyderabad
Date : 31.07.2009

A.Shailendra Babu
Company Secretary cum
Manager (Finance)

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 25.09.2009 to 30.09.2009 (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.

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 who have not encashed 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. Members who hold shares in physical form and wish to make/change nomination in respect of their shareholding in the Company may submit duly filled in and signed Form No.2B to the Registrars and Share Transfer Agents of the Company.
12. Members who hold shares in physical form are requested to submit a copy of Permanent Account number (PAN) to the Share Transfer and Registrar of the Company.
13. Additional Information relating to Appointment/ Reappointment of Directors is provided in the Corporate Governance Report.

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(s) 4 of the Notice of the Meeting.

Item no.4

Members of the Company are informed that, Sri Prakash Challa was appointed as the Managing Director of the Company at the 11th Annual General Meeting held on 29th September, 2005 for a period of five years upto 22.10.2009. As the tenure of the Managing Director is coming to an end, the Board of Directors at its meeting held on 31st July, 2009 has re-appointed Sri Prakash Challa as Managing Director of the Company before the expiry of his present tenure for a period of five years w.e.f. 01.10.2009 subject to the approval of the shareholders to be accorded at the Annual General Meeting.

In terms of Section 269 of the Companies Act, 1956, any appointment or re-appointment of managerial personnel in accordance with Schedule XIII requires the permission of the Shareholders. Accordingly, approval of the shareholders is sought by way of passing resolution specified at Item No.4.

The terms and conditions of the re-appointment 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 proposed appointee is concerned or interested in the resolution.

Your Directors recommend the passing of this resolution as an Ordinary Resolution.

The proposed resolution as set out in Item No. 4 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**

Place : Hyderabad
Date : 31.07.2009

A.Shailendra Babu
Company Secretary cum
Manager (Finance)

DIRECTORS' REPORT

To
The Members

Your Directors have pleasure in presenting the Fifteenth Annual Report on the business and operations of the Company together with the Audited Financial Accounts for the year ended 31st March, 2009.

FINANCIAL RESULTS

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

	(Rupees in Lakhs)	
PARTICULARS	2008-2009	2007-2008
Total Income	4490.54	9814.71
Less: Operating Expenses	4331.26	6268.58
Gross Profit /(Loss) before Depreciation and Interest	159.28	3546.13
Less: Depreciation	28.72	18.14
Interest & Finance Charges	749.34	434.89
Profit / (Loss) before Tax	(618.78)	3093.10
Less: Provision for Tax	3.78	937.88
Provision for Deferred Tax - Charge / (Release)	(165.19)	0.96
Add : Excess Income Tax Provision made in earlier years written back	(537.57)	-
Profit / (Loss) after Tax	80.20	2154.26
Balance of Profit brought forward	2594.66	440.40
Profit available for appropriation	2674.86	2594.66
APPROPRIATIONS		
Proposed Dividend	-	-
Tax on proposed dividend	-	-
Transfer to General Reserve	-	-
Balance carried to Balance Sheet	2674.85	2594.66

Exceptional Item, reversal of IT provision

Your Company has made an application under Industrial Park Scheme, 2002 in January, 2007 to the Department of Industrial Policy and Promotion, under Non-automatic route for getting the approval for the Industrial Park developed by the Company for claiming deduction under Section 80IA of the Income Tax Act, 1961. In January, 2009, the Company has received a letter from Ministry of Commerce and Industry advising the Company to make a fresh application under Industrial Park Scheme, 2008.

As the Company has already developed the project as per the Industrial Park Scheme, 2002 which was in existence at the time of original application, the Company, for claiming the 80IA benefit, after taking legal advice has obtained the relevant certificates from a practicing chartered accountant. Afterwards the Company has filed revised income tax returns and accordingly credited back the income tax provision made in earlier years. Furthermore,

your company has filed a writ petition before the Honorable High Court of Madras seeking directions to enable your Company's application to be considered under the Industrial Park Scheme, 2002. The matter is pending desposal by the High Court.

BUSINESS OVERVIEW

The total income of your Company for the year under review is Rs.4,490.54 lakhs as compared to Rs.9,814.71 lakhs for the previous year ended 31st March, 2008. Profit after tax was Rs.80.20 lakhs as against Rs.2,154.26 lakhs in the previous year.

With regard to the residential houses construction, the company has started focusing on affordable housing segment. The Company believes that, there is strong growth potential in this segment, as the demand for such properties can be expected to continue to increase with the growth in the Indian Economy.

Projects undertaken by the Company are in full gear and are under various stages of execution.

The performance of the Company during the current year i.e., 2009-10 is expected to be in accordance with Company's plans.

CURRENT PROJECTS

CHENNAI

Chennai Central

A shopping mall project at Nungambakkam High Road, Chennai. The plan sanction process is in final stages and on receipt of planning permission construction work will commence.

Matrix Towers

The construction of this office complex is in final stages of completion and the building is ready for fit outs. The company is exploring the market for sale/lease of the balance unsold space.

Montieth Road Property

The Company is planning to submit revised Architectural plans to CMDA for sanctions.

The Promenade

The multi-storey building declaration from Director of Town and Country Planning is received. Planning is in full progress and the SPV has also received an advance from Accor Hotels for construction of Novotel and Ibis hotels.

Green Acres

The Company had entered into a Joint Venture Agreement with land owners for developing 7.20 acres of land into residential apartments. The land is situated at Kazhipattur Village in Old Mahabalipuram Road (IT Highway), Kancheepuram District. Due to the current market scenario, the Company is renegotiating with the landlord, only on its viability project will be taken up.

SSPDL Crescent

A Residential Premium Apartments project on a 1.12 Ac plot of land situated at Keelambakkam on Vandalur Road, (IT Express Highway), Chennai.

Considering the current market scenario, the Company revised its plan to smaller sized apartments making them more affordable.

Company has submitted revised plans for necessary approvals and company may receive the same shortly. After receiving the approvals construction will commence.

SSPDL Madhavanam

A Residential Villas / Row Houses project is proposed on a 3.89 Ac plot of land situated at Thalambur Village of Old Mahabalipuram, (IT Express Highway), Chennai. Keeping in view the current market, the Company is in the process of revising the original plans to cater affordable housing segment.

HYDERABAD

SSPDL Avion

All site development works have been completed and final approval is awaited from HADA.

The Retreat

The Company is exploring various options for developing the township including strategic alliances with third parties.

SSPDL Northwoods

SSPDL Ltd and Indiareit Fund Advisors Pvt. Ltd. through their SPVs have acquired 42 acres in Gundlapochampally village, Hyderabad to develop a gated residential villa community "SSPDL Northwoods". Mutation of the land is completed and land conversion process is under way. The project planning is in progress

BANGALORE

The Retreat

The Construction contracting work is in progress at "The Retreat" project at Bangalore. Currently several villas are under construction while the works relating to the club house, model villa and other related developments have been completed.

KERALA

The Retreat

The Company has acquired about 300 acres through itself and its subsidiaries, a Cardamom plantation land at Kalar Valley, 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.

The model villa plans are all complete and ready and Company will apply for the panchayat sanction once the mutation work is completed.

CONSTRUCTION CONTRACTS

TCG IT Park, Chennai

This project is on hold due financial difficulties of the client. Your Company is trying to resolve the issue with the client.

Ferns - Regalia Realty Ltd, Chennai

The client has requested the Company to curtail the work due to their inability to continue the project because of financial constraints. Your Company has exited from the project after receiving the final payment for the work executed.

Warehouse for SAIL, Vizag, Industrial Buildings at ECIL and Office building for NSIC, Hyderabad.

The Company has been awarded contract for providing infrastructure and other works for Steel Authority of India Limited (SAIL). The Company has also successful bid for construction of Industrial Buildings at ECIL, Hyderabad and an Exhibition cum Office Complex building for NSIC at Hyderabad. The construction works on these is in progress.

PROPOSED PROJECTS

The Company has been awarded a construction contract aggregating to Rs 18.50 Crores from M/s. Vishnudeep Projects and Properties Pvt. Ltd., Visakhapatnam for construction of 2.00 lakh sq feet of residential buildings at Tuticorin.

DIVIDEND

Your Directors do not recommend any dividend for the Financial Year ended 31st March, 2009.

DIRECTORS

Sri K. Akmaluddin Sheriff, Director retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment. During the year Sri Annam Dilip Kumar has joined as an Additional Director of the Company on 26.03.2009 and resigned on 10.06.2009.

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, 2009, your Company had 7 subsidiaries. There has been no material change in the nature of the business of the subsidiaries. A statement containing brief financial details of the subsidiaries is included in this Annual Report. As required under the Listing Agreements with the Stock Exchanges, the Consolidated Financial Statements of your Company and all its subsidiaries are attached. The Consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 issued by the Institute of Chartered Accountants of India and shows the financial resources, assets, liabilities, income, profits and other details of your Company and its subsidiaries.

Also during the year under review, your company has transferred part of the company's investment (i.e., 74% of the equity share capital in the Subsidiary Company) in M/s. Northwood Infratech Pvt. Ltd. to M/s. IL&FS Trust Company Ltd - Trustee to INDIAREIT Fund Scheme-III (the Investor). Accordingly, M/s. Northwood Infratech Pvt. Ltd. is not a subsidiary of the company as on 31.03.2009.

During the year under review, your company has incorporated a new SPV (i.e., M/s. SSPDL Almoayyed Projects Private Limited, Chennai) on 30.09.2008, making it a subsidiary of your Company from the date of its incorporation for undertaking development of real estate, Infrastructure, etc. at opportune times.

INVESTMENT

During the year under review, your company has invested Rs.14.88 crores in 15% Optionally Convertible Debentures in 9 SPVs with regard to Northwood Project.

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 annexure to the Director's Report.

SHARES PLEDGED BY THE PROMOTERS/DIRECTORS

During the year under review, Sri Prakash Challa, Managing Director and Sri Suresh Challa, Director of the Company have created pledge on the shares of the company held by them. Details are mentioned below:

Sl.No.	Name of the Director	No. of Shares on which pledge created
1	Prakash Challa	19,39,390
2	Suresh Challa	6,46,460
	Total	25,85,850

The pledge on their shares is offered as collateral security, for availing loan by the Company from State Bank of India, Industrial Finance Branch, Chennai.

REMUNERATION TO THE MANAGING DIRECTOR FOR THE YEAR 2008-09

As per the provisions of the Companies Act, 1956, the Company has no profits for the year and accordingly Company has considered the provisions of Schedule XIII to the Companies Act, 1956, for making payment of remuneration to the Managing Director.

INFORMATION UNDER SECTION 217(1)(e)

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

- | | | |
|-------------------------------------|---|---|
| A. CONSERVATION OF ENERGY | : | Even though the Company's activity is Civil Construction which is not power-intensive, the Company is making every effort to conserve the usage of power. |
| B. TECHNOLOGY ABSORPTION | : | NIL |
| C. FOREIGN EXCHANGE EARNINGS | : | NIL |
| FOREIGN EXCHANGE OUTGO | : | Rs.199.67 Lakhs |

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	Gross Remuneration	Net Remuneration	Qualification	Experience (Yrs)	Date of Joining	Previous Employment
1	K.M.Satish	48	Vice President	Rs.34.80 Lakhs	Rs.25.81 Lacs	B.Tech (Civil)	26 Years	01.01.2006	Project Managment Consultant

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

ACKNOWLEDGEMENTS

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

For and on behalf of the Board of Directors

PRAKASH CHALLA
MANAGING DIRECTOR

E.BHASKAR RAO
DIRECTOR

Place : Hyderabad
Date : 31.07.2009

MANAGEMENT DISCUSSION AND ANALYSIS REPORT 2008-09

1. INDUSTRY STRUCTURE AND DEVELOPMENTS:

The Indian economy, which witnessed robust growth up to the second quarter of 2008-09, recorded sharp deceleration thereafter in the wake of persistent global economic slowdown, particularly in the advanced economies. The slowdown in industrial growth was largely an outcome of some cyclical downturn and adverse global factors, the services sector also recorded moderation from its double-digit growth, notwithstanding a counter-cyclical rise in the growth of community, social and personal services following the implementation of the Sixth Pay Commission recommendations.

FY 08-09 has witnessed a steep fall in growth rate of Gross Domestic Product (GDP), which has been declined to 6.7% from its earlier three years 9% growth rate, the domestic price index has declined in rapid pace and it almost touched zero mark in March '09. The fiscal deficit has reached a mark of 6.2% from its earlier year 2.7%. (Source: Union Budget 2008-09, 6th July, 09.)

The construction industry has entered a phase of quantum growth in last 5-10 years. This has been necessitated by the urgency to address the inadequacies in infrastructure, which has been universally recognized as a major constraint in the path of economic growth and development. To make the growth process more inclusive, the 11th Five year Plan indicates a strong focus on infrastructural investment, social development and agriculture and rural development. The Indian construction industry which contributes 7.2 per cent to the GDP has been growing at an average growth rate of 10 per cent during the last three years. The sector attracted FDI worth USD 2,028 million in FY09, recording a growth rate of 16.35 per cent over the period 2008-09 when the FDI inflows in construction were USD 1,743 million.

Housing & real estate sector provided attractive investment opportunities in 2008-09 to foreign investors while the real estate market world over was under recession. The sector received about USD 2,801 million in FY '09 against USD 2,179 million in FY '08 and registered a growth of 28.55 per cent.

The Indian real estate sector plays a significant role in the country's economy. The sector contributes heavily towards the gross domestic product (GDP). Almost five per cent of the country's GDP is contributed by the housing sector. The real estate sector is also responsible for the development of over 250 ancillary industries such as cement, steel, paints etc.

The Indian real estate industry had experienced phenomenal growth just before the global meltdown hit it during the last year with the Interest rates on Home Loans going up from 7% in 2005 to 14% in 2008 affordability of Homes became a major cause for the slowing down of the offtake of the projects. Real estate companies suddenly saw themselves in the midst of one of the worst times ever. The recession blocked the inflow of funds so critical for expansion, and

the sector is severely impacted by this liquidity crisis. Funding by the banking system into the sector dried up totally, because of which the construction activity related to the real estate sector has almost come to a standstill in India and project completions were delayed, eroding customer sentiment deeply. The liquidity crisis and lower demand has impacted the project execution plans and debt servicing ability of the developers.

Considering the present economic condition, buyers are deferring their decision to acquire property and are more likely to invest once economy recovers and buyer confidence is restored. Judging from the pronouncements made by the government from time to time, we can expect more positive and concrete fiscal steps which will result in providing the required support to this sector for an early recovery. It is widely believed that the recovery of global real estate sector will take longer to recover than the global economy.

Although India's growth trajectory has been impacted both by the financial crisis and the global economic downturn, the structural drivers of the Indian economy continue to remain intact, sustaining the overall growth at a level much higher than most of the economies in rest of the world. It is expected that domestic demand in the Indian economy would be well supported by strong rural consumption demand as well as the co-ordinated monetary-fiscal stimulus measures undertaken recently. A quarterly survey conducted by the RBI and released in May 2009 projects India's GDP to grow at 7.5% over a 10-year period. This growth is expected to ride on the back of domestic demand rather than overseas business, propelled by the strong fundamentals of the economy. Over 60% of India's billion plus population is below the age of 25, contributing to rising incomes. Approximately 45% of the country's population will be urban by 2050, up from the current 30%, leading to strong demand for housing in urban areas. These factors coupled with a favourable political environment are likely to boost the economy as well as the real estate sector in the coming years.

With RBI allowing restructuring of loans and capital raised from disinvestment of non-core businesses, the industry seems to have overcome the short term problems. Large industry players have realigned their strategic focus and this shift in strategy is resulting in showing signs of improvement. This is also evident from the encouraging response received for the recent 'affordable housing' projects from the end user segment. All these re-iterate the fact that the slowdown in Indian property sector has more to do with the sentiment in tune with the international scene than with fundamentals. India remains significantly different from other countries of the world as it has a huge latent demand which is being fuelled by continued strong growth, favourable demographics and growing appetite for quality real estate.

Sustained economic growth shall continue to drive, growth in commercial activities which would directly fuel the demand for quality commercial and hospitality space and through the multiplier effect sustain demand for quality homes and retail space. Further the advent of Real Estate investment vehicles like RE mutual funds would help the industry to tap

a new source of capital for funding growth - the domestic retail investors, who have shied away from this sector because of the large ticket size and lack of right information and transparency.

2. OPPORTUNITIES, THREATS / RISKS AND CONCERNS:

Opportunities:

Indian real estate sector is likely to emerge out of this crisis stronger and wiser. As already evident, it is expected that industry players would focus on core areas for driving growth in the next few years. Also, real estate being a cyclical industry, the current phase is the ideal phase for investments and developments. It not only allows the developer to take advantage of lower resource and material costs, but also ensures that the capacity created now enables it to ride on the growth when the industry turns around.

Land prices have corrected in prime locations. This gives us an opportunity to acquire properties in prime locations at the right price and develop them in a timely manner with our strong execution capabilities. Apart from this, there are new developments and steps taken by the Government that present various opportunities in the near future, as described below.

- In April 2008, the Securities and Exchange Board of India (SEBI) announced amendments to the SEBI (Mutual Funds) Regulations 1996 permitting the launch of Real Estate Mutual Funds (REMFs) in India. REMFs are required to invest at least 35% of the net assets of the scheme directly in real estate (in ready-to-use property that assures rental income and capital appreciation) not stating the maximum investment limit
- Real Estate Investment Trusts (REITs) have been allowed entry into India. REITs cater to the capital requirement of the real estate sector as it enables the company easy access to funds and preferable exit options.
- Repealing the Urban Land (Ceiling and Regulation) Act, 1976 by a large number of Indian States.
- Allowing FDI upto 51% in single brand retail outlets and 100% in cash and carry

PE investment

PE funds evincing interest in affordable housing market segment has been receiving wide government fiscal support, according to market sources. There are nearly 75 funds established since March 2005 which have focused on these projects and entity level investments in areas like integrated townships, IT Parks and hospitality sectors. A number of domestic funds are showing interest in providing funds to projects that are in distress due to a shortage of funds for completion. However, the foreign players are looking at project-level investments with emphasis on cash-flows and completion. The high level of interest in real estate is also apparent from the response shown to the Qualified Institutional Placements from real estate companies. However, while private equity seems to be back as a funding option for real estate players, a positive change in the fundamentals of the sector may take much longer to come.

Key Segments

Housing: Urbanization is an indicator of economic development. Urbanization should be seen as a positive factor for overall development. This is manifested in the increasing contribution of urban sector to the national economy. For instance, in 1950-51, the contribution of urban sector to India's GDP was only 29%, which increased to 47% in 1980-81 and presently it is contributing 62%-63% and is likely to be 75% by 2021. The rate of urban growth in the country is very high as compared to developed countries, and the large cities are becoming larger mostly due to continuous migration of population to these cities.

Based on the population forecast made by Registrar General, Census Operations, Government of India, the urban population is expected to reach 433 million by 2021, while the total population may reach 1340 million. Thus, the level of urbanization in the country in the year 2021 is expected to be about 32%.

The housing boom is expected to continue, despite increased home loan rates and rising inflation. 7-10 million new homes are required every year.

Townships: Integrated township projects comprising a mix of residential, commercial/office space, sports facilities, retail and entertainment have become the USPs of many developers. New concepts like "walk-to-work", stylized and luxury offerings with round the clock security, facilities management etc have become a reality and customers are inclined towards acquiring the property in townships. Developers are conceiving projects with product and service differentiation as forte.

Commercial space: Commercial construction comprises construction of office space, hotels, hospitals, schools, stadia etc. In India, most of the investment in this segment is driven by office space construction. The BFSI (Banking, Financial Services and Insurance) and IT/ITES sectors, the two most prominent office space occupiers in the country, have been adversely affected in the economic downturn. The BFSI demand for office space in India's business districts fell during the year and it is projected to remain sluggish in the short term. Because of this the commercial space segment has entered into rents falling situation. The management expects that the market's recovery to be subtle and steady with the return of the positive sentiments.

Retail: Changing lifestyles and spending habits of the consumers led to an increase in consumption and demand for retail malls, multiplexes etc. India is among the world's ten largest retail market with an annual turnover of USD250 bn. The retail sector in India is in the growth phase. India's vast and rapidly growing middle class and its virtually untapped organized retail industry are key attractions for global retail giants wanting to enter newer markets.

The soaring rentals of malls and the excessive supply of retail space built in anticipation of huge projected demand combined with the economic slowdown have turned retailers cautious, with many stalling their immediate expansion plans. Lease rentals have been re-negotiated across the country and there is also a shift in the retailers' business model towards revenue share agreements with developers, shifting part of the risk on the developer.

Hospitality: Hospitality industry is witnessing significant changes in its dynamics with increase in tourists and business travel to India. Chief components of hospitality industry are hotels and allied services like travel, leisure and entertainment facilities etc.

Due to the current liquidity crisis the hospitality industry has also been affected which resulted in lower occupancy levels, delays in upcoming projects and decrease in room rates. Even while the industry has seen a short-term setback in the form of the current economic downturn, liquidity crunch and a marginal slowdown in business and leisure traveler, the sector is likely to see steady rise in demand. As per the Cushman Wakefield, the supply growth is expected to be phenomenal in Tier I & II cities like Pune, Bangalore, Hyderabad, Kolkata, NCR and Ahmedabad.

SEZs: Special Economic Zones (SEZs) are specifically delineated duty free enclaves deemed to be foreign territories for purposes of Indian custom controls, duties and tariffs. SEZ developers are eligible for various tax benefits. SEZs by virtue of their size are expected to be a significant new source of real estate demand in the future. With 100% FDI permitted in SEZs, this segment is roping in several big players for its development. However, many of these projects are held up at the land-buying stage due to stiff opposition from farmers unwilling to sell their land. Due to the downturn, many developers and companies are re-evaluating their decision to go ahead with SEZ projects. Your Company has not entered into this segment.

Infrastructure: Infrastructure development is expected to be undertaken through public-private partnerships, thereby increasing the flow of private capital into infrastructure projects. Key areas of infrastructure development include transport, power, telecommunications, ports, pipelines, sanitation, water supply and irrigation.

Approximately US\$ 350 billion has been set aside for infrastructure development expenditure by the 11th Five Year Plan period. The upcoming Dedicated Freight Corridors (DFC) by the Indian Railways and the proposed development of approximately 1,500 km of Delhi - Mumbai Industrial Corridor (DMIC) will lead to further development of 13 new industrial corridors. The central government is also in the process of setting up a dedicated fund of INR 50,000 crore for future infrastructure projects. The 11th Five year plan aims to create an integrated transport system in the country.

Threats/Risks and Concerns:

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

Liquidity crunch has impacted all real estate companies in India and it has become extremely difficult for the company to organise financing. Financial condition of the customers also affects the execution of projects.

Obtaining the requisite approvals and licenses in a timely manner, affects the business and operations. The delay in obtaining the same may adversely affect the Company's operations. The Company may encounter delays in obtaining these requisite approvals, or may not be able to obtain such approvals at all with regard to certain projects and accordingly the schedule of development and sale or letting of projects could be substantially

disrupted. The execution of Chennai Central project is delayed because of the delay in obtaining the necessary approvals.

Also the delay in the execution of projects can strain the Company's cash flow and may affect growth.

The Company has taken adequate measures to ensure timely completion of all its projects.

The boom in the real estate sector before the global downturn attracted a large number of players into the business which resulted in competition to obtain new business/projects. The Company is operating in an extremely competitive environment. As it gets into the expansion mode, it is poised to exploit several new opportunities. The Company ensures that the risks it undertakes are commensurate with better returns.

The Company's business is affected by the fluctuations in the prices of raw materials. To reduce this risk Company conducts the rate analysis before acquiring the materials and also maintain good relationship with vendors.

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

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

3. FUTURE OUTLOOK:

The management is of the view that, the real estate industry in spite of the present problems will continue to grow.

To enable it to provide housing at affordable prices, the Company will strive to reduce its costs of development in order to keep its costs low and maintain a reasonable profit.

With the depressed demand in commercial space, the focus is on aggressively getting tenants for older projects and only developing the properties that will be sold.

The Company has a proven track record in civil construction and taking advantage of the same it is planning to bid for new contracts, mostly in the Govt and Quasi Govt sectors as the Govt has embarked on a huge Spend in Infrastructure.

4. SEGMENT WISE PERFORMANCE :

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

5. 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.

6. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

Total income: The total income of the company is Rs.4490.54 lakhs, against Rs.9814.71 lakhs in 2007-08.

Profit before Depreciation and Interest: Rs.159.28 lakhs, as compared to Rs.3546.13 lakhs for 2007-08.

PBT: The Company's Loss Before Tax for the year under review stood at Rs.618.78 lakhs, as compared to Rs.3093.10 lakhs in the previous financial year.

PAT: The Profit after tax (PAT) of the Company is Rs.80.20 lakhs against Rs.2154.26 lakhs in 2007-08.

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

7. 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, 2009 SSPDL Ltd had 146 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, 2009, the Board comprised of six members. The Board consists of both promoter and external Directors.

During the year 2008-09 seven meetings of the Board of Directors were held on 19th April, 2008, 27th June, 2008, 28th July, 2008, 29th October, 2008, 23rd December, 2008, 30th January, 2009 and 26th March, 2009. 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		In other Committees as Member (or/and) Chairman	Shareholding of the Directors
					Public	Private		
1	Sri Prakash Challa	Managing Director; Executive Promoter Director	7	Yes	Nil	22	Nil	2359390
2	Sri E.Bhaskar Rao	Non-Executive Promoter Director	6	Yes	Nil	27	Nil	2127500
3	Sri Suresh Challa	Non-Executive Promoter Director	7	Yes	Nil	21	Nil	887600
4	Sri S Suryanarayana	Independent Non-Executive Director	7	Yes	Nil	Nil	Nil	300
5	Sri K. Akmaluddin Sheriff	Independent Non-Executive Director	6	Yes	Nil	4	Nil	6634
6	*Sri Annam Dilip Kumar	Independent Non-Executive Director	Nil	Not Applicable	1	Nil	Nil	0

* **Note:** Sri Annam Dilip Kumar has joined in the Board w.e.f 26th March, 2009 and resigned on 10.06.2009.

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 information on recruitment and remuneration of senior personnel just below the Board Level, including appointment of Chief Financial Officer and the Company Secretary.

- Non-compliance of any regulatory, statutory nature or listing requirements and shareholders services such as delay in share transfer etc.
- Details of any joint venture or collaboration agreement.
- Show cause, demand, prosecution notices and penalty notices which are materially important.
- General notice of interest of Directors
- Terms of reference of Board Committees.
- Any material default in financial obligations to and by the Company.
- Sale of material nature, of investments, subsidiaries, assets, which is not in normal course of business, etc.

Appointment/Re-appointment of Directors:**Sri K.Akmaludin Sheriff:**

Sri K.Akmaludin Sheriff, Director who retires by rotation and, being eligible, has offered himself for re-appointment. Sri K.Akmaluddin Sheriff, aged about 47 years holds a Masters Degree in Business Administration. He has experience in the field of construction and real estate. He is actively engaged in real estate in Bangalore. He is also director of M/s. Cresnet Information and Management Centre Pvt. Ltd., M/s.Cresnet Projects Pvt. Ltd., M/s.Network Homes Pvt. Ltd. and M/s.CBA Hotels and Resorts Pvt. Ltd. Sri K.Akmaludin Sheriff is not related to the other Board members. He is not a member in any Committee. He is holding 6634 equity shares of the Company.

Sri Prakash Challa:

Sri. Prakash Challa, aged 56 years, the promoter of the Company is a MSc, CAIIB and having vast experience of over 32 years in the construction, banking, aquaculture and pisciculture Industry. He is the President of CREDAI, Tamilnadu. Before turning as 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 is involved in planning and execution of the projects. Successfully completed construction of over 2.00 Million sq.ft of residential/commercial buildings aggregate value of over Rs.1000 Million. Presently handling projects worth over Rs. 2000 Million. Sri. Challa also successfully implemented within 60 days in 1996 1.8 MW Wind Power Project at Vadavalli Village, Coimbatore dist., Total investment of Rs. 1120.00 lakhs. Also, Sri. Challa Prakash has over 5 years of experience in export of Tuna fish and Shrimp Farming and Processing besides operation of Tuna Fishing vessels.

The details of directorships and committees' memberships held by Sri Prakash Challa in other Companies as on 31st March, 2009 are given below respectively:

Sl. No.	Name of the Company	Position
1	SSPDL Properties Private Limited	Director
2	SSPDL Retreat Private Limited	Director
3	Alpha City Chennai IT Park Projects Private Limited	Director
4	SSPDL Infrastructure Developers Private Limited	Managing Director
5	Kollur Residential Project Private Limited	Director
6	SSPDL Infra Projects India Private Limited	Director
7	SSPDL Matrix Towers Private Limited	Director
8	SSPDL Resorts Private Limited	Director
9	SSPDL Realty India Private Limited	Director
10	SSPDL Real Estates India Private Limited	Director
11	SSPDL Northwood Residence Private Limited	Director
12	SSPDL Northwood Villas Private Limited	Director
13	SSPDL Northwood Homes Private Limited	Director
14	Northwood Infratech Private Limited	Director
15	Northwood Realty India Private Limited	Director
16	Northwood Constructions India Private Limited	Director
17	Northwood Properties India Private Limited	Director
18	Northwood Township Project Private Limited	Director
19	Northwood Residential Ventures India Private Limited	Director
20	SSPDL Almoayyed Projects Private Limited	Director
21	Intelligent Software Solutions Private Limited	Director
22	CBA Hotels And Resorts Private Limited	Director

He is not a member in any Committee. He is holding 23,59,390 equity shares of the Company.

Sri Prakash Challa is not related to any other Directors of the Company except Sri Suresh Challa who is a relative of him.

3. BOARD COMMITTEES

Currently the Board has Four Committees viz, Audit Committee, Shareholders and Investor Grievances Redressal Committee, Remuneration 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.

AUDIT COMMITTEE

Composition:

The Audit Committee comprises of Sri S Suryanarayana, non-executive Independent Director as the Chairman and Sri K. Akmaluddin Sheriff, 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, Statutory Auditors, Chief Financial Officer (CFO)/Vice-President-(Finance) 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 Statutory Auditors, reviews the Company's financial and risk management policies and adequacy of internal controls with the management and is responsible for effective supervision of the financial reporting process and compliance with financial policies.

During the year under review, the Audit Committee met five times, i.e., on 19th April, 2008, 27th June, 2008, 28th July, 2008, 29th October, 2008 and 30th January, 2009. The attendance record of the members at these meetings are given below:

Name	Designation	No. of Meetings held during the year	No. of Meetings attended during the year
Sri S.Suryanarayana	Chairman	5	5
Sri E.Bhaskar Rao	Member	5	4
Sri K Akmaluddin Sheriff	Member	5	5

Role of the Audit Committee

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

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

9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of Internal control systems of a material nature and reporting the matter to the board.
10. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
12. To review the functioning of the Whistle Blower mechanism.
13. 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

REMUNERATION COMMITTEE

Composition

The Company has re-constituted the Remuneration Committee on 26.03.2009, as per the terms in Schedule XIII of the Companies Act, 1956. As on 31st March, 2009 the Remuneration Committee comprises of Sri S.Suryanarayana as the Chairman, Sri Akmaluddin Sheriff and Sri Annam Dilip Kumar as the members.

Terms of reference

- All the members of the remuneration committee should be present at its meeting.
- Chairman of the remuneration committee should 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 once on 26.03.2009 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 for attending Board and Audit Committee meetings. The details of remuneration paid/payable to the Directors of the Company during the year 2008-09 are given below:

Name of the Director	Sitting Fee (In Rs.)		Remuneration (In Rs.)	Commission (In Rs.)
	Board Meetings	Audit Committee Meetings		
Sri Prakash Challa	Nil	Nil	1,00,000 Per Month	Nil
Sri E.Bhaskar Rao	1,20,000	10,000	Nil	Nil
Sri Suresh Challa	1,40,000	Nil	Nil	Nil
Sri S Suryanarayana	1,40,000	12,500	Nil	Nil
Sri K. Akmaluddin Sheriff	1,20,000	12,500	Nil	Nil
Sri Annam Dilip Kumar	Nil	Nil	Nil	Nil

The following are the pecuniary transactions during the year under review, between the Company and Non-Executive Directors:

Name of the Non-executive Director	Transaction Details
Sri E.Bhasakar Rao	Rs.14.75 Crores was received for purchase of Property
Sri Suresh Challa	Rs.0.50 Crores was received for purchase of plot of land

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

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.Bhasakar 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 the Company has received 3 requests/complaints from the investors, all of which were resolved and no request/complaint is kept unattended for a period beyond 30 days. There were no shares pending transfer as on 31st March, 2009.

The status of shareholder's complaints during the financial year 2008-09 is as under:

Sl.No.	Nature of Complaint / Correspondence	Received	Cleared	Pending
1	Change / Correction of Address	0	0	0
2	No. of transfers	1	1	0
3	No. of Transmissions	0	0	0
4	Loss of Securities and Issue of Duplicate Securities	1	1	0
5	Others	1	1	0
	Total	3	3	0

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.Bhasakar Rao and as its members.

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
2007-2008	Federation of Andhra Pradesh Chambers of Commerce and Industry, Red Hills, Hyderabad	AGM	20th September, 2008	11.30 A.M.	No Special Resolution was passed
2006-2007	Mayfair (Tanashahi Hall), The Golkonda Hotel, Hyderabad	AGM	27th September, 2007	12.00 P.M.	No Special Resolution was passed
2005-2006	Country Club, Begumpet, Hyderabad	AGM	14th August, 2006	12.00 P.M.	2

During the year under review, the Company has not passed any resolution through postal ballot.

5. DISCLOSURES

- i) The Company has entered into certain related party transactions as set out in the notes to accounts, but they do not have any potential conflict with the interests of the Company at large.
- ii) There were no non-compliances by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three financial years.
- iii) Whistle Blower Policy: The Company established a mechanism for employees to report concerns about unethical behavior, actual or suspected fraud or violation of code of conduct policy. The mechanism also provides for adequate safeguards against victimization of employees who avail the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.
- iv) Details of Compliance with non-mandatory requirements: The Board of Directors at its meeting held on 26th March, 2009 has re-constituted a Remuneration Committee to fix and approve the remuneration package for executive directors.

6. 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).

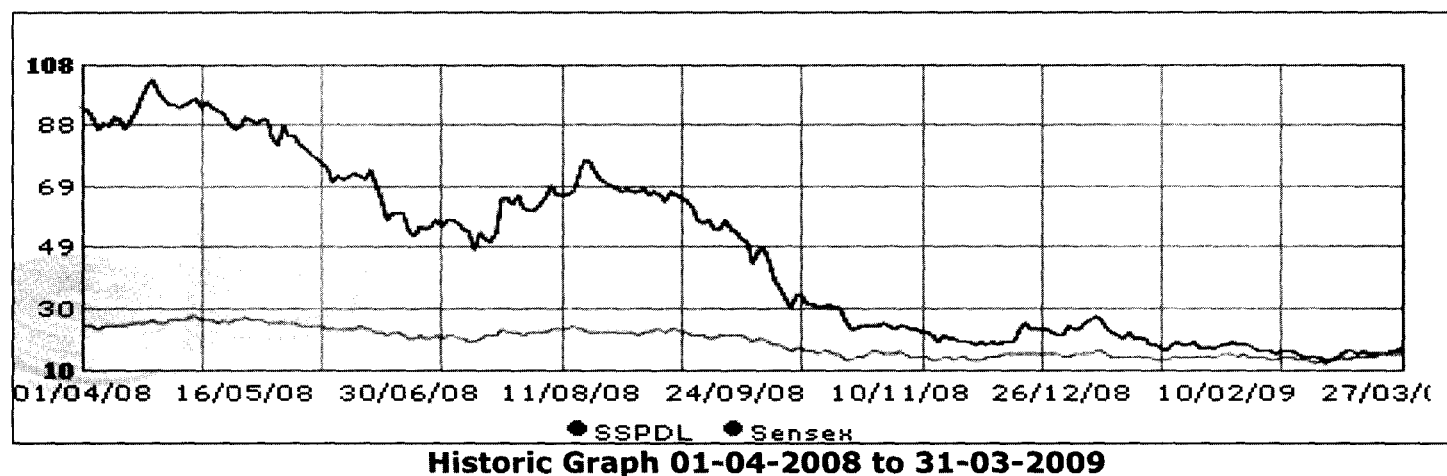
The information relating to Company's results, etc are displayed on the BSE web site (www.bseindia.com), SEBI website (www.sebi.gov.in) and the Company's website www.sspdl.com. Further, the Company's web site also displays the Press releases made by the Company and the presentations made to the institutional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

7. GENERAL SHAREHOLDER'S INFORMATION

Sl. No	Item	Details
1	AGM Date, Time and Venue	On Wednesday, the 30th day, September 2009 at 11.30 A.M, at Qutub Shahi Hall, Country Club, 6-3-1219, Begumpet, Hyderabad - 500 016, A.P.
2	Financial Year	1st April, 2009 to 31st March, 2010
3	Financial Calendar (tentative)	<ul style="list-style-type: none"> ● First Quarter Results - end July, 2009. ● Second Quarter / Half Year Results - end October, 2009. ● Third Quarter / Nine Months Results - end January, 2010. ● Fourth Quarter / Year end Results - end June, 2010.
4.	Dates of Book Closure	From 25th September, 2009 to 30th September, 2009 (Both days inclusive).
5.	Dividend Payment Date	Not Applicable
6	Listing on Stock Exchange	<p>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 2009-10.</p>
7.	Stock Code	(BSE) 530821 SCRI ID OF BOLT SYSTEM SSPDL

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

Month and Year	High (In Rs.)	Low (In Rs.)
April 2008	106.00	83.05
May 2008	99.90	81.00
June 2008	87.85	53.60
July 2008	74.40	46.50
August 2008	81.50	59.00
September 2008	76.85	41.10
October 2008	49.75	20.05
November 2008	26.75	18.25
December 2008	28.00	17.40
January 2009	30.00	15.55
February 2009	19.85	14.05
March 2009	18.00	11.70

9. Performance in Comparison to BSE Index (Source: www.moneycontrol.com)**10. 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 : 040-23420815 - 23420828.
Fax Nos : 040-23420814
E-mail : mailmanager@karvy.com

11. Share Transfer System

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

12. Shareholding Information:

i) Distribution Schedule as on 31.03.2009

Sl.No.	No. of Shares	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholding
1	Upto - 500	3326	80.18 %	494124	3.82 %
2	501 - 1000	321	7.74 %	258613	2.00 %
3	1001 - 2000	191	4.60 %	285538	2.21 %
4	2001 - 3000	81	1.95 %	205078	1.59 %
5	3001 - 4000	35	0.84 %	122236	0.95 %
6	4001 - 5000	28	0.68 %	130087	1.01 %
7	5001 - 10000	69	1.66 %	504033	3.90 %
8	10001 - and above	97	2.34 %	10929541	84.53 %
Total		4148	100.00 %	12929250	100.00 %

ii) Shareholding Pattern as on 31.03.2009

Sl.No.	Category	No. of Shareholders	Total Shares	% to Equity
1	PROMOTERS	4	6544642	50.62 %
2	RESIDENT INDIVIDUALS	3821	4113189	31.81 %
3	BODIES CORPORATE	160	1005108	7.77 %
4	NON RESIDENT INDIANS	44	1069379	8.27 %
5	H U F	107	128653	1.00 %
6	TRUSTS	1	60000	0.46 %
7	CLEARING MEMBERS	11	8279	0.06 %
Total		4148	12929250	100.00 %

13. Dematerialisation of Shares & Liquidity

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

98.28% of Company's shares are now held in Electronic form. The Company's shares are currently traded in S Group on the BSE, Mumbai.

14. Outstanding ADRs/GDRs

As on March 31, 2009, the Company has not issued any ADR/GDR.

15. Plant Locations

Not applicable

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

SSPDL Limited
8-2-595/3/6, Eden Gardens, Road No.10,
Banjara Hills, Hyderabad-500 034.
Phone No.: 040-66637560 Fax No.: 040-66637969
www.sspdl.com

Registrars and Transfer Agents:

M/s. Karvy Computershare Private Limited
Plot No.17 to 24, Vittalrao Nagar,
Madhapur, Hyderabad - 500081.
Phone No's : 040-23420815 - 23420828.
Fax No's : 040-23420814
E-mail : mailmanager@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, 2009 as envisaged in Clause 49 of the listing agreement with the Stock Exchanges.

Place : Hyderabad
Date : 31.07.2009

PRAKASH CHALLA
MANAGING DIRECTOR

MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER CERTIFICATION

We, Prakash Challa, Managing Director and Anand Madabhushi, Vice-President Finance, (Chief Financial Officer) of SSPDL Ltd certify that:

- a. We have reviewed the financial statements and the cash flow statements for the year and that to the best of our knowledge and belief.
 - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading
 - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year that are fraudulent, illegal or violative of Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls and we have evaluated the effectiveness of the internal control systems of the Company 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 ware 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 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.
 - iii. That there have been no instances of significant fraud of which we have become aware, involving the management or an employee having a significant role in the Company's internal control system.

PRAKASH CHALLA
Managing Director (CEO)

ANAND MADABHUSHI
Vice-President (Finance) (CFO)

Place : Hyderabad
Date : 30.06.2009

**AUDITOR'S REPORT
ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

To the Members of
SSPDL Limited

We have examined the compliance of conditions of Corporate Governance by SSPDL LIMITED ("the Company"), for the year ended 31st March, 2009 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Bombay Stock Exchange Limited.

The compliance of the 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 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 explanations 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

(K. AJAY KUMAR)
PARTNER
M. No. 21989

Place : Hyderabad
Date : 31.07.2009

AUDITORS' REPORT

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

1. We have audited the attached Balance Sheet of M/s. SSPDL Ltd ("the Company") as at 31st March, 2009 and also the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order 2003, as amended by the Companies Audit (Auditor's Report) (Amendment) Order, 2004 ("Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the annexure referred to above, we state that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (ii) In our opinion, the company has kept proper books of accounts as required by Law so far as appears from our examination of those books.

- (iii) The Balance Sheet, Profit & Loss account and Cash Flow statement dealt with by this report are in agreement with the books of account.
- (iv) In our opinion, the Balance Sheet, Profit & Loss account and Cash Flow statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, to the extent applicable.
- (v) On the basis of written representation received from the directors of the company as at March 31, 2009 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2009 from being appointed as a Director in terms of under Clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with notes thereon gives the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) In case of Balance Sheet, of the state of affairs of the Company as at 31st March 2009.
 - (b) In case of Profit & Loss account, of the PROFIT of the company for the year ended on that date.

And

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

For **KARVY & CO.,**
Chartered Accountants

(K. AJAY KUMAR)
Partner
M. No.: 21989

Place : Hyderabad
Date : 30.06.2009

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR AUDIT REPORT OF EVEN DATE TO THE MEMBERS OF M/S. SSPDL LTD FOR THE YEAR ENDED 31ST MARCH, 2009.

1. In respect of its fixed assets:

- a) The company has maintained proper records to show full particulars including quantitative details and situation of the fixed assets.
- b) The company has a phased programme of physical verification of its fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, substantial fixed assets were physically verified by management during the year and no material discrepancies were identified during such verification.
- c) As explained to us, no fixed assets were disposed off during the year.

2. In respect of its inventories:

- a) As explained to us, inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b) In our opinion, the procedures of physical verification of stocks followed by the Management and the frequency of verification are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) The company is maintaining proper records of inventory, the discrepancies noticed between the physical inventory and book stocks were not material.

3. i. According to the information and explanations given to us, the company has not granted any loans either secured or unsecured to companies, firms or other parties covered under register u/s.301 of the Companies Act, 1956. Accordingly, clause 3(a) to 3(d) of the order is not applicable.

ii. In respect of the loans taken by the company

- a) According to the information and explanations given to us, the company has taken unsecured loans from four parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount outstanding and the year-end balance is Rs.31.48 Crores.

b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions are not prima facie prejudicial to the interest of the company.

c) The said loan is repayable on demand and there is no repayment schedule. However, interest is serviced regularly.

4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of business with regard to the purchase of inventories and fixed assets and with regard to sale of goods and services. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in internal controls.

5. In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956:

a. In our opinion and according to the information and explanations given to us, the transactions that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.

b. In our opinion, and according to the information and explanations given to us, transactions exceeding the value of Rs.5.00 lakhs in respect of any party made in pursuance of contracts or arrangements, entered in the register maintained under Section 301 of the Companies Act, 1956 have been made, prima facie at prices which are reasonable having regard to prevailing market prices.

6. According to information and explanations given to us, the company has not accepted any deposits from the public within the meaning of Section 58A and 58AA or any other relevant provisions of the Act. Accordingly, clause 4(vi) of the order is not applicable.

7. In our opinion the company has an internal audit system commensurate with size and nature of its business.

8. In respect of this company, maintenance of cost records has not been prescribed by the Central Government under Section 209 (1) (d) of the Companies Act, 1956.

9. a) According to the books and records as produced and examined by us in and also based on Management representations, undisputed statutory dues in respect of Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Wealth Tax, Sales Tax, Service tax, Custom duty, Excise duty and Cess and other material statutory dues, to the extent applicable, have been regularly deposited during the year with appropriate authorities.

- 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 Rs.	Period to which amount relates	Forum where dispute is pending
Tamilnadu General Sales Tax Act.	Sales tax on inter-state purchase of goods	320,340	2002-03	Appellate Tribunal

10. The company does not have any accumulated losses at the end of the year. The company has incurred cash loss amounting to Rs.6,20,33,805/- during the financial year and, however, no cash loss reported in the immediately preceding financial year.
11. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to banks. The company has not taken any loans from financial institutions.
12. In our opinion and according to information and explanations given to us and as per verification of records, the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, clause 4(xii) of the Order is not applicable.
13. In our opinion, considering the nature of activities carried on by the company during the year, the provisions of any special statute applicable to Chit fund / Nidhi Mutual benefit fund /societies/NBFC are not applicable to it. Accordingly, clause 4(xiii) of the Order is not applicable.
14. The Company has not dealt or traded in shares, securities, debentures and other investments. Accordingly, clause 4(xiv) of the Order is not applicable.
15. As per information and explanations given to us, the company has not given any guarantee for loans taken by others from banks and financial institutions during the year.
16. To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the company during the year were prima-facie applied for the purposes for which the loans were obtained.
17. According to the information and explanation given to us and on an overall examination of the balance sheet of the company, we are of the opinion that no funds raised on short-term basis have been used for long term investment.
18. The company has not made any preferential allotment of shares to the parties covered in the register maintained under Section 301 of the Companies Act, 1956 during the year. Accordingly clause 4 (xviii) is not applicable.
19. The company during the year has not issued any debentures. Accordingly, clause 4(xix) of the Order is not applicable.
20. The company has not raised any money from the public by issue of shares during the year.
21. According to the information and explanations given to us and on the basis of examination of records, no fraud on or by the company was noticed or reported during the year.

For **KARVY & CO.,**
Chartered Accountants

Place : Hyderabad
Date : 30.06.2009

(**K. AJAY KUMAR**)
PARTNER
M. No.: 21989

BALANCE SHEET AS AT 31ST MARCH, 2009

Particulars	Schedule	Rupees	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
SOURCES OF FUNDS				
SHAREHOLDERS' FUNDS				
Share Capital	1	129,292,500		129,292,500
Reserves and Surplus	2	506,613,902	635,906,402	498,594,745
				627,887,245
LOAN FUNDS				
Secured Loans	3		353,931,093	306,316,610
Unsecured Loans	4		162,317,103	121,500,000
DEFERRED TAX LIABILITY			-	894,587
Total			1,152,154,598	1,056,598,442
APPLICATION OF FUNDS				
FIXED ASSETS				
Gross Block	5	52,312,096		40,285,949
Less : Depreciation		7,664,829		4,792,778
Net Block			44,647,267	35,493,171
INVESTMENTS	6		175,261,232	19,582,560
DEFERRED TAX ASSET			15,624,299	-
CURRENT ASSETS, LOANS AND ADVANCES	7			
Interest Accrued		360,589		394,474
Inventories		295,562,966		237,850,931
Sundry Debtors		687,407,741		587,107,195
Cash and Bank balances		17,415,453		81,537,683
Loans and Advances		498,621,568		479,683,445
			1,499,368,317	1,386,573,728
Less : CURRENT LIABILITIES AND PROVISIONS	8			
Current Liabilities		581,270,820		287,287,891
Provisions		1,475,697		97,763,126
			582,746,517	385,051,017
NET CURRENT ASSETS			916,621,800	1,001,522,711
MISCELLANEOUS EXPENDITURE (To the extent not written off)			-	-
Total			1,152,154,598	1,056,598,442
Significant Accounting Policies and Notes To Accounts	15			

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

As per our attached report of even date
For **KARVY & CO.,**
Chartered Accountants

For and on behalf of the Board of Directors

(K.AJAY KUMAR)
PARTNER

PRAKASH CHALLA
MANAGING DIRECTOR

E.BHASKAR RAO
DIRECTOR

Place : Hyderabad
Date : 30.06.2009

A.SHAILENDRA BABU
COMPANY SECRETARY

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

Particulars	Schedule	2008-2009 Rupees	2007-2008 Rupees
INCOME			
Contract Revenue/Income from Operations	9	423,149,420	975,072,856
Other Income	10	25,904,868	6,398,098
Total		449,054,288	981,470,954
EXPENDITURE			
Works Cost	11	370,576,591	534,633,864
Personnel Cost	12	40,398,748	27,189,880
Administration expenses	13	22,151,295	65,034,051
Finance Charges	14	74,934,318	43,489,964
Depreciation	5	2,872,051	1,813,577
Total		510,933,003	672,161,336
PROFIT / (LOSS) BEFORE TAX		(61,878,715)	309,309,618
Provision for Tax :			
Current Tax		-	93,550,312
Fringe Benefit Tax		378,460	237,805
Deferred Tax		(16,518,886)	95,565
Earlier years excess income tax provision written back		(53,757,445)	-
PROFIT AFTER TAX		8,019,157	215,425,935
Profit brought forward from previous year		259,466,286	44,040,351
Surplus carried to the balance sheet		267,485,443	259,466,286
EARNINGS PER SHARE (FACE VALUE OF Rs.10/- PER SHARE)			
- Basic and Diluted		0.62	17.98

Significant Accounting Policies and Notes To Accounts

15

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

As per our attached report of even date
For **KARVY & CO.,**
Chartered Accountants

For and on behalf of the Board of Directors

(K.AJAY KUMAR)
PARTNER**PRAKASH CHALLA**
MANAGING DIRECTOR**E.BHASKAR RAO**
DIRECTORPlace : Hyderabad
Date : 30.06.2009**A.SHAILENDRA BABU**
COMPANY SECRETARY

SCHEDULES FORMING PART OF THE BALANCE SHEET

Particulars	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
SCHEDULE 1		
SHARE CAPITAL		
Authorised		
2,50,00,000 (Previous year 2,50,00,000) equity shares of Rupees 10 each	250,000,000	250,000,000
Issued, Subscribed and Paid up		
1,29,29,250 (Previous year 1,29,29,250) equity shares of Rupees 10 each fully paid up	129,292,500	129,292,500
Total	129,292,500	129,292,500
SCHEDULE 2		
RESERVES AND SURPLUS		
Share Premium		
Opening Balance	220,887,000	118,552,000
Add: Additions during the year	-	102,335,000
Total	220,887,000	220,887,000
General Reserve		
Opening Balance	18,241,459	18,356,476
Less: Employee retirement benefits adjusted (net of deferred tax)	-	137,067
Add: Forfeiture of warrant application money	-	22,050
Total	18,241,459	18,241,459
Surplus in Profit and Loss account	267,485,443	259,466,286
Total	506,613,902	498,594,745
SCHEDULE 3		
SECURED LOANS		
Term Loan :		
State Bank of India	145,650,836	245,307,673
Axis Bank Ltd	314,010	-
HDFC Bank Ltd	3,201,773	3,730,102
Kotak Mahindra Bank Ltd	1,304,071	1,968,870
Over Draft :		
Axis Bank	-	54,422,918
State Bank of India	201,769,284	-
Fixed Loan :		
Reliance Capital Fund Ltd	413,944	640,579
Kotak Mahindra Prime Ltd	1,277,175	246,468
Total	353,931,093	306,316,610
SCHEDULE 4		
UNSECURED LOANS		
Inter Corporate Deposits	129,317,103	121,500,000
Loan from Directors	33,000,000	-
Total	162,317,103	121,500,000

SCHEDULE FORMING PART OF THE BALANCE SHEET

SCHEDULE 5

FIXED ASSETS

(In Rupees)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2008	Additions During the year	Deletions During the year	As at 31.03.2009	As at 01.04.2008	For the Year	Adjustments	As at 31.03.2009	As at 31.03.2009	As at 31.03.2008
Buildings	374,941	2,777,332	-	3,152,273	76,893	31,387	-	108,280	3,043,993	298,048
Construction Equipment	26,509,953	4,182,210	-	30,692,163	2,136,026	1,364,902	-	3,500,928	27,191,235	24,373,927
Office Equipment	3,359,161	1,593,312	-	4,952,473	1,260,007	421,147	-	1,681,154	3,271,319	2,099,154
Furniture and Fixtures	2,513,215	1,262,493	-	3,775,708	777,219	187,886	-	965,105	2,810,603	1,735,996
Vehicles	7,528,679	2,210,800	-	9,739,479	542,633	866,729	-	1,409,362	8,330,117	6,986,046
Total	40,285,949	12,026,147	-	52,312,096	4,792,778	2,872,051	-	7,664,829	44,647,267	35,493,171
Previous Year	29,679,166	10,606,783	-	40,285,949	2,979,202	1,813,576	-	4,792,778	35,493,171	26,699,964

SCHEDULES FORMING PART OF THE BALANCE SHEET

Particulars	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
SCHEDULE 6		
INVESTMENTS :		
A EQUITY SHARES:		
(Fully paid-up, NonTrade, Quoted and Long Term)		
- Andhra Bank Ltd 5,631 equity shares of Rs.90/- each	506,790	506,790
(a) In Subsidiaries		
- SSPDL Resorts Pvt Ltd 10,000 equity shares of Rs.10/-each	100,000	100,000
- SSPDL Realty India Pvt Ltd 10,000 equity shares of Rs.10/-each	100,000	100,000
- SSPDL Real Estates India Pvt Ltd 10,000 equity shares of Rs.10/-each	100,000	100,000
- SSPDL Matrix Towers Pvt Ltd 10,000 equity shares of Rs.10/-each	100,000	100,000
- SSPDL Infra Projects India Pvt Ltd 10,000 equity shares of Rs.10/-each	100,000	100,000
- Kollur Residential Project Pvt Ltd 10,000 equity shares of Rs.10/-each	100,000	100,000
- Northwood Infratech Pvt Ltd 10,000 equity shares of Rs.10/-each	-	100,000
- SSPDL Almoayyed Projects Pvt Ltd 9,990 equity shares of Rs.10/-each	99,900	-
(b) Others		
- SSPDL Properties Pvt Ltd 1,68,796 equity shares of Rs.10/-each	1,687,960	1,687,960
- Alphacity Chennai IT Park Projects Pvt Ltd 9,980 equity shares of Rs.10/-each	99,800	99,800
- SSPDL Infrastructure Developers Pvt Ltd 2,34,000 Class A equity shares of Rs.10/-each 1 Class B Equity Share of Rs.10 each	2,340,000 10	2,340,000 10
- Northwood Constructions India Pvt Ltd 2,500 (Previous year 2600) Equity shares of Rs.10/-each 10,000 Class B Equity shares of Rs.10/-each Share Application Money	25,000 100,000 650,684	26,000 - -
- Northwood Properties India Pvt Ltd 2,500 (Previous year 2600) Equity shares of Rs.10/-each 10,000 Class B Equity shares of Rs.10/-each Share Application Money	25,000 100,000 1,130,849	26,000 - -
- Northwood Realty India Pvt Ltd 2,500 (Previous year 2600) Equity shares of Rs.10/-each 10,000 Class B Equity shares of Rs.10/-each Share Application Money	25,000 100,000 320,849	26,000 - -
- Northwood Residential Ventures India Pvt Ltd 2,500 (Previous year 2600) Equity shares of Rs.10/-each 10,000 Class B Equity shares of Rs.10/-each Share Application Money	25,000 100,000 473,622	26,000 - -

SCHEDULES FORMING PART OF THE BALANCE SHEET

Particulars	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
- Northwood Township Project Pvt Ltd 2,500 (Previous year 2600) Equity shares of Rs.10/-each 10,000 Class B Equity shares of Rs.10/-each Share Application Money	25,000 100,000 618,622	26,000 - -
- SSPDL Northwood Homes Pvt Ltd 2,500 (Previous year 2600) Equity shares of Rs.10/-each 10,000 Class B Equity shares of Rs.10/-each Share Application Money	25,000 100,000 1,020,845	26,000 - -
- SSPDL Northwood Residence Pvt Ltd 2,500 (Previous year 2600) Equity shares of Rs.10/-each 10,000 Class B Equity shares of Rs.10/-each Share Application Money	25,000 100,000 620,849	26,000 - -
- SSPDL Northwood Villas Pvt Ltd 2,500 (Previous year 2600) Equity shares of Rs.10/-each 10,000 Class B Equity shares of Rs.10/-each Share Application Money	25,000 100,000 630,849	26,000 - -
- Northwood Infratech Pvt Ltd 2,500 Class A Equity shares of Rs.10/-each 10,000 Class B Equity shares of Rs.10/-each Share Application Money	25,000 100,000 428,603	- - -
B Debentures in Associates (Trade, Non-Quoted and Long Term)		
Compulsory Convertible Debentures		
- SSPDL Infrastructures Developers Pvt Ltd 14,040 Class Y 27.46% Cumulative Compulsorily Convertible Debenture of Rs.1000/- each	14,040,000	14,040,000
Optionally Convertible 15% Debentures (Series B) of Rs.10/- each fully paid up		
- Northwood Constructions India Pvt Ltd (Purchased 1,786,830 debentures during the year)	17,868,300	-
- Northwood Properties India Pvt Ltd (Purchased 1,824,060 debentures during the year)	18,240,600	-
- Northwood Realty India Pvt Ltd (Purchased 1,786,830 debentures during the year)	17,868,300	-
- Northwood Residential Ventures India Pvt Ltd (Purchased 1,228,390 debentures during the year)	12,283,900	-
- Northwood Township Projects Pvt Ltd (Purchased 1,902,070 debentures during the year)	19,020,700	-
- SSPDL Northwood Homes Pvt Ltd (Purchased 1,769,100 debentures during the year)	17,691,000	-
- SSPDL Northwood Residence Pvt Ltd (Purchased 1,769,100 debentures during the year)	17,691,000	-
- SSPDL Northwood Villas Pvt Ltd (Purchased 1,866,610 debentures during the year)	18,666,100	-
- Northwood Infratech Pvt Ltd (Purchased 953,610 debentures during the year)	9,536,100	-
Total	175,261,232	19,582,560
Aggregate book value of quoted investments	506,790	506,790
Aggregate market value of quoted investments	253,113	417,257
Aggregate book value of un-quoted investments	174,754,442	19,075,770

SCHEDULES FORMING PART OF THE BALANCE SHEET

Particulars	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
SCHEDULE 7		
CURRENT ASSETS, LOANS AND ADVANCES		
Inventories		
Work-in-Progress	221,795,966	167,739,931
Land	73,767,000	70,111,000
	295,562,966	237,850,931
Sundry Debtors (Unsecured, considered good)		
Debts outstanding for a period exceeding 6 months:	580,832,620	108,300,000
Others	106,575,121	478,807,195
	687,407,741	587,107,195
Cash and Bank Balances		
Cash on Hand	676,661	1,951,813
Balances with Scheduled Banks		
- in Current Accounts	4,202,092	68,468,670
- in Deposits Account	12,536,700	11,117,200
	17,415,453	81,537,683
Loans and Advances (unsecured, considered good, recoverable in cash or in kind or for value to be received)		
Advances Recoverable	397,609,782	436,855,006
Deposits	2,300,948	2,690,765
TDS and Advance Tax	98,710,838	40,137,674
	498,621,568	479,683,445
Total	1,499,007,728	1,386,179,254
SCHEDULE 8		
CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities		
Sundry Creditors		
- Dues to SSIs	-	-
- Dues to Micro, Small and Medium Enterprises	-	-
- Others	110,065,853	66,846,282
Unclaimed Dividends-2006-07	110,212	124,482
Other Liabilities	203,510,888	142,312,494
Advances from Clients	267,583,867	78,004,632
	581,270,820	287,287,891
Provisions		
For Income Tax	-	93,550,312
For Fringe Benefit Tax	539,070	237,805
Retirement Benefits	936,627	3,975,009
Total	582,746,517	385,051,017

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

Particulars	2008-2009 Rupees	2007-2008 Rupees
SCHEDULE 9		
CONTRACT REVENUE / INCOME FROM OPERATIONS		
From Sales	106,610,862	958,564,568
From Contract Revenue	316,538,558	16,508,288
Total	423,149,420	975,072,856

SCHEDULE 10		
OTHER INCOME		
Rental Income	79,800	79,800
Interest Gross		
- On Deposits	1,263,164	3,664,742
(Tax Deducted at Source Rs.2,48,228/- Previous Year Rs.8,15,004/-)		
- Trade Investments	4,065,788	1,679,469
(Tax Deducted at Source Rs.8,73,631/- Previous Year Rs.2,74,116/-)		
Dividends	11,262	21,398
Foreign Currency Fluctuations	-	130,753
Miscellaneous Income	12,847,502	-
From Rent & Other Receipts	7,637,352	821,936
Total	25,904,868	6,398,098

SCHEDULE 11		
WORK COST/PROJECT EXPENSES		
Works Cost including Contractor's Bills	336,338,295	488,115,552
Masonry and Other Works	51,501,383	33,521,152
Power and Fuel Charges	2,506,737	5,597,632
Rates and Taxes	25,822,050	13,588,145
Survey and Investigation Work	1,823,724	1,110,647
Project Consultancy Fee	6,640,437	9,589,292
Land	3,656,000	34,085,475
(Increase)/Decrease in Work-in-Progress		
- Opening Work-in-Progress	237,850,931	186,876,900
- Closing Work-in-Progress	295,562,966	237,850,931
Total	370,576,591	534,633,864

SCHEDULE 12		
PERSONNEL COST		
Salaries and Wages	37,555,811	22,546,957
Contribution to Provident Fund and Other Funds	792,073	3,673,956
Staff Welfare	2,050,864	968,967
Total	40,398,748	27,189,880

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

Particulars	Rupees	2008-2009 Rupees	2007-2008 Rupees
SCHEDULE 13			
ADMINISTRATION EXPENSES			
Rent		2,175,023	1,616,352
Rates and Taxes		880,807	201,834
Electricity Charges		344,814	283,790
Repairs and Maintenance			
- Buildings	315,294		104,988
- Plant and Machinery	184,568	499,862	76,706
Vehicle Maintenance		736,698	258,987
Traveling and Conveyance		4,133,938	4,732,990
Insurance		55,140	41,833
Communication Expenses		1,099,051	1,216,557
Office Maintenance		505,360	117,942
Printing and Stationery		809,501	1,152,382
Listing Fees		33,251	30,000
Payment to Auditors			
- Towards Audit Fee	252,810		252,810
- Towards Tax Matters	84,270		84,270
- Others	64,045	401,125	-
Professional Charges		2,081,917	4,599,873
Advertisement Expenses		3,382,913	16,279,363
Business Promotion		325,317	337,311
Commission / Brokerage		1,561,800	12,471,536
Remuneration to Managing Director		1,200,000	16,141,731
Preliminary & Capital Issue Expenses		-	2,715,679
General Expenses		1,924,778	2,317,118
Total		22,151,295	65,034,051
SCHEDULE 14			
FINANCIAL CHARGES			
Interest on Fixed Loans		27,436,307	28,291,066
Interest on Others		38,245,956	10,820,032
Bank Charges		9,252,055	4,378,866
Total		74,934,318	43,489,964

SCHEDULE 15

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS:

I. SIGNIFICANT ACCOUNTING POLICIES

a. **Basis of Accounting:**

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

b. **Use of Estimates:**

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

c. **Revenue Recognition:**i) **Construction Contracts:**

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

ii) **Development Projects:**

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

iii) **Real Estate Projects:**

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

iv) **Interest Income:**

Income from interest is being accounted for on time proportion basis taking into account the

amount outstanding and the applicable rate of interest.

v) **Rental Receipts:**

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

d. **Fixed Assets:**

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

e. **Depreciation:**

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

f. **Investments:**

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

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

g. **Inventories:**

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

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

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

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

ii. **Gratuity:**

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

iii. **Compensated Absences:** The Company has been providing for disbursement of leave encashment on calendar year basis as per policy.

i. **Borrowing Costs:**

Borrowing costs that are directly attributable to the acquisition of a fixed asset are capitalized as part of the cost of the asset till the date the asset is ready for

commercial use. All other borrowing costs are charged to Revenue.

j. Taxation:

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

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

Deferred tax Assets arising from timing differences are recognized and carried 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:

Basic earnings per share is 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 earning 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.

II. NOTES TO ACCOUNTS

1. Contingent liabilities:

(Amount in Rupees)

Sl. No.	Particulars	31.03.2009	31.03.2008
1	Sales tax demand under Tamilnadu General Sales-tax Act	320,340	320,340
2	BG's & LC's outstanding as at 31st March, 2009	62,681,423	49,456,755

2. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs.Nil (Previous Year Rs.Nil).

3. Secured Loans:

Term Loan from SBI is secured by

- the first charge on all the Fixed assets of the company created out of the said loan.
- 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 3.260 acres at Navallur Village, Old Mahabalipuram Road, Kanchipuram District, Chennai.
- Personal guarantee of Sri Prakash Challa Managing Director, Sri Suresh Challa & E. Bashkar Rao Directors of the company.

Cash Credit facility from SBI is secured by

- the first charge on the current assets of the company including hypothecations of construction materials, work-in-progress, receivables etc.
- Extension of charge on company's share of 70% of the proposed built-up space together with undivided share of land to an extent of 3.260 acres at Navallur Village, Old Mahabalipuram Road, Kanchipuram District, Chennai.
- Personal guarantee of Sri Prakash Challa, Managing Director and Sri Suresh Challa Director of the company.

Vehicle loans availed from Axis Bank Ltd, Reliance Capital Fund Ltd, Kotak Mahindra Prime Ltd, HDFC Bank Ltd and are secured by hypothecation of vehicles.

Equipment Loans from Kotak Mahindra Bank Ltd are secured by hypothecation of equipments acquired.

4. a. The identification of suppliers as small scale industrial undertakings (SSIs) has been done to the extent information provided by the suppliers to the Company. On the basis of this information, there are no amounts due to Small Scale Industrial undertakings exceeding Rs. 1 Lakh and outstanding for more than 30 Days.
- b. There are no delays in payments to Micro and Small enterprises as required to be disclosed under the Micro, Small and Medium Development Act, 2006. The information regarding Micro and Small enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

5. **Sundry Debtors includes:**

	(Amount in Rupees)	
	2008-09	2007-08
Debts due by private companies in which some of the directors of the company are directors/members/under same management :		
- M/s. Alpha City Chennai IT Park Projects Pvt Ltd	572,702,000	554,489,960
- M/s. Sri Satya Sai Constructions - Partnership Firm	26,946	1,748,945

6. **Loans and Advances includes :**

Particulars	Maximum Amount Outstanding at any time during the year		(Amount in Rupees)	
	2008-09	2007-08	As at 31.03.2009	As at 31.03.2008
Advances to Subsidiaries :				
- M/s.SSPDL Realy India Pvt Ltd	63,198,723	63,054,451	63,198,943	63,054,451
- M/s.SSPDL Real Estates India Pvt Ltd	64,477,769	59,820,478	64,477,768	59,820,478
- M/s.SSPDL Infra Projects India Pvt Ltd	37,138,812	37,029,880	37,139,032	37,029,880
- SSPDL Matrix Towers Pvt Ltd	10,220	-	10,220	-
- Kollur Residential Projects Pvt Ltd	18,600	-	18,600	-
- SSPDL Almoayyed Projects Pvt Ltd	20,580	-	25,780	-

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

7. **Managerial Remuneration:**

Particulars	(Amount in Rupees)	
	2008-09	2007-08
Salary & Allowances	1,200,000	10,724,880
Commission	-	5,089,308
Contribution to Provident fund	8,580	75,120
Perquisites	-	40,182
Total	1,208,580	15,929,490

Due to inadequacy of profits, the company has paid remuneration in accordance with the provisions of Table A of Part II of Schedule XIII of the Companies Act, 1956.

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

8. During the year the company has received demand notice from income tax department amounting to Rs.3,67,60,020/-. The company has filed a revised return claiming Section 80 IA of the Income Tax Act, 1961, benefit and refund for Rs.2,16,43,859/-. Based on the revised return filed, the company has credited back the excess provision of Rs.5,37,57,445/- made during the financial years 2006-07 and 2007-08.

9. Disclosure in accordance with AS-7:

(Amount in Rupees)		
Particulars	2008-09	2007-08
Contract Revenue	340,802,637	795,072,856
Contract cost incurred	373,268,353	645,402,091
Recognized profits or losses	(32,465,716)	149,670,765
Advances received	43,055,053	30,500,000
Retention Money	2,095,551	-
Gross amount due from customers for contract work as asset	604,060,959	587,107,195

10. As per Accounting Standard 15 "Employees Benefits", the disclosures of Employees benefits as defined in the Accounting Standard are given below**i. Defined Contribution Plans:** Contribution to defined Contribution Plan, recognized as expense for the year are as under.

(Amount in Rupees)		
	2008-09	2007-08
Employer's Contribution to Provident Fund	280,386	289,901
Employer's Contribution to Pension Scheme	305,820	185,348

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

(Amount in Rupees)	
Assumptions:	31.03.2009
Discount Rate	8.00%
Salary Escalation	5.00%
Attrition Rate	5.00%
Expected return of the planned assets	8.00%
A) Changes in Present value of obligations :	
Present Value of obligation as at April 1,2008	-
Interest Cost	-
Current Service Cost	-
Benefits Paid	-
Actuarial loss on obligation	947,868
Present Value of obligation as at 31 March,2009	947,868
B) Changes in fair value of plan assets:	
Fair Value of plan Assets at beginning of period	-
Expected Return on Plan Assets	450
Contributions	11,241
Benefit Paid	-
Actuarial gain/loss on plan assets	450
Fair Value of Plan Assets at end of period	11,241
C) Fair Value of Plan Assets:	
Fair Value of Plan Assets at beginning of Period	-
Actual Return of Plan Assets	-
Contribution	11,241
Benefit Paid	-
Fair Value of Plan Assets at end of period	11,241
Funded Status	936,627
Excess of actual over estimated return on Plan Assets	450

(Amount in Rupees)

Assumptions:	31.03.2009
D) Actuarial Gain/Loss Recognized:	
Actuarial loss on obligation	947,868
Actuarial loss on plan assets	450
Total Loss for the year	948,318
Actuarial Loss recognized in the year	948,318
E) Amounts to be recognized in the Balance Sheet and Statement of Profit & Loss Account:	
Present Value of obligation at end of the year	947,868
Fair Value of Plan Assets at end of the year	11,241
Funded Status (Liability)	936,627
Net Liability Recognized in The Balance Sheet	936,627
F) Expenses recognized in the statement of Profit & Loss Account:	
Current Service Cost	-
Interest Cost	-
Expected Return on Plan Assets	450
Net Actuarial Loss recognized in the year	948,318
Expenses to be recognized in the statement of Profit & loss account	947,868
G) Opening Net Asset:	-
Contributions	11,241
Expenses	947,868
Closing Net Liability	936,627

iii. Other Benefit Plans:

the liability for Leave Encashment as at the year end is Rs.90,073/-

11. 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.

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

i. List of the Related parties and Relationships:	Enterprises owned/significantly influenced by Key Management Personnel:
Subsidiaries: M/s. SSPDL Resorts Pvt Ltd M/s. SSPDL Reality India Pvt Ltd M/s. SSPDL Real Estates India Pvt Ltd M/s. SSPDL Matrix Towers Pvt Ltd M/s. SSPDL Infra Projects India Pvt Ltd M/s. Kollur Residential Project Pvt Ltd M/s. SSPDL Almoayyed Projects Pvt Ltd Others: M/s. Northwood Infratech Pvt Ltd M/s. Northwood Constructions India Pvt Ltd M/s. Northwood Properties India Pvt Ltd M/s. Northwood Realty India Pvt Ltd M/s. Northwood Residential Ventures India Pvt Ltd M/s. Northwood Township Projects Pvt Ltd M/s. SSPDL Northwood Homes Pvt Ltd M/s. SSPDL Northwood Residence Pvt Ltd	M/s. SSPDL Northwood Villas Pvt Ltd M/s. Alpha City Chennai IT Park Projects Pvt Ltd M/s. Sri Satya Sai Constructions (Partnership Firm) M/s. Sri Satya Sai Constructions (Sole Proprietary Concern) M/s. Sri Krishna Devaraya Hatcheries Pvt Ltd M/s. SSPDL Ventures Pvt Ltd M/s. SSPDL Properties Pvt Ltd M/s. SSPDL Retreat Pvt Ltd M/s. SSPDL Infrastructure Developers Pvt Ltd Key Managerial Personnel: Mr. Challa Prakash, Managing Director Mr. Challa Suresh, Director Mr. E. Bhaskar Rao, Director Relatives of Key Managerial Person: Challa Chinnamma *

* Expired on 24/12/2007, the rent amounts has been paid to Mr. Challa Suresh, Director of the company on account of internal family arrangements.

ii) Related Party Transactions for the year ended 31st March, 2009

(Amount in Rupees)

Nature of Transactions	Subsidiaries		Associates		Key Managerial Personnel		Relatives of Key Managerial Personnel	
	2008-2009	2007-2008	2008-2009	2007-2008	2008-2009	2007-2008	2008-2009	2007-2008
Rent	Nil	Nil	1,242,768	828,102	831,069	Nil	Nil	600,000
Rent Deposit Receivable	Nil	Nil	910,000	500,000	Nil	Nil	Nil	Nil
Loans taken	48,588,837	67,410,383	129,710,220	168,718,202	Nil	Nil	Nil	Nil
Advances given	164,864,704	178,596,989	6,281,021	Nil	Nil	Nil	Nil	Nil
Contract value Received	Nil	Nil	137,312,820	132,431,504	Nil	Nil	Nil	Nil
Contract value Receivable	Nil	Nil	572,728,946	556,238,905	Nil	Nil	Nil	Nil
Investments made	99,900	100,000	155,561,772	16,488,010	Nil	Nil	Nil	Nil
Advances Received	Nil	Nil	Nil	Nil	152,500,000	Nil	Nil	Nil

13. Earnings Per Share:

(Amounts in Rupees)

Particulars	2008-2009	2007-2008
Net Profit for the year after tax (a)	8,019,157	215,425,935
Weighted Average number of Equity shares outstanding during the year for Diluted Earnings Per Share (b)	12,929,250	11,979,120
Basic and Diluted Earnings per share (face value Rs.10/- each) (a) /(b)	0.62	17.98

14. Deferred Tax Liabilities: The Deferred Tax Liability comprises of the following.

(Amounts in Rupees)

Particulars	2008-2009	2007-2008
a) Deferred Tax Asset		
Disallowances u/s. 43B of Income Tax Act, 1961	348,975	1,358,273
Unabsorbed Business Loss	18,559,698	-
Total (a)	18,908,673	1,358,273
b) Deferred Tax Liability		
Difference between book and tax depreciation (b)	3,284,374	2,252,860
c) Net Deferred Tax Asset/(Liability) (a-b)	15,624,299	(894,587)

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

(Amounts in Rupees)

Particulars	2008-2009	2007-2008
Components and spare parts	17,837,766	9,451,372

16. Expenditure in Foreign Currency:

(Amounts in Rupees)

Particulars	2008-2009	2007-2008
On account of Travel	237,147	464,145
Others	1,891,150	213,600

17. Other information required to be disclosed as per part II of Schedule VI to the Companies Act, is either 'NIL' or 'NOT APPLICABLE' in the case of this company.
18. Directors/Promoter Directors have pledged their shares to SBI bank during the year for availing term loans for the purpose of the company.

Director	No. of shares held	No. of shares pledged	% of the shares pledged
Sri. Prakash Challa	23,59,390	19,39,390	82.20%
Sri. Suresh Challa	8,87,600	6,46,460	72.83%

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

As per our attached report of even date
For **KARVY & CO.,**
Chartered Accountants

For and on behalf of the Board of Directors

(K.AJAY KUMAR)
PARTNER

PRAKASH CHALLA
MANAGING DIRECTOR

E.BHASKAR RAO
DIRECTOR

Place : Hyderabad
Date : 30.06.2009

A.SHAILENDRA BABU
COMPANY SECRETARY

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

Particulars		31st March, 2009 Rupees	31st March, 2008 Rupees
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Net Profit before Tax and Extraordinary Items		(61,878,715)	309,309,618
Adjustments for :			
Depreciation	2,872,051		1,813,577
Gratuity Provision	-		3,552,505
Interest Income	(5,328,952)		(5,808,893)
Interest on Borrowings	65,682,263		39,111,098
Dividend Income	(11,262)		(21,398)
Rights Issue Expenditure	-		2,715,679
Excess Provision written off - Trade Creditors	(7,063,661)		-
Provision for Gratuity no longer required written back /	(3,027,141)		-
Excess Provision written off - Gratuity			
		<u>53,123,298</u>	<u>41,362,568</u>
Operating Profit Before Working Capital Changes		(8,755,417)	350,672,186
Adjustments for :			
Trade and Other Receivables	(60,665,506)		(748,476,303)
Work-in-progress	(57,712,036)		(50,974,025)
Trade Payables and Other Liabilities	261,165,276		167,289,440
Increase/(Decrease) in Net Current Assets		<u>142,787,734</u>	<u>(632,160,888)</u>
Cash Generated From Operations		<u>134,032,317</u>	<u>(281,488,702)</u>
Adjustments for :			
Income Tax paid		(58,573,153)	(35,060,623)
Net Cash From Operating Activities	A	<u>75,459,164</u>	<u>(316,549,326)</u>
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Disposal of Investments in subsidiaries		108,000	-
Purchase of Investments in subsidiaries		(155,786,672)	(16,588,010)
Purchase of Fixed Assets		(12,026,147)	(10,606,783)
Interest Received		4,065,788	-
Dividend Income		11,262	21,398
Net Cash Used In Investing Activities	B	<u>(163,627,769)</u>	<u>(27,173,395)</u>
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from Borrowings		88,431,589	250,678,843
Dividend Paid		-	(9,959,902)
Interest Paid on borrowings		(65,682,263)	(39,111,098)
Issue of capital with Premium		-	187,781,850
Rights Issue Expenses		-	(2,715,679)
Interest Received		1,297,049	5,808,893
Net Cash used in Financing Activities	C	<u>24,046,375</u>	<u>392,482,907</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(A+B+C)	<u>(64,122,230)</u>	<u>48,760,186</u>
Cash and Cash Equivalents at the beginning the year		<u>81,537,683</u>	<u>32,777,497</u>
Cash and Cash Equivalents at the end of the year		<u>17,415,453</u>	<u>81,537,683</u>

As per our attached report of even date
For **KARVY & CO.,**
Chartered Accountants

For and on behalf of the Board of Directors

(K.AJAY KUMAR)
PARTNER

PRAKASH CHALLA
MANAGING DIRECTOR

E.BHASKAR RAO
DIRECTOR

Place : Hyderabad
Date : 30.06.2009

A.SHAILENDRA BABU
COMPANY SECRETARY

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

Registration No. 0 1 8 5 4 0 STATE CODE 0 1

Balance Sheet Date 3 1 0 3 2 0 0 9

Date Month Year

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

Public Issue N I L Rights Issue N I L

Bonus Issue N I L Private Placement N I L

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

Total Liabilities 1 7 3 4 9 0 1 Total Assets 1 7 3 4 9 0 1

Sources of Funds :

Paid-up Capital 1 2 9 2 9 2 Share application money N I L

Reserves & Surplus 5 0 6 6 1 4 Secured Loans 3 5 3 9 3 1

Unsecured Loans 1 6 2 3 1 7

Application of Funds :

Net Fixed Assets 4 4 6 4 7 Net Current Assets 9 1 6 6 2 2

Investments 1 7 5 2 6 1 Deferred Tax 1 5 6 2 4

Misc. Expenditure N I L Accumulated loss N I L

IV Performance of Company (Amount in Rs. Thousands) :

Turnover (Total Income) 4 4 9 0 5 4 Total Expenditure 5 1 0 9 3 3

Profit/for the year (6 1 8 7 9) Profit after tax 8 0 1 9

Earning per share :(In Rs)

Basic 0 . 6 2 Diluted 0 . 6 2

V Generic names of principal products :

Item code No. (ITC Code) N A

Product Description P R O P E R T Y D E V E L O P M E N T

As per our attached report of even date
For **KARVY & CO.,**
Chartered Accountants

For and on behalf of the Board of Directors

(K.AJAY KUMAR)
PARTNER

PRAKASH CHALLA
MANAGING DIRECTOR

E.BHASKAR RAO
DIRECTOR

Place : Hyderabad
Date : 30.06.2009

A.SHAIENDRA BABU
COMPANY SECRETARY

SSPDL LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

AS ON

31ST MARCH, 2009

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

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

1. We have examined the attached consolidated balance sheet of SSPDL LIMITED and its subsidiaries (Collectively "the Group") as at 31st March, 2009, the consolidated Profit and Loss Account and the consolidated Cash Flow Statement for the year ended on that date and annexed thereto. These consolidated financial statements are the responsibility of the management of SSPDL LIMITED ("Management"). Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with the generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of subsidiary companies. The financial statements of the said subsidiaries for the year ended 31st March, 2009 were audited by the other auditors, whose report has been furnished to us. Our opinion, in so far as it relates to the amounts included in respect of such subsidiary is solely based on the report of the other auditors.

4. We report that consolidated financial statements have been prepared by the company in accordance with the requirements of Accounting Standard 21, "Consolidated Financial Statements", notified under the Companies (Accounting Standards) Rules, 2006 ("the rules") and on the basis of the separate audited financial statements of SSPDL LIMITED and its subsidiaries.
5. On the basis of the foregoing and the information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of SSPDL LIMITED and its subsidiaries, we are of the opinion that, the consolidated financial statements give a true and fair view in conformity with accounting principles generally accepted in India:
 - a) In the case of the consolidated Balance Sheet, of the consolidated state of affairs of the Group as at 31st March, 2009.
 - b) In the case of the consolidated Profit and Loss Account of the consolidated results of operations of the Group for the year ended on that date.
And
 - c) In the case of the Cash Flow Statement, of the consolidated cash flows of the Group for the year ended on that date.

For **KARVY & CO.,**
Chartered Accountants

(K. AJAY KUMAR)
Partner
M. No.: 21989

Place : Hyderabad
Date : 30.06.2009

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2009

Particulars	Schedule	Rupees	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
SOURCES OF FUNDS				
SHAREHOLDERS' FUNDS				
Share Capital	1	129,292,500		129,292,500
Reserves and Surplus	2	506,613,901		498,594,745
			635,906,401	627,887,245
LOAN FUNDS				
Secured Loans	3		353,931,093	306,316,610
Unsecured Loans	4		162,317,104	121,500,000
Total			1,152,154,598	1,055,703,855
APPLICATION OF FUNDS				
FIXED ASSETS				
Gross Block	5	52,711,747		40,555,975
Less : Depreciation		7,700,188		4,802,344
Net Block			45,011,559	35,753,631
Pre-Operative Expenditure			955,461	2,561,192
INVESTMENTS				
Deferred Tax Asset	6		174,561,332	18,882,560
			15,624,299	(894,587)
CURRENT ASSETS, LOANS AND ADVANCES				
Interest Accrued	7	360,589		394,474
Inventories		477,618,752		413,885,091
Sundry Debtors		687,407,741		587,107,195
Cash and Bank balances		17,842,558		82,520,131
Loans and Advances		334,173,249		319,778,636
			1,517,402,889	1,403,685,527
Less: CURRENT LIABILITIES AND PROVISIONS				
Current Liabilities	8	600,382,950		306,636,559
Provisions		1,535,596		97,794,548
			601,918,546	404,431,107
NET CURRENT ASSETS				
			915,484,343	999,254,420
MISCELLANEOUS EXPENDITURE				
(To the extent not written off)				
Preliminary Expenditure			517,604	146,638
Total			1,152,154,598	1,055,703,855

Significant Accounting Policies and Notes to Consolidated Accounts 15

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

As per our attached report of even date

For **KARVY & CO.,**
Chartered Accountants

For and on behalf of the Board of Directors

(K.AJAY KUMAR)
PARTNER

PRAKASH CHALLA
MANAGING DIRECTOR

E.BHASKAR RAO
DIRECTOR

Place : Hyderabad
Date : 30.06.2009

A.SHAILENDRA BABU
COMPANY SECRETARY

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

Particulars	Schedule	2008-2009 Rupees	2007-2008 Rupees
INCOME			
Contract Revenue/Income from Operations	9	423,149,420	975,072,856
Other Income	10	25,904,868	6,398,098
Total		449,054,288	981,470,954
EXPENDITURE			
Works Cost	11	368,757,322	534,633,864
Personnel Cost	12	41,205,900	27,189,880
Administration expenses	13	23,125,533	65,034,051
Finance Charges	14	74,946,404	43,489,964
Depreciation	5	2,897,844	1,813,577
Total		510,933,003	672,161,336
PROFIT/(LOSS) BEFORE TAX		(61,878,715)	309,309,618
Provision for Tax :			
Current Tax		-	93,550,312
Fringe Benefit Tax		378,460	237,805
Deferred Tax		(16,518,886)	95,565
Earlier years excess income tax provision written back		(53,757,445)	-
PROFIT AFTER TAX		8,019,156	215,425,936
Profit brought forward from previous year		259,466,286	44,040,351
Surplus carried to the balance sheet		267,485,442	259,466,286
EARNINGS PER SHARE (FACE VALUE OF Rs.10/- PER SHARE)			
- Basic		0.62	17.98
- Diluted		0.62	17.98

Significant Accounting Policies and Notes to Consolidated Accounts 15

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

As per our attached report of even date
For **KARVY & CO.,**
Chartered Accountants

For and on behalf of the Board of Directors

(K.AJAY KUMAR)
PARTNER

PRAKASH CHALLA
MANAGING DIRECTOR

E.BHASKAR RAO
DIRECTOR

Place : Hyderabad
Date : 30.06.2009

A.SHAIENDRA BABU
COMPANY SECRETARY

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

Particulars	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
SCHEDULE 1		
SHARE CAPITAL		
Authorised		
2,53,50,000 (Previous year 2,53,50,000) equity shares of Rupees 10 each	253,500,000	253,500,000
Issued, Subscribed and Paid up		
1,29,29,250 (Previous year 1,29,29,250) equity shares of Rupees 10 each fully paid up	129,292,500	129,292,500
Total	129,292,500	129,292,500
SCHEDULE 2		
RESERVES AND SURPLUS		
Share Premium		
Opening Balance	220,887,000	118,552,000
Add: Additions during the year	-	102,335,000
Total	220,887,000	220,887,000
General Reserve		
Opening Balance	18,241,459	18,356,476
Less: Employee retirement benefits adjusted (net of deferred tax)	-	137,067
Add: Forfeiture of warrant application money	-	22,050
Total	18,241,459	18,241,459
Surplus in Profit and Loss account	267,485,442	259,466,286
Total	506,613,901	498,594,745
SCHEDULE 3		
SECURED LOANS		
Term Loan :		
State Bank of India	145,650,836	245,307,673
Axis Bank Ltd	314,010	-
HDFC Bank Ltd	3,201,773	3,730,102
Kotak Mahindra Bank Ltd	1,304,071	1,968,870
Over Draft :		
Axis Bank	-	54,422,918
State Bank of India	201,769,284	-
(Secured by current assets of Company and personal guarantee of directors)		
Fixed Loan :		
Reliance Capital Fund Ltd	413,944	640,579
Kotak Mahindra Prime Ltd	1,277,175	246,468
Total	353,931,093	306,316,610
SCHEDULE 4		
UNSECURED LOANS		
Inter Corporate Deposits	129,317,104	121,500,000
Loan from Directors	33,000,000	-
Total	162,317,104	121,500,000

SCHEDULE FORMING PART OF CONSOLIDATED BALANCE SHEET

SCHEDULE 5

FIXED ASSETS

(In Rupees)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2008	Additions During the year	Deletions During the year	As at 31.03.2009	As at 01.04.2008	For the Year	Adjustments	Upto 31.03.2009	As at 31.03.2009	As at 31.03.2008
Building & Temp.Structures	374,941	2,777,332	-	3,152,273	76,893	31,387	-	108,280	3,043,993	298,048
Construction Equipment	26,509,953	4,182,210	-	30,692,163	2,136,026	1,364,902	-	3,500,928	27,191,235	24,373,927
Office Equipment	3,535,402	1,603,912	-	5,139,314	1,265,909	435,076	-	1,700,985	3,438,329	2,269,493
Furniture and Fixtures	2,607,000	1,381,518	-	3,988,518	780,883	199,750	-	980,633	3,007,885	1,826,117
Vehicles	7,528,679	2,210,800	-	9,739,479	542,633	866,729	-	1,409,362	8,330,117	6,986,046
Total	40,555,975	12,155,772	-	52,711,747	4,802,344	2,897,844	-	7,700,188	45,011,559	35,753,631
Previous Year	29,679,166	10,876,809	-	40,555,975	2,979,202	1,823,142	-	4,802,344	35,753,631	26,699,964

SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET

Particulars	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
SCHEDULE 6		
INVESTMENTS :		
Equity Shares (Fully paid-up, Non Trade, Quoted and Long Term)		
- Andhra Bank Ltd 5,631 equity shares of Rs.90/- each	506,790	506,790
A Equity Shares (Trade, Non-Quoted, Long Term)		
In Others		
- SSPDL Properties Pvt Ltd 1,68,796 equity shares of Rs.10/-each	1,687,960	1,687,960
- Alphacity Chennai IT Park Projects Pvt Ltd 9,980 equity shares of Rs.10/-each	99,800	99,800
- SSPDL Infrastructure Developers Pvt Ltd 2,34,000 Class A equity shares of Rs.10/-each 1 Class B Equity Share of Rs.10 each	2,340,000 10	2,340,000 10
- Northwood Constructions India Pvt Ltd 2,500 (Previous year 2600) Equity shares of Rs.10/-each 10,000 Class B Equity shares of Rs.10/-each Share Application Money	25,000 100,000 650,684	26,000 - -
- Northwood Properties India Pvt Ltd 2,500 (Previous year 2600) Equity shares of Rs.10/-each 10,000 Class B Equity shares of Rs.10/-each Share Application Money	25,000 100,000 1,130,849	26,000 - -
- Northwood Realty India Pvt Ltd 2,500 (Previous year 2600) Equity shares of Rs.10/-each 10,000 Class B Equity shares of Rs.10/-each Share Application Money	25,000 100,000 320,849	26,000 - -
- Northwood Residential Ventures India Pvt Ltd 2,500 (Previous year 2600) Equity shares of Rs.10/-each 10,000 Class B Equity shares of Rs.10/-each Share Application Money	25,000 100,000 473,622	26,000 - -
- Northwood Township Project Pvt Ltd 2,500 (Previous year 2600) Equity shares of Rs.10/-each 10,000 Class B Equity shares of Rs.10/-each Share Application Money	25,000 100,000 618,622	26,000 - -
- SSPDL Northwood Homes Pvt Ltd 2,500 (Previous year 2600) Equity shares of Rs.10/-each 10,000 Class B Equity shares of Rs.10/-each Share Application Money	25,000 100,000 1,020,845	26,000 - -
- SSPDL Northwood Residence Pvt Ltd 2,500 (Previous year 2600) Equity shares of Rs.10/-each 10,000 Class B Equity shares of Rs.10/-each Share Application Money	25,000 100,000 620,849	26,000 - -

SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET

Particulars	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
- SSPDL Northwood Villas Pvt Ltd		
2,500 (Previous year 2600) Equity shares of Rs.10/-each	25,000	26,000
10,000 Class B Equity shares of Rs.10/-each	100,000	-
Share Application Money	630,849	-
- Northwood Infratech Pvt Ltd		
2,500 Class A Equity shares of Rs.10/-each	25,000	-
10,000 Class B Equity shares of Rs.10/-each	100,000	-
Share Application Money	428,603	-
B Debentures in Associates (Trade, Non-Quoted and Long Term)		
Compulsory Convertible Debentures		
- SSPDL Infrastructures Developers Pvt Ltd	14,040,000	14,040,000
14040 Class Y 27.46% Cumulative Compulsorily Convertible Debenture of Rs.1000/- each		
Optionally Convertible 15% Debentures (Series B) of Rs.10/- each fully paid up		
- Northwood Constructions India Pvt Ltd	17,868,300	-
(Purchased 1,786,830 debentures during the year)		
- Northwood Properties India Pvt Ltd	18,240,600	-
(Purchased 1,824,060 debentures during the year)		
- Northwood Realty India Pvt Ltd	17,868,300	-
(Purchased 1,786,830 debentures during the year)		
- Northwood Residential Ventures India Pvt Ltd	12,283,900	-
(Purchased 1,228,390 debentures during the year)		
- Northwood Township Projects Pvt Ltd	19,020,700	-
(Purchased 1,902,070 debentures during the year)		
- SSPDL Northwood Homes Pvt Ltd	17,691,000	-
(Purchased 1,769,100 debentures during the year)		
- SSPDL Northwood Residence Pvt Ltd	17,691,000	-
(Purchased 1,769,100 debentures during the year)		
- SSPDL Northwood Villas Pvt Ltd	18,666,100	-
(Purchased 1,866,610 debentures during the year)		
- Northwood Infratech Pvt Ltd	9,536,100	-
(Purchased 953,610 debentures during the year)		
Total	174,561,332	18,882,560
Aggregate book value of quoted investments	506,790	506,790
Aggregate market value of quoted investments	253,113	417,257
Aggregate book value of un-quoted investments	174,754,442	18,375,770

SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET

Particulars	Rupees	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
SCHEDULE 7			
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories			
Work-in-Progress	234,194,070		174,116,409
Land	243,424,682		239,768,682
		477,618,752	413,885,091
Sundry Debtors			
(Unsecured, considered good)			
Debts outstanding for a period exceeding 6 months:	580,832,620		108,300,000
Others	106,575,121		478,807,195
		687,407,741	587,107,195
Cash and Bank Balances			
Cash on Hand	856,970		2,053,613
Balances with Scheduled Banks			
- in Current Accounts	4,448,888		69,349,318
- in Deposits Account	12,536,700		11,117,200
		17,842,558	82,520,131
Loans and Advances			
(unsecured, considered good, recoverable in cash or in kind or for value to be received)			
Advances Recoverable	233,161,463		276,950,197
Deposits	2,300,948		2,690,765
TDS and Advance Tax	98,710,838		40,137,674
		334,173,249	319,778,636
Total		1,517,042,300	1,403,291,053

SCHEDULE 8**CURRENT LIABILITIES AND PROVISIONS**

Current Liabilities			
Sundry Creditors			
- Dues to SSIs'	-		-
- Dues to Micro, Small and Medium enterprises	-		-
- Others	110,086,749		66,846,282
- Unclaimed Dividends-2006-07	110,212		124,482
- Other Liabilities	155,191,739		94,250,780
- Advances from Clients	334,994,250		145,415,015
		600,382,950	306,636,559
Provisions			
For Income Tax		-	93,550,312
For Fringe Benefit Tax		598,969	269,227
Retirement Benefits		936,627	3,975,009
Total		601,918,546	404,431,107

SCHEDULES FORMING PART OF CONSOLIDATED PROFIT AND LOSS ACCOUNT

Particulars	Rupees	2008-2009 Rupees	2007-2008 Rupees
SCHEDULE 9			
CONTRACT REVENUE / INCOME FROM OPERATION			
From Sales		106,610,862	958,564,568
From Contract Revenue		316,538,558	16,508,288
Total		423,149,420	975,072,856

SCHEDULE 10			
OTHER INCOME			
Rental Income		79,800	79,800
Interest Gross			
- On Deposits		1,263,164	3,664,742
(Tax Deducted at Source Rs.2,48,228/- Previous Year Rs.8,15,004/-)			
Trade Investments		4,065,788	1,679,469
(Tax Deducted at Source Rs.8,73,631/- Previous Year Rs.2,74,116/-)			
Dividends		11,262	21,398
Foreign Currency Fluctuations		-	130,753
Miscellaneous Income		12,847,502	-
Project Consultancy		-	-
Agriculture Income		-	-
From Rent & Other Receipts		7,637,352	821,936
Total		25,904,868	6,398,098

SCHEDULE 11			
WORK COST/PROJECT EXPENSES			
Works Cost including Contractor's Bills		337,879,231	488,115,552
Masonry and Other Works		53,945,188	33,521,152
Power and Fuel Charges		2,588,692	5,597,632
Rates and Taxes		25,822,050	13,588,145
Survey and Investigation Work		2,009,591	1,110,647
Project Consultancy Fee		6,658,437	15,561,494
Land		3,656,000	204,147,433
(Increase)/Decrease in Work-in-Progress			
- Opening Work-in-Progress	413,885,092		186,876,906
- Closing Work-in-Progress	477,686,959	(63,801,867)	413,885,092
Total		368,757,322	534,633,864

SCHEDULE 12			
PERSONNEL COST			
Salaries and Wages		38,335,877	22,546,957
Contribution to Provident Fund and Other Funds		792,073	3,673,956
Staff Welfare		2,077,950	968,967
Total		41,205,900	27,189,880

SCHEDULES FORMING PART OF CONSOLIDATED PROFIT AND LOSS ACCOUNT

Particulars	Rupees	2008-2009 Rupees	2007-2008 Rupees
SCHEDULE 13			
ADMINISTRATION EXPENSES			
Rent		2,175,023	1,616,352
Rates and Taxes		945,007	201,834
Electricity Charges		344,814	283,790
Repairs and Maintenance			
- Buildings	315,294		104,988
- Plant and Machinery	187,378	502,672	76,706
Vehicle Maintenance		736,698	258,987
Traveling and Conveyance		4,545,850	4,732,990
Insurance		55,923	41,833
Communication Expenses		1,164,326	1,216,557
Office Maintenance		505,486	117,942
Printing and Stationery		825,796	1,152,382
Listing Fees		33,251	30,000
Payment to Auditors			
- Towards Audit Fee	272,810		252,810
- Towards Tax Matters	84,270		84,270
- Others	64,045	421,125	-
Professional Charges		2,225,967	4,599,873
Advertisement Expenses		3,382,913	16,279,363
Business Promotion		327,250	337,311
Commission / Brokerage		1,571,510	12,471,536
Remuneration to Managing Director		1,200,000	16,141,731
Preliminary & Capital Issue Expenses		-	2,715,679
General Expenses		2,161,922	2,317,118
Total		23,125,533	65,034,051

SCHEDULE 14**FINANCIAL CHARGES**

Interest on Fixed Loans	27,436,307	28,291,066
Interest on Others	38,245,956	10,820,032
Bank Charges	9,264,141	4,378,866
Total	74,946,404	43,489,964

SCHEDULE 15

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF CONSOLIDATED ACCOUNTS:

I. SIGNIFICANT ACCOUNTING POLICIES:

a. Principles of Consolidation:

The Consolidated financial statements relate to SSPDL Limited and its subsidiaries. They are 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 eliminating intra group balances and intra group transactions, except wherever otherwise stated in accordance with accounting standard (AS) 21 "Consolidated Financial statements" notified under the Companies (Accounting Standards) Rules, 2006 ("the rules").
- ii. The difference between the costs of investments in the subsidiary, over the net assets at the time of acquisition of the shares in the subsidiary is recognized in the financial statements as goodwill or capital reserve as the case may be.

As far as possible, consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the company's separate financial statements.

The consolidated financial statements include the accounts of SSPDL Limited and its subsidiaries as detailed here under:

Sl. No.	Name of the subsidiary	Country of Incorporation	Holding Company's interest	Financial Year of Subsidiary ended on
1	SSPDL Resorts Pvt. Ltd	India	100%	31st March 2009
2	SSPDL Realty India Pvt. Ltd.	India	100%	31st March 2009
3	SSPDL Real Estate India Pvt. Ltd.	India	100%	31st March 2009
4	SSPDL Matrix Towers Pvt. Ltd.	India	100%	31st March 2009
5	SSPDL Infra Projects India Pvt. Ltd.	India	100%	31st March 2009
6	Kollur Residential Project Pvt. Ltd.	India	100%	31st March 2009
7	SSPDL Almoayyed Projects Pvt. Ltd.	India	99.90%	31st March 2009

b. Other significant accounting policies:

These are set out under significant accounting policies as given in the standalone financial statements of the company and its subsidiaries.

II. NOTES TO ACCOUNTS

1. Contingent liabilities:

(Amount in Rupees)

Particulars	As at 31.03.2009	As at 31.03.2008
Sales tax demand under Tamilnadu General Sales-tax Act.	320,340	320,340
BG's & LC's outstanding as at 31st March, 2009	62,681,423	49,456,755

2. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. Nil (Previous Year Rs.Nil).

3. Deferred Tax Assets/Liabilities:

(Amount in Rupees)

Particulars	As at 31.03.2009	As at 31.03.2008
a) Deferred Tax Asset		
Disallowances u/s. 43B of Income Tax Act, 1961	348,975	1,358,273
Unabsorbed Business Loss	18,559,698	-
Total (a)	18,908,673	1,358,273
b) Deferred Tax Liability		
Difference between book and tax depreciation (b)	3,284,374	2,252,860
c) Net Deferred Tax Asset/(Liability) (a-b)	15,624,299	(894,587)

4. Segment Information:

Since the company has only one segment, i.e. Property development, separate information on Segment Reporting as per the Accounting Standard 17 issued by the Institute of Chartered Accountants of India is not required.

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

Associates:
M/s. Sri Satya Sai Constructions (Partnership Firm)
M/s. Sri Satya Sai Constructions (Sole Proprietary Concern)
M/s. SSPDL Ventures Pvt Ltd
M/s. Alpha City Chennai IT Park Projects Pvt Ltd
M/s. Sri Krishna Devaraya Hatcheries Pvt Ltd
M/s. SSPDL Properties Pvt Ltd
M/s. SSPDL Retreat Pvt Ltd
M/s. SSPDL Infrastructure Developers Pvt Ltd
M/s. Northwood Constructions India Pvt Ltd
M/s. Northwood Properties India Pvt Ltd
M/s. Northwood Realty India Pvt Ltd
M/s. Northwood Residential Ventures India Pvt Ltd
M/s. Northwood Township Projects Pvt Ltd
M/s. SSPDL Northwood Homes Pvt Ltd
M/s. SSPDL Northwood Residence Pvt Ltd
M/s. SSPDL Northwood Villas Pvt Ltd
M/s. Northwood Infratech Pvt Ltd
Key Managerial Personnel
Mr. Challa Prakash, Managing Director
Mr. Challa Suresh, Director
Mr. E. Bhaskar Rao, Director
Relatives of the Key Managerial Personnel
Challa Chinnamma*

* Expired on 24.12.2007, the rent amounts has been paid to Mr. Challa Suresh Director of the company on account of internal family arrangements.

ii. Related Party Transactions for the year ended 31st March, 2009.

(Amount in Rupees)

Nature of Transactions	Associates	Key Managerial Personnel	Relatives of Key Managerial Personnel
Rent	1,242,768 (828,102)	831,069 (Nil)	Nil (600,000)
Rent Deposit Receivable	910,000 (500,000)	- -	- -
Loans taken	129,710,220 (168,718,202)	- -	- -
Advances given	6,281,021 (Nil)	- -	- -
Contract value Received	137,312,820 (132,431,504)	- -	- -
Contract value Receivable	572,728,946 (556,238,905)	- -	- -
Investments made	155,561,772 (16,488,010)		
Advances Received	Nil (Nil)	152,500,000 (Nil)	Nil (Nil)

* Figures in the brackets represent the previous year figures.

6. Earnings Per Share:

(Amount in Rupees)

Particulars		2008-09	2007-08
Net Profit for the year	(a)	8,019,157	215,425,936
Weighted Average number of Equity shares outstanding during the year for Basic Earnings Per Share.	(b)	12,929,250	11,979,120
Add: Adjustment for conversion of Share Warrants.		--	--
Weighted Average number of Equity shares outstanding during the year for Diluted Earnings Per Share.	(c)	12,929,250	11,979,120
Earnings Per Share (Face Value Rs.10/- each). Basic & Diluted (a) / (c)		0.62	17.98

7. Previous year figures have been regrouped/reclassified wherever considered necessary to conform to this year's classification.
8. Figures have been rounded off to nearest rupee wherever applicable.

As per our attached report of even date
For **KARVY & CO.,**
Chartered Accountants

For and on behalf of the Board of Directors

(K.AJAY KUMAR)
PARTNER

PRAKASH CHALLA
MANAGING DIRECTOR

E.BHASKAR RAO
DIRECTOR

Place : Hyderabad
Date : 30.06.2009

A.SHAIENDRA BABU
COMPANY SECRETARY

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

Particulars	Rupees	31st March, 2009 Rupees	31st March, 2008 Rupees
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Net Profit before Tax and Extraordinary Items		(61,878,715)	309,309,618
Adjustments for :			
Depreciation	2,872,051		1,813,577
Gratuity Provision	-		3,552,505
Interest Income	(5,328,952)		(5,808,893)
Interest on Borrowings	65,682,263		39,111,098
Dividend Income	(11,262)		(21,398)
Rights Issue Expenditure	-		2,715,679
Excess Provision written off - Trade Creditors	(7,063,661)		-
Provision for Gratuity no longer required written back /	(3,027,141)		-
Excess Provision written off - Gratuity		53,123,298	41,362,568
Operating Profit Before Working Capital Changes		(8,755,417)	350,672,186
Adjustments for :			
Trade and Other Receivables	(60,622,188)		(558,570,904)
Work-in-progress	(63,772,575)		(227,008,185)
Trade Payables and Other Liabilities	261,947,725		186,559,541
Increase/(Decrease) in Net Current Assets		137,552,962	(629,019,548)
Cash Generated From Operations		128,787,545	(278,347,362)
Adjustments for :			
Income Tax paid		(58,573,153)	(35,060,623)
Net Cash From Operating Activities	A	70,224,392	(313,407,985)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Disposal of Investments in subsidiaries		108,000	-
Purchase of Investments in subsidiaries		(155,786,672)	(16,588,010)
Purchase of Fixed Assets		(12,155,774)	(13,318,445)
Interest Received		4,065,788	-
Pre-operative Expenses		(101,439)	-
Dividend Income		11,262	21,398
Net Cash Used In Investing Activities	B	(163,858,835)	(29,885,057)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from Borrowings		93,342,084	250,678,843
Dividend Paid		-	(9,959,902)
Interest Paid on borrowings		(65,682,263)	(39,111,098)
Issue of capital with Premium		-	187,781,850
Rights Issue Expenses		-	(2,715,679)
Interest Received		1,297,049	5,808,893
Net Cash used in Financing Activities	C	28,956,870	392,482,907
Net Increase/(Decrease) in Cash and Cash Equivalents	(A+B+C)	(64,677,573)	49,189,865
Cash and Cash Equivalents at the beginning the year		82,520,131	33,330,266
Cash and Cash Equivalents at the end of the year		17,842,558	82,520,131

As per our attached report of even date
For **KARVY & CO.,**
Chartered Accountants

For and on behalf of the Board of Directors

(K.AJAY KUMAR)
PARTNER

PRAKASH CHALLA
MANAGING DIRECTOR

E.BHASKAR RAO
DIRECTOR

Place : Hyderabad
Date : 30.06.2009

A.SHAIENDRA BABU
COMPANY SECRETARY

SSPDL LIMITED

FINANCIAL STATEMENTS OF SUBSIDIARIES

FOR THE YEAR 2008 - 2009

SSPDL Limited
Statement pursuant to Section 212 of the Companies Act, 1956 relating to Subsidiary Companies

Particulars	SSPDL Resorts Pvt Ltd	SSPDL Realty India Pvt Ltd	SSPDL Infra Projects India Pvt Ltd	SSPDL Almoayyed Projects Pvt Ltd	SSPDL Real Estates India Pvt Ltd	SSPDL Matrix Towers Pvt Ltd	Kollur Residential Project Pvt Ltd
The Financial Year of the subsidiary ended on	31st March 2009	31st March 2009	31st March 2009	31st March 2009	31st March 2009	31st March 2009	31st March 2009
Number of shares of the Subsidiary Company held by SSPDL Ltd							
Equity	10000	10000	10000	9990	10000	10000	10000
Extent of holding	100%	100%	100%	99.90%	100%	100%	100%
The net aggregate of profits/losses of the Subsidiary Company for its financial year so far as they concern the members of SSPDL Ltd							
a) Dealt with in the accounts of SSPDL Ltd for the year ended 31st March, 2009							
b) Not dealt in the accounts of SSPDL Ltd for the year ended 31st March, 2009	NIL	NIL *	NIL *	NIL *	NIL	NIL *	NIL *
The Net aggregate of profits/losses of the Subsidiary Company for its previous financial year so far as they are concern the members of SSPDL Ltd							
a) Dealt with in the accounts of SSPDL Ltd for the year ended 31st March, 2009							
b) Not dealt in the accounts of SSPDL Ltd for the year ended 31st March, 2009	NIL	NIL *	NIL *	NIL *	NIL	NIL *	NIL *

* Profit and Loss Account for the year is not prepared as the companies are yet to commence business.

For and on behalf of the Board of Directors

PRAKASH CHALLA
MANAGING DIRECTOR

E.BHASKAR RAO
DIRECTOR

Place : Hyderabad
Date : 30.06.2009

A.SHAIENDRA BABU
COMPANY SECRETARY

SSPDL INFRA PROJECTS INDIA PRIVATE LIMITED**DIRECTORS' REPORT**

To

The Members

Your Directors have pleasure in presenting the Third Annual Report on the business and operations of the Company together with the Audited Financial Accounts for the period ended 31st March, 2009.

FINANCIAL RESULTS

As there are no operations during the year, there are no financial results available for the period 2008-2009.

BUSINESS OVERVIEW**"The Retreat", Munnar, Kerala**

"The Retreat", Munnar, Kerala the Company has purchased 50.47 acres of land for Rs.238.19 Lakhs and acquired 23 acres of land on lease rights assigned basis for Rs. 108.54 Lakhs in Munnar for developing an Eco Tourism Project.

The Company along with parent company SSPDL Limited and its SPVs is planning for operating a) Villa Development b) Jungle Resort Development and c) Jungle and Plantation Development. Preliminary plans for both resort, layout of Villa Development and typical holiday home have been received from the Architects. The work is expected to commence after receiving necessary approvals.

Your Company is awaiting the Policy of the Govt. of Kerala on the Tourism Development of Munnar as the site acquired by the Company is in the identified High Growth Tourism Corridor of the Munnar Development Plan.

The Project is expected to take off in the first quarter of 2010.

AUDITORS

Smt. Chandrika, Chartered Accountant, Hyderabad the Company's Statutory Auditor retires at the conclusion of Third Annual General Meeting and expressed willingness for the re-appointment.

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	:	NIL
B. TECHNOLOGY ABSORPTION	:	NIL
C. FOREIGN EXCHANGE EARNINGS	:	NIL
FOREIGN EXCHANGE OUTGO	:	NIL

INFORMATION 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 NIL.

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

ACKNOWLEDGEMENTS

Your Directors place on record their appreciation of the continued assistance and co-operation extended to the Company by the Statutory Auditor and Government and Semi-Government Departments.

For and on behalf of the Board of Directors

SURESH CHALLA
DIRECTOR

E. BHASKAR RAO
DIRECTOR

Place : Hyderabad
Date : 29.06.2009

AUDITORS' REPORT

To
THE MEMBERS OF
M/S. SSPDL INFRA PROJECTS INDIA PRIVATE LIMITED

1. I have audited the attached Balance sheet of SSPDL INFRA PROJECTS INDIA PRIVATE LIMITED as at 31st March, 2009. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.
2. I conducted my audit in accordance with auditing standards generally accepted in India. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.
3. As required by the Companies (Auditors' Report) Order, 2003, as amended by the Companies (Auditors' Report)(Amendment) Order, 2004, (together the 'Order') issued by the Central Government Of India, in terms of Section 227 (4A) of the Companies Act, 1956, I enclose in the Annexure a statement on the matters specified in the paragraphs 4 and 5 of the said order.
4. Further to my comments in the Annexure referred to in paragraph 2 above, I report that:
 - a. I have obtained all the information and explanations, which to the best of my knowledge and belief were necessary for the purposes of my audit.
 - b. In my opinion, proper books of account as required by law have been kept by the company so far as appears from my examination of the books of the company.
 - c. The Balance Sheet dealt with by this report is in agreement with the books of accounts.
 - d. In my opinion, the Balance Sheet dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - e. On the basis of the written representations received from the Directors as on 31st March, 2009 and taken on record by the Board of Directors, I report that none of the Directors is disqualified as on 31st March, 2009 from being appointed as Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f. In my opinion, and to the best of my information and according to the explanations given to me, the said accounts, read together with the Company's Accounting Policies and Notes hereto, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in the case of the Balance Sheet, of the state of affairs of the company as on 31st March, 2009.

Place : Hyderabad
Date : 29.06.2009

K. CHANDRIKA
Chartered Accountant
(M.No.028522)

Annexure to the Auditors' Report Referred to in paragraph 3 of my report

- i. In respect of its fixed assets:
 - (a) The Company has no fixed assets as at the end of the financial year ending on 31.03.2009. Accordingly, the provisions of clause 4 (i) are not applicable to the company.
- ii. In respect of its inventories:
 - (a) The company has no inventory as at the end of the financial year ending on 31.03.2009. Accordingly, the provisions of clause 4 (ii) are not applicable to the company.
- iii. a) According to the information and explanations given to me, during the year the company has not granted any unsecured loans to companies covered in the register maintained under section 301 of the companies act, 1956.
- b) According to the information and explanations given to me, the company has taken unsecured loan from a company covered in the register maintained under section 301 of the companies act, 1956. The maximum amount outstanding and the year end balance is Rs.3.71 Crores.
In my opinion and according to the Information and explanations given to me, the aforesaid loan is Interest free and the other terms and conditions are not prima facie prejudicial to the interest of the company.
The said loan is repayable on demand and there is no repayment schedule and therefore the question of overdue amount does not arise.
- iv. In my opinion and according to the information and explanations given to me, 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, if any. During the course of my audit, no major weakness has been noticed in the internal controls.
- v. In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956:
 - a) In my opinion and according to the information and explanations given to me, the company has not entered into any transactions with the parties mentioned in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4 (v) are not applicable to the company.
- 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 my opinion, the company has no internal audit system as the size and nature of business does not necessitate introduction of Internal Audit.
- viii. In respect of this company, maintenance of cost records has not been prescribed by the Central Government under section 209 (1) (d) of the company the Act, 1956.
- ix. In respect of Statutory dues:
 - a) As informed to me, provisions of Employees Provident Fund and Employees State Insurance Act are not applicable for the time being.

- b) According to the information and explanations given to me, there are no undisputed amounts payable in respect of Income tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty and Cess.
- c) According to the information and explanations given to me, and the records of the company examined by me, there are no dues of Income tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty and Cess, which have not been deposited on account of any dispute.
- x. Since this is the Third Annual Report of the company, clause 4(x) of the Order is not applicable.
- xi. Based on my audit procedures and on the basis of information and explanations given by the management, no loans have been taken by the Company from financial institutions.
- xii. According to the information and explanations given to me, 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, the provisions of clause 4 (xii) are not applicable to the company.
- xiii. In my opinion, the Company is not a Chit fund or a Nidhi/ Mutual Benefit fund/ Society. Accordingly the provisions of clause 4 (xiii) are not applicable to the company.
- xiv. In my opinion, the Company is not dealing in or trading in Shares, Securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) are not applicable to the company.
- xv. According to the information and explanations given to me, the Company has not given any guarantee for loans taken by others from banks and financial institutions. Accordingly, the provisions of clause 4 (xv) are not applicable to the company.
- xvi. To the best of my knowledge and belief and according to the information and explanations given to me, no term loans were taken by the Company. Accordingly, the provisions of clause 4 (xvi) are not applicable to the company.
- xvii. According to the information and explanation given to me and on an overall examination of the Balance Sheet of the company, we are of the opinion the no funds raised on short - term basis have been used for long term investment.
- xviii. The company has not made preferential allotment of shares to the parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(xviii) are not applicable to the company.
- xix. According to the information and explanations given to me and the records examined by me, no debentures were issued by the company and therefore, the provisions of clause 4 (xix) are not applicable to the company.
- xx. The Company has not raised any money by public issues during the year. Accordingly, the provisions of clause 4 (xx) are not applicable to the company.
- xxi. To the best of my knowledge and belief and according to the information and explanations given to me, no fraud on or by the Company was noticed or reported during the year.

Place : Hyderabad
Date : 29.06.2009

K. CHANDRIKA
Chartered Accountant
(M.No.028522)

SSPDL INFRA PROJECTS INDIA PRIVATE LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2009

Particulars	Schedule	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
SOURCES OF FUNDS :			
Share Holders Funds	A	100,000	100,000
Unsecured Loans	B	37,138,812	37,029,880
Total		37,238,812	37,129,880
APPLICATION OF FUNDS :			
Pre-operative Expenses	C	35,321	21,100
Current Assets , Loans and Advances	D		
- Inventories		37,393,046	37,339,795
- Cash and Bank Balance		14,730	87,978
- Loans and Advances		114,708	-
		37,522,484	37,427,773
Less : Current Liabilities and Provisions	E	339,915	339,915
Net Current Assets		37,182,569	37,087,858
Miscellaneous Expenditure:			
(to the extent not written off or adjusted)			
Preliminary Expenses		20,922	20,922
Total		37,238,812	37,129,880
Significant Accounting Policies and Notes To Accounts	F		

As per our attached report of even date
For **K. CHANDRIKA**
Chartered Accountant

For and on behalf of the Board of Directors

SURESH CHALLA
DIRECTOR

E. BHASKAR RAO
DIRECTOR

Place : Hyderabad
Date : 29.06.2009

SSPDL INFRA PROJECTS INDIA PRIVATE LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET

Particulars	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
Schedule A - Share Capital		
Authorised Capital		
50,000 Equity shares of Rs.10/- each	500,000	500,000
	500,000	500,000
Issued, Subscribed and Paid up Capital		
10,000 Equity shares of Rs.10/- each	100,000	100,000
(Note : SSPDL Limited and its'nominees hold all the shares of the Company)	100,000	100,000
Schedule B - Unsecured Loans		
- From SSPDL Limited	37,138,812	37,029,880
	37,138,812	37,029,880
Schedule C - Pre-operative Expenses		
Audit Fee	30,000	20,000
Bank Charges	1,721	1,100
ROC Charges	3,600	-
	35,321	21,100
Schedule D - Current Assets, Loans and Advances		
Inventories		
- Land-Free Hold	26,676,832	26,676,832
- Land-Lease Hold	10,000,000	10,000,000
- Projects in Progress	716,214	662,963
	37,393,046	37,339,795
Cash and Bank Balances		
Cash Balance	300	300
In Current Accounts	14,430	87,678
	14,730	87,978
Loans and Advances		
(Advances recoverable in cash or in kind or for value to be received)		
SSPDL Real Estates Pvt Ltd	113718	-
Prepaid Expenses	990	-
	114,708	-
	37,522,484	37,427,773
Schedule E - Current Liabilities and Provisions		
Sundry Creditors	-	-
Other Liabilities :		
- Audit Fee Payable	10,000	10,000
Others:		
- SSPDL Resorts Pvt Ltd	329,915	329,915
	339,915	339,915

SSPDL INFRA PROJECTS INDIA PRIVATE LIMITED**SCHEDULE F – SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS****1. Basis of Preparation Of Financial Statements:**

The financial statements have been prepared and presented under the historical cost convention on accrual basis of accounting in accordance with the Generally Accepted Accounting Principles in India and compiles with the mandatory Accounting Standards notified under section 211 (3C) of the Companies Act, 1956 of the India and relevant provisions of the Companies Act, 1956.

2. Contingent Liabilities - Nil**3. Capital Commitments not provided for (net of advance) Rs. Nil (previous year Rs. Nil)****4. Preliminary Expenses to the extent not written off or adjusted will be charged to revenue in the year in which there is profit to absorb the same.****5. Pre-operative expenditure will be capitalised on commencement of commercial operations.****6. As the business of the company yet to commence Profit & Loss A/c. for the year is not prepared.****7. Previous Years figures have been regrouped / reclassified wherever considered necessary to conform to the year's classification.****8. Schedules 'A' to 'F' forms an integral part of the Balance sheet.**

As per our attached report of even date
For **K. CHANDRIKA**
Chartered Accountant

For and on behalf of the Board of Directors

SURESH CHALLA
DIRECTOR

E. BHASKAR RAO
DIRECTOR

Place : Hyderabad
Date : 29.06.2009

SSPDL INFRA PROJECTS INDIA PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

Particulars	Rupees	31st March, 2009 Rupees	31st March, 2008 Rupees
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Net Profit before Tax and Extraordinary Items		-	-
Adjustments for:			
Depreciation	-		-
Operating Profit Before Working Capital Changes		-	-
Adjustments for:			
Trade and other Receivables	(114,708)		-
Work-in-progress	(53,251)		(37,339,795)
Trade payable and other liabilities	-		328,691
Increase/(Decrease) in Net Current Assets		(167,959)	(37,011,104)
Cash Generated from Opetations		(167,959)	(37,011,104)
Adjustments for :			
Income Tax & Fringe Benefit Tax		-	-
Net Cash from Operating Activities	A	(167,959)	(37,011,104)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Pre-Operative Expenses	(14,221)		(9,876)
Net Cash used in Investing Activities	B	(14,221)	(9,876)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Borrowings	108,932		37,029,880
Net Cash used in Financing Activities	C	108,932	37,029,880
Net increase in Cash and Cash Equivalents	(A+B+C)	(73,248)	8,900
Cash and Cash equivalents at the beginning of the year		87,978	79,078
Cash and Cash equivalents at the end of the year		14,730	87,978

As per our attached report of even date
For **K. CHANDRIKA**
Chartered Accountant

For and on behalf of the Board of Directors

SURESH CHALLA
DIRECTOR

E. BHASKAR RAO
DIRECTOR

Place : Hyderabad
Date : 29.06.2009

SSPDL INFRA PROJECTS INDIA PRIVATE LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(Amount in Rupees)

1. REGISTRATION DETAILS

Registration No. : U 4 5 2 0 0 A P 2 0 0 7 P T C 0 5 2 7 3 9

State Code : 1

Balance Sheet Date : 3 1 . 0 3 . 2 0 0 9

2. CAPITAL RAISED DURING THE YEAR

Public Issue : NIL

Rights Issue : NIL

Private Placement : NIL

3. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS

Total Assets : 3 7 , 2 3 8 , 8 1 2

Total Liabilities : 3 7 , 2 3 8 , 8 1 2

SOURCES OF FUNDS

Paid Up Capital : 1 0 0 , 0 0 0

Reserves and Surplus : NIL

Secured Loans : NIL

Unsecured Loans : 3 7 , 1 3 8 , 8 1 2

APPLICATION OF FUNDS

Net Fixed Assets : NIL

Investments : NIL

Net Current Assets : 3 7 , 1 8 2 , 5 6 9

Miscellaneous Expenditure : 2 0 , 9 2 2

4. PERFORMANCE OF THE COMPANY

Turnover : NIL

Total Expenditure : NIL

Profit/(Loss) Before Tax : NIL

Profit/(Loss) After Tax : NIL

5. GENERIC NAMES OF THREE PRINCIPAL**PRODUCTS/SERVICES OF THE COMPANY**

Item Code (ITC Code) : NA

Product Description : Construction

As per our attached report of even date
For **K. CHANDRIKA**
Chartered Accountant

For and on behalf of the Board of Directors

SURESH CHALLA
DIRECTOR

E. BHASKAR RAO
DIRECTOR

Place : Hyderabad
Date : 29.06.2009

SSPDL MATRIX TOWERS PRIVATE LIMITED

DIRECTORS' REPORT

To,
The Members

Your Directors have pleasure in presenting the Third Annual Report on the business and operations of the Company together with the Audited Financial Accounts for the period ended 31st March, 2009.

FINANCIAL RESULTS

As there are no operations during the year, there are no financial results available for the period 2008-2009.

BUSINESS OVERVIEW

The Company identified some projects and is in the process of pursuing the same.

AUDITORS

Smt. Chandrika, Chartered Accountant, Hyderabad the Company's Statutory Auditor retires at the conclusion of Third Annual General Meeting and expressed willingness for the re-appointment.

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	:	NIL
B. TECHNOLOGY ABSORPTION	:	NIL
C. FOREIGN EXCHANGE EARNINGS	:	NIL
FOREIGN EXCHANGE OUTGO	:	NIL

INFORMATION 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 NIL.

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

ACKNOWLEDGEMENTS

Your Directors place on record their appreciation of the continued assistance and co-operation extended to the Company by the Statutory Auditor and Government and Semi- Government Departments.

For and on behalf of the Board of Directors

SURESH CHALLA
DIRECTOR

E. BHASKAR RAO
DIRECTOR

Place : Hyderabad
Date : 29.06.2009

AUDITORS REPORT

To
THE MEMBERS OF
M/S. SSPDL MATRIX TOWERS PRIVATE LIMITED

1. I have audited the attached Balance sheet of SSPDL MATRIX TOWERS PRIVATE LIMITED. as at 31st March, 2009. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.
2. I conducted my audit in accordance with auditing standards generally accepted in India. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report)(Amendment) Order, 2004, (together the 'Order') issued by the Central Government Of India, in terms of Section 227 (4A) of the Companies Act, 1956, I enclose in the Annexure a statement on the matters specified in the paragraphs 4 and 5 of the said order.
4. Further to my comments in the Annexure referred to in paragraph 2 above, I report that:
 - a. I have obtained all the information and explanations, which to the best of my knowledge and belief were necessary for the purposes of my audit.
 - b. In my opinion, proper books of account as required by law have been kept by the company so far as appears from my examination of the books of the company.
 - c. The Balance Sheet dealt with by this report is in agreement with the books of accounts.
 - d. In my opinion, the Balance Sheet dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - e. On the basis of the written representations received from the Directors as on 31st March, 2009 and taken on record by the Board of Directors, I report that none of the Directors is disqualified as on 31st March, 2009 from being appointed as Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f. In my opinion, and to the best of my information and according to the explanations given to me, the said accounts, read together with the Company's Accounting Policies and Notes hereto, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in the case of the Balance Sheet, of the state of affairs of the company as on 31st March, 2009.

Place : Hyderabad
Date : 29.06.2009

K. CHANDRIKA
Chartered Accountant
(M.No.028522)

Annexure to the Auditors' Report Referred to in paragraph 3 of my report

- | | |
|---|--|
| <p>i. In respect of its fixed assets:</p> <p>(a) The Company has no fixed assets as at the end of the financial year ending on 31.03.2009. Accordingly, the provisions of clause 4 (i) are not applicable to the company.</p> <p>ii. In respect of its inventories:</p> <p>(a) The company has no inventory as at the end of the financial year ending on 31.03.2009. Accordingly, the provisions of clause 4 (ii) are not applicable to the company.</p> <p>iii. The Company has neither granted nor taken any loans, secured or unsecured to or from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Consequently clause 4(iii) (a) to 4(iii) (d) of the Order is not applicable.</p> <p>iv. In my opinion and according to the information and explanations given to me, 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, if any. During the course of my audit, no major weakness has been noticed in the internal controls.</p> <p>v. In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956:</p> <p>a) In my opinion and according to the information and explanations given to me, the company has not entered into any transactions with the parties mentioned in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4 (v) are not applicable to the company.</p> <p>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.</p> <p>vii. In my opinion, the company has internal audit system commensurate with the size and nature of business.</p> <p>viii. In respect of this company, maintenance of cost records has not been prescribed by the Central Government under section 209 (1) (d) of the company the Act, 1956.</p> <p>ix. In respect of Statutory dues:</p> <p>a) As informed to us, provisions of Employees Provident Fund and Employees State Insurance Act are not applicable for the time being.</p> <p>b) According to the information and explanations given to us, there are no undisputed amounts payable in respect of Income tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty and Cess.</p> <p>c) According to the information and explanations given to us, and the records of the company examined by us,</p> | <p>there are no dues of Income tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty and Cess, which have not been deposited on account of any dispute.</p> <p>x. The Company does not have any accumulated losses at the end of the financial year.</p> <p>xi. Based on my audit procedures and on the basis of information and explanations given by the management. No loans have been taken by the Company from financial institutions.</p> <p>xii. According to the information and explanations given to me, 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, the provisions of clause 4 (xii) are not applicable to the company.</p> <p>xiii. In my opinion, the Company is not a Chit fund or a Nidhi/ Mutual Benefit fund/ Society. Accordingly the provisions of clause 4 (xiii) are not applicable to the company.</p> <p>xiv. In my opinion, the Company is not dealing in or trading in Shares, Securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) are not applicable to the company.</p> <p>xv. According to the information and explanations given to me, the Company has not given any guarantee for loans taken by others from banks and financial institutions. Accordingly, the provisions of clause 4 (xv) are not applicable to the company.</p> <p>xvi. To the best of my knowledge and belief and according to the information and explanations given to me, no term loans were taken by the Company. Accordingly, the provisions of clause 4 (xvi) are not applicable to the company.</p> <p>xvii. According to the information and explanation given to me and on an overall examination of the Balance Sheet of the company, we are of the opinion the no funds raised on short - term basis have been used for long term investment.</p> <p>xviii. The company has not made preferential allotment of shares to the parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(xviii) are not applicable to the company.</p> <p>xix. According to the information and explanations given to me and the records examined by me, no debentures were issued by the company and therefore, the provisions of clause 4 (xix) are not applicable to the company.</p> <p>xx. The Company has not raised any money by public issues during the year. Accordingly, the provisions of clause 4 (xx) are not applicable to the company.</p> <p>xxi. To the best of my knowledge and belief and according to the information and explanations given to me, no fraud on or by the Company was noticed or reported during the year.</p> |
|---|--|

Place : Hyderabad
Date : 29.06.2009

K. CHANDRIKA
Chartered Accountant
(M.No.028522)

SSPDL MATRIX TOWERS PRIVATE LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2009

Particulars	Schedule	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
SOURCES OF FUNDS :			
Share Holders Funds	A	100,000	100,000
Total		100,000	100,000
APPLICATION OF FUNDS:			
Pre-Operative Expenses	B	36,473	20,034
Current Assets, Loans & Advances			
Cash & Bank Balance	C	57,825	79,044
Less: Current Liabilities & Provisions	D	15,220	20,000
Net Current Assets		42,605	59,044
Miscellaneous Expenditure (to the extent not written off or adjusted)			
Preliminary Expenses	E	20,922	20,922
Total		100,000	100,000
Significant Accounting Policies and Notes to Accounts	F		

As per our attached report of even date
For **K. CHANDRIKA**
Chartered Accountant

For and on behalf of the Board of Directors

SURESH CHALLA
DIRECTOR

E. BHASKAR RAO
DIRECTOR

Place : Hyderabad
Date : 29.06.2009

SSPDL MATRIX TOWERS PRIVATE LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET

Particulars	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
SCHEDULE A - Share Capital		
Authorised Capital		
50,000 Equity shares of Rs.10/- each	500,000	500,000
	<u>500,000</u>	<u>500,000</u>
Issued, Subscribed and Paid up Capital		
10,000 Equity shares of Rs.10/- each	100,000	100,000
(Note : SSPDL Limited and its'nominees hold all the shares of the Company)	<u>100,000</u>	<u>100,000</u>
SCHEDULE B - Pre-Operative Expenses		
Audit Fee	25,000	20,000
Bank Charges	203	34
ROC Fees	11,270	-
	<u>36,473</u>	<u>20,034</u>
SCHEDULE C - Cash & Bank Balances		
Cash on hand	300	300
Balances with Scheduled Banks (in Current Accounts)	57,525	78,744
	<u>57,825</u>	<u>79,044</u>
SCHEDULE D - Current Liabilities & Provisions		
Other Liabilities	5,000	10,000
- SSPDL Limited	10,220	10,000
	<u>15,220</u>	<u>20,000</u>
SCHEDULE E - Preliminary Expenditure		
ROC Fees	20,922	20,922
	<u>20,922</u>	<u>20,922</u>

SCHEDULE F - SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS:

1. Basis of preparation of financial statements
The financial statements are prepared and presented under the historical cost convention in accordance with the Generally Accepted Accounting Principles (GAAP) in India, the accounting standards issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956, as adopted by the Company. All income and expenditure having a material bearing on the financial statements are recognized on the accrual basis.
2. Contingent Liabilities - Nil
3. Capital Commitments not provided for (net of advance) Rs. Nil (previous year Rs.Nil)
4. Preliminary Expenses to the extent not written off or adjusted will be charged to revenue in the year in which there is profit to absorb the same.
5. Pre-operative expenditure will be capitalised on commencement of commercial operations.
6. As the business of the company yet to commence Profit & Loss A/c. for the year is not prepared.
7. Previous figures have been regrouped/reclassified where ever considered necessary to conform in the year's classification.
8. Schedules 'A' to 'F' forms an integral part of the Balance sheet.

As per our attached report of even date
For **K. CHANDRIKA**
Chartered Accountant

For and on behalf of the Board of Directors

SURESH CHALLA
DIRECTOR

E. BHASKAR RAO
DIRECTOR

Place : Hyderabad
Date : 29.06.2009

SSPDL MATRIX TOWERS PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

Particulars	Rupees	31st March, 2009 Rupees	31st March, 2008 Rupees
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Net Profit before Tax and Extraordinary Items		-	-
Adjustments for:			
Depreciation	-		-
Operating Profit Before Working Capital Changes		-	-
Adjustments for:			
Trade and other Receivables	(4,780)		-
Work-in-progress	-		-
Trade payable and other liabilities	-		8,776
Increase/(Decrease) in Net Current Assets		(4,780)	8,776
Cash Generated from Opetations		(4,780)	8,776
Adjustments for :			
Income Tax & Fringe Benefit Tax		-	-
Net Cash from Operating Activities	A	(4,780)	8,776
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Pre-Operative Expenses	(16,439)		(8,810)
Net Cash used in Investing Activities	B	(16,439)	(8,810)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Borrowings	-		-
Net Cash used in Financing Activities	C	-	-
Net increase in Cash and Cash Equivalents	(A+B+C)	(21,219)	(34)
Cash and Cash equivalents at the beginning of the year		79,044	79,078
Cash and Cash equivalents at the end of the year		57,825	79,044

As per our attached report of even date
For **K. CHANDRIKA**
Chartered Accountant

For and on behalf of the Board of Directors

SURESH CHALLA
DIRECTOR

E. BHASKAR RAO
DIRECTOR

Place : Hyderabad
Date : 29.06.2009

SSPDL MATRIX TOWERS PRIVATE LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(Amount in Rupees)

1. REGISTRATION DETAILS

Registration No. : U 4 5 2 0 0 A P 2 0 0 7 P T C 0 5 2 7 6 0

State Code : 1

Balance Sheet Date : 3 1 . 0 3 . 2 0 0 9

2. CAPITAL RAISED DURING THE YEAR

Public Issue : NIL

Rights Issue : NIL

Private Placement : NIL

3. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS

Total Assets : 1 0 0 , 0 0 0

Total Liabilities : 1 0 0 , 0 0 0

SOURCES OF FUNDS

Paid Up Capital : 1 0 0 , 0 0 0

Reserves and Surplus : NIL

Secured Loans : NIL

Unsecured Loans : NIL

APPLICATION OF FUNDS

Net Fixed Assets : NIL

Investments/Preliminary Expenses : NIL

Net Current Assets : 4 2 , 6 0 5

Miscellaneous Expenditure : 2 0 , 9 2 2

Pre-Operative Expenses : 3 6 , 4 7 2

4. PERFORMANCE OF THE COMPANY

Turnover : NIL

Total Expenditure : NIL

Profit/(Loss) Before Tax : NIL

Profit/(Loss) After Tax : NIL

5. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY

Item Code (ITC Code) : N A

Product Description : C o n s t r u c t i o n

As per our attached report of even date
For **K. CHANDRIKA**
Chartered Accountant

For and on behalf of the Board of Directors

SURESH CHALLA
DIRECTOR

E. BHASKAR RAO
DIRECTOR

Place : Hyderabad
Date : 29.06.2009

KOLLUR RESIDENTIAL PROJECT PRIVATE LIMITED**DIRECTORS' REPORT**

To,
The Members

Your Directors have pleasure in presenting the Third Annual Report on the business and operations of the Company together with the Audited Financial Accounts for the period ended 31st March, 2009.

FINANCIAL RESULTS

As there are no operations during the year, there are no financial results available for the period 2008-2009.

BUSINESS OVERVIEW

The Company identified some projects and is in the process of pursuing the same.

AUDITORS

Smt. Chandrika, Chartered Accountant, Hyderabad the Company's Statutory Auditor retires at the conclusion of Third Annual General Meeting and expressed willingness for the re-appointment.

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	:	NIL
B. TECHNOLOGY ABSORPTION	:	NIL
C. FOREIGN EXCHANGE EARNINGS	:	NIL
FOREIGN EXCHANGE OUTGO	:	NIL

INFORMATION 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 NIL.

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

ACKNOWLEDGEMENTS

Your Directors place on record their appreciation of the continued assistance and co-operation extended to the Company by the Statutory Auditor and Government and Semi- Government Departments.

For and on behalf of the Board of Directors

SURESH CHALLA
DIRECTOR

E. BHASKAR RAO
DIRECTOR

Place : Hyderabad
Date : 29.06.2009

AUDITORS'REPORT

To
THE MEMBERS OF
M/S. KOLLUR RESIDENTIAL PROJECT PRIVATE LIMITED

1. I have audited the attached Balance sheet of KOLLUR RESIDENTIAL PROJECT PRIVATE LIMITED as at 31st March, 2009. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.
2. I conducted my audit in accordance with auditing standards generally accepted in India. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report)(Amendment) Order, 2004, (together the 'Order') issued by the Central Government Of India, in terms of Section 227 (4A) of the Companies Act, 1956, I enclose in the Annexure a statement on the matters specified in the paragraphs 4 and 5 of the said order.
4. Further to my comments in the Annexure referred to in paragraph 2 above, I report that:
 - a. I have obtained all the information and explanations, which to the best of my knowledge and belief were necessary for the purposes of my audit.

- b. In my opinion, proper books of account as required by law have been kept by the company so far as appears from my examination of the books of the company.
- c. The Balance Sheet dealt with by this report is in agreement with the books of accounts.
- d. In my opinion, the Balance Sheet dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
- e. On the basis of the written representations received from the Directors as on 31st March, 2009 and taken on record by the Board of Directors, I report that none of the Directors is disqualified as on 31st March, 2009 from being appointed as Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f. In my opinion, and to the best of my information and according to the explanations given to me, the said accounts, read together with the Company's Accounting Policies and Notes hereto, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in the case of the Balance Sheet, of the state of affairs of the company as on 31st March, 2009.

Place : Hyderabad
Date : 29.06.2009

K. CHANDRIKA
Chartered Accountant
(M.No.028522)

Annexure to the Auditors' Report Referred to in paragraph 3 of my report

- i. In respect of its fixed assets:
- (a) The Company has no fixed assets as at the end of the financial year ending on 31.03.2009. Accordingly, the provisions of clause 4 (i) are not applicable to the company.
- ii. In respect of its inventories:
- (a) The company has no inventory as at the end of the financial year ending on 31.03.2009. Accordingly, the provisions of clause 4 (ii) are not applicable to the company.
- iii. The Company has neither granted nor taken any loans, secured or unsecured to or from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Consequently clause 4(iii) (a) to 4(iii) (d) of the Order is not applicable.
- iv. In my opinion and according to the information and explanations given to me, 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, if any. During the course of my audit, no major weakness has been noticed in the internal controls.
- v. In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956:
- a) In my opinion and according to the information and explanations given to me, the company has not entered into any transactions with the parties mentioned in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4 (v) are not applicable to the company.
- 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 my opinion, the company has internal audit system commensurate with the size and nature of business.
- viii. In respect of this company, maintenance of cost records has not been prescribed by the Central Government under section 209 (1) (d) of the company the Act, 1956.
- ix. In respect of Statutory dues:
- a) As informed to us, provisions of Employees Provident Fund and Employees State Insurance Act are not applicable for the time being.
- b) According to the information and explanations given to us, there are no undisputed amounts payable in respect of Income tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty and Cess.
- c) According to the information and explanations given to us, and the records of the company examined by us, there are no dues of Income tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty and Cess, which have not been deposited on account of any dispute.
- x. The Company does not have any accumulated losses at the end of the financial year.
- xi. Based on my audit procedures and on the basis of information and explanations given by the management. No loans have been taken by the Company from financial institutions.
- xii. According to the information and explanations given to me, 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, the provisions of clause 4 (xii) are not applicable to the company.
- xiii. In my opinion, the Company is not a Chit fund or a Nidhi/ Mutual Benefit fund/ Society. Accordingly the provisions of clause 4 (xiii) are not applicable to the company.
- xiv. In my opinion, the Company is not dealing in or trading in Shares, Securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) are not applicable to the company.
- xv. According to the information and explanations given to me, the Company has not given any guarantee for loans taken by others from banks and financial institutions. Accordingly, the provisions of clause 4 (xv) are not applicable to the company.
- xvi. To the best of my knowledge and belief and according to the information and explanations given to me, no term loans were taken by the Company. Accordingly, the provisions of clause 4 (xvi) are not applicable to the company.
- xvii. According to the information and explanation given to me and on an overall examination of the Balance Sheet of the company, we are of the opinion the no funds raised on short - term basis have been used for long term investment.
- xviii. The company has not made preferential allotment of shares to the parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(xviii) are not applicable to the company.
- xix. According to the information and explanations given to me and the records examined by me, no debentures were issued by the company and therefore, the provisions of clause 4 (xix) are not applicable to the company.
- xx. The Company has not raised any money by public issues during the year. Accordingly, the provisions of clause 4 (xx) are not applicable to the company.
- xxi. To the best of my knowledge and belief and according to the information and explanations given to me, no fraud on or by the Company was noticed or reported during the year.

Place : Hyderabad
Date : 29.06.2009

K. CHANDRIKA
Chartered Accountant
(M.No.028522)

KOLLUR RESIDENTIAL PROJECT PRIVATE LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2009

Particulars	Schedule	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
SOURCES OF FUNDS:			
Shareholders Funds			
Share Capital	A	100,000	100,000
Total		100,000	100,000
APPLICATION OF FUNDS:			
Pre-Operative Expenses	B	40,674	21,224
		40,674	21,224
CURRENT ASSETS, LOANS & ADVANCES			
Cash & Bank Balance	C	67,451	78,301
		67,451	78,301
Less: Current Liabilities & Provisions	D	29,824	21,224
Net Current Assets		37,627	57,077
MISCELLANEOUS EXPENDITURE:			
(to the extent not written off or adjusted)	E		
Preliminary expenses		21,699	21,699
Total		100,000	100,000
Significant Accounting Policies and Notes to Accounts	F		

As per our attached report of even date
For **K. CHANDRIKA**
Chartered Accountant

For and on behalf of the Board of Directors

SURESH CHALLA
DIRECTOR

E. BHASKAR RAO
DIRECTOR

Place : Hyderabad
Date : 29.06.2009

KOLLUR RESIDENTIAL PROJECT PRIVATE LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET

Particulars	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
SCHEDULE A - Share Capital		
Authorised Capital		
50,000 Equity Shares of Rs.10/- each	500,000	500,000
Issued, Subscribed And Paid-up		
10,000 Equity Shares of Rs.10/- each	100,000	100,000
(Note : SSPDL Limited and its'nominees hold all the shares of the Company)		
SCHEDULE B		
Pre-operative Expenses	40,674	21,224
	40,674	21,224
SCHEDULE C - Cash & Bank Balances		
Cash on hand	4,050	300
Balances with Scheduled Bank in current A/c.	63,401	78,001
	67,451	78,301
SCHEDULE D - Current Liabilities & Provisions		
Audit Fee payable	10,000	10,000
Other Liabilities	19,824	11,224
	29,824	21,224
SCHEDULE E - Miscellaneous Expenditure		
Preliminary Expenses	21,699	21,699
	21,699	21,699
SCHEDULE F		

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS:

1. Basis of preparation of financial statements
The financial statements are prepared and presented under the historical cost convention in accordance with the Generally Accepted Accounting Principles in India and complies with the mandatory accounting standards as notified under Section 211 (3C) of the Companies Act 1956 of the India and relevant provisions of the Companies Act 1956.
2. Contingent Liabilities - Nil
3. Capital Commitments not provided for (net of advance) Rs. Nil (previous year Rs.Nil)
4. Preliminary Expenses to the extent not written off or adjusted will be charged to revenue in the year in which there in profit to absorb the same.
5. Pre-operative expenditure will be capitalised on commencement of commercial operations.
6. As the business of the company yet to commence Profit & Loss A/c, for the year is not prepared.
7. Previous figures have been regrouped/reclassified wherever considered necessary to conform in the year's classification.
8. Schedules 'A' to 'F' form an integral part of the Balance sheet.

As per our attached report of even date
For **K. CHANDRIKA**
Chartered Accountant

For and on behalf of the Board of Directors

SURESH CHALLA
DIRECTOR

E. BHASKAR RAO
DIRECTOR

Place : Hyderabad
Date : 29.06.2009

KOLLUR RESIDENTIAL PROJECT PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

Particulars	Rupees	31st March, 2009 Rupees	31st March, 2008 Rupees
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Net Profit before Tax and Extraordinary Items		-	-
Adjustments for:			
Depreciation	-		-
Operating Profit Before Working Capital Changes		-	-
Adjustments for:			
Trade and other Receivables	-		-
Work-in-progress	-		-
Trade payable and other liabilities	8,600		10,000
Increase/(Decrease) in Net Current Assets		8,600	10,000
Cash Generated from Opetations		8,600	10,000
Adjustments for :			
Income Tax & Fringe Benefit Tax		-	-
Net Cash from Operating Activities	A	8,600	10,000
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Pre-Operative Expenses	(19,450)		(10,000)
		(19,450)	(10,000)
Net Cash used in Investing Activities	B		
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Borrowings	-		-
Net Cash used in Financing Activities	C	-	-
Net increase in Cash and Cash Equivalents	(A+B+C)	(10,850)	-
Cash and Cash equivalents at the beginning of the year		78,301	78,301
Cash and Cash equivalents at the end of the year		67,451	78,301

As per our attached report of even date
For **K. CHANDRIKA**
Chartered Accountant

For and on behalf of the Board of Directors

SURESH CHALLA
DIRECTOR

E. BHASKAR RAO
DIRECTOR

Place : Hyderabad
Date : 29.06.2009

KOLLUR RESIDENTIAL PROJECT PRIVATE LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(Amount in Rupees)

1. REGISTRATION DETAILS

Registration No. : U 4 5 2 0 0 A P 2 0 0 6 P T C 0 5 1 3 8 5

State Code : 1

Balance Sheet Date : 3 1 . 0 3 . 2 0 0 9

2. CAPITAL RAISED DURING THE YEAR

Public Issue : NIL

Rights Issue : NIL

Private Placement : NIL

3. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS

Total Assets : 1 0 0 , 0 0 0

Total Liabilities : 1 0 0 , 0 0 0

SOURCES OF FUNDS

Paid Up Capital : 1 0 0 , 0 0 0

Reserves and Surplus : NIL

Secured Loans : NIL

Unsecured Loans : NIL

APPLICATION OF FUNDS

Net Fixed Assets : NIL

Investments : NIL

Net Current Assets : 3 7 , 6 2 7

Miscellaneous Expenditure : 2 1 , 6 9 9

4. PERFORMANCE OF THE COMPANY

Turnover : NIL

Total Expenditure : NIL

Profit/(Loss) Before Tax : NIL

Profit/(Loss) After Tax : NIL

5. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY

Item Code (ITC Code) : NA

Product Description : Construction

As per our attached report of even date
For **K. CHANDRIKA**
Chartered Accountant

For and on behalf of the Board of Directors

SURESH CHALLA
DIRECTOR

E. BHASKAR RAO
DIRECTOR

Place : Hyderabad
Date : 29.06.2009

SSPDL REAL ESTATES INDIA PRIVATE LIMITED**DIRECTORS' REPORT**

To,
The Members

Your Directors have pleasure in presenting the Third Annual Report on the business and operations of the Company together with the Audited Financial Accounts for the period ended 31st March, 2009.

FINANCIAL RESULTS

As there are no operations during the year, there are no financial results available for the period 2008-2009.

BUSINESS OVERVIEW

"The Retreat", Munnar, Kerala

The Company has purchased 104.11 acres of land for Rs. 519.65 Lakhs in Munnar, Kerala for developing an Eco Tourism Project.

The Company along with parent company SSPDL Limited and its SPVs is planning for operating a) Villa Development b) Jungle Resort Development and c) Jungle and Plantation Development.

Preliminary plans for both resort, layout of Villa Development and typical holiday home have been received from the Architects. The work is expected to commence after receiving necessary approvals.

Your Company is awaiting the Policy of the Govt. of Kerala on the Tourism Development of Munnar as the site acquired by the Company is in the identified High Growth Tourism Corridor of the Munnar Development Plan.

The Project is expected to take off in the first quarter of 2010.

AUDITORS

Smt. Chandrika, Chartered Accountant, Hyderabad the Company's Statutory Auditor retires at the conclusion of Third Annual General Meeting and expressed willingness for the re-appointment.

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	:	NIL
B. TECHNOLOGY ABSORPTION	:	NIL
C. FOREIGN EXCHANGE EARNINGS	:	NIL
FOREIGN EXCHANGE OUTGO	:	NIL

INFORMATION 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 NIL.

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

ACKNOWLEDGEMENTS

Your Directors place on record their appreciation of the continued assistance and co-operation extended to the Company by the Statutory Auditor and Government and Semi- Government Departments.

For and on behalf of the Board of Directors

SURESH CHALLA
DIRECTOR

E. BHASKAR RAO
DIRECTOR

Place : Hyderabad
Date : 29.06.2009

AUDITORS REPORT

To
THE MEMBERS OF
M/S. SSPDL REAL ESTATES INDIA PRIVATE LIMITED

1. I have audited the attached Balance sheet and Profit & Loss Account of SSPDL REAL ESTATES INDIA PRIVATE LIMITED as at 31st March, 2009. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.
2. I conducted my audit in accordance with auditing standards generally accepted in India. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report)(Amendment) Order, 2004, (together the 'Order') issued by the Central Government Of India, in terms of Section 227 (4A) of the Companies Act, 1956, I enclose in the Annexure a statement on the matters specified in the paragraphs 4 and 5 of the said order.
4. Further to my comments in the Annexure referred to in paragraph 2 above, I report that:
 - a. I have obtained all the information and explanations, which to the best of my knowledge and belief were necessary for the purposes of my audit.

- b. In my opinion, proper books of account as required by law have been kept by the company so far as appears from my examination of the books of the company.
- c. The Balance Sheet dealt with by this report is in agreement with the books of accounts.
- d. In my opinion, the Balance Sheet dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
- e. On the basis of the written representations received from the Directors as on 31st March, 2009 and taken on record by the Board of Directors, I report that none of the Directors is disqualified as on 31st March, 2009 from being appointed as Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f. In my opinion, and to the best of my information and according to the explanations given to me, the said accounts, read together with the Company's Accounting Policies and Notes hereto, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in the case of the Balance Sheet, of the state of affairs of the company as on 31st March, 2009.

And

 - ii. In the case of Profit & Loss account, of the Nil Profit the company for the year ended on that date.

Place : Hyderabad
Date : 29.06.2009

K. CHANDRIKA
Chartered Accountant
(M.No.028522)

Annexure to the Auditors' Report Referred to in paragraph 3 of my report

- i. In respect of its fixed assets:
 - a) The Company has no fixed assets as at the end of the financial year ending on 31.03.2009. Accordingly, the provisions of clause 4 (i) are not applicable to the company.
 - b) The company has phased programme of physical verification of its fixed assets which, in my opinion, is reasonable having regard to the size of the company the nature of assets. In accordance with this programme, all the fixed assets were verified physically by management during the year and no material discrepancies were identified during such verification.
 - c) As explained to me, no fixed assets were disposed off during the year.
- ii. In respect of its inventories:
 - a) The company has no inventory as at the end of the financial year ending on 31.03.2009. Accordingly, the provisions of clause 4 (ii) are not applicable to the company.
- iii.
 - a) According to the information and explanations given to me, during the year the company has not granted any unsecured loans to companies covered in the register maintained under section 301 of the companies Act, 1956.
 - b) According to the information and explanations given to me, the company has taken unsecured loan from a company covered in the register maintained under section 301 of the companies Act, 1956. The maximum amount outstanding and the year end balance is Rs.6.45 crores.
In my opinion and according to the information and explanations given to me, the afore said loan is interest free and the other terms and conditions are not prima facie prejudicial to the interest of the company.
The said loan is repayable and demand and there is repayment schedule and therefore the question of overdue amount does not arise.
- iv. In my opinion and according to the information and explanations given to me, 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, if any. During the course of my audit, no major weakness has been noticed in the internal controls.
- v. In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956:
 - a) In my opinion and according to the information and explanations given to me, the company has not entered into any transactions with the parties mentioned in the register maintained under Section 301 of the Companies Act, 1956 have been so entered. Accordingly, the provisions of clause 4 (v) are not applicable to the company.
- 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 my opinion, the company has internal audit system commensurate with the size and nature of business.

- viii. In respect of this company, maintenance of cost records has not been prescribed by the Central Government under section 209 (1) (d) of the company the Act, 1956.
- ix. In respect of Statutory dues:
 - a) As informed to me, provisions of Employees Provident Fund and Employees State Insurance Act are not applicable for the time being.
 - b) According to the information and explanations given to me, there are no undisputed amounts payable in respect of Income tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty and Cess.
 - c) According to the information and explanations given to me, and the records of the company examined by me, there are no dues of Income tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty and Cess, which have not been deposited on account of any dispute.
- x. Since this is the Third Annual Report of the company, clause 4(x) of the order is not applicable.
- xi. Based on my audit procedures and on the basis of information and explanations given by the management, no loans have been taken by the Company from financial institutions.
- xii. According to the information and explanations given to me, 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, the provisions of clause 4 (xii) are not applicable to the company.
- xiii. In my opinion, the Company is not a Chit fund or a Nidhi/ Mutual Benefit fund/ Society. Accordingly the provisions of clause 4 (xiii) are not applicable to the company.
- xiv. In my opinion, the Company is not dealing in or trading in Shares, Securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) are not applicable to the company.
- xv. According to the information and explanations given to me, the Company has not given any guarantee for loans taken by others from banks and financial institutions. Accordingly, the provisions of clause 4 (xv) are not applicable to the company.
- xvi. To the best of my knowledge and belief and according to the information and explanations given to me, no term loans were taken by the Company. Accordingly, the provisions of clause 4 (xvi) are not applicable to the company.
- xvii. According to the information and explanation given to me and on an overall examination of the Balance Sheet of the company, we are of the opinion the no funds raised on short - term basis have been used for long term investment.
- xviii. The company has not made preferential allotment of shares to the parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(xviii) are not applicable to the company.
- xix. According to the information and explanations given to me and the records examined by me, no debentures were issued by the company and therefore, the provisions of clause 4 (xix) are not applicable to the company.
- xx. The Company has not raised any money by public issues during the year. Accordingly, the provisions of clause 4 (xx) are not applicable to the company.
- xxi. To the best of my knowledge and belief and according to the information and explanations given to me, no fraud on or by the Company was noticed or reported during the year.

K. CHANDRIKA

Place : Hyderabad
Date : 29.06.2009

Chartered Accountant
(M.No.028522)

SSPDL REAL ESTATES INDIA PRIVATE LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2009

Particulars	Schedule	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
SOURCES OF FUNDS:			
Shareholders Funds	A	100,000	100,000
Unsecured Loans	B	64,477,769	59,820,478
Total		64,577,769	59,920,478
APPLICATION OF FUNDS:			
Pre-Operative Expenses		365,515	365,515
Fixed Assets	C		
- Gross Block		41,975	-
- Less : Depreciation		2,889	-
		39,086	-
Current Assets , Loans and Advances	D		
Inventories		66,828,824	61,319,258
Loans and Advances		269,488	628,885
Cash and Bank Balance		135,688	8,175
		67,234,000	61,956,318
Less : Current Liabilities and Provisions	E	3,081,754	2,422,277
Net Current Assets		64,152,246	59,534,041
Miscellaneous Expenditure:	F		
(to the extent not written off or adjusted)			
Preliminary expneses		20,922	20,922
Total		64,577,769	59,920,478
Significant Accounting Policies and Notes To Accounts	K		

As per our attached report of even date
For **K. CHANDRIKA**
Chartered Accountant

For and on behalf of the Board of Directors

SURESH CHALLA
DIRECTOR

E. BHASKAR RAO
DIRECTOR

Place : Hyderabad
Date : 29.06.2009

SSPDL REAL ESTATES INDIA PRIVATE LIMITED**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009**

Particulars	Schedule	2008-2009 Rupees	2007-2008 Rupees
INCOME			
Increase/(Decrease) in Work-in-Progress	G	6,484,449	61,319,257
Total		6,484,449	61,319,257
EXPENDITURE			
Project Expenses/Other Operative Expenses	H	5,225,834	61,319,257
Personnel Cost	I	807,152	-
Administrative Expenses	J	448,574	-
Depreciation	C	2,889	-
Total		6,484,449	61,319,257
Profit Before Tax		-	-
Tax Expenses		-	-
Profit After Tax		-	-
Balance carried to Balance Sheet		-	-
EARNINGS PER SHARE (FACE VALUE OF RS.10/- PER SHARE)			
- Basic		-	-
- Diluted		-	-
Significant Accounting Policies and Notes To Accounts	K		

As per our attached report of even date
For **K. CHANDRIKA**
Chartered Accountant

For and on behalf of the Board of Directors

SURESH CHALLA
DIRECTOR

E. BHASKAR RAO
DIRECTOR

Place : Hyderabad
Date : 29.06.2009

SCHEDULES FORMING PART OF THE BALANCE SHEET

Particulars	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
SCHEDULE A - Share Capital		
Authorised Capital		
50,000 Equity Shares of Rs.10/- each	500,000	500,000
	500,000	500,000
Issued,Subscribed and Paid up Capital		
10,000/- Equity Shares of Rs.10/- each	100,000	100,000
(Note : SSPDL Limited and its'nominees hold all the shares of the Company)	100,000	100,000
SCHEDULE B - Unsecured Loans		
- From SSPDL Limited	64,477,769	59,820,478
	64,477,769	59,820,478

SSPDL REAL ESTATES INDIA PRIVATE LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET

Particulars	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
SCHEDULE D - Current Assets, Loans and Advances		
Inventories		
Land	58,200,632	58,200,632
Projects in Progress	3,462,938	1,740,546
Plantation Expenses	5,165,254	1,378,080
	<u>66,828,824</u>	<u>61,319,258</u>
Cash and Bank Balances		
Cash Balance	65,021	300
In Current Accounts	70,667	7,875
	<u>135,688</u>	<u>8,175</u>
Loans and Advances		
(Unsecured and considered good recoverable in cash or in kind or for value to be received)		
Advances to Suppliers/Contractors	208,324	628,885
Advances to Staff	9,676	-
Prepaid Taxes	7,327	-
Prepaid Expenses	10,576	-
Receivables from : SSPDL Realty India Pvt Ltd	33,585	-
	<u>269,488</u>	<u>628,885</u>
	<u>67,234,000</u>	<u>61,956,318</u>
SCHEDULE E - Current Liabilities and Provisions		
Sundry Creditors	8,543	-
Other Current Liabilities:		
SSPDL Resorts Pvt Ltd	2,770,604	2,404,949
SSPDL Infra Projects India Pvt Ltd	113,718	-
Statutory Dues	13,165	-
Salary Payable	147,747	-
Audit Fee Payable	10,000	10,000
Provisions :		
Fringe Benefit Tax	17,977	7,328
	<u>3,081,754</u>	<u>2,422,277</u>
SCHEDULE F - Miscellaneous Expenditure		
Preliminary Expenses	20,922	20,922
Less : Charged to Revenue	-	-
Balance Carried forward	<u>20,922</u>	<u>20,922</u>

SCHEDULE C - Fixed Assets

(In Rupees)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2008	Additions During the year	Deletions During the year	As at 31.03.2009	As at 01.04.2008	For the Year	Adjustments	As at 31.03.2009	As at 31.03.2009	As at 31.03.2008
Furniture and Fixtures	-	31,375	-	31,375	-	1,420	-	1,420	29,955	-
Office Equipment	-	10,600	-	10,600	-	1,469	-	1,469	9,131	-
TOTAL	-	41,975	-	41,975	-	2,889	-	2,889	39,086	-

SSPDL REAL ESTATES INDIA PRIVATE LIMITED**SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT**

Particulars	2008-2009 Rupees	2007-2008 Rupees
SCHEDULE G - Increase/Decrease in Work-in-Progress		
Opening Work-in-Progress	61,319,257	-
Less: Disposal of Cardamom during the year	974,882	-
Balance	60,344,375	-
Less: Closing Work-in-Progress	66,828,824	61,319,257
Increase in Work-in-Progress	6,484,449	61,319,257
SCHEDULE H - Project Expenditure		
Plantation :		
Works Cost including Contractors Bills	1,327,725	102,215
Masonry & Other Works	2,335,092	1,271,797
Power & Fuel Charges	21,562	4,067
	3,684,379	1,378,079
Project Expenses :		
Works Cost including Contractors Bills	1,461,238	1,504,330
Masonry & Other Works	11,925	104,600
Power & Fuel Charges	1,830	-
Land	-	58,200,632
Survey & Investigation Works	66,462	91,921
Rates and Taxes	-	39,695
	1,541,455	59,941,178
	5,225,834	61,319,257
SCHEDULE I - Personnel Cost		
Staff Salaries	780,066	-
Staff Welfare	27,086	-
	807,152	-
SCHEDULE J - Administration Expenses		
Rates and Taxes	15,703	-
Travelling and Conveyance	144,424	-
Communication Expenses	52,041	-
Printing and Stationery	8,221	-
Payment to Auditors:		
- Towards Audit Fee	10,000	-
Professional Charges	126,800	-
Commission	9,710	-
General Expenses	81,675	-
	448,574	-

SSPDL REAL ESTATES INDIA PRIVATE LIMITED**SCHEDULE K - SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS :****I. SIGNIFICANT ACCOUNTING POLICIES:**

Basis of preparation of financial statements

The financial statements are prepared and presented under the historical cost convention in accordance with the Generally Accepted Accounting Principles in India and complies with the mandatory accounting standards as notified under Section 211 (3C) of the companies Act 1956 of the India and relevant provisions of the companies Act 1956.

Revenue Recognition:

Revenue from sale of land/ property rights is recognized when the unconditional right to receive the income is established 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.

Depreciation

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

Inventories

- i. Land: Land is valued at cost or net realizable value whichever is less
- ii. Work in Progress: Work in progress is valued at cost.

II. NOTES TO ACCOUNTS:

1. Contingent Liabilities - Nil
2. Capital Commitments not provided for (net of advance) Rs. Nil (previous year Rs.Nil)
3. Preliminary Expenses to the extent not written off or adjusted will be charged to revenue in the year in which there is profit to absorb the same.
4. Pre-operative expenditure will be capitalised on commencement of commercial operations.
5. Schedules 'A' to 'K' forms an integral part of the Balance sheet.

As per our attached report of even date
For **K. CHANDRIKA**
Chartered Accountant

For and on behalf of the Board of Directors

SURESH CHALLA
DIRECTOR

E. BHASKAR RAO
DIRECTOR

Place : Hyderabad
Date : 29.06.2009

SSPDL REAL ESTATES INDIA PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

Particulars	Rupees	31st March, 2009 Rupees	31st March, 2008 Rupees
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Net Profit before Tax and Extraordinary Items		-	-
Adjustments for:			
Depreciation	-		-
Operating Profit Before Working Capital Changes		-	-
Adjustments for:			
Trade and other Receivables	359,397		(628,885)
Work-in-progress	(5,506,677)		(61,319,257)
Trade payable and other liabilities	659,477		2,411,052
Increase/(Decrease) in Net Current Assets		(4,487,803)	(59,537,090)
Cash Generated from Opetations		(4,487,803)	(59,537,090)
Adjustments for :			
Income Tax & Fringe Benefit Tax		-	-
Net Cash from Operating Activities	A	(4,487,803)	(59,537,090)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets	(41,975)		
Pre-Operative Expenses	-		(354,291)
		(41,975)	(354,291)
Net Cash used in Investing Activities	B	(41,975)	(354,291)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Borrowings	4,657,291		59,820,478
Net Cash used in Financing Activities	C	4,657,291	59,820,478
Net increase in Cash and Cash Equivalents	(A+B+C)	127,513	70,903
Cash and Cash equivalents at the beginning of the year		8,175	79,078
Cash and Cash equivalents at the end of the year		135,688	8,175

As per our attached report of even date
For **K. CHANDRIKA**
Chartered Accountant

For and on behalf of the Board of Directors

SURESH CHALLA
DIRECTOR

E. BHASKAR RAO
DIRECTOR

Place : Hyderabad
Date : 29.06.2009

SSPDL REAL ESTATES INDIA PRIVATE LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(Amount in Rupees)

1. REGISTRATION DETAILS

Registration No. : U 7 0 1 0 2 A P 2 0 0 7 P T C O 5 2 8 1 8

State Code : 1

Balance Sheet Date : 3 1 . 0 3 . 2 0 0 9

2. CAPITAL RAISED DURING THE YEAR

Public Issue : NIL

Rights Issue : NIL

Private Placement : NIL

3. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS

Total Assets : 6 4 , 5 7 7 , 7 6 9

Total Liabilities : 6 4 , 5 7 7 , 7 6 9

SOURCES OF FUNDS

Paid Up Capital : 1 0 0 , 0 0 0

Reserves and Surplus : NIL

Secured Loans : NIL

Unsecured Loans : NIL

APPLICATION OF FUNDS

Net Fixed Assets : NIL

Investments : NIL

Net Current Assets : 6 4 , 1 5 2 , 2 4 5

Miscellaneous Expenditure : 3 8 6 , 4 3 7

4. PERFORMANCE OF THE COMPANY

Turnover : NIL

Total Expenditure : NIL

Profit/(Loss) Before Tax : NIL

Profit/(Loss) After Tax : NIL

5. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY

Item Code (ITC Code) : NA

Product Description : REAL ESTATE

As per our report of even date
For **K. CHANDRIKA**
Chartered Accountant

For and on behalf of the Board of Directors

SURESH CHALLA
DIRECTOR

E. BHASKAR RAO
DIRECTOR

Place : Hyderabad
Date : 29.06.2009

SSPDL RESORTS PRIVATE LIMITED**DIRECTORS' REPORT**

To,
The Members

Your Directors have pleasure in presenting the Third Annual Report on the business and operations of the Company together with the Audited Financial Accounts for the period ended 31st March, 2009.

FINANCIAL RESULTS

As there are no operations during the year, there are no financial results available for the period 2008-2009.

BUSINESS OVERVIEW**"The Retreat", Munnar, Kerala**

The Company has purchased 18.58 acres of land for Rs.87.68 Lakhs in Munnar, Kerala for developing an Eco Tourism Project.

The Company along with parent company SSPDL Limited and its SPVs is planning for operating a) Villa Development b) Jungle Resort Development and c) Jungle and Plantation Development.

Preliminary plans for both resort, layout of Villa Development and typical holiday home have been received from the Architects. The work is expected to commence after receiving necessary approvals.

Your Company is awaiting the Policy of the Govt. of Kerala on the Tourism Development of Munnar as the site acquired by the Company is in the identified High Growth Tourism Corridor of the Munnar Development Plan.

The Project is expected to take off in the first quarter of 2010.

AUDITORS

Smt. Chandrika, Chartered Accountant, Hyderabad the Company's Statutory Auditor retires at the conclusion of Third Annual General Meeting and expressed willingness for the re-appointment.

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	:	NIL
B. TECHNOLOGY ABSORPTION	:	NIL
C. FOREIGN EXCHANGE EARNINGS	:	NIL
FOREIGN EXCHANGE OUTGO	:	NIL

INFORMATION 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 NIL.

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

ACKNOWLEDGEMENTS

Your Directors place on record their appreciation of the continued assistance and co-operation extended to the Company by the Statutory Auditor and Government and Semi- Government Departments.

For and on behalf of the Board of Directors

SURESH CHALLA
DIRECTOR

E. BHASKAR RAO
DIRECTOR

Place : Hyderabad
Date : 29.06.2009

AUDITORS REPORT

To
THE MEMBERS OF
M/S. SSPDL RESORTS PRIVATE LIMITED

1. I have audited the attached Balance Sheet of M/s. SSPDL RESORTS PRIVATE LIMITED as at 31ST March 2009, and also the Profit and Loss account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.
2. I conducted my audit in accordance with auditing standards generally accepted in India. Those Standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. I believe that my audit provides a reasonable basis for my opinion.
3. As required by the Companies (Auditors' Report) Order 2003, as amended by the Companies Audit (Auditor's Report) (Amendment) Order, 2004 ('the Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, I annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to my comments in the annexure referred to above, I state that:
 - i. I have obtained all the information and explanations, which to the best of my knowledge and belief were necessary for the purpose of my audit.

- ii. In my opinion, the Company has kept proper books of accounts as required by Law so far as appears from my examination of those books.
- iii. The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of accounts.
- iv. In my opinion, the Balance Sheet and Profit & Loss Account dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, to the extent applicable.
- v. In my opinion and to the best of my information and according to the explanations given to me, the said accounts read together with notes thereon gives the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a. In case of Balance Sheet, of the state of affairs of the Company as at 31st march 2009.

And

 - b. In case of Profit & Loss account, of the Nil Profit of the company for the year ended on that date.

Place : Hyderabad
Date : 29.06.2009

K. CHANDRIKA
Chartered Accountant
(M.No.028522)

Annexure to the Auditors' Report Referred to in paragraph 3 of my report

- i. In respect of Fixed Assets
 - a) The Company has maintained proper records to show full particulars including quantitative details and situation of the fixed assets.
 - b) The company has phased programme of physical verification of its fixed assets which, in my opinion, is reasonable having regard to the size of the company and the nature of assets. In accordance with this programme, all the fixed assets were verified physically by the management during the year and no material discrepancies were identified during such verification.
 - c) As explained to me, no fixed assets were disposed off during the year.
- ii. The Company's inventory comprises of only Land and no moveable stock. Accordingly, Clause 4(ii) of the Order is not applicable.
- iii. The Company has neither granted nor taken any loans, secured or unsecured to or from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Consequently clause 4(iii) (a) to 4(iii) (d) of the Order is not applicable.
- iv. In my opinion and according to the information and explanations given to me, 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 if any. During the course of my audit, no major weakness has been noticed in the internal controls.
- v. In my opinion and according to the information and explanations provided by the management, I am of the opinion that there are no transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956.
- vi. According to information and explanations given to me, the company has not accepted any deposits from the public within the meaning of Section 58A and 58AA or any other relevant provisions of the Act.
- vii. In my opinion, the company has internal audit system commensurate with the size and the nature of its business.
- viii. In respect of this company, maintenance of cost records has not been prescribed by the Central Government under Section 209 (1) (d) of the Companies Act, 1956.
- ix.
 - a) As informed to me, provisions of Employees Provident Fund and Employees State Insurance Act are not applicable for the time being.
 - b) According to the information and explanations given to me, there are no undisputed amounts payable in respect of Income tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty and Cess.
 - c) According to the information and explanations given to me, and the records of the company examined by me, there are no dues of Income tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty and Cess, which have not been deposited on account of any dispute.
- x. Since this is the Third annual report of the company and hence clauses 4(x) of the Order, is not applicable.
- xi. According to the information and explanation given by the management, the Company has not availed any loans from the financial institutions and banks. As such, clause 4(xi) of the Order is not applicable.
- xii. In my opinion and according to information and explanations given to me and as per verification of records, the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, clause 4(xii) of the Order is not applicable.
- xiii. In my opinion, the Company is not a Chit fund or a Nidhi/ Mutual Benefit fund/ Society. Accordingly the provisions of clause 4 (xiii) are not applicable to the company.
- xiv. In my opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) are not applicable to the company.
- xv. As per information and explanations given to me, the company has not given any guarantee for loans taken by others from banks and financial institutions during the year. Accordingly, the provisions of Clause 4(xv) are not applicable to the company.
- xvi. In my opinion and according to the information and explanations given to me and on the basis of my examination of the books of accounts, unsecured loans availed by the company from its holding company have been prima facie applied by the company during the year for the purposes for which the loans were obtained.
- xvii. According to the information and explanation given to me and on an overall examination of the balance sheet of the Company, I am of the opinion that no funds raised on short term basis have been used for long term investment.
- xviii. The company has not made any preferential allotment of shares to parties covered under section 301 of the Companies Act, 1956. Accordingly, clause 4(xviii) of the Order is not applicable.
- xix. The company during the year has not issued any debentures or securities. Accordingly, clause 4(xix) of the Order is not applicable.
- xx. The company has not raised any money by public issue of shares during the year. Accordingly, clause 4(xx) of the Order is not applicable.
- xxi. In my opinion and according to the information and explanations given to me and on the basis of examination of records, no fraud on or by the company was noticed or reported during the year.

Place : Hyderabad
Date : 29.06.2009

K. CHANDRIKA
Chartered Accountant
(M.No.028522)

SSPDL RESORTS PRIVATE LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2009

Particulars	Schedule	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
SOURCES OF FUNDS:			
Shareholders Funds	A	100,000	100,000
Total		100,000	100,000
APPLICATION OF FUNDS:			
Pre-Operative Expenses	B	796,344	796,344
Fixed Assets	C		
- Gross Block		357,676	270,026
- Less : Depreciation		32,470	9,566
		325,206	260,460
Current Assets , Loans and Advances	D		
Inventories		13,988,088	13,713,819
Loans and Advances		52,400,687	52,211,960
Cash and Bank Balance		38,618	540,972
		66,427,393	66,466,751
Less : Current Liabilities and Provisions	E	67,469,865	67,444,477
Net Current Assets		(1,042,472)	(977,727)
Miscellaneous Expenditure: (to the extent not written off or adjusted)			
Preliminary Expenses	F	20,922	20,922
Total		100,000	100,000
Significant Accounting Policies and Notes To Accounts	J		

As per our attached report of even date

For **K. CHANDRIKA**
Chartered Accountant

For and on behalf of the Board of Directors

SURESH CHALLA
DIRECTOR**E. BHASKAR RAO**
DIRECTORPlace : Hyderabad
Date : 29.06.2009

SSPDL RESORTS PRIVATE LIMITED**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009**

Particulars	Schedule	2008-2009 Rupees	2007-2008 Rupees
Income			
Increase/(Decrease) in Work-in-Progress	G	826,142	13,713,819
Total		826,142	13,713,819
Expenditure			
Project Expenses/Other Operative Expenses	H	285,000	13,713,819
Administrative Expenses	I	518,238	-
Depreciation	C	22,904	-
Total		826,142	13,713,819
Profit Before Tax		-	-
Tax Expenses		-	-
Profit After Tax		-	-
Balance carried to Balance Sheet		-	-

Significant Accounting Policies and Notes To Accounts**J**

As per our attached report of even date

For **K. CHANDRIKA**
Chartered Accountant

For and on behalf of the Board of Directors

SURESH CHALLA
DIRECTOR**E. BHASKAR RAO**
DIRECTORPlace : Hyderabad
Date : 29.06.2009**SCHEDULES FORMING PART OF THE BALANCE SHEET**

Particulars	Rupees	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
SCHEDULE A - Share Capital			
Authorised Capital			
50,000 Equity shares of Rs.10/- each		500,000	500,000
		500,000	500,000
Issued, Subscribed and Paid up Capital			
10,000 Equity shares of Rs.10/- each		100,000	100,000
(Note : SSPDL Limited and its'nominees hold all the shares of the Company)		100,000	100,000
SCHEDULE B - Pre Operative Expenses			
Audit Fee		20,000	20,000
Others		776,344	776,344
		796,344	796,344

SSPDL RESORTS PRIVATE LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE C - Fixed Assets

(In Rupees)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2008	Additions During the year	Deletions During the year	As at 31.03.2009	As at 01.04.2008	For the Year	Adjustments	As at 31.03.2009	As at 31.03.2009	As at 31.03.2008
Furniture and Fixtures	93,785	87,650	-	181,435	3,664	10,444	-	14,108	167,327	90,121
Office Equipment	176,241	-	-	176,241	5,902	12,460	-	18,362	157,879	170,339
TOTAL	270,026	87,650	-	357,676	9,566	22,904	-	32,470	325,206	260,460
Previous Year	-	270,026	-	270,026	-	9,566	-	9,566	260,460	-

Particulars	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
SCHEDULE D - Current Assets, Loans and Advances		
Inventories		
- Land	12,780,810	12,780,810
Projects in Progress	1,022,841	705,483
Plantation Expenses	184,437	227,526
	13,988,088	13,713,819
Cash and Bank Balances		
Cash Balance	10,338	300
In Current Accounts	28,280	540,672
	38,618	540,972
Loans and Advances		
(Unsecured and considered good)		
Advances to Suppliers	-	50,000
Advances to Staff	57,054	57,054
Advance FBT Paid	24,094	-
Security Deposits(Rental Deposit)	25,000	25,000
Receivables from :		
- SSPDL Infra Projects India Pvt Ltd	329,915	329,915
- SSPDL Real Estates India Pvt Ltd	2,770,604	2,404,949
- SSPDL Realty India Pvt Ltd	641,839	626,839
- SSPDL Limited	48,551,421	48,718,203
Prepaid Expenses	760	
	52,400,687	52,211,960
SCHEDULE E - Current Liabilities & Provisions		
Advances Received from Clients	67,410,383	67,410,383
Other Current Liabilities:		
- Audit Fee Payable	10,000	10,000
- Rent Payable	5,460	-
- ROC Payable	2,100	-
Provisions :		
- Fringe Benefit Tax	41,922	24,094
	67,469,865	67,444,477
SCHEDULE F - Miscellaneous Expenditure		
Preliminary Expenses	20,922	20,922
	20,922	20,922

SSPDL RESORTS PRIVATE LIMITED**SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT**

Particulars	2008-2009 Rupees	2007-2008 Rupees
SCHEDULE G - Increase/(Decrease) in Work-in-Progress		
Opening Work-in-Progress	13,713,818	-
Less: Disposal of Cardamom & Old shed	551,872	-
Balance	13,161,946	-
Closing Work-in-Progress	13,988,088	13,713,819
	<u>826,142</u>	<u>13,713,819</u>
SCHEDULE H - Project Expenditure		
Plantation :		
Works Cost including Contractors Bills	116,491	77,462
Masonry & Other Works	21,250	144,000
Power & Fuel Charges	42,042	6,064
	<u>179,783</u>	<u>227,526</u>
Project Expenses :		
Works Cost including Contractors Bills	97,417	665,230
Masonry & Other Works	7,800	-
Power & Fuel Charges	-	2,352
Land	-	12,780,810
Survey & Investigation Works	-	37,901
	<u>105,217</u>	<u>13,486,293</u>
	<u>285,000</u>	<u>13,713,819</u>
SCHEDULE I - Administration Expenses		
Rates and Taxes	11,166	-
Travelling and Conveyance	267,488	-
Communication Expenses	13,234	-
Insurance	783	-
Fringe Benefit Tax	17,828	-
Printing and Stationery	6,415	-
Payment to Auditors:		
- Towards Audit Fee	10,000	-
Professional Charges	8,250	-
General Expenses	183,074	-
	<u>518,238</u>	<u>-</u>

SSPDL RESORTS PRIVATE LIMITED**SCHEDULE J - SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS :****I. SIGNIFICANT ACCOUNTING POLICIES:**

Basis of preparation of financial statements

- a) The financial statements are prepared and presented under the historical cost convention in accordance with the Generally Accepted Accounting Principles in India and complies with the mandatory accounting standards as notified under Section 211 (3C) of the companies Act 1956 of the India and relevant provisions of the companies Act 1956.

Revenue Recognition:

Revenue from sale of land/ property rights is recognized when the unconditional right to receive the income is established

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.

Depreciation

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

Inventories

- i. Land: Land is valued at cost or net realizable value whichever is less
ii. Work in Progress: Work in progress is valued at cost

II. NOTES TO ACCOUNTS

1. Contingent Liabilities - Nil
2. Capital Commitments not provided for (net of advance) Rs. Nil (previous year Rs.Nil)
3. Preliminary Expenses to the extent not written off or adjusted will be charged to revenue in the year in which there is profit to absorb the same.
4. Pre-operative expenditure will be capitalised on commencement of commercial operations.
5. Schedules 'A' to 'J' forms an integral part of the Balance sheet.

As per our attached report of even date
For **K. CHANDRIKA**
Chartered Accountant

For and on behalf of the Board of Directors

SURESH CHALLA
DIRECTOR

E. BHASKAR RAO
DIRECTOR

Place : Hyderabad
Date : 29.06.2009

SSPDL RESORTS PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

Particulars	Rupees	31st March, 2009 Rupees	31st March, 2008 Rupees
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Net Profit before Tax and Extraordinary Items		-	-
Adjustments for:			
Depreciation	-		-
Operating Profit Before Working Capital Changes		-	-
Adjustments for:			
Trade and other Receivables	(188,727)		68,668,499
Work-in-progress	(251,365)		(13,713,818)
Trade payable and other liabilities	25,388		22,870
Increase/(Decrease) in Net Current Assets		(414,704)	54,977,551
Cash Generated from Operations		(414,704)	54,977,551
Adjustments for:			
Income Tax & Fringe Benefit Tax		-	-
Net Cash from Operating Activities	A	(414,704)	54,977,551
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets	(87,650)		(260,460)
Pre-Operative Expenses	-		(785,121)
		(87,650)	(1,045,581)
Net Cash used in Investing Activities	B	(87,650)	(1,045,581)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Borrowings	-	-	(53,470,076)
Net Cash used in Financing Activities	C	-	(53,470,076)
Net increase in Cash and Cash Equivalents	(A+B+C)	(502,354)	461,894
Cash and Cash equivalents at the beginning of the year		540,972	79,078
Cash and Cash equivalents at the end of the year		38,618	540,972

As per our attached report of even date
For **K. CHANDRIKA**
Chartered Accountant

For and on behalf of the Board of Directors

SURESH CHALLA
DIRECTOR

E. BHASKAR RAO
DIRECTOR

Place : Hyderabad
Date : 29.06.2009

SSPDL RESORTS PRIVATE LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(Amount in Rupees)

1. REGISTRATION DETAILS

Registration No. : U 4 5 2 0 0 A P 2 0 0 7 P T C 0 5 2 7 6 1

State Code : 1

Balance Sheet Date : 3 1 . 0 3 . 2 0 0 9

2. CAPITAL RAISED DURING THE YEAR

Public Issue : NIL

Rights Issue : NIL

Private Placement : NIL

3. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS

Total Assets : 1 0 0 , 0 0 0

Total Liabilities : 1 0 0 , 0 0 0

SOURCES OF FUNDS

Paid Up Capital : 1 0 0 , 0 0 0

Reserves and Surplus : NIL

Secured Loans : NIL

Unsecured Loans : NIL

APPLICATION OF FUNDS

Net Fixed Assets : 3 2 5 , 2 0 6

Investments : NIL

Net Current Assets : (1 , 0 4 2 , 4 7 2)

Miscellaneous Expenditure : 2 0 , 9 2 2

4. PERFORMANCE OF THE COMPANY

Turnover : NIL

Total Expenditure : NIL

Profit/(Loss) Before Tax : NIL

Profit/(Loss) After Tax : NIL

5. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY

Item Code (ITC Code) : N A

Product Description : C o n s t r u c t i o n

As per our attached report of even date
For **K. CHANDRIKA**
Chartered Accountant

For and on behalf of the Board of Directors

SURESH CHALLA
DIRECTOR

E. BHASKAR RAO
DIRECTOR

Place : Hyderabad
Date : 29.06.2009

SSPDL REALTY INDIA PRIVATE LIMITED**DIRECTORS' REPORT**

To,
The Members

Your Directors have pleasure in presenting the Third Annual Report on the business and operations of the Company together with the Audited Financial Accounts for the period ended 31st March, 2009.

FINANCIAL RESULTS

As there are no operations during the year, there are no financial results available for the period 2008-2009.

BUSINESS OVERVIEW**"The Retreat", Munnar, Kerala**

The Company has purchased 115.68 acres of land for Rs.545.94 Lakhs in Munnar, Kerala for developing an Eco Tourism Project.

The Company along with parent company SSPDL Limited and its SPVs is planning for operating a) Villa Development b) Jungle Resort Development and c) Jungle and Plantation Development.

Preliminary plans for both resort, layout of Villa Development and typical holiday home have been received from the Architects. The work is expected to commence after receiving necessary approvals.

Your Company is awaiting the Policy of the Govt. of Kerala on the Tourism Development of Munnar as the site acquired by the Company is in the identified High Growth Tourism Corridor of the Munnar Development Plan.

The Project is expected to take off in the first quarter of 2010.

AUDITORS

Smt. Chandrika, Chartered Accountant, Hyderabad the Company's Statutory Auditor retires at the conclusion of Third Annual General Meeting and expressed willingness for the re-appointment.

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	:	NIL
B. TECHNOLOGY ABSORPTION	:	NIL
C. FOREIGN EXCHANGE EARNINGS	:	NIL
FOREIGN EXCHANGE OUTGO	:	NIL

INFORMATION 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 NIL.

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

ACKNOWLEDGEMENTS

Your Directors place on record their appreciation of the continued assistance and co-operation extended to the Company by the Statutory Auditor and Government and Semi-Government Departments.

For and on behalf of the Board of Directors

SURESH CHALLA
DIRECTOR

E. BHASKAR RAO
DIRECTOR

Place : Hyderabad
Date : 29.06.2009

AUDITORS REPORT

To
THE MEMBERS OF
M/S. SSPDL REALTY INDIA PRIVATE LIMITED

1. I have audited the attached Balance sheet of SSPDL REALTY INDIA PRIVATE LIMITED as at 31st March, 2009. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.
2. I conducted my audit in accordance with auditing standards generally accepted in India. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report)(Amendment) Order, 2004, (together the 'Order') issued by the Central Government of India, in terms of Section 227 (4A) of the Companies Act, 1956, I enclose in the Annexure a statement on the matters specified in the paragraphs 4 and 5 of the said order.
4. Further to my comments in the Annexure referred to in paragraph 2 above, I report that:
 - a. I have obtained all the information and explanations, which to the best of my knowledge and belief were necessary for the purposes of my audit.
 - b. In my opinion, proper books of account as required by law have been kept by the company so far as appears from my examination of the books of the company.
 - c. The Balance Sheet dealt with by this report is in agreement with the books of accounts.
 - d. In my opinion, the Balance Sheet dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - e. On the basis of the written representations received from the Directors as on 31st March, 2009 and taken on record by the Board of Directors, I report that none of the Directors is disqualified as on 31st March, 2009 from being appointed as Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f. In my opinion, and to the best of my information and according to the explanations given to me, the said accounts, read together with the Company's Accounting Policies and Notes hereto, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in the case of the Balance Sheet, of the state of affairs of the company as on 31st March, 2009.

Place : Hyderabad
Date : 29.06.2009

K. CHANDRIKA
Chartered Accountant
(M.No.028522)

Annexure to the Auditors' Report Referred to in paragraph 3 of my report

- i. In respect of its fixed assets:
- a) The Company has no fixed assets as at the end of the financial year ending on 31.03.2009. Accordingly, the provisions of clause 4 (i) are not applicable to the company.
- ii. In respect of its inventories:
- a) The company has inventory in the form of land and no moveable inventory as at the end of the financial year ending on 31.03.2009. Accordingly, the provisions of clause 4 (ii) are not applicable to the company.
- iii. a) According to the information and explanations given to me, during the year the company has not granted any unsecured loans to companies covered in the register maintained under section 301 of the companies act, 1956.
- b) According to the information and explanations given to me, the company has taken unsecured loan from a company covered in the register maintained under section 301 of the companies act, 1956. The maximum amount outstanding and the year end balance is Rs.6.319 Crores.
- In my opinion and according to the Information and explanations given to me, the aforesaid loan is Interest free and the other terms and conditions are not prima facie prejudicial to the interest of the company.
- The said loan is repayable on demand and there is no repayment schedule and therefore the question of overdue amount does not arise.
- iv. In my opinion and according to the information and explanations given to me, 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, if any. During the course of my audit, no major weakness has been noticed in the internal controls.
- v. In respect of the contracts or arrangements refereed to in Section 301 of the Companies Act, 1956:
- a) In my opinion and according to the information and explanations given to me, the company has not entered into any transactions with the parties mentioned in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4 (v) are not applicable to the company.
- 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 my opinion, the company has internal audit system commensurate with the size and nature of business.
- viii. In respect of this company, maintenance of cost records has not been prescribed by the Central Government under section 209 (1) (d) of the company the Act, 1956.
- ix. In respect of Statutory dues:
- a) As informed to me, provisions of Employees Provident Fund and Employees State Insurance Act are not applicable for the time being.
- b) According to the information and explanations given to me, there are no undisputed amounts payable in respect of Income tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty and Cess.
- c) According to the information and explanations given to me, and the records of the company examined by me, there are no dues of Income tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty and Cess, which have not been deposited on account of any dispute.
- x. Since this is the Third Annual Report of the company, clause 4(x) of the Order is not applicable.
- xi. Based on my audit procedures and on the basis of information and explanations given by the management. No loans have been taken by the Company from financial institutions.
- xii. According to the information and explanations given to me, 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, the provisions of clause 4 (xii) are not applicable to the company.
- xiii. In my opinion, the Company is not a Chit fund or a Nidhi/ Mutual Benefit fund/ Society. Accordingly the provisions of clause 4 (xiii) are not applicable to the company.
- xiv. In my opinion, the Company is not dealing in or trading in Shares, Securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) are not applicable to the company.
- xv. According to the information and explanations given to me, the Company has not given any guarantee for loans taken by others from banks and financial institutions. Accordingly, the provisions of clause 4 (xv) are not applicable to the company.
- xvi. To the best of my knowledge and belief and according to the information and explanations given to me, no term loans were taken by the Company. Accordingly, the provisions of clause 4 (xvi) are not applicable to the company.
- xvii. According to the information and explanation given to me and on an overall examination of the Balance Sheet of the company, we are of the opinion the no funds raised on short - term basis have been used for long term investment.
- xviii. The company has not made preferential allotment of shares to the parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(xviii) are not applicable to the company.
- xix. According to the information and explanations given to me and the records examined by me, no debentures were issued by the company and therefore, the provisions of clause 4 (xix) are not applicable to the company.
- xx. The Company has not raised any money by public issues during the year. Accordingly, the provisions of clause 4 (xx) are not applicable to the company.
- xxi. To the best of my knowledge and belief and according to the information and explanations given to me, no fraud on or by the Company was noticed or reported during the year.

Place : Hyderabad
Date : 29.06.2009

K. CHANDRIKA
Chartered Accountant
(M.No.028522)

SSPDL REALTY INDIA PRIVATE LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2009

Particulars	Schedule	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
SOURCES OF FUNDS:			
Shareholders Funds	A	100,000	100,000
Unsecured Loans	B	63,198,723	63,054,451
Total		63,298,723	63,154,451
APPLICATION OF FUNDS:			
Pre-Operative Expenses	C	36,650	21,100
Current Assets , Loans and Advances	D		
Inventories		63,910,536	63,661,290
Cash and Bank Balance		12,793	87,978
Loans and Advances		7,865	-
		63,931,194	63,749,268
Less : Current Liabilities and Provisions	E	690,043	636,839
Net Current Assets		63,241,151	63,112,429
Miscellaneous Expenditure: (to the extent not written off or adjusted)			
Preliminary Expenses		20,922	20,922
Total		63,298,723	63,154,451
Significant Accounting Policies and Notes To Accounts	F		

As per our attached report of even date

For **K. CHANDRIKA**
Chartered Accountant

For and on behalf of the Board of Directors

SURESH CHALLA
DIRECTOR**E. BHASKAR RAO**
DIRECTORPlace : Hyderabad
Date : 29.06.2009

SSPDL REALTY INDIA PRIVATE LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET

Particulars	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
SCHEDULE A - Share Capital		
Authorised Capital		
50,000 Equity shares of Rs.10/- each	500,000	500,000
	<u>500,000</u>	<u>500,000</u>
Issued, Subscribed and Paid up Capital		
10,000 Equity shares of Rs.10/- each	100,000	100,000
(Note : SSPDL Limited and its' nominees hold all the shares of the Company)	<u>100,000</u>	<u>100,000</u>
SCHEDULE B - Unsecured Loans		
- From SSPDL Limited	63,198,723	63,054,451
	<u>63,198,723</u>	<u>63,054,451</u>
SCHEDULE C - Pre-operative Expenses		
Audit Fee	30,000	20,000
Bank Charges	1,650	1,100
ROC Fees	5,000	-
	<u>36,650</u>	<u>21,100</u>
SCHEDULE D - Current Assets, Loans & Advances		
Inventories		
- Land	61,999,408	61,999,408
Projects in Progress	1,911,128	1,661,882
	<u>63,910,536</u>	<u>63,661,290</u>
Cash and Bank Balances		
- Cash Balance	300	300
- In Current Accounts	12,493	87,678
	<u>12,793</u>	<u>87,978</u>
Loans and Advances		
Advances recoverable in cash or in kind or for value to be received		
Prepaid Expenses	7,865	-
	<u>7,865</u>	<u>-</u>
	<u>63,931,194</u>	<u>63,749,268</u>
SCHEDULE E - Current Liabilities and Provisions		
Sundry Creditors	2,353	-
Other Liabilities :		
- Audit Fee Payable	10,000	10,000
- Statutory Dues	2,266	-
Others :		
- SSPDL Resorts Pvt Ltd	641,839	626,839
- SSPDL Real Estates Pvt Ltd	33,585	-
	<u>690,043</u>	<u>636,839</u>

SSPDL REALTY INDIA PRIVATE LIMITED**SCHEDULE F - SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS :****1. Significant Accounting Policies:**

Basis of preparation of financial statements

The financial statements are prepared and presented under the historical cost convention in accordance with the Generally Accepted Accounting Principles in India and complies with the mandatory accounting standards as notified under Section 211 (3C) of the companies Act 1956 of the India and relevant provisions of the companies Act 1956.

2. Contingent Liabilities - Nil
3. Capital Commitments not provided for (net of advance) Rs. Nil (previous year Rs.Nil)
4. Preliminary Expenses to the extent not written off or adjusted will be charged to revenue in the year in which there is profit to absorb the same.
5. Pre-operative expenditure will be capitalised on commencement of commercial operations.
6. As the business of the company yet to commence Profit & Loss A/c, for the year is not prepared
7. Previous figures have been regrouped/reclassified wherever considered necessary to conform in the year's classification.
8. Schedules 'A' to 'F' forms an integral part of the Balance sheet.

As per our attached report of even date
For **K. CHANDRIKA**
Chartered Accountant

For and on behalf of the Board of Directors

SURESH CHALLA
DIRECTOR

E. BHASKAR RAO
DIRECTOR

Place : Hyderabad
Date : 29.06.2009

SSPDL REALTY INDIA PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

Particulars	Rupees	31st March, 2009 Rupees	31st March, 2008 Rupees
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Net Profit before Tax and Extraordinary Items		-	-
Adjustments for:			
Depreciation	-		-
Operating Profit Before Working Capital Changes		-	-
Adjustments for:			
Trade and other Receivables	(7,865)		-
Work-in-progress	(249,246)		(63,661,290)
Trade payable and other liabilities	53,204		625,615
Increase/(Decrease) in Net Current Assets		(203,907)	(63,035,675)
Cash Generated from Opetations		(203,907)	(63,035,675)
Adjustments for :			
Income Tax & Fringe Benefit Tax		-	-
Net Cash from Operating Activities	A	(203,907)	(63,035,675)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets	-		-
Pre-Operative Expenses	(15,550)		(9,876)
Net Cash used in Investing Activities	B	(15,550)	(9,876)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Borrowings	144,272		63,054,451
Net Cash used in Financing Activities	C	144,272	63,054,451
Net increase in Cash and Cash Equivalents	(A+B+C)	(75,185)	8,900
Cash and Cash equivalents at the beginning of the year		87,978	79,078
Cash and Cash equivalents at the end of the year		12,793	87,978

As per our attached report of even date
For **K. CHANDRIKA**
Chartered Accountant

For and on behalf of the Board of Directors

SURESH CHALLA
DIRECTOR

E. BHASKAR RAO
DIRECTOR

Place : Hyderabad
Date : 29.06.2009

SSPDL REALTY INDIA PRIVATE LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(Amount in Rupees)

1. REGISTRATION DETAILS

Registration No. : U 4 5 2 0 0 A P 2 0 0 7 P T C O 5 2 8 1 6

State Code : 1

Balance Sheet Date : 3 1 . 0 3 . 2 0 0 9

2. CAPITAL RAISED DURING THE YEAR

Public Issue : NIL

Rights Issue : NIL

Private Placement : NIL

3. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS

Total Assets : 6 3 , 2 9 8 , 7 2 3

Total Liabilities : 6 3 , 2 9 8 , 7 2 3

SOURCES OF FUNDS

Paid Up Capital : 1 0 0 , 0 0 0

Reserves and Surplus : NIL

Secured Loans : NIL

Unsecured Loans : NIL

APPLICATION OF FUNDS

Net Fixed Assets : NIL

Investments : NIL

Net Current Assets : 6 3 , 2 4 1 , 1 5 1

Miscellaneous Expenditure : 2 0 , 9 2 2

4. PERFORMANCE OF THE COMPANY

Turnover : NIL

Total Expenditure : NIL

Profit/(Loss) Before Tax : NIL

Profit/(Loss) After Tax : NIL

5. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY

Item Code (ITC Code) : NA

Product Description : Construction

As per our attached report of even date
For **K. CHANDRIKA**
Chartered Accountant

For and on behalf of the Board of Directors

SURESH CHALLA
DIRECTOR

E. BHASKAR RAO
DIRECTOR

Place : Hyderabad
Date : 29.06.2009

SSPDL ALMOAYYED PROJECTS PRIVATE LIMITED**DIRECTORS' REPORT**

To,
The Members

Your Directors have pleasure in presenting the First Annual Report on the business and operations of the Company together with the Audited Financial Accounts for the period ended 31st March, 2009.

FINANCIAL RESULTS

As there are no operations during the year, there are no financial results available for the period 2008-2009.

BUSINESS OVERVIEW

The Company has been incorporated. Owing to slow down of the Economy in the GCC Countries and also India in the Real Estate Sector it was mutually decided to take up the projects on improvement of the situation. It may be only in 2010 we will review the situation.

AUDITORS

Smt. Chandrika, Chartered Accountant, Hyderabad the Company's Statutory Auditor retires at the conclusion of First Annual General Meeting and expressed willingness for the re-appointment.

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	:	NIL
B. TECHNOLOGY ABSORPTION	:	NIL
C. FOREIGN EXCHANGE EARNINGS	:	NIL
FOREIGN EXCHANGE OUTGO	:	NIL

INFORMATION 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 NIL.

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

ACKNOWLEDGEMENTS

Your Directors place on record their appreciation of the continued assistance and co-operation extended to the Company by the Statutory Auditor and Government and Semi- Government Departments.

For and on behalf of the Board of Directors

PRAKASH CHALLA
DIRECTOR

SURESH CHALLA
DIRECTOR

Place : Hyderabad
Date : 29.06.2009

AUDITORS REPORT

To
THE MEMBERS OF
M/s. SSPDL ALMOAYYED PROJECTS PRIVATE LIMITED

1. I have audited the attached Balance sheet of SSPDL ALMOAYYED PROJECTS PRIVATE LIMITED as at 31st March, 2009. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.
2. I conducted my audit in accordance with auditing standards generally accepted in India. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report)(Amendment) Order, 2004, (together the 'Order') issued by the Central Government Of India, in terms of Section 227 (4A) of the Companies Act, 1956, I enclose in the Annexure a statement on the matters specified in the paragraphs 4 and 5 of the said order.
4. Further to my comments in the Annexure referred to in paragraph 2 above, I report that:
 - a. I have obtained all the information and explanations, which to the best of my knowledge and belief were necessary for the purposes of my audit.
 - b. In my opinion, proper books of account as required by law have been kept by the company so far as appears from my examination of the books of the company.
 - c. The Balance Sheet dealt with by this report is in agreement with the books of accounts.
 - d. In my opinion, the Balance Sheet dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - e. On the basis of the written representations received from the Directors as on 31st March, 2009 and taken on record by the Board of Directors, I report that none of the Directors is disqualified as on 31st March, 2009 from being appointed as Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f. In my opinion, and to the best of my information and according to the explanations given to me, the said accounts, read together with the Company's Accounting Policies and Notes hereto, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in the case of the Balance Sheet, of the state of affairs of the company as on 31st March, 2009.

Place : Hyderabad
Date : 29.06.2009

K. CHANDRIKA
Chartered Accountant
(M.No.028522)

Annexure to the Auditors' Report Referred to in paragraph 3 of my report

- | | |
|---|---|
| <p>i. In respect of its fixed assets:</p> <p>a) The Company has no fixed assets as at the end of the financial year ending on 31.03.2009. Accordingly, the provisions of clause 4 (i) are not applicable to the company.</p> <p>ii. In respect of its inventories:</p> <p>a) The company has no inventory as at the end of the financial year ending on 31.03.2009. Accordingly, the provisions of clause 4 (ii) are not applicable to the company.</p> <p>iii. The Company has neither granted nor taken any loans, secured or unsecured to or from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Consequently clause 4(iii) (a) to 4(iii) (d) of the Order is not applicable.</p> <p>iv. In my opinion and according to the information and explanations given to me, 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, if any. During the course of my audit, no major weakness has been noticed in the internal controls.</p> <p>v. In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956:</p> <p>a) In my opinion and according to the information and explanations given to me, the company has not entered into any transactions with the parties mentioned in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4 (v) are not applicable to the company.</p> <p>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.</p> <p>vii. In my opinion, the company has internal audit system commensurate with the size and nature of business.</p> <p>viii. In respect of this company, maintenance of cost records has not been prescribed by the Central Government under section 209 (1) (d) of the company the Act, 1956.</p> <p>ix. In respect of Statutory dues:</p> <p>a) As informed to me, provisions of Employees Provident Fund and Employees State Insurance Act are not applicable for the time being.</p> <p>b) According to the information and explanations given to me, there are no undisputed amounts payable in respect of Income tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty and Cess.</p> <p>c) According to the information and explanations given to me, and the records of the company examined by me, there are no dues of Income tax, Sales Tax, Wealth Tax,</p> | <p>Customs Duty, Excise Duty and Cess, which have not been deposited on account of any dispute.</p> <p>x. The Company does not have any accumulated losses at the end of the financial year.</p> <p>xi. Based on my audit procedures and on the basis of information and explanations given by the management, No loans have been taken by the Company from financial institutions.</p> <p>xii. According to the information and explanations given to me, 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, the provisions of clause 4 (xii) are not applicable to the company.</p> <p>xiii. In my opinion, the Company is not a Chit fund or a Nidhi/ Mutual Benefit fund/ Society. Accordingly the provisions of clause 4 (xiii) are not applicable to the company.</p> <p>xiv. In my opinion, the Company is not dealing in or trading in Shares, Securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) are not applicable to the company.</p> <p>xv. According to the information and explanations given to me, the Company has not given any guarantee for loans taken by others from banks and financial institutions. Accordingly, the provisions of clause 4 (xv) are not applicable to the company.</p> <p>xvi. To the best of my knowledge and belief and according to the information and explanations given to me, no term loans were taken by the Company. Accordingly, the provisions of clause 4 (xvi) are not applicable to the company.</p> <p>xvii. According to the information and explanation given to me and on an overall examination of the Balance Sheet of the company, we are of the opinion the no funds raised on short - term basis have been used for long term investment.</p> <p>xviii. The company has not made preferential allotment of shares to the parties covered under register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(xviii) are not applicable to the company.</p> <p>xix. According to the information and explanations given to me and the records examined by me, no debentures were issued by the company and therefore, the provisions of clause 4 (xix) are not applicable to the company.</p> <p>xx. The Company has not raised any money by public issues during the year. Accordingly, the provisions of clause 4 (xx) are not applicable to the company.</p> <p>xxi. To the best of my knowledge and belief and according to the information and explanations given to me, no fraud on or by the Company was noticed or reported during the year.</p> |
|---|---|

Place : Hyderabad
Date : 29.06.2009

K. CHANDRIKA
Chartered Accountant
(M.No.028522)

SSPDL ALMOAYYED PROJECTS PRIVATE LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2009

Particulars	Schedule	As at 31.03.2009 Rupees
SOURCES OF FUNDS:		
Shareholders Funds	A	100,000
Total		100,000
APPLICATION OF FUNDS:		
Pre-operative Expenses		10,000
Current Assets, Loans & Advances	B	
Cash & Bank Balances		100,000
Less : Current Liabilities & Provisions	C	35,780
Net Current Assets		64,220
Miscellaneous Expenditure	D	
(to the extent not written off or adjusted)		
Preliminary Expenses		25,780
Total		100,000
Significant Accounting Policies and Notes To Accounts	E	

As per our attached report of even date

For **K. CHANDRIKA**
Chartered Accountant

For and on behalf of the Board of Directors

PRAKASH CHALLA
DIRECTOR**SURESH CHALLA**
DIRECTORPlace : Hyderabad
Date : 29.06.2009

SSPDL ALMOAYYED PROJECTS PRIVATE LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET

Particulars	As at 31.03.2009 Rupees
SCHEDULE A - Share Capital	
Authorised Capital	500,000
50,000 Equity Shares of Rs.10/- each	
	500,000
Issued,Subscribed and Paid up Capital	100,000
10,000 Equity Shares of Rs.10/- each	
(Note : Out of the above, 9,990 Equity Shares are held by M/s. SSPDL Limited (holding Company))	
	100,000
SCHEDULE B - Cash & Bank Balances	
Cash on hand	100,000
Balances with Scheduled Bank(in Current Accounts)	-
	100,000
SCHEDULE C - Current Liabilities & Provisions	
Other Liabilities	5,200
Audit Fee Payable	10,000
SSPDL Limited	20,580
	35,780
SCHEDULE D - Preliminary Expenses	
Incorporation Expenses	25,780
	25,780

SCHEDULE E - SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS :

1. Significant Accounting Policies:

Basis of preparation of financial statements

The financial statements are prepared and presented under the historical cost convention in accordance with the Indian Generally Accepted Accounting Principles, the accounting standards issued by the institute of Chartered Accountants of India and the provisions of the companies Act 1956 as adopted by the company. All income and expenditure having a material bearing on the financial statements are recognised on the accrual basis.

- Contingent Liabilities - Nil
- Capital Commitments not provided for (net of advance) Rs. Nil (previous year Rs.Nil)
- Preliminary Expenses to the extent not written off or adjusted will be charged to revenue in the year in which there is profit to absorb the same.
- As the business of the company yet to commence Profit & Loss Account for the year is not prepared.
- The accounts dealt with in this statements are for the period from date of incorporation date 30.09.2008 to 31.03.2009.
- Since, this is first annual report of the company, previous years'figures have not been given.
- Schedules 'A' to 'E' forms an integral part of the Balance sheet.

As per our attached report of even date

For **K. CHANDRIKA**
Chartered Accountant

For and on behalf of the Board of Directors

PRAKASH CHALLA
DIRECTOR

SURESH CHALLA
DIRECTOR

Place : Hyderabad
Date : 29.06.2009

SSPDL ALMOAYYED PROJECTS PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

Particulars	Rupees	31st March, 2009 Rupees	31st March, 2008 Rupees
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Net Profit before Tax and Extraordinary Items		-	-
Adjustments for:			
Depreciation	-		-
Operating Profit Before Working Capital Changes		-	-
Adjustments for:			
Trade and other Receivables	-		-
Work-in-progress	-		-
Trade payable and other liabilities	35,780		-
Increase/(Decrease) in Net Current Assets		35,780	-
Cash Generated from Opetations		35,780	-
Adjustments for :			
Income Tax & Fringe Benefit Tax		-	-
Net Cash from Operating Activities	A	35,780	-
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets	-		-
Preliminary Expenses	(25,780)		-
Pre-Operative Expenses	(10,000)		-
Net Cash used in Investing Activities	B	(35,780)	-
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Borrowings		-	-
Net Cash used in Financing Activities	C	-	-
Net increase in Cash and Cash Equivalents	(A+B+C)	-	-
Cash and Cash equivalents at the beginning of the year		100,000	-
Cash and Cash equivalents at the end of the year		100,000	-

As per our attached report of even date

For **K. CHANDRIKA**
Chartered Accountant

For and on behalf of the Board of Directors

PRAKASH CHALLA
DIRECTOR**SURESH CHALLA**
DIRECTORPlace : Hyderabad
Date : 29.06.2009

SSPDL ALMOAYYED PROJECTS PRIVATE LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(Amount in Rupees)

1. REGISTRATION DETAILS

Registration No.	:	U 4 5 2 0 0 T N 2 0 0 8 P T C O 6 9 6 6 8
State Code	:	1 8
Balance Sheet Date	:	3 1 . 0 3 . 2 0 0 9

2. CAPITAL RAISED DURING THE YEAR

Public Issue	:	N I L
Rights Issue	:	N I L
Private Placement	:	1 0 0 , 0 0 0

3. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS

Total Assets	:	1 0 0 , 0 0 0
Total Liabilities	:	1 0 0 , 0 0 0

SOURCES OF FUNDS

Paid Up Capital	:	1 0 0 , 0 0 0
Reserves and Surplus	:	N I L
Secured Loans	:	N I L
Unsecured Loans	:	N I L

APPLICATION OF FUNDS

Net Fixed Assets	:	N I L
Investments	:	N I L
Net Current Assets	:	7 4 , 2 2 0
Miscellaneous Expenditure	:	2 5 , 7 8 0

4. PERFORMANCE OF THE COMPANY

Turnover	:	N I L
Total Expenditure	:	N I L
Profit/(Loss) Before Tax	:	N I L
Profit/(Loss) After Tax	:	N I L

5. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY

Item Code (ITC Code)	:	N A
Product Description	:	C o n s t r u c t i o n

As per our attached report of even date

For **K. CHANDRIKA**
Chartered Accountant

For and on behalf of the Board of Directors

PRAKASH CHALLA
DIRECTOR

SURESH CHALLA
DIRECTOR

Place : Hyderabad
Date : 29.06.2009

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.



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Regd. Office :

H. No. 8-2-595/3, Eden Gardens, Road No. 10, Banjara Hills,
Hyderabad - 500 034.

Tel : 040 - 6663 7560 **Fax :** 040 - 6663 7969

Email : info@sspdl.com | **Website :** www.sspdl.com