



SSPDL



Interserve Plc

*“Building the Big Picture, Together”*



Bloomberg Businessweek

THOMSON REUTERS

Business Line

indiatimes



THE HINDU

# SSPDL forms venture with Interserve



**Alpha City**

**Matrix Towers**



**NOVOTEL & IBIS Hotels  
( The Promenade )**

**SSPDL Crescent**



<b>BOARD OF DIRECTORS</b>	Sri PRAKASH CHALLA Sri E.BHASKAR RAO Sri SURESH CHALLA Sri S.SURYANARAYANA Sri K.AKMALUDDIN SHERIFF Sri B.LOKANATH	Managing Director Director Director Director Director Director
<b>AUDIT COMMITTEE</b>	Sri S.SURYANARAYANA Sri B.LOKANATH Sri E.BHASKAR RAO	Chairman Member Member
<b>SHAREHOLDERS AND INVESTOR GRIEVANCES REDRESSAL COMMITTEE</b>	Sri SURESH CHALLA Sri S.SURYANARAYANA Sri E.BHASKAR RAO	Chairman Member Member
<b>COMPANY SECRETARY CUM MANAGER (FINANCE)</b>	Sri A.SHAIENDRA BABU	
<b>AUDITORS</b>	M/S. KARVY & CO., CHARTERED ACCOUNTANTS, No. 2, BHOOMA PLAZA, St.No. 4, AVENUE 7, BANJARA HILLS, HYDERABAD - 500 034.	
<b>BANKERS</b>	STATE BANK OF INDIA - CHENNAI & AXIS BANK LIMITED - HYDERABAD & CHENNAI	
<b>REGISTERED OFFICE</b>	8-2-595/3/6, 'EDEN GARDENS' ROAD NO.10, BANJARA HILLS, HYDERABAD - 500 034.	
<b>CORPORATE OFFICE</b>	'CHALLA MALL', 8TH FLOOR, 11-11A, SIR THIAYAGARAYA ROAD, T.NAGAR, CHENNAI - 600 017.	
<b>SHARE TRANSFER AGENTS AND ELECTRONIC REGISTRARS</b>	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 SIXTEENTH 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 A.M. ON THURSDAY, THE 30TH DAY OF SEPTEMBER, 2010, TO TRANSACT THE FOLLOWING BUSINESS:**

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2010 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 E.Bhaskar Rao, 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 (firm registration No.001757S), be and are hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of Sixteenth Annual General Meeting till the conclusion of Seventeenth 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** in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, Sri B.Lokanath, who was appointed as an Additional Director of the Company pursuant Section 260 of the Companies Act, 1956 and Article 139 of the Articles of Association of the Company, be and is hereby appointed as Director of the Company who shall be liable to retire by rotation."

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

**"RESOLVED THAT** in compliance of the provisions of Sections 198, 269, 309, 310 and 311 read with Schedule XIII and

other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof, for the time being in force) and subject to such sanctions and approvals as may be necessary, consent of the members of the Company be and is hereby accorded for payment of remuneration to Sri Prakash Challa Managing Director of the Company for a period of three years i.e., from 01.10.2009 to 30.09.2012 on the following terms and conditions as recommended by the remuneration committee and approved by the Board of Directors:

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

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

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

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

**A.Shailendra Babu**

Company Secretary cum  
Manager (Finance)

Place : Hyderabad

Date : 12.08.2010

**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 27.09.2010 to 30.09.2010 (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 are requested to note that, as per Section 205A of the Companies Act, 1956, as amended, the unpaid or unclaimed dividend for a period of seven years shall be transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government. Accordingly, the last date for claiming unpaid / unclaimed dividend declared for the year 2006-07 is 26.10.2014. The Members who have not en-cashed their Dividend for the year 2006-07, are requested to write to the Company Secretary and Compliance Officer at the Registered Office of the Company.
11. The Company's equity shares are listed on Bombay Stock Exchange (BSE). The Company has promptly paid annual listing fees to the BSE for the year 2010-11.
12. Members who hold shares in physical form and wish to make/change nomination in respect of their shareholding in the Company may submit duly filled in and signed Form No.2B to the Registrars and Share Transfer Agents of the Company.
13. Members who hold shares in physical form are requested to submit a copy of Permanent Account number (PAN) to the Share Transfer and Registrar of the Company.
14. **Appointment/Re-appointment of Directors :** The Information to be provided in terms of Clause 49 of the Listing Agreement relating to Appointment/Reappointment of Directors is provided in the Corporate Governance Report.
15. **Postal Ballot Resolutions :** The members of the Company are requested to note that, your approval has been obtained through postal ballot for transfer of Construction Business to M/s.SSPDL Interserve Private Limited and the resolution have been passed with 99.93% majority.

### **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 and 5 of the Notice of the Meeting.

#### **Item No.4**

In order to broad base the board, Sri B.Lokanath was appointed, pursuant to provisions of Section 260 of the Companies Act, 1956 (the 'Act') read with Article 139 of the Articles of Association of the Company, as an additional director of the company w.e.f. 31.03.2010. In terms of the provisions of Section 260 of the Act, Sri B.Lokanath would hold the office up to the date of ensuing Annual General Meeting.

Sri B.Lokanath is not disqualified from being appointed as Director in terms of Section 274 of the Act.

Your Directors recommend the passing of resolution concerning the appointment of Sri B.Lokanath as a Director liable to retire by rotation.

None of the other Directors are interested or concerned in the resolution.

#### **Item No.5**

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

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

Since during the year under review the Company had no profits or inadequate profits, subject to the approval of the shareholders, the Board of Directors of the Company have revised the remuneration as approved by the Remuneration Committee, of Sri Prakash Challa, Managing Director of the Company in compliance of provisions of Section 198 of the Companies Act, 1956, read with Schedule XIII.

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

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

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

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

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

**A.Shailendra Babu**

Company Secretary cum  
Manager (Finance)

Place : Hyderabad  
Date : 12.08.2010

**STATEMENT OF INFORMATION GIVEN TO THE SHAREHOLDERS PURSUANT TO SCHEDULE XIII OF THE COMPANIES ACT, 1956:****I. General Information:**

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

**Rs. In Lakhs**

Financial Parameters	2004-05	2005-06	2006-07	2007-08	2008-09
Total Income/Turnover	220.65	749.81	5029.94	12193.22	4490.54
Net Profit as computed under section 198	220.65	749.81	5029.94	12193.22	4490.54
Net Profit as per Profit & Loss Account	(18.27)	91.07	467.43	2154.26	80.19
Amount of Dividend Paid (including dividend tax)	NIL	NIL	100.84	NIL	NIL
Rate of Dividend declared	NIL	NIL	20%	NIL	NIL

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

**II. Information about the appointee:**

- (1) Background details: Sri Prakash Challa, aged about 57 Years, is a Graduate in MSc., CAIIB and having vast experience of over 32 years in the construction, banking, aquaculture and pisciculture Industry. He is the President of CREDAI, Tamil Nadu. Before turning as an entrepreneur, Sri Prakash Challa was a banker for over 13+ years, holding senior positions in Andhra Bank and Punjab National Bank. He has started Construction activities since July 1993 for property development in Chennai, Hyderabad and Bangalore. He has the ability to force successful alliances and he is the person behind the Company's growth and instrumental in Company's success.
- (2) Past remuneration: The Shareholders of the Company has fixed the remuneration of Sri Prakash Challa, Managing Director in 15th Annual General Meeting of the Company as Rs.4,50,000/- per month and Perquisites i.e., (i) Contribution to the Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961. (ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service, and (iii) Encashment of leave at the end of the tenure.

However, the above remuneration was not paid to him. The remuneration actually received by Sri Prakash Challa during the year is Rs.24.79 lakhs including Perquisites. i.e., Rs. 100,000 per month from April, 2009 to September, 2009 and Rs. 300,000 per month for the period from 01.10.2009 to 31.03.2010.

- (3) Recognition or awards: NIL
- (4) Job profile and his/ her suitability: Sri Prakash Challa is responsible to discharge the duties entrusted by the Board of Directors from time to time, which may include for day-to-day management and administration of the Company.
- (5) Remuneration proposed: Rs.3,00,000/- per month and Perquisites i.e., (i) Contribution to the Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961, (ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service, and (iii) Encashment of leave at the end of the tenure.
- (6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):

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

- (7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any: (i) Sri Prakash Challa, Managing Director has rented his premises situated in Chennai for Corporate Office of the Company and the rent paid by the Company during the year was Rs.12.72 Lakhs (ii) Company has executed a construction work for a partnership firm in which Sri Prakash Challa is a Partner and during the year Company has executed construction work worth of Rs.11.08 Crores.

**III. Other information:**

- (1) Reasons of loss or inadequate profits: The slowdown in economy have affected the real estate and property development markets, which in turn effected the Company's performance.
- (2) Steps taken or proposed to be taken for improvement: Company is putting its efforts to align the strategies of the Company with the prevailing consumer sentiments and market conditions by altering the specifications/features of the project to reduce the costs and meet the market requirement. The measures taken by the Company are starting to reward and the same will produce good results to the Company once the property market improves.

**IV. Disclosures :**

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

**DIRECTORS' REPORT**

To,  
The Members

Your Directors have pleasure in presenting the Sixteenth Annual Report on the business and operations of the Company together with the Audited Financial Accounts for the year ended 31st March, 2010.

**FINANCIAL RESULTS**

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

PARTICULARS	(Rupees in Lakhs)	
	2009-2010	2008-2009
Total Income	<b>5024.51</b>	4490.54
Less: Operating Expenses	<b>4735.88</b>	4331.27
Gross Profit/(Loss) before Depreciation and Interest	<b>288.63</b>	159.27
Less: Depreciation	<b>31.73</b>	28.72
Interest & Finance Charges	<b>689.74</b>	749.34
Profit / (Loss) before Tax	<b>(432.84)</b>	(618.79)
Less: Provision for Tax	-	3.78
Provision for Deferred Tax - Charge / (Release)	<b>(168.76)</b>	(165.19)
Add: Excess Income Tax Provision made in earlier years written back	-	(537.57)
Profit / (Loss) after Tax	<b>(264.08)</b>	80.19
Balance of Profit brought forward	<b>2674.85</b>	2594.66
Profit available for appropriation	<b>2410.77</b>	2674.85
<b>APPROPRIATIONS</b>		
Proposed Dividend	-	-
Tax on proposed dividend	-	-
Transfer to General Reserve	-	-
Balance carried to Balance Sheet	<b>2410.77</b>	2674.85

**BUSINESS OVERVIEW**

The total income of your Company for the year under review is Rs.5,024.51 lakhs as compared to Rs.4,490.54 lakhs for the previous year ended 31st March, 2009. Profit/(Loss) after tax was (Rs.264.08) lakhs as against Rs.80.19 lakhs in the previous year.

Various projects undertaken by the Company are under different stages of execution, and the performance of the Company during the current year i.e., 2010-11 is expected to be in accordance with Company's plans.

**Construction Business of the Company:**

Company has incorporated a wholly Owned Subsidiary Company i.e., SSPDL Interserve Private Limited (SIPL). As part of the restructuring exercise, your Company has proposed to carry on the Construction Business of the Company through a Subsidiary Company. In this regard shareholders of the Company have accorded their approval on 02.07.2010 as per the provisions of

Section 293 (1)(a) and other applicable provisions of the Companies Act, 1956.

With the permission of the shareholders of the Company, the Assets relating to Construction Business were sold to the Subsidiary SIPL. Your Company has also executed the necessary agreements, in the best interest of the Company, not to compete with the newly incorporated subsidiary company in the States of Andhra Pradesh, Tamil Nadu, Karnataka and Kerala.

The Management of the Company has negotiated with M/s. Interserve Plc., a major UK based Construction and allied services Company with a turnover of approx Rs.14000 Crores for the year ending 31 December 2009, for carrying on the construction business along with them. After due deliberations, the negotiations have succeeded and Interserve have agreed to invest in our subsidiary company.

The Management of the Company is of the view that the new Company will do well and contribute immensely to the growth of the Company. In the new Company SSPDL will hold 51% equity and Interserve Holdings Limited, the investment company of Interserve Plc 49%. The new company's object is to operate as a premier Building and Civil Engineering Contractor including infrastructure space.

Interserve Plc is a FTSE 250 support services and construction company operating in the public and private sectors in the UK and internationally. It has revenue of £1.9 billion and a workforce of 50,000 people worldwide. The Group works in and around many types of buildings and infrastructure such as hospitals, schools, offices, shopping centres, airports, prisons, industrial plants, bridges, waterworks and roads.

Interserve Project Services Limited (IPSL) is the construction division of Interserve Plc and over recent years, has considered a number of investment opportunities in India. However in August 2008, the company commissioned the UKTI to prepare an Overseas Market Introduction Service (OMIS) Report to identify Indian construction companies interested in a long-term collaborative arrangement. The British High Commission in Chennai produced a Report in the autumn of 2008 and twelve of the most suitable and compatible companies were short-listed for review. All were visited and assessed to ascertain capability and operational compatibility with IPSL. SSPDL Limited was selected on the basis that the company was deemed to provide better and more varied long-term opportunities for Interserve.

The company will continue to execute construction works for SSPDL Limited on a preferred contractor basis; to undertake specific projects for SPVs where SSPDL Limited has an interest; and to target selected construction opportunities with respected external clients, particularly international companies/inward investors in the high tech, manufacturing and sectors in which Interserve operates in other countries, such as health, education, defence, water, power, transport, ports, IT and food production.

It is the intention to develop SIPL at steady but manageable levels during its formative years, growing the new business at between 25% to 30% year-on-year with the close support and guidance of Interserve Project Services Limited. A great strength to the new company is being affiliated to a UK organisation and being able



to call upon its resource and expertise. We believe this UK connection will be important to clients and provide them with a high degree of comfort during every stage of a project.

This investment is the culmination of a long quest and they are delighted to be associated with SSPDL Limited - now the real challenge of making it work is about to begin!

## PROPERTY DEVELOPMENT PROJECTS

### CHENNAI

#### Alpha City Project

The construction of this 4,77,000 Sft IT Park has been completed in 2007 and software majors like IBM are Tenants in this building. This building was nominated by CNBC AWAZ for best Commercial Building in 2008.

#### Matrix Towers

The construction of this 1,40,000 Sft IT Park is almost completed and Company is exploring the market for sale/lease of the balance unsold space of about 8,500 Sft. It is hopeful of closing by December 31, 2010.

#### Montieth Road Property

The land owners decided to sell the land and requested the Company to release the Company's development rights. Upon the request of the land owner, Company has relinquished its future development rights and received substantial compensation besides the cost of expenses incurred.

#### The Promenade

This project was originally conceived for doing a Shopping Mall and Commercial Buildings on a Joint Venture basis with the Land Owners. Total area planned was 1.2 Million Sft.

This project is being executed under the SPV, SSPDL infrastructure Developers (P) Ltd partnering with M/s. Innovative India Realty Opportunity Fund Ltd., Cyprus.

In 2008 a pre sale of about 2,00,000 Sft was done with M/s. Accor Hotels Group and substantial Advance received. However as the commercial market got hit SSPDL along with the SPV partners decided to renegotiate with the Land Owners and we reduced the scope of development to just the Novotel & IBIS Hotels totally derisking our investments.

The requisite sanctions are expected towards December 2010 and work to commence in January 2011 and to complete by July 2012.

The Construction Contract will be executed by your subsidiary Company M/s. SIPL.

#### Green Acres

The Company had entered into a Joint Venture Agreement with land owners for developing 7.20 acres of land into residential apartments aggregating to 1.2 Million Sft. The land is situated at Kazhipattur Village in Old Mahabalipuram Road (IT Highway), Kancheepuram District. Due to the current market scenario the Company is renegotiating with the Land Owners for enhanced sharing ratio for us. The Project will be taken up in 2011 - 2012.

### SSPDL Crescent

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

The Company has received all the necessary approvals. Construction has commenced.

Out of total 53 Apartments to our Company's share, Company has sold 48 apartments of value of Rs. 11.67 Crores.

Project is expected to be completed by April 2011 for delivery.

### SSPDL Lakewood Enclave

A Residential Villa / Apartment project is proposed on a 3.89 Ac plot of land situated at Thalambur Village of Old Mahabalipuram, (IT Express Highway), Chennai. This project is being done in phases.

Ist Phase consists of 32 Villas which was launched recently with the receipt of all approvals. We have sold 40% of our share. Value of villas sold as of now is Rs. 10 Crores.

In the IInd Phase 76 apartments are planned and proposed to take up April 2011. The last phase planned delivering in December 2011.

### HYDERABAD

#### SSPDL Avion

SSPDL Avion is a 26 acre layout located next to the new International Airport, in Shamshabad, Hyderabad. Located at Mamidipally village, this upscale layout features 140 plots varying in size from 300 yards to 1500 yards. All site development works have been completed and final approval from HADA is received and the project is completed and delivered.

#### The Retreat

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

#### SSPDL Northwoods

SSPDL Ltd and Indiareit Fund Advisors Pvt. Ltd. through their SPVs have acquired 42 acres in 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 come to an end with several villas nearing completion while the works relating to the club house, model villa and other related developments have been completed. However, the contract has since been terminated in July 2010.

**KERALA****The Retreat**

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

Plots have been demarcated for sale. Preliminary work with regard to roads has been completed. After receiving the necessary approvals from the authorities plots will be registered in favour of the buyers. Applications are submitted for obtaining the permission for construction of villas. This project is slated for commencement in 2nd half of 2011.

**CONSTRUCTION CONTRACTS****Chennai Central**

A shopping mall project at Nungambakkam High Road, Chennai. The planning process is in final stages and on receipt of planning permission construction work will commence. The land owner of the project i.e., M/s. Anchor Malls Pvt. Ltd. is planning to give out the project as Joint Development. Company is pursuing to get the construction work.

**TCG IT Park, Chennai**

This Project has been shelved by the client on account of slump in IT business. We have since received all dues for the works executed.

**Warehouse for SAIL, Vizag**

The Company was awarded contract for providing infrastructure and other works for Steel Authority of India Limited (SAIL). The work has been completed and building is handed over to SAIL. Total value of work executed is Rs. 5.20 Crores.

**NBCC, Kushaiguda, Hyderabad**

An Exhibition Centre for National Small Industries Corporation, New Delhi was commissioned by NBCC and our company was awarded the work of value Rs. 24.75 Crores. The entire work of 1,50,000 Sft was completed and handed over to the client in January 2010.

**Tuticorin Project**

The Company was awarded a construction contract aggregating to Rs 21 Crores from M/s. Vishnudeep Projects and Properties Pvt. Ltd., Visakhapatnam for construction of 2.20 lakh sq feet of residential buildings at Tuticorin. This project was terminated after completing 6 Crores value of work.

During the year, your Company has secured the following contracts in the Hyderabad region.

**KPCL Project, Raichur**

The Company has been awarded a contract for constructing the compound wall for Karnataka Power Corporation Limited for their thermal plant at Raichur of value Rs. 5.60 Crores. The construction work is already started and the project is expected to be completed around second quarter, 2011.

**National Police Academy, Hyderabad**

The Company was awarded a contract for the construction of prefab structure for executive housing at the National Police Academy in Hyderabad for a value of Rs. 2.10 Crores. The construction work is under full swing and is expected to be completed in the third quarter of 2010.

**ECIL Project, Hyderabad**

The Company was awarded two contracts for the construction of lab buildings at ECIL in Hyderabad for a value of Rs. 6.5 Crores. The construction work is nearing completion and both the buildings are expected to be handed over in the third quarter of 2010.

**Contracts Awarded / Being Executed by SSPDL Interserve Private Limited.****Crescent, Chennai**

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

**Lakewood Enclave, Chennai**

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

**The Retreat, Bangalore**

A high end Villa project with an area of about 6,00,000 Sft and the work is awarded by Sri Satya Sai Constructions for a total value of Rs.115 Crores and the expected completion is in June 2013.

**Panache, Chennai**

A Villa project on Old Mahabalipuram Road (OMR), Chennai from Olympia Infratech for a value of Rs. 6.5 Crores and the expected completion is in February 2011.

**Township, Tuticorin**

An apartment project from Vishudeep Projects to construct a township for M/s. Sterlite Industries of an area of about 2,20,000 Sft for the value of Rs. 15 Crores and the expected completion time is in January 2011.

**DIVIDEND**

Your Directors do not recommend any dividend for the Financial Year ended 31st March, 2010.

**DIRECTORS**

Sri E.Bhaskar Rao, Director retires by rotation at the ensuing Annual General Meeting and being eligible offers themselves for reappointment. During the year under review Sri B.Lokanath has joined as an Additional Director of the Company on 31.03.2010 and Company has received a notice from a member signifying his intention to propose Sri. B.Lokanath for the office of Director at the forthcoming Annual General Meeting.

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

#### AUDITORS AND AUDITORS' REPORT

M/s. Karvy & Co., Chartered Accountants, Hyderabad, the Company's Statutory Auditors retire at the conclusion of the ensuing Annual General Meeting. They have signified their willingness to be re-appointed and have further confirmed their eligibility u/s 224(1B) of the Companies Act, 1956.

The Auditors' Report to the shareholders does not contain any qualification or adverse remarks which require any clarification or explanation.

#### SUBSIDIARY COMPANIES

As on 31st March, 2010, your Company had 7 subsidiaries. There has been no material change in the nature of the business of the subsidiaries. A Statement pursuant to Section 212 of the Companies Act, 1956 containing the details of subsidiaries of the Company, forms part of the Annual Report.

In terms of the approval granted by the Central Government under Section 212(8) of the Companies Act, 1956, vide its letter bearing number 47/385/2010- CL-III dated 23.04.2010 the copies of the Balance Sheet, Profit and Loss Account, Reports of the Board of Directors and the Auditors of the Subsidiary Companies for the year ended March 31, 2010 are not attached to the Balance Sheet of the Company. The Company will make available at any point of time the annual accounts and other related detailed information of the following subsidiaries upon request by any member / investor of the Company and Subsidiary Companies:

1. Kollur Residential Project Private Limited
2. SSPDL Infra Projects India Private Limited
3. SSPDL Matrix Towers Private Limited
4. SSPDL Resorts Private Limited
5. SSPDL Realty India Private Limited
6. SSPDL Real Estates India Private Limited
7. SSPDL Almoayyed Projects Private Limited

Further, the annual accounts of the subsidiary companies will also be kept for inspection by any member / investor at the Company's Registered Office. And a hard copy of accounts of subsidiaries will be furnished to any shareholder upon request received. Also, the details of the Accounts of individual subsidiary companies will be kept on the company's website i.e., www.sspdl.com. The Company has presented the Audited Consolidated Financial Statements and the same have been prepared in compliance with the Accounting Standard AS-21 issued by the Institute of Chartered Accountants of India (ICAI).

#### Incorporation of wholly owned new subsidiary company SSPDL Interserve Private Limited

Your company has incorporated a wholly Owned Subsidiary company i.e., SSPDL Interserve Private Limited on 26.05.2010, to carry on the Construction Business of the Company.

#### INSURANCE

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

#### DEPOSITS

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

#### CORPORATE GOVERNANCE CODE

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

#### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

#### SHARES PLEDGED BY THE PROMOTERS/DIRECTORS

During the year 2008-09, Sri Prakash Challa, Managing Director and Sri Suresh Challa, 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
	<b>Total</b>	<b>25,85,850</b>

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 2009-10

As per the provisions of the Companies Act, 1956, the Company has no profits or have inadequate profits during the year under review, subject to the approval of the shareholders of the company in the ensuing annual general meeting, Company has paid the remuneration to the Managing Director as per the provisions of Schedule XIII to the Companies Act, 1956.

#### 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.3.17 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	Remuneration	Qualification	Experience (Yrs)	Date of Joining	Previous Employment	Nature of Duties
1	Prakash Challa	57	Managing Director	Rs.24.79 Lakhs	M. Sc and CIAB	33 Years	From Date of Incorporation	Andhra Bank	As per the provisions of the Companies Act, 1956
2.	K.M.Satish	49	Vice President	Rs.25.25 Lakhs	B.Tech (Civil)	26 Years	11.04.2007	Consulting (Self)	Managing the Projects

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

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

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

1. In preparation of the Annual Accounts, the applicable accounting standards have been followed.
2. Appropriate accounting policies have been applied consistently. Judgments and estimates, which are reasonable and prudent, have been made so far as to give a true and fair view of the state of affairs of the Company as at the end of the Financial Year and of the 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 : 12.08.2010

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT 2009-10

### 1. ECONOMY OVERVIEW:

Although global financial market conditions had improved during 2009 in terms of reduced risk spreads and higher market activity, risks resurfaced towards the end of 2009 and intensified during the first half of 2010. A series of events, starting from debt default of Dubai World, the Greek sovereign debt crisis, spreading of contagion to Spain and other euro area countries and weakening of market confidence reflecting unresolved deep rooted problems in the financial systems, contributed to the significant volatility in the global financial markets.

However, the Indian economy witnessed recovery in 2009-10 after the slowdown in 2008-09. As far as the real economy was concerned in 2009-10, India displayed resilience and strength to withstand the global turmoil, but after a fairly serious scare in 2008-09. This recovery was spurred by improving economic fundamentals and sustained policy support and which was mainly driven by a turnaround in the industrial output, with continued resilience of the services sector. The real turnaround came in the second quarter of 2009-10 when the economy grew by 7.9 percent.

The surveys conducted shows overall (median) growth rate for 2010-11 at 8.2 per cent, driven mainly by increased private consumption expenditure growth and relatively increased industrial activity in the first half and pick-up in services in the second half.

The uncertain external environment is a major risk to growth in the near term. Some of the downside risks for the growth in Indian Economy are the acceleration in investment demand needs to be sustained, private consumption demand has to sustain, gradual phasing out of the fiscal stimulus and the monetary exit, and the inflationary pressures, besides affecting the cost structure through demands for higher wages and increase in input costs, could also depress demand.

### 2. INDUSTRY STRUCTURE AND DEVELOPMENTS:

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

In the first half of the year 2009-10 the Real Estate Industry witnessed a real fear, lack of market certainty and activity, however in the second half there was a considerable improvement due to liquidity and economic recovery, due to the improvement in the performance of other key sectors such as IT, Manufacturing, etc, which resulted in the revival of demand in Housing in the Affordable Segment as also in the middle and premium segments as well.

Within a short span of one year with the pro-active support of the Banking Industry Home Loans at 8% p.a kicked off the revival in Housing in India. Further the Government stimulus plans boosted confidence and liquidity, greater flexibility on the part of banks helped the recovery. Nonetheless, lending practices look likely to remain more conservative than in the past.

However, the recent Levy of Service Tax on Housing Sector will lead to an increase in costs in Housing having a negative impact on the Sector.

Companies today are taking an increasing interest in the environmental status of the industrial real estate that they own and occupy. Sustainability delivers an improved workplace, reduced waste, longer leases and, increasingly, the competitive edge when marketing or selling the property. Although the demand for higher levels of environmental compliance may initially appear costly to decision makers, the decision makers the owners, investors, and occupiers of industrial property, playing proactive roles in partnership will find that the environmental efficiencies of a green industrial space will yield significant bottom-line savings.

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

Three of the top ten most expensive locations within the Asia Pacific region are located within India. As with many countries, the Indian industrial market saw a slowdown in activity with tenants looking to reduce the amount of space they occupy. This increased the amount of space on the market and forced down rental values. Rents in India declined by 8% in 2009, as occupier demand declined across the country and many tenants delayed expansion plans. As a result of the global economic slowdown, most Indian and multinational companies either postponed or cancelled expansion plans, therefore causing a decline in occupier demand. Except in New Delhi in all other major cities of the Country annual rental growth has declined during the year.

While the markets are supply driven, the economic recovery is leading to greater confidence in employment and retail spending prospects and hence tenant demand may increase at a faster rate. Indeed, the rate of rental decline eased to the some extent and saw some modest growth return in the latter part of 2009.

And the outlook for 2010 is more optimistic. Business sentiment also improved as economic indicators were more positive. Confidence is slowly returning and will be reflected in improved market activity in 2010. Nonetheless, rising vacancy rates will slow any return of rental growth. Whilst the retail sector continues to modernise and expand at a very rapid pace, the steady development pipeline of recent years and the global slowdown have led to falls in high street rents in most of the major cities.

### 3. OPPORTUNITIES, THREATS / RISKS AND CONCERNS:

#### Opportunities:

India is reckoned as one of the fastest growing economies of the world and owing to its inherent advantages of a large consumer base, raw material resources, competitively priced talent base, etc has become a preferred investment and business destination.

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. And real estate being a cyclical industry, the current phase is the ideal phase for investments and developments.

#### 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

In recent years, the real estate industry has evolved from a highly fragmented and un-organised market into a semi-organised market. The real estate sector can broadly be divided into residential, commercial, retail and hospitality asset classes.

**Residential:** The Indian real estate industry is expected to reach a size of US\$ 180 billion by 2020. The real estate sector in India is on a rapid growth trajectory. Over a short span of time, the industry has evolved from a highly fragmented and unorganised market into a semi-organised market, with a large number of listed companies. According

to the report of the Technical Group on Estimation of Housing Shortage, an estimated shortage of 26.53 million houses during the Eleventh Five Year Plan (2007-12) provides a big investment opportunity.

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. There is a growing demand for affordable housing since the government has announced lower interest rates for home loans up to US\$ 41,667 (INR2 million), which will mostly come up in the suburbs of large cities and tier I and tier II cities.

**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 Green House, "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. Since there is an improvement in the IT/ITES sectors outlook it is positive for the real estate sector. Growth in other service sectors like telecom and financial services is also a positive factor for the commercial space.

**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. The growth drivers of this segments are rising consumerism with doubling of disposable income, growth in organised retailing and entry of international retailers.

The out look of this segment is positive because, (a) Government is exploring the possibility of a relaxation in FDI norms, (b) Organised retail expected to grow at a compound annual growth rate (CAGR) of 19 per cent over the next five years, and (c) The share of organised retail in the total retail space, in terms of sales, is expected to reach 5.6 per cent by 2010.

**Hospitality:** Chief components of hospitality industry are hotels and allied services like travel, leisure and entertainment facilities etc. The hospitality segment has witnessed robust growth in demand, primarily due to strong growth in tourism, including both business and leisure travel.

According to a research by the World Travel & Tourism Council, travel and tourism in India is expected to grow at 12.7 per cent per annum until 2019.

Outlook of the segment is positive because : (a) The total estimated supply of hotel rooms is expected to reach 2.9 million and 6.6 million in 2010 and 2020, respectively, (b) High potential for budget hotels, (c) Service apartments, hospitals, wellness spas gaining popularity, and (d) India is acquiring recognition as a medical tourism destination.

**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:

In spite of growth in real estate industry, like in any emerging sector, the Indian market also has its own share of risks and hurdles.

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.

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 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.

#### 4. FUTURE OUTLOOK:

Long-term view on the Indian real estate industry is positive as the fundamental demand drivers such as increasing

urbanisation, favourable demographics, growth of services sector and rising incomes are still intact. The consensus is that economic growth will largely be positive in 2010 and will provide a greater level of occupier certainty, which should filter through to more positive levels of demand during the year.

The management is of the view that, the real estate industry will do well in future considering the recovery in the Global and Indian economy. The improvement in economy result in stabilization of employment and tenant demand will help support sentiment and with investment supply limited, prime property will perform well.

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

The Company 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.

As mentioned in the Directors Report, Company has incorporated M/s.SSPDL Interserve Private Limited to undertake all Construction Related Activities in which M/s.Interserve Holdings Limited, UK has invested and through M/s.SSPDL Interserve Private Limited Company is planning to take up bigger construction projects. Management is expecting that the joint venture with Interserve will immensely benefit the Company in future.

#### 5. SEGMENT WISE PERFORMANCE :

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

#### 6. INTERNAL CONTROL SYSTEMS :

The Company has reasonably sound system of controls in the operational areas. Internal controls are in line with the size of the operations and organizational requirements are adequate to protect the enterprise resources. The Audit

Committee reviews the adequacy of internal control systems from time to time.

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

#### 7. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

Total income: The total income of the company is Rs.5024.51 lakhs, against Rs.4490.54 lakhs in 2008-09.

Profit before Depreciation and Interest: Rs.288.63 lakhs, as compared to Rs.159.28 lakhs for 2008-09.

PBT: The Company's Loss Before Tax for the year under review stood at Rs.432.84 lakhs, as compared to Rs.618.79 lakhs in the previous financial year.

PAT: The Profit/(Loss) after tax (PAT) of the Company is Rs.(264.08) lakhs against Rs.80.20 lakhs in 2008-09.

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.

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

The Company continues to maintain cordial relations with its employees, vendors and other agencies. The Company strives to provide congenial atmosphere to the employees to enable them to offer their best in terms of performance. As on 31st March, 2010 SSPDL Ltd had 141 employees on its payroll. However, after the incorporation of new subsidiary, majority of the employees of the Company have resigned in the Company and joined in M/s.SSPDL Interserve Private Limited.

#### 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](http://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, 2010, the Board comprised of six members. The Board consists of both promoter and external Directors.

During the year 2009-10 eight meetings of the Board of Directors were held on 4th May, 2009, 10th June, 2009, 30th June, 2009, 31st July, 2009, 31st October, 2009, 31st December, 2009, 30th January, 2010 and 31st March, 2010. 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	20	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	20	Nil	887600
4	Sri S.Suryanarayana	Independent Non-Executive Director	6	Yes	Nil	Nil	Nil	300
5	Sri K.Akmaluddin Sheriff	Independent Non-Executive Director	5	Yes	Nil	4	Nil	6634
6	*Sri B.Lokanath	Independent Non-Executive Director	1	Not Applicable	Nil	2	Nil	0

\* Note: Appointed as an Additional Director w.e.f 31.03.2010.

#### 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:

##### Brief profile of Sri B.Lokanath:

Sri B.Lokanath was appointed as an additional director of the company w.e.f. 31.03.2010. He holds the office up to the date of ensuing Annual General Meeting. Sri B. Lokanath aged about 52 years holds a Bachelor Degree in Commerce and fellow member of the Institute of Chartered Accountants of India and senior partner in M/s Tukaram & Co. Chartered Accountants. He is a practicing Chartered Accountant and has over a 22 years of substantial experience in the areas of Audit, Taxation, Compliance, corporate advisory and consulting and handled corporate and non-corporate clients in the varied industrial sectors. He holds Directorship in Rampax Laboratories Pvt. Ltd., and Surenmax Estates India Pvt. Ltd.

##### Brief profile of Sri E.Bhaskar Rao:

Sri E.Bhaskar Rao, who retires by rotation, and being eligible, offers himself for reappointment. Sri E. Bhaskar Rao, aged about 48 years is on the Board of the Company since its inception. He is a Commerce graduate and has varied experience in the business of poultry breeding and real estate and construction spanning more than two decades.

He holds Directorship in Srinivasa Agri Tech Pvt. Ltd., Sri Krishna Devaraya Hatcheries Pvt. Ltd., Sri Srinivasa Aqua Feeds Pvt. Ltd., Srinivasa Foods and Feeds Pvt. Ltd., Sri Jagapati Farms Pvt. Ltd., Monisha Sri Durga Farms Pvt. Ltd., Jaagruthi Foundations Pvt. Ltd., Sri Lakshmi Narasamma Minerals Pvt. Ltd., Pallavi Perfumes And Cosmetics Pvt. Ltd., Sahiti Farms Pvt. Ltd., Mojasa Enterprises Pvt. Ltd., Jaagruthi Ventures Pvt. Ltd., Edala Infrastructures Pvt. Ltd., Edala Estates Pvt. Ltd., Sahiti Suharika Properties Pvt. Ltd., Sahiti Suharika Estates Pvt. Ltd., SSPDL Retreat Pvt. Ltd., SSPDL Ventures Pvt. Ltd., SSPDL Resorts Pvt. Ltd., SSPDL Real Estates India Pvt. Ltd., SSPDL Realty India Pvt. Ltd., SSPDL Infrastructure Developers Pvt. Ltd., SSPDL Infra Projects India Pvt. Ltd., SSPDL Matrix Towers Pvt. Ltd., Kollur Residential Project Pvt. Ltd., CBA Hotels & Resorts Pvt. Ltd., and Kansas Feeds Pvt. Ltd.

### 3. BOARD COMMITTEES

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

#### (A) AUDIT COMMITTEE

##### Composition:

The Audit Committee comprises of Sri S Suryanarayana, non-executive Independent Director as the Chairman and Sri 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, Auditors, and Person heading the Finance and Accounts Department are invitees to the meetings. The terms of reference of the Audit Committee are wide enough to cover all the aspects in accordance with Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956.

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

During the year under review, the Audit Committee met six times, i.e., on 20th April, 2009, 30th June, 2009, 31st July, 2009, 31st October, 2009, 30th January, 2010 and 31st March, 2010. The attendance record of the members at these meetings are given below:

Name	Designation	Meetings held during the year	Meetings attended during the year
Sri S.Suryanarayana	Chairman	6	6
Sri E.Bhaskar Rao	Member	6	6
Sri K.Akmaluddin Sheriff	Member	6	6

On 31.07.2010 the Audit Committee was reconstituted. After reconstitution the members of the Audit Committee are Sri S. Suryanarayana, non-executive Independent Director as the Chairman and Sri B.Lokanath, non-executive Independent Director and Sri E. Bhaskar Rao, non-executive Director as the members and Mr.Shailendra Babu Ande, Company Secretary is the Secretary to the Audit Committee.

### **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

**(B) SHAREHOLDERS AND INVESTOR GRIEVANCE REDRESSAL COMMITTEE****Composition**

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

**Terms of reference**

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

During the year under review, the Shareholders and Investor Grievance Redressal Committee met five times, i.e., on 30th June, 2009, 11th July, 2009, 20th July, 2009, 31st October, 2009, and 30th January, 2010. The attendance record of the members at these meetings are given below:

Name	Designation	Meetings held during the year	Meetings attended during the year
Sri Suresh Challa	Chairman	5	4
Sri E.Bhaskar Rao	Member	5	3
Sri S.Suryanarayana	Member	5	5

During the year the Company has received 14 requests/complaints from the investors, out of which one complaint is pending because of the response from the shareholder is awaiting. There were no shares pending transfer as on 31st March, 2010.

The status of shareholder's complaints during the financial year 2009-10 is as under:

Sl.No.	Nature of Complaint / Correspondence	Received	Cleared	Pending
1	Change / Correction of Address	01	01	0
2	No. of Transfers	0	0	0
3	No. of Transmissions	0	0	0
4	Loss of Securities and Issue of Duplicate Securities	01	01	0
5	Non-receipt of Annual Reports	07	07	0
6	Non-receipt of Dividend Warrant	01	01	0
7	Others	04	03	01
	<b>Total</b>	<b>14</b>	<b>13</b>	<b>01</b>

**(C) REMUNERATION COMMITTEE****Composition**

The Company has re-constituted the Remuneration Committee on 31.03.2010, as per the terms in Schedule XIII of the Companies Act, 1956. As on 31st March, 2010 the Remuneration Committee comprises of Sri S.Suryanarayana as the Chairman, Sri K.Akmaluddin Sheriff and Sri B.Lokanath as the members.

**Terms of reference**

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

During the year under review, Committee has met twice on 31.07.2009 and 31.03.2010 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 Committee meetings as decided by the Board. The details of remuneration paid/payable to the Directors of the Company during the year 2009-10 are given below:

Name of the Director	Sitting Fee (In Rs.)				Remuneration (In Rs.)	Commission (In Rs.)
	Board Meetings	Audit Committee Meetings	Shareholders and Investor Grievances Redressal Committee Meetings	Remuneration Committee Meetings		
Sri Prakash Challa	NIL	NIL	NIL	NIL	24,00,000	NIL
Sri E.Bhaskar Rao	1,20,000	15,000	2,500	NIL	NIL	NIL
Sri Suresh Challa	1,40,000	NIL	2,500	NIL	NIL	NIL
Sri S.Suryanarayana	1,20,000	15,000	2,500	2,500	NIL	NIL
Sri K.Akmaluddin Sheriff	1,00,000	15,000	NIL	2,500	NIL	NIL
Sri B.Lokanath	20,000	NIL	NIL	2,500	NIL	NIL

Details of transactions with the Non-Executive Directors of the Company : During the year under review, Company has paid to Sri Suresh Challa Rs.10.20 lakhs as rent for the premises given on rent to the Company and paid Rs.3.50 lakhs for purchasing car.

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

**(D) BORROWING COMMITTEE****Composition**

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

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

**Terms of reference**

- All the members of the remuneration committee be present at its meeting.
- All the resolutions shall be passed unanimously and in case of difference in opinion in the members on any matter, such matter be placed before the Board Meeting for its approval.
- borrow money, form banks, financial institutions, etc, as may require from time to time for the purpose of the Northwood Project upto a ceiling of Rs.50.00 Crores.
- take decisions for the requirement of the funds and to make borrowings of the required amount within the above ceiling from any bank and financial institution and to negotiate, settle and finalise all terms and conditions for the borrowings and to offer and provide security and to create/extend charges on the assets of the company as the committee may consider appropriate in the interest of the Company
- approach the financial consultants i.e., arranger of the loans, and negotiate the terms and conditions and also execute necessary documents and to do all acts and deeds as may be required in this regard on behalf of the Company
- authorise any two directors jointly to execute and sign the loan, security and other documents and to affix the Common Seal of the Company in presence of any two directors of the Company.

During the year under review, Committee has met on 05.10.2009 and all the members have attended the meeting.

**(E) BOARD COMMITTEE**

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

**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
2008-2009	Country Club, Begumpet, Hyderabad	AGM	30th September, 2009	11.30 A.M.	No Special Resolution was passed
2007-2008	Federation of Andhra Pradesh Chambers of Commerce and Industry, Red Hills, Hyderabad	AGM	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

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

**Resolution passed through Postal Ballot :**

During the year 2009-10, the Company has not passed any resolution through postal ballot.

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

Particulars	No. of Postal Ballot Forms received	No. of shares Voted	Percentage of total paid up capital
Total Postal Ballots received	149	71,72,863	----
Postal Ballots - Valid	119	70,90,330*	----
Postal Ballots - Invalid	30	82,538	----
Postal Ballots - in favour of the Resolution	107	70,85,298	99.93%
Postal Ballots - against the Resolution	12	5,027	0.07%

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

**5. DISCLOSURES**

- The Company has entered into certain related party transactions as set out in the notes to accounts, but they do not have any potential conflict with the interests of the Company at large.
- There were no non-compliances by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three financial years.
- Whistle Blower Policy: The Company established a mechanism for employees to report concerns about unethical behavior, actual or suspected fraud or violation of code of conduct policy. The mechanism also provides for adequate safeguards against victimization of employees who avail the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.
- Details of Compliance with non-mandatory requirements: The Board of Directors at its meeting held on 31st March, 2010 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](http://www.bseindia.com)), SEBI website ([www.sebi.gov.in](http://www.sebi.gov.in)) and the Company's website [www.sspdl.com](http://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.

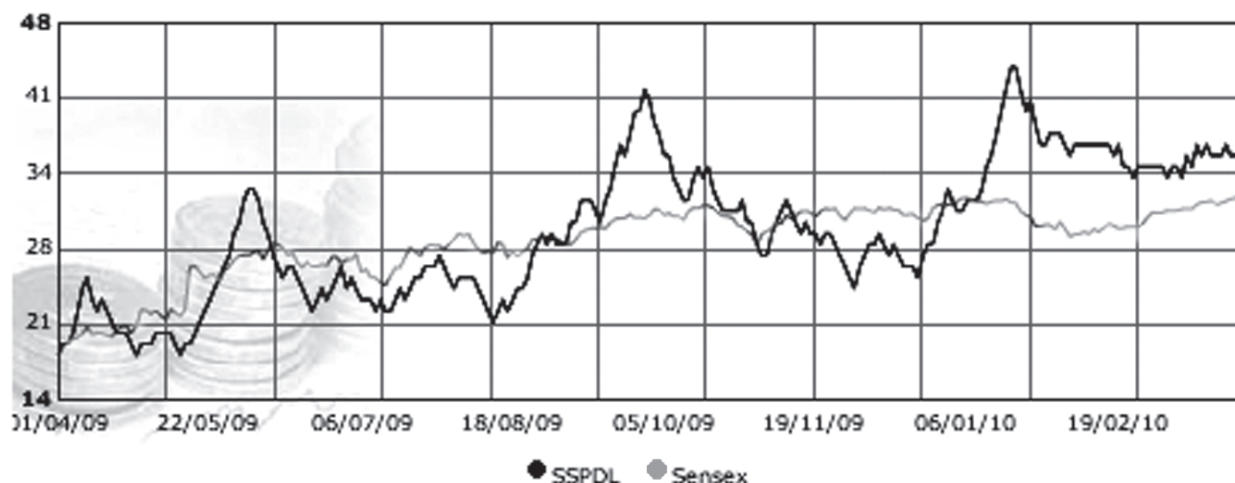
**7. GENERAL SHAREHOLDER'S INFORMATION**

Sl. No	Item	Details
1.	AGM Date, Time and Venue	On 30th September, 2010, the Thursday, 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, 2010 to 31st March, 2011
3.	Financial Calendar (tentative)	<ul style="list-style-type: none"> <li>● First Quarter Results - Middle of August, 2010.</li> <li>● Second Quarter / Half Year Results - Middle of November, 2010</li> <li>● Third Quarter / Nine Months Results - Middle of February, 2011.</li> <li>● Fourth Quarter / Year end Results - on or before 30th May, 2011.</li> </ul>
4.	Dates of Book Closure	From 27th September, 2010 to 30th September, 2010 (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:</p> <p>Bombay Stock Exchange Limited, 25th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001.</p> <p>The Company has duly paid the Listing fees for the year 2010-11.</p>
7.	Stock Code	(BSE) 530821 SCRIP ID OF BOLT SYSTEM SSPDL

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

Month and Year	High (In Rs.)	Low (In Rs.)
April 2009	25.60	16.00
May 2009	28.70	17.95
June 2009	34.50	20.95
July 2009	27.50	21.15
August 2009	30.70	20.45
September 2009	43.90	27.00
October 2009	39.00	29.00
November 2009	32.95	24.35
December 2009	34.10	23.70
January 2010	46.40	30.00
February 2010	40.10	34.00
March 2010	37.70	33.45

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



Historic Graph 01-04-2009 to 31-03-2010

## 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 : 040-23420859  
E-mail : mailmanager@karvy.com

## 11. Share Transfer System

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

## 12. Shareholding Information:

i) Distribution Schedule as on 31.03.2010

Sl.No.	No. of Shares	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholding
1	Upto - 500	3345	78.45	514137	3.98 %
2	501 - 1000	367	8.61	298631	2.31%
3	1001 - 2000	217	5.09	325249	2.52%
4	2001 - 3000	83	1.95	210381	1.63%
5	3001 - 4000	52	1.22	185522	1.43%
6	4001 - 5000	34	0.80	157801	1.22%
7	5001 - 10000	68	1.59	497190	3.85%
8	10001 - and above	98	2.29	10740339	83.07%
<b>Total</b>		<b>4264</b>	<b>100.00</b>	<b>12929250</b>	<b>100.00%</b>



## ii) Shareholding Pattern as on 31.03.2010

Sl.No.	Category	No. of Shareholders	Total Shares	% to Equity
1	PROMOTERS	14	6882087	53.23%
2	RESIDENT INDIVIDUALS	3923	3963703	30.66%
3	BODIES CORPORATE	161	860464	6.66%
4	NON RESIDENT INDIANS	44	1077088	8.33%
5	HUF	113	140018	1.08%
6	TRUSTS	0	0	0.00%
7	CLEARING MEMBERS	9	5890	0.04%
	<b>Total</b>	<b>4264</b>	<b>12929250</b>	<b>100.00%</b>

**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 TS Group on the BSE, Mumbai.

**14. Outstanding ADRs/GDRs**

As on March 31, 2010, 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 : 040-23420859  
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, 2010 as envisaged in Clause 49 of the Listing Agreement.

Place : Hyderabad  
Date : 12.08.2010

**PRAKASH CHALLA**  
MANAGING DIRECTOR

## MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER CERTIFICATION

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

- a. We have reviewed the financial statements and the cash flow statements for the year and that to the best of our knowledge and belief.
  - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading
  - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year that are fraudulent, illegal or violative of Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation

of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

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

**PRAKASH CHALLA**  
Managing Director (CEO)

**R.RAMESH**  
General Manager (Accounts)

Place : Hyderabad  
Date : 12.08.2010

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

To the Members of  
**SSPDL Limited**

We have examined the Compliance of conditions of Corporate Governance by M/s. SSPDL LIMITED ("the Company"), for the year ended on 31st March 2010, as stipulated in clause 49 of the Listing Agreement of the said Company with the Bombay Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has

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

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

**(KAJAY KUMAR)**  
PARTNER  
M. No. 21989

Place : Hyderabad  
Date : 12.08.2010

**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, 2010 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, 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2010 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 2010.
  - (b) In case of Profit & Loss account, of the LOSS of the company for the year ended on that date. And
  - (c) In case of Cash Flow Statement, of the cash flows for the year ended on that date.

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

Place : Hyderabad  
Date : 12.08.2010

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

### ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR AUDIT REPORT OF EVEN DATE TO THE MEMBERS OF M/S. SSPDL LIMITED FOR THE YEAR ENDED 31ST MARCH, 2010.

#### i. In respect of its fixed assets:

- a) The company has maintained proper records to show full particulars including quantitative details and situation of the fixed assets.
- b) The company has a phased programme of physical verification of its fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, substantial fixed assets were physically verified by management during the year and no material discrepancies were identified during such verification.
- c) As explained to us, the company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the company is not affected.

#### ii. In respect of its inventories:

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

#### iii. In respect of the loans, secured or unsecured, granted or taken by the company to / from companies, firms or other parties covered in the register maintained under Section 301 of the companies act, 1956:

- a) The company has granted loans to seven wholly owned subsidiaries of the company. In respect of the said loans, the maximum amount outstanding at any time during the year is Rs. 17.13 Crores and the year end balance is Rs. 17.13 Crores.
- b) In our opinion and according to the information and explanation given to us, the said loan is interest free and other terms and conditions of the loans given by the company, are not prima facie prejudicial to the interest of the company.
- c) The outstanding amounts are repayable on demand and there is no repayment schedule.
- d) In respect of the said loans, the same are repayable on demand and therefore the question of overdue does not arise.
- e) According to the information and explanations given to us, the company has taken an unsecured loans from parties covered in the register maintained under section

301 of the Companies Act, 1956. The maximum amount outstanding at any time during the year is Rs. 17.25 Crores and the year-end balance is Rs. 16.23 Crores.

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

- g) The said loan is repayable on demand and there is no repayment schedule.

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

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

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

- b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rs.5.00 lakhs in respect of each party have been made at prices which appears reasonable as pre information available with the company.

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

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

#### viii. In respect of this company, maintenance of cost records has not been prescribed by the Central Government under Section 209 (1) (d) of the Companies Act, 1956. Accordingly, clause 4(viii) of the Order is not applicable.

#### ix. a. According to the books and records as produced and examined by us in and also based on management representations, undisputed statutory dues in respect of Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Wealth Tax, Sales Tax, Service tax, Custom duty, Excise duty and Cess and other material statutory dues, to the extent applicable, have been regularly deposited during the year with appropriate authorities. According to the information and explanation given to us, no undisputed amounts payable in respect of the above are in arrears as at the year end for a period of more than six months from the date on which they become payable.

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

Name of the Statute	Nature of Due	Amount Rs.	Period to which amount relates	Forum where dispute is pending
Tamilnadu General Sales Tax Act.	Sales tax on inter-state purchase of goods	3,20,340	2002-03	Appellate Tribunal
Tamilnadu General Sales Tax Act.	Disallowances of Input Tax Credit	32,96,101/-	2006-2007	Commercial Tax Officer, Chennai

- x. The company does not have any accumulated losses at the end of the year. The company has incurred cash losses amounting to Rs. 4,00,27,540/- during the financial year covered by audit and Rs. 6,20,33,805/- cash losses reported in the immediately preceding financial year.
- xi. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to banks. The company has not taken any loans from financial institutions.
- xii. In our opinion and according to information and explanations given to us and as per verification of records, the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, clause 4(xii) of the Order is not applicable.
- xiii. In our opinion, the company is not a Chit fund / Nidhi Mutual benefit fund / societies / NBFC. Accordingly, clause 4(xiii) of the Order is not applicable.
- xiv. The Company has not dealt or traded in shares, securities, debentures and other investments. Accordingly, clause 4(xiv) of the Order is not applicable.
- xv. As per information and explanations given to us, the company has not given any guarantee for loans taken by others from banks and financial institutions during the year.
- xvi. To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the company during the year were prima-facie applied for the purposes for which the loans were obtained.
- xvii. According to the information and explanation given to us and on an overall examination of the balance sheet of the company, we are of the opinion that no funds raised on short-term basis have been used for long term investment.
- xviii. The company has not made any preferential allotment of shares to the parties covered in the register maintained under Section 301 of the Companies Act, 1956 during the year. Accordingly clause 4 (xviii) of the Order is not applicable.
- xix. The company during the year has not issued any debentures. Accordingly, clause 4(xix) of the Order is not applicable.
- xx. The company has not raised any money from the public by issue of shares during the year.
- xxi. According to the information and explanations given to us and on the basis of examination of records, no fraud on or by the company was noticed or reported during the year.

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

Place : Hyderabad  
Date : 12.08.2010

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

**BALANCE SHEET AS AT 31ST MARCH, 2010**

Particulars	Schedule	As at 31.03.2010 Rupees	As at 31.03.2009 Rupees
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	1	129,292,500	129,292,500
Reserves and Surplus	2	480,206,374	506,613,901
<b>LOAN FUNDS</b>			
Secured Loans	3	350,954,190	353,931,093
Unsecured Loans	4	113,041,848	162,317,103
<b>Total</b>		<b>1,073,494,912</b>	<b>1,152,154,597</b>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Gross Block	5	54,782,395	52,312,096
Less : Depreciation		10,206,761	7,664,829
Net Block		44,575,634	44,647,267
<b>INVESTMENTS</b>			
	6	181,126,232	175,261,232
<b>DEFERRED TAX ASSET</b>			
		32,500,597	15,624,299
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>			
Interest Accrued		1,165,152	360,588
Inventories		275,026,499	295,562,966
Sundry Debtors		607,343,390	687,407,741
Cash and Bank balances		24,922,203	17,415,453
Loans and Advances		474,325,128	498,621,568
		1,382,782,371	1,499,368,316
<b>Less : CURRENT LIABILITIES AND PROVISIONS</b>	8	567,489,921	582,746,517
<b>NET CURRENT ASSETS</b>		<b>815,292,450</b>	<b>916,621,799</b>
<b>MISCELLANEOUS EXPENDITURE</b>			
(To the extent not written off)		-	-
<b>Total</b>		<b>1,073,494,912</b>	<b>1,152,154,597</b>
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  
M. No.: 21989

PRAKASH CHALLA  
MANAGING DIRECTOR

E.BHASKAR RAO  
DIRECTOR

Place : Hyderabad  
Date : 12.08.2010

A.SHAIENDRA BABU  
COMPANY SECRETARY CUM MANAGER (FINANCE)

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010**

Particulars	Schedule	2009-2010 Rupees	2008-2009 Rupees
<b>INCOME</b>			
Contract Revenue/Income form Operations	9	489,815,997	423,149,420
Other Income	10	12,634,790	25,904,868
<b>Total</b>		<b>502,450,787</b>	<b>449,054,288</b>
<b>EXPENDITURE</b>			
Work Cost	11	417,208,293	370,576,591
Personnel Cost	12	33,129,320	40,398,748
Administration Expenses	13	23,250,216	22,151,295
Finance Charges	14	68,973,765	74,934,318
Depreciation	5	3,173,018	2,872,051
<b>Total</b>		<b>545,734,612</b>	<b>510,933,003</b>
<b>PROFIT / (LOSS) BEFORE TAX</b>		<b>(43,283,825)</b>	<b>(61,878,715)</b>
Provision for Tax :			
Current Tax		-	-
Fringe Benefit Tax		-	378,460
Deferred Tax		(16,876,298)	(16,518,886)
Earlier Years excess income tax provision written back		-	(53,757,445)
<b>PROFIT / (LOSS) AFTER TAX</b>		<b>(26,407,527)</b>	<b>8,019,156</b>
Profit brought forward from previous year		267,485,442	259,466,286
<b>Surplus carried to the balance sheet</b>		<b>241,077,915</b>	<b>267,485,442</b>
<b>EARNING PER SHARE (FACE VALUE OF RS.10/- PER SHARE)</b>			
- Basic and Diluted		(2.04)	0.62

**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  
M. No.: 21989

PRAKASH CHALLA  
MANAGING DIRECTOR

E.BHASKAR RAO  
DIRECTOR

Place : Hyderabad  
Date : 12.08.2010

A.SHAIENDRA BABU  
COMPANY SECRETARY CUM MANAGER (FINANCE)

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**SCHEDULES FORMING PART OF THE BALANCE SHEET**


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Particulars	As at 31.03.2010 Rupees	As at 31.03.2009 Rupees
<b>SCHEDULE 1</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised</b>		
2,50,00,000 (Previous year 2,50,00,000) equity shares of Rupees 10/- each	<b>250,000,000</b>	250,000,000
<b>Issued, Subscribed and Paid up</b>		
1,29,29,250 (Previous year 1,29,29,250) equity shares of Rupees 10/- each fully paid up	<b>129,292,500</b>	129,292,500
<b>Total</b>	<b>129,292,500</b>	129,292,500

**SCHEDULE 2****RESERVES AND SURPLUS**

Share Premium		
Opening Balance	<b>220,887,000</b>	220,887,000
Add: Additions during the year	-	-
	<b>220,887,000</b>	220,887,000
General Reserve	<b>18,241,459</b>	18,241,459
Add : Surplus in Profit and Loss account	<b>241,077,915</b>	267,485,442
<b>Total</b>	<b>480,206,374</b>	506,613,901

**SCHEDULE 3****SECURED LOANS**

Term Loan from banks	<b>200,000,000</b>	145,650,836
Cash Credit from banks	<b>146,785,885</b>	201,769,284
Hire Purchase Loans from others	<b>4,168,305</b>	6,510,973
<b>Total</b>	<b>350,954,190</b>	353,931,093

**SCHEDULE 4****UNSECURED LOANS**

Inter Corporate Deposits	<b>69,903,447</b>	129,317,103
Loan from Directors	<b>43,138,401</b>	33,000,000
<b>Total</b>	<b>113,041,848</b>	162,317,103

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## SCHEDULE FORMING PART OF THE BALANCE SHEET

SCHEDULE 5 FIXED ASSETS		GROSS BLOCK		DEPRECIATION			NET BLOCK			
		As at 01.04.2009	Additions During the year	Deletions During the year	As at 31.03.2010	As at 01.04.2009	For the Year	Adjust- ments	As at 31.03.2010	As at 31.03.2009
Buildings	3,152,273	201,635	-	3,353,908	108,280	53,514	-	161,794	3,192,114	3,043,993
Construction Equipment	30,692,163	1,806,530	-	32,498,693	3,533,378	1,495,848	-	5,029,226	27,469,467	27,158,785
Furniture and Fixtures	3,775,708	340,221	-	4,115,929	923,349	260,005	-	1,183,354	2,932,575	2,852,359
Computers	2,234,803	282,387	509,796	2,007,394	1,142,614	308,825	499,409	952,030	1,055,364	1,092,189
Office Equipment	2,717,670	194,766	247,560	2,664,876	580,455	125,323	131,687	574,091	2,090,785	2,137,215
Vehicles	9,739,479	402,106	-	10,141,585	1,376,753	929,503	-	2,306,256	7,835,329	8,362,726
<b>Total</b>	52,312,096	3,227,645	757,356	54,782,385	7,664,829	3,173,018	631,096	10,206,751	44,575,634	44,647,267
Previous Year	40,285,949	12,026,147	-	52,312,096	4,792,778	2,872,051	-	7,664,829	44,647,267	35,493,171

## SCHEDULES FORMING PART OF THE BALANCE SHEET

Particulars	As at 31.03.2010 Rupees	As at 31.03.2009 Rupees
<b>SCHEDULE 6</b>		
<b>INVESTMENTS :</b>		
<b>A EQUITY SHARES:</b>		
(Fully paid-up, NonTrade, Quoted and Long Term)		
- Andhra Bank Ltd 5,631 equity shares of Rs.90/- each	<b>506,790</b>	506,790
<b>(a) In Subsidiaries</b>		
- SSPDL Resorts Pvt Ltd 10,000 Equity Shares of Rs.10/- Each	<b>100,000</b>	100,000
- SSPDL Realty India Pvt Ltd 10,000 Equity Shares of Rs.10/- Each	<b>100,000</b>	100,000
- SSPDL Real Estates India Pvt Ltd 10,000 Equity Shares of Rs.10/- Each	<b>100,000</b>	100,000
- SSPDL Matrix Towers Pvt Ltd 10,000 Equity Shares of Rs.10/- Each	<b>100,000</b>	100,000
- SSPDL Infra Projects India Pvt Ltd 10,000 Equity Shares of Rs.10/- Each	<b>100,000</b>	100,000
- Kollur Residential Project Pvt Ltd 10,000 Equity Shares of Rs.10/- Each	<b>100,000</b>	100,000
- SSPDL Almoayyed Project Pvt Ltd 9,990 Equity Shares of Rs.10/- Each	<b>99,900</b>	99,900
<b>(b) Others</b>		
- SSPDL Properties Pvt Ltd 1,68,796 Equity Shares of Rs.10/- Each	<b>1,687,960</b>	1,687,960
- Alphacity Chennai IT Parks Pvt Ltd 9,980 Equity Shares of Rs.10/- Each	<b>99,800</b>	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	<b>2,340,000</b> <b>10</b>	2,340,000 10
- Northwood Constructions India Pvt Ltd 2,500 Equity Shares of Rs.10/- Each 10,000 Class B Equity Share of Rs.10/- Each Share Application Money	<b>25,000</b> <b>100,000</b> <b>1,500,684</b>	25,000 100,000 650,684
- Northwood Properties India Pvt Ltd 2,500 Equity Shares of Rs.10/- Each 10,000 Class B Equity Share of Rs.10/- Each Share Application Money	<b>25,000</b> <b>100,000</b> <b>2,130,849</b>	25,000 100,000 1,130,849
- Northwood Realty India Pvt Ltd 2,500 Equity Shares of Rs.10/- Each 10,000 Class B Equity Share of Rs.10/- Each Share Application Money	<b>25,000</b> <b>100,000</b> <b>1,170,849</b>	25,000 100,000 320,849
- Northwood Residential Ventures India Pvt Ltd 2,500 Equity Shares of Rs.10/- Each 10,000 Class B Equity Share of Rs.10/- Each Share Application Money	<b>25,000</b> <b>100,000</b> <b>473,622</b>	25,000 100,000 473,622

## SCHEDULES FORMING PART OF THE BALANCE SHEET

Particulars	As at 31.03.2010 Rupees	As at 31.03.2009 Rupees
- Northwood Township Project Pvt Ltd 2,500 Equity Shares of Rs.10/- Each	25,000	25,000
10,000 Class B Equity Share of Rs.10/- Each	100,000	100,000
Share Application Money	1,383,622	618,622
- SSPDL Northwood Homes Pvt Ltd 2,500 Equity Shares of Rs.10/- Each	25,000	25,000
10,000 Class B Equity Share of Rs.10/- Each	100,000	100,000
Share Application Money	1,820,845	1,020,845
- SSPDL Northwood Residence Pvt Ltd 2,500 Equity Shares of Rs.10/- Each	25,000	25,000
10,000 Class B Equity Share of Rs.10/- Each	100,000	100,000
Share Application Money	1,370,849	620,849
- SSPDL Northwood Villas Pvt Ltd 2,500 Equity Shares of Rs.10/- Each	25,000	25,000
10,000 Class B Equity Share of Rs.10/- Each	100,000	100,000
Share Application Money	1,480,849	630,849
- Northwood Infratech Pvt Ltd 2,500 Equity Shares of Rs.10/- Each	25,000	25,000
10,000 Class B Equity Share of Rs.10/- Each	100,000	100,000
Share Application Money	428,603	428,603
<b>B. Debentures in Associates (Trade, Non-Quoted and Long Term)</b>		
<b>Compulsory Convertible Debentures</b>		
- SSPDL Infrastructures Developers Pvt Ltd 14,040 Class Y 27.46% Cumulative Compulsory Convertible Debenture of Rs.1000/- Each	14,040,000	14,040,000
<b>Optionally Convertible 15% Debentures (Series B) of Rs.10/- each fully paid up</b>		
- Northwood Constructions India Pvt Ltd 17,86,830 @ 10/- each	17,868,300	17,868,300
- Northwood Properties India Pvt Ltd 18,24,060 @ 10/- each	18,240,600	18,240,600
- Northwood Realty India Pvt Ltd 17,86,830 @ 10/- each	17,868,300	17,868,300
- Northwood Residential Ventures India Pvt Ltd 12,28,390 @ 10/- each	12,283,900	12,283,900
- Northwood Township Projects Pvt Ltd 19,02,070 @ 10/- each	19,020,700	19,020,700
- SSPDL Northwood Homes Pvt Ltd 17,69,100 @ 10/- each	17,691,000	17,691,000
- SSPDL Northwood Residence Pvt Ltd 17,69,100 @ 10/- each	17,691,000	17,691,000
- SSPDL Northwood Villas Pvt Ltd 18,66,610 @ 10/- each	18,666,100	18,666,100
- Northwood Infratech Pvt Ltd 9,53,610 @ 10/- each	9,536,100	9,536,100
<b>Total</b>	<b>181,126,232</b>	<b>175,261,232</b>
<b>Aggregate book value of quoted investments</b>	<b>506,790</b>	<b>506,790</b>
<b>Aggregate market value of quoted investments</b>	<b>609,274</b>	<b>253,113</b>
<b>Aggregate book value of un-quoted investments</b>	<b>180,619,442</b>	<b>174,754,442</b>

## SCHEDULES FORMING PART OF THE BALANCE SHEET

Particulars	As at 31.03.2010 Rupees	As at 31.03.2009 Rupees
<b>SCHEDULE 7</b>		
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>		
<b>Inventories</b>		
Work-in-Progress	172,361,399	221,795,966
Land	102,665,100	73,767,000
	<u>275,026,499</u>	<u>295,562,966</u>
<b>Sundry Debtors</b>		
(Unsecured, Considered Good Debts outstanding for a period exceeding 6 months)	483,208,789	580,832,620
Others	124,134,601	106,575,121
	<u>607,343,390</u>	<u>687,407,741</u>
<b>Cash and Bank Balances</b>		
Cash on Hand	1,059,510	676,661
Balances with Scheduled Banks		
- In Current Accounts	9,463,993	4,202,092
- In Deposit Accounts	14,398,700	12,536,700
	<u>24,922,203</u>	<u>17,415,453</u>
<b>Loans and Advances</b>		
(Unsecured, Considered good, recoverable in cash or in kind or for value to be received)		
Advances Recoverable	373,466,724	397,609,782
Deposits	2,388,285	2,300,948
TDS and Advance Tax	98,470,118	98,710,838
	<u>474,325,128</u>	<u>498,621,568</u>
<b>Total</b>	<u>1,381,617,219</u>	<u>1,499,007,728</u>

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

Sundry Creditors	91,085,527	110,065,853
Unclaimed Dividend 2006-07	109,152	110,212
Advances Received from Clients	297,819,798	267,583,867
Other Liabilities	177,812,220	203,510,888
	<u>566,826,696</u>	<u>581,270,820</u>

**Provisions**

For Fringe Benefit Tax	-	539,070
Retirement Benefit	663,225	936,627
	<u>663,225</u>	<u>1,475,697</u>
<b>Total</b>	<u>567,489,921</u>	<u>582,746,517</u>

**SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT**

Particulars	2009-2010 Rupees	2008-2009 Rupees
<b>SCHEDULE 9</b>		
<b>CONTRACT REVENUE / INCOME FROM OPERATIONS</b>		
From Sales	121,077,682	106,610,862
From Contract Revenue	368,738,315	316,538,558
<b>Total</b>	<b>489,815,997</b>	<b>423,149,420</b>
<b>SCHEDULE 10</b>		
<b>OTHER INCOME</b>		
Rental Income	4,577,007	7,717,152
Interest Income		
- On Deposits (Tax Deducted at Source Rs.97,375/- Previous Year Rs.2,48,228/-)	1,067,070	1,263,164
- Trade Investments (Tax Deducted at Source Rs.6,30,252/- Previous Year Rs.8,73,631/-)	3,855,384	4,065,788
- Others	28,705	-
Dividends	25,339	11,262
Commission Received	517,114	-
Miscellaneous Income	2,564,171	12,847,502
<b>Total</b>	<b>12,634,790</b>	<b>25,904,868</b>
<b>SCHEDULE 11</b>		
<b>WORK COST</b>		
Work Cost including Contractor's Bills	255,528,476	336,338,295
Masonry and Other Works	76,208,218	51,501,383
Power and Fuel Charges	6,948,680	2,506,737
Rates and Taxes	25,693,718	25,822,050
Survey and Investigation Work	450,442	1,823,724
Project Consultancy Fee	2,944,191	6,640,437
Land	28,898,100	3,656,000
(Increase)/Decrease in Work-in-Progress		
- Opening Work-in-Progress	295,562,966	237,850,931
- Closing Work-in-Progress	275,026,499	295,562,966
<b>Total</b>	<b>417,208,293</b>	<b>370,576,591</b>
<b>SCHEDULE 12</b>		
<b>PERSONNEL COST</b>		
Salaries and Wages	31,300,821	37,555,811
Staff Welfare	1,086,776	2,050,864
Contribution to Provident Fund and Other Funds	741,723	792,073
<b>Total</b>	<b>33,129,320</b>	<b>40,398,748</b>

## SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

Particulars	2009-2010 Rupees	2008-2009 Rupees
<b>SCHEDULE 13</b>		
<b>ADMINISTRATION EXPENSES</b>		
Rent	2,292,000	2,175,023
Rates and Taxes	423,398	880,807
Electricity Charges	371,082	344,814
Vehicle Maintenance	785,952	736,698
Insurance	119,937	55,140
Communication Expenses	1,264,153	1,099,051
Travelling and Conveyance	4,695,855	4,133,938
Repairs and Maintenance		
- Buildings	445,363	315,294
- Plant and Machinery	120,939	184,568
Office Maintenance	281,725	505,360
Printing and Stationery	689,906	809,501
Listing Fees	33,090	33,251
Remuneration to Managing Director	2,400,000	1,200,000
Professional Charges	2,212,346	2,081,917
Payment to Auditors		
- Towards Audit Fees	262,510	252,810
- Towards Tax Matters	84,270	84,270
- Others	11,030	64,045
Advertisement Charges	1,957,620	3,382,913
Business Promotion	138,719	325,317
Commission / Brokerage	956,385	1,561,800
Loss on Sale of Fixed Assets	83,267	-
General Expenses	3,620,668	1,924,778
<b>Total</b>	<b>23,250,216</b>	<b>22,151,295</b>

**SCHEDULE 14****FINANCIAL CHARGES**

Interest on Fixed Loans	15,142,753	27,436,307
Interest on Others	49,881,175	38,245,956
Bank Charges	3,949,837	9,252,055
<b>Total</b>	<b>68,973,765</b>	<b>74,934,318</b>

**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 forward only if there is reasonable certainty that they will be realized in future and reviewed for the appropriateness of their respective carrying value at each balance sheet date.

**k. Earnings per Share:**

The basic earnings per share 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 earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares

outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**l. Impairment of Assets:**

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

**m. Provisions:**

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

## II. NOTES TO ACCOUNTS

### 1. Contingent liabilities:

(Amount in Rupees)

Sl. No.	Particulars	Year ended 31.03.2010	Year ended 31.03.2009
1	Sales tax demand under Tamilnadu General Sales-tax Act	320,340	320,340
2	Sales tax dispute on disallowance of input tax credit under Tamilnadu General Sales Tax Act	32,96,101	-
3	BG's & LC's outstanding as at 31st March, 2010	7,19,87,376	62,681,423

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:

Cash credit /Working capital term Loan from SBI is secured by

- the first charge on all the current assets of the company including hypothecation on construction materials, work in progress, receivables.
- first charge (equitable mortgage) of company's share of 70% of the proposed built-up space together with undivided share of land to an extent of 1,09,589 Sq.ft at Navallur Village, Old Mahabalipuram Road, Kanchipuram District, Chennai.
- Personnel guarantee of Sri Prakash Challa Managing Director, Sri Suresh Challa, and Directors of the company.

AS COLLATERAL SECURITY:

- First charge on all the fixed assets of the company created / to be created out of the proposed term loan.
- Equitable mortgage of residential property at hakimpet village, jubilee hills, Hyderabad.
- Equitable mortgage of vacant land at kollur village, medak, Andhra Pradesh.
- Pledge of 2585850 shares of Sri Prakash Challa, Sri Suresh Challa.



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

Vehicle loans availed from Axis Bank Ltd, 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)

Particulars	As at 31.03.2010	As at 31.03.2009
Debts due by private companies in which directors of the company are interested:		
- M/s. Alpha City Chennai IT Park Projects Pvt Ltd.	<b>46,95,40,295</b>	572,702,000
Debts due by partnership firms:		
- M/s. Sri Satya Sai Constructions	<b>1,43,99,631</b>	26,946

6. **Loans and Advances includes :**

(Amount in Rupees)

Particulars	Maximum Amount Outstanding at any time during the year		As at 31.03.2010	As at 31.03.2009
	2009-10	2008-09		
<b>Advances to Subsidiaries :</b>				
- M/s.SSPDL Realty India Pvt Ltd	<b>63,350,490</b>	63,198,723	<b>63,348,325</b>	63,198,943
- M/s.SSPDL Real Estates India Pvt Ltd.	<b>70,705,949</b>	64,477,769	<b>70,716,169</b>	64,477,768
- M/s.SSPDL Infra Projects India Pvt Ltd	<b>37,161,797</b>	37,138,812	<b>37,159,632</b>	37,139,032
- SSPDL Matrix Towers Pvt Ltd	<b>12,385</b>	10,220	<b>12,385</b>	10,220
- Kollur Residential Projects Pvt Ltd	-	18,600	-	18,600
- SSPDL Almoayyed Projects Pvt Ltd	<b>41,545</b>	20,580	<b>41,545</b>	20,580
- SSPDL Resorts Pvt Ltd	<b>12,441</b>	10,276	<b>10,276</b>	10,276
<b>Advances to companies in which director is interested :</b>				
- M/s. Alpha City Chennai IT Park Projects Pvt Ltd	<b>10,650</b>	10,650	<b>10,650</b>	10,650
- M/s. SSPDL Infrastructure Developers Pvt Ltd	<b>659,199</b>	367,127	<b>416,382</b>	367,127
- M/s. SSPDL Properties Pvt Ltd	<b>20,394</b>	20,394	<b>20,394</b>	20,394

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

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

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

8. **Managerial Remuneration:**

(Amount in Rupees)

Particulars	Year ended 31.03.2010	Year ended 31.03.2009
Salary & Allowances	24,00,000	1,200,000
Commission	-	-
Contribution to Provident fund	79,200	8,580
Perquisites	-	-
<b>Total</b>	<b>24,79,200</b>	1,208,580

Due to inadequacy of profits, the company has paid remuneration in accordance with the provisions of Table B 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.

9. During the year the company received notice from Office of the Commercial Tax Officer, Chennai directing to pay Rs.32,96,101/- along with interest on disallowance of input Tax claimed by the company during 2006-07 under Tamil Nadu VAT Act Section 19(11) due to delay in submission of returns .

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

(Amount in Rupees)

Particulars	Year ended 31.03.2010	Year ended 31.03.2009
Components and spare parts	423,590	17,838,766

11. **Expenditure in Foreign Currency:**

(Amount in Rupees)

Particulars	Year ended 31.03.2010	Year ended 31.03.2009
On account of Travel	317,001	237,147
Others	-	1,891,150

12. **Disclosure in accordance with AS-7:**

(Amount in Rupees)

Particulars	Year ended 31.03.2010	Year ended 31.03.2009
Contract Revenue recognize as revenue in the period	368,738,315	316,538,556
Cost incurred and Recognized Profit or Losses up to the reporting period	711,810,047	343,071,732
Advances received	36,695,099	5,738,330
Retention Money	23,602,510	1,596,505
Gross amount due from customers for contract work as asset	78,267,851	92,934,098
Gross amount due from customers for contract work a liability	-	-

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

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

Particulars	(Amount in Rupees)	
	2009-10	2008-09
Employer's Contribution to Provident Fund	579,546	280,386
Employer's Contribution to Pension Scheme	324,868	305,820

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:

Particulars	(Amount in Rupees)	
	Year ended 31.03.2010	Year ended 31.03.2009
<b>A. Change in present value of obligation</b>		
Present value of obligation at the beginning of the year	947,868	-
Current Service cost	129,289	-
Interest cost	75,829	-
Benefits paid	-	-
Net Actuarial (Gain) / Loss Recognized during the year	(232,760)	947,868
Present value of obligation at the end of the year	920,226	947,868
<b>B. Changes in the Fair Value of Plan Assets</b>		
Present Value of Plan Assets at the beginning of the year	11,241	-
Expected Return on Plan Assets	10,322	450
Actuarial Gain / (Loss)	(129)	(450)
Contributions	235,567	11,241
Benefits Paid	-	-
Fair Value of Plan Assets at the end of the year	257,001	11,241
<b>C. Net (Asset) / Liability recognized in the Balance Sheet</b>		
Present value of obligation at the end of the year	920,226	947,868
Fair value of Plan Assets at the end of the year	257,001	11,241
Funded status (surplus) / deficit	663,225	936,627
Net (Asset) / Liability recognized in the Balance Sheet	663,225	936,627
<b>D. Expenses recognized in the Profit &amp; Loss Account</b>		
Service Cost	129,289	-
Interest Cost	75,829	-
Expected return on Plan Assets	10,322	450
Net Actuarial (Gain) / Loss recognized during the year	(232,631)	948,318
Total Expenses/ (Income) recognised in Profit and Loss account	(37,835)	948,318
<b>E. Actuarial assumptions :</b>		
Discount rate	8%	8%
Salary escalation - over a long term	5%	5%
Attrition Rate	5%	5%
Expected return of the planned assets	8%	8%

iii. **Other Benefit Plans:** The liability for Leave Encashment as at the year end is Rs.236,211/- (previous year Rs.90,073/-).

#### 14. Segment Information:

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

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

**i. List of the Related parties and Relationships:**

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

Nature of Transactions	Subsidiaries	Associates	Key Managerial Personnel
Contract Revenue Accepted	-	516,558,106 (137,312,820)	-
Remuneration	-	-	2,479,200 (1,208,580)
Rental Charges	-	- (1,242,768)	2,292,000 (831,069)
Asset Purchased/Car	-	-	350,000 (-)
Investments	699,900 (699,900)	179,919,542 (174,054,542)	-
Sundry Debtors	-	595,004,432 (572,728,948)	-
Advances Given	171,292,448 (164,875,419)	483,083 (6,281,021)	-
Loan Taken	-	69,903,447 (129,710,220)	43,138,401 (36813645)
Rent Deposits	-	- (910,000)	910,000 (-)
Advances received	49,260,086 (48,588,837)	155,126,131 (-)	-

Note: Figures in brackets indicates previous year figures

**16. Earnings Per Share:****(Amounts in Rupees)**

Particulars	Year ended 31.03.2010	Year ended 31.03.2009
Net Profit for the year after tax (a)	<b>(2,64,07,527)</b>	80,19,156
Weighted Average number of Equity shares outstanding during the year for Diluted Earnings Per Share (b)	<b>1,29,29,250</b>	1,29,29,250
Basic and Diluted Earnings per share (face value Rs.10/- each) (a) /(b)	<b>(2.04)</b>	0.62

**17. Deferred Tax Assets/(Liabilities):****(Amounts in Rupees)**

Particulars	Year ended 31.03.2010	Year ended 31.03.2009
<b>a) Deferred Tax Asset</b>		
Disallowances u/s. 43B of Income Tax Act, 1961	<b>390,161</b>	348,975
Unabsorbed Business Loss	<b>36,074,510</b>	18,559,698
Total (a)	<b>36,464,670</b>	18,908,673
<b>b) Deferred Tax Liability</b>		
Difference between book and tax depreciation (b)	<b>3,964,073</b>	3,284,374
<b>c) Net Deferred Tax Asset/(Liability) (a-b)</b>	<b>32,500,597</b>	15,624,299

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

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

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

**For and on behalf of the Board of Directors**

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

**PRAKASH CHALLA**  
MANAGING DIRECTOR

**E.BHASKAR RAO**  
DIRECTOR

Place : Hyderabad  
Date : 12.08.2010

**A.SHAIENDRA BABU**  
COMPANY SECRETARY CUM MANAGER (FINANCE)

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010**

Particulars	31st March, 2010		31st March, 2009	
	Rupees	Rupees	Rupees	Rupees
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Net Profit before Tax and Extraordinary Items</b>		(43,283,825)		(61,878,715)
Adjustments for:				
Depreciation	3,173,018		2,872,051	
Interest Income	(4,922,454)		(5,328,952)	
Interest on Borrowing	65,023,928		65,682,263	
Dividend Income	(25,339)		(11,262)	
Excess Provision Written Off - Trade Creditors	-		(7,063,661)	
Provision for Retirement benefits	-		(3,027,141)	
Loss on Sale of Fixed Assets	83,267		-	
		<b>63,332,420</b>		<b>53,123,298</b>
		<b>20,048,595</b>		<b>(8,755,417)</b>
<b>Operating Profit Before Working Capital Changes</b>				
Adjustments for:				
Trade and Other Receivables	104,120,072		(60,665,506)	
Inventories	20,536,467		(57,712,036)	
Trade Payables and Other Liabilities	(15,256,577)		261,165,276	
		<b>109,399,963</b>		<b>142,787,734</b>
<b>Cash Generated From Operations</b>		<b>129,448,558</b>		<b>134,032,317</b>
Adjustments for income tax paid		<b>240,720</b>		<b>(58,573,153)</b>
<b>Net Cash from Operating Activities</b>	<b>A</b>	<b>129,689,278</b>		<b>75,459,164</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Disposal of Investments in Subsidiaries		-		108,000
Purchase of Investments in Subsidiaries		(5,865,000)		(155,786,672)
Purchase of Fixed Assets		(3,227,654)		(12,026,147)
Sale of Fixed Assets		42,983		-
Interest Received		4,117,891		5,362,837
Dividend Income		25,339		11,262
<b>Net cash from Investing Activities</b>	<b>B</b>	<b>(4,906,441)</b>		<b>(162,330,720)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Interest on Borrowings		(65,023,928)		(65,682,263)
Proceeds / (Repayment) of Borrowings		(52,252,159)		88,431,589
<b>Net cash used in Financing Activities</b>	<b>C</b>	<b>(117,276,087)</b>		<b>22,749,326</b>
<b>Net increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>A+B+C</b>	<b>7,506,750</b>		<b>(64,122,230)</b>
Cash and Cash Equivalents at the beginning of the year		<b>17,415,453</b>		<b>81,537,683</b>
Cash and Cash Equivalents at the end of the year		<b>24,922,203</b>		<b>17,415,453</b>

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  
M. No.: 21989

PRAKASH CHALLA  
MANAGING DIRECTOR

E.BHASKAR RAO  
DIRECTOR

Place : Hyderabad  
Date : 12.08.2010

A.SHAIENDRA BABU  
COMPANY SECRETARY CUM MANAGER (FINANCE)

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

**1. Registration Details**

Registration No.        STATE CODE

Balance Sheet Date

Date      Month                  Year

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

Public Issue        Rights Issue

Bonus Issue        Private Placement

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

Total Liabilities         Total Assets

**Sources of Funds :**

Paid-up Capital         Share application money

Reserves & Surplus         Secured Loans

Unsecured Loans

**Application of Funds :**

Net Fixed Assets         Net Current Assets

Investments         Deferred Tax

Misc. Expenditure        Accumulated loss

**IV Performance of Company (Amount In Rs. Thousands) :**

Turnover (Total Income)         Total Expenditure

Profit/for the year          Profit after tax

Earning per share :(In Rs)

Basic         Dividend

**V Generic names of principal products :**

Item code No. (ITC Code)

Product Description

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

For and on behalf of the Board of Directors

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

**PRAKASH CHALLA**  
MANAGING DIRECTOR

**E.BHASKAR RAO**  
DIRECTOR

Place : Hyderabad  
Date : 12.08.2010

**A.SHAIENDRA BABU**  
COMPANY SECRETARY CUM MANAGER (FINANCE)

# **SSPDL LIMITED**

## **CONSOLIDATED FINANCIAL STATEMENTS**

**AS ON**

**31ST MARCH, 2010**



## AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

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

1. We have examined the attached consolidated balance sheet of SSPDL LIMITED (the company) and its subsidiaries (collectively referred to as "the Group") as at 31st March, 2010, 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, 2010 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 subsidiaries is solely based on the report of the other auditors.

4. We report that consolidated financial statements have been prepared by the company's management in accordance with the requirements of Accounting Standard (AS) 21, "Consolidated Financial Statements", AS 23 "Accounting for Investments in Associates in Consolidated Financial Statements" as notified under the Companies (Accounting Standards) Rules, 2006 ("the rules") and on the basis of the separate audited financial statements of SSPDL LIMITED and its subsidiaries.
5. Based on our audit as aforesaid, and on consideration of the reports of the other auditors on the separate financial statements / consolidated financial statements and on the other financial information of the components and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with accounting principles generally accepted in India:
  - a) In the case of the Consolidated Balance Sheet, of the State of Affairs of the Group as at 31st March, 2010,
  - b) In the case of the Consolidated Profit and Loss Account, of the Loss of the Group for the year ended on that date,

And

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

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

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

Place : Hyderabad  
Date : 12.08.2010

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010**

Particulars	Schedule	As at 31.03.2010 Rupees	As at 31.03.2009 Rupees
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	1	129,292,500	129,292,500
Reserves and Surplus	2	479,566,730	506,613,901
<b>LOAN FUNDS</b>			
Secured Loans	3	350,954,190	353,931,093
Unsecured Loans	4	113,041,848	162,317,104
<b>Total</b>		<b>1,072,855,268</b>	<b>1,152,154,598</b>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Gross Block	5	55,247,647	52,711,747
Less : Depreciation		10,266,786	7,700,188
Net Block		44,980,861	45,011,559
Pre-operative Expenditure		1,380,698	955,461
<b>INVESTMENTS</b>	6	<b>179,786,688</b>	<b>174,561,332</b>
Deferred Tax Asset		32,500,597	15,624,299
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>	7		
Interest Accrued		1,165,152	360,589
Inventories		466,173,570	477,618,752
Sundry Debtors		607,343,390	687,407,741
Cash and Bank balances		25,241,001	17,842,558
Loans and Advances		303,282,062	334,173,249
		<b>1,403,205,174</b>	<b>1,517,402,889</b>
<b>Less : CURRENT LIABILITIES AND PROVISIONS</b>	8	<b>589,150,839</b>	<b>601,918,546</b>
<b>NET CURRENT ASSETS</b>		<b>814,054,335</b>	<b>915,484,343</b>
<b>MISCELLANEOUS EXPENDITURE</b>		<b>152,089</b>	<b>517,604</b>
(To the extent not written off)			
<b>Total</b>		<b>1,072,855,268</b>	<b>1,152,154,598</b>

**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  
M. No.: 21989

**PRAKASH CHALLA**  
MANAGING DIRECTOR

**E.BHASKAR RAO**  
DIRECTOR

Place : Hyderabad  
Date : 12.08.2010

**A.SHAIENDRA BABU**  
COMPANY SECRETARY CUM MANAGER (FINANCE)

**CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010**

Particulars	Schedule	2009-2010 Rupees	2008-2009 Rupees
<b>INCOME</b>			
Contract Revenue/Income form Operations	9	489,815,997	423,149,420
Other Income	10	12,634,790	25,904,868
<b>Total</b>		<b>502,450,787</b>	<b>449,054,288</b>
<b>EXPENDITURE</b>			
Work Cost	11	415,481,606	368,757,322
Personnel Cost	12	33,857,320	41,205,900
Administration Expenses	13	24,224,237	23,125,533
Finance Charges	14	68,973,765	74,946,404
Depreciation	5	3,197,684	2,897,844
<b>Total</b>		<b>545,734,612</b>	<b>510,933,003</b>
<b>PROFIT / (LOSS) BEFORE TAX</b>		<b>(43,283,825)</b>	<b>(61,878,715)</b>
Provision for Tax :			
Current Tax		-	-
Fringe Benefit Tax		-	378,460
Deferred Tax		(16,876,298)	(16,518,886)
Earlier Years excess income tax provision written back		-	(53,757,445)
<b>PROFIT / (LOSS) AFTER TAX</b>		<b>(26,407,527)</b>	<b>8,019,156</b>
Share of Profit / (Loss) from Associates (Net)		<b>(639,644)</b>	-
<b>PROFIT / (LOSS) AFTER SHARE OF PROFITS/(LOSS) OF ASSOCIATES</b>		<b>(27,047,171)</b>	<b>8,019,156</b>
Profit brought forward from previous year		<b>267,485,442</b>	<b>259,466,286</b>
<b>Surplus carried to the balance sheet</b>		<b>240,438,271</b>	<b>267,485,442</b>
<b>EARNING PER SHARE</b>			
(Face value of Rs.10/- per share)			
- Basic and Diluted		<b>(2.09)</b>	<b>0.62</b>

**Significant Accounting Policies and Notes to Accounts**

15

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

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

**For and on behalf of the Board of Directors**

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

**PRAKASH CHALLA**  
MANAGING DIRECTOR

**E.BHASKAR RAO**  
DIRECTOR

Place : Hyderabad  
Date : 12.08.2010

**A.SHAIENDRA BABU**  
COMPANY SECRETARY CUM MANAGER (FINANCE)

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**SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET**


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Particulars	As at 31.03.2010 Rupees	As at 31.03.2009 Rupees
<b>SCHEDULE 1</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised</b>		
2,50,00,000 (Previous year 2,50,00,000) equity shares of Rupees 10 each	<b>250,000,000</b>	250,000,000
<b>Issued, Subscribed and Paid up</b>		
1,29,29,250 (Previous year 1,29,29,250) equity shares of Rupees 10 each fully paid up	<b>129,292,500</b>	129,292,500
<b>Total</b>	<b>129,292,500</b>	129,292,500
<b>SCHEDULE 2</b>		
<b>RESERVES AND SURPLUS</b>		
Share Premium	<b>220,887,000</b>	220,887,000
General Reserve	<b>18,241,459</b>	18,241,459
Add : Surplus in Profit and Loss account	<b>240,438,271</b>	267,485,442
<b>Total</b>	<b>479,566,730</b>	506,613,901
<b>SCHEDULE 3</b>		
<b>SECURED LOANS</b>		
Term Loan from banks	<b>200,000,000</b>	145,650,836
Cash Credit from banks	<b>146,785,885</b>	201,769,284
Hire Purchase Loans from others	<b>4,168,305</b>	6,510,973
<b>Total</b>	<b>350,954,190</b>	353,931,093
<b>SCHEDULE 4</b>		
<b>UNSECURED LOANS</b>		
Inter Corporate Deposits	<b>69,903,447</b>	129,317,104
Loan from Directors	<b>43,138,401</b>	33,000,000
<b>Total</b>	<b>113,041,848</b>	162,317,104

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## SEHEDULE FORMING PART OF CONSOLIDATED BALANCE SHEET

SCHEDULE 5 FIXED ASSETS		(In Rupees)									
		GROSS BLOCK			DEPRECIATION				NET BLOCK		
PARTICULARS	As at 01.04.2009	Additions During the year	Deletions During the year	As at 31.03.2010	As at 01.04.2009	For the Year	Adjust- ments	As at 31.03.2010	As at 31.03.2010	As at 31.03.2009	
Buildings	3,152,273	201,635	-	3,353,908	108,280	53,514	-	161,794	3,192,114	3,043,993	
Construction Equipment	30,692,163	1,806,530	-	32,498,693	3,533,378	1,495,848	-	5,029,226	27,469,467	27,158,785	
Furniture and Fixtures	3,775,708	340,221	-	4,115,929	923,349	260,005	-	1,183,354	2,932,575	2,852,359	
Computers	2,234,803	282,387	509,796	2,007,394	1,142,614	308,825	499,409	952,030	1,055,364	1,092,189	
Office Equipment	2,717,670	194,766	247,560	2,664,876	580,455	125,323	131,687	574,091	2,090,785	2,137,215	
Vehcles	9,739,479	402,106	-	10,141,585	1,376,753	929,503	-	2,306,256	7,835,329	8,362,726	
<b>Total</b>	52,312,096	3,227,645	757,356	54,782,385	7,664,829	3,173,018	631,096	10,206,751	44,575,634	44,647,267	
Previous Year	40,285,949	12,026,147	-	52,312,096	4,792,778	2,872,051	-	7,664,829	44,647,267	35,493,171	

## SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET

Particulars	As at 31.03.2010 Rupees	As at 31.03.2009 Rupees
<b>SCHEDULE 6</b>		
<b>INVESTMENTS :</b>		
<b>A Equity Shares:</b>		
(Fully paid-up, NonTrade, Quoted and Long Term)		
- Andhra Bank Ltd 5,631 equity shares of Rs.90/- each	506,790	506,790
<b>B. Equity Shares (Trade, Non-Quoted, Long Term)</b>		
<b>In Associates</b>		
- SSPDL Properties Pvt Ltd 1,68,796 Equity Shares of Rs.10/- Each	1,687,960	1,687,960
- Alpahcity Chennai IT Parks 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	- 1,700,356 10	2,340,000 10
- Northwood Constructions India Pvt Ltd 2,500 Equity Shares of Rs.10/- Each 10,000 Class B Equity Share of Rs.10/- Each Share Application Money	- 25,000 100,000 1,500,684	25,000 100,000 650,684
- Northwood Properties India Pvt Ltd 2,500 Equity Shares of Rs.10/- Each 10,000 Class B Equity Share of Rs.10/- Each Share Application Money	- 25,000 100,000 2,130,849	25,000 100,000 1,130,849
- Northwood Realty India Pvt Ltd 2,500 Equity Shares of Rs.10/- Each 10,000 Class B Equity Share of Rs.10/- Each Share Application Money	- 25,000 100,000 1,170,849	25,000 100,000 320,849
- Northwood Residenital Ventures India Pvt Ltd 2,500 Equity Shares of Rs.10/- Each 10,000 Class B Equity Share of Rs.10/- Each Share Application Money	- 25,000 100,000 473,622	25,000 100,000 473,622
- Northwood Township Project Pvt Ltd 2,500 Equity Shares of Rs.10/- Each 10,000 Class B Equity Share of Rs.10/- Each Share Application Money	25,000 100,000 1,383,622	25,000 100,000 618,622
- SSPDL Northwood Homes Pvt Ltd 2,500 Equity Shares of Rs.10/- Each 10,000 Class B Equity Share of Rs.10/- Each Share Application Money	25,000 100,000 1,820,845	25,000 100,000 1,020,845
- SSPDL Northwood Residence Pvt Ltd 2,500 Equity Shares of Rs.10/- Each 10,000 Class B Equity Share of Rs.10/- Each Share Application Money	25,000 100,000 1,370,849	25,000 100,000 620,849

## SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET

Particulars	As at 31.03.2010 Rupees	As at 31.03.2009 Rupees
- SSPDL Northwood Villas Pvt Ltd 2,500 Equity Shares of Rs.10/- Each	25,000	25,000
10,000 Class B Equity Share of Rs.10/- Each	100,000	100,000
Share Application Money	1,480,849	630,849
- Northwood Infratech Pvt Ltd 2,500 Equity Shares of Rs.10/- Each	25,000	25,000
10,000 Class B Equity Share of Rs.10/- Each	100,000	100,000
Share Application Money	428,603	428,603
<b>C. Debentures in Associates (Trade, Non-Quoted and Long Term)</b>		
<b>Compulsory Convertible Debentures</b>		
- SSPDL Infrastructures Developers Pvt Ltd 14,040 Class Y 27.46% Cumulative Compulsory Convertible Debenture of Rs.1000/- Each	14,040,000	14,040,000
<b>Optionally Convertible 15% Debentures (Series B) of Rs.10/- each fully paid up</b>		
- Northwood Constructions India Pvt Ltd 17,86,830 @ 10/- each	17,868,300	17,868,300
- Northwood Properties India Pvt Ltd 18,24,060 @ 10/- each	18,240,600	18,240,600
- Northwood Realty India Pvt Ltd 17,86,830 @ 10/- each	17,868,300	17,868,300
- Northwood Residential Ventures India Pvt Ltd 12,28,390 @ 10/- each	12,283,900	12,283,900
- Northwood Township Projects Pvt Ltd 19,02,070 @ 10/- each	19,020,700	19,020,700
- SSPDL Northwood Homes Pvt Ltd 17,69,100 @ 10/- each	17,691,000	17,691,000
- SSPDL Northwood Residence Pvt Ltd 17,69,100 @ 10/- each	17,691,000	17,691,000
- SSPDL Northwood Villas Pvt Ltd 18,66,610 @ 10/- each	18,666,100	18,666,100
- Northwood Infratech Pvt Ltd 9,53,610 @ 10/- each	9,536,100	9,536,100
<b>Total</b>	<b>179,786,688</b>	<b>174,561,332</b>
<b>Aggregate book value of quoted investments</b>	<b>506,790</b>	<b>506,790</b>
<b>Aggregate market value of quoted investments</b>	<b>609,274</b>	<b>253,113</b>
<b>Aggregate book value of un-quoted investments</b>	<b>179,279,898</b>	<b>174,054,542</b>

## SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET

Particulars	As at 31.03.2010 Rupees	As at 31.03.2009 Rupees
<b>SCHEDULE 7</b>		
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>		
<b>Inventories</b>		
Work-in-Progress	192,798,552	234,194,070
Land	273,375,018	243,424,682
	<u>466,173,570</u>	<u>477,618,752</u>
<b>Sundry Debtors</b>		
(Unsecured, Considered Good Debts outstanding for a period exceeding 6 months)	483,208,789	580,832,620
Others	124,134,601	106,575,121
	<u>607,343,390</u>	<u>687,407,741</u>
<b>Cash and Bank Balances</b>		
Cash on Hand	1,190,435	856,970
Balances with Scheduled Banks		
- In Current Accounts	9,651,866	4,448,888
- In Deposit Accounts	14,398,700	12,536,700
	<u>25,241,001</u>	<u>17,842,558</u>
<b>Loans and Advances</b>		
(Unsecured, Considered good, recoverable in cash or in kind or for value to be received)		
Advances Recoverable	202,423,659	233,161,463
Deposits	2,388,285	2,300,948
TDS and Advance Tax	98,470,118	98,710,838
	<u>303,282,062</u>	<u>334,173,249</u>
<b>Total</b>	<u>1,402,040,022</u>	<u>1,517,042,300</u>

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

Sundry Creditors	91,844,933	110,086,749
Unclaimed Dividend 2006-07	109,152	110,212
Advances Received from Clients	367,730,181	334,994,250
Other Liabilities	128,803,348	155,191,739
	<u>588,487,614</u>	<u>600,382,950</u>

**Provisions**

For Fringe Benefit Tax	-	598,969
Retirement Benefit	663,225	936,627
	<u>663,225</u>	<u>1,535,596</u>
<b>Total</b>	<u>589,150,839</u>	<u>601,918,546</u>



**SSCHEDULES FORMING PART OF CONSOLIDATED PROFIT AND LOSS ACCOUNT**

Particulars	2009-2010 Rupees	2008-2009 Rupees
<b>SCHEDULE 9</b>		
<b>CONTRACT REVENUE / INCOME FROM OPERATIONS</b>		
From Sales	121,077,682	106,610,862
From Contract Revenue	368,738,315	316,538,558
<b>Total</b>	<b>489,815,997</b>	<b>423,149,420</b>
<b>SCHEDULE 10</b>		
<b>OTHER INCOME</b>		
Rental Income	4,577,007	7,717,152
Interest Income		
- On Deposits (Tax Deducted at Source Rs.97,375/- Previous Year Rs.2,48,228/-)	1,067,070	1,263,164
- Trade Investments (Tax Deducted at Source Rs.6,30,252/- Previous Year Rs.8,73,631/-)	3,855,384	4,065,788
- Others	28,705	-
Dividends	25,339	11,262
Commission Received	517,114	-
Miscellaneous Income	2,564,171	12,847,502
<b>Total</b>	<b>12,634,790</b>	<b>25,904,868</b>
<b>SCHEDULE 11</b>		
<b>WORK COST</b>		
Work Cost including Contractor's Bills	257,222,031	337,879,231
Masonry and Other Works	80,563,221	53,945,188
Power and Fuel Charges	6,978,851	2,588,692
Rates and Taxes	25,748,701	25,822,050
Survey and Investigation Work	560,885	2,009,591
Project Consultancy Fee	2,944,191	6,658,437
Land	29,950,336	3,656,000
(Increase)/Decrease in Work-in-Progress		
- Opening Work-in-Progress	477,686,959	413,885,092
- Closing Work-in-Progress	466,173,570	477,686,959
<b>Total</b>	<b>415,481,606</b>	<b>368,757,322</b>
<b>SCHEDULE 12</b>		
<b>PERSONNEL COST</b>		
Salaries and Wages	32,028,821	38,335,877
Staff Welfare	1,086,776	792,073
Contribution to Provident Fund and Other Funds	741,723	2,077,950
<b>Total</b>	<b>33,857,320</b>	<b>41,205,900</b>

**SCHEDULES FORMING PART OF CONSOLIDATED PROFIT AND LOSS ACCOUNT**

Particulars	2009-2010 Rupees	2008-2009 Rupees
<b>SCHEDULE 13</b>		
<b>ADMINISTRATION EXPENSES</b>		
Rent	2,292,000	2,175,023
Rates and Taxes	482,132	945,007
Electricity Charges	384,566	344,814
Vehicle Maintenance	785,952	736,698
Insurance	119,937	55,923
Communication Expenses	1,317,425	1,164,326
Travelling and Conveyance	5,131,331	4,545,850
Repairs and Maintenance		
- Buildings	445,363	315,294
- Plant and Machinery	120,939	187,378
Office Maintenance	281,725	505,486
Printing and Stationery	697,873	825,796
Listing Fees	33,090	33,251
Remuneration to Managing Director	2,400,000	1,200,000
Professional Charges	2,373,768	2,225,967
Payment to Auditors		
- Towards Audit Fees	302,510	272,810
- Towards Tax Matters	84,270	84,270
- Others	11,030	64,045
Advertisement Charges	1,957,620	3,382,913
Business Promotion	142,493	327,250
Commission / Brokerage	962,323	1,571,510
Loss on Sale of Fixed Assets	83,267	-
General Expenses	3,814,622	2,161,922
<b>Total</b>	<b>24,224,237</b>	<b>23,125,533</b>
<b>SCHEDULE 14</b>		
<b>FINANCIAL CHARGES</b>		
Interest on Fixed Loans	15,142,753	27,436,307
Interest on Others	49,881,175	38,245,956
Bank Charges	3,949,837	9,264,141
<b>Total</b>	<b>68,973,765</b>	<b>74,946,404</b>

## SCHEDULE 15

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF CONSOLIDATED ACCOUNTS:

## I. SIGNIFICANT ACCOUNTING POLICIES:

## a. Principles of Consolidation:

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

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

## b. Investments other than in Subsidiaries and associates have been accounted as per Accounting Standard (AS) 13 on "Accounting for Investment".

- c. Other Significant Accounting Policies: These are set out under "Significant Accounting Policies" as given in the separate financials statements of the company and its subsidiaries.
- d. The Subsidiary Companies considered in the consolidated financial statements are:

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

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

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

## II. NOTES ON ACCOUNTS

## a. Contingent liabilities:

(Amount in Rupees)

Sl. No.	Particulars	Year ended 31.03.2010	Year ended 31.03.2009
1	Sales tax demand under Tamilnadu General Sales-tax Act	320,340	320,340
2	Sales tax dispute on disallowance of input tax credit under Tamilnadu General Sales Tax Act	32,96,101	-
3	BG's & LC's outstanding as at 31st March, 2010	7,19,87,376	62,681,423

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

## c. Managerial Remuneration:

(Amount in Rupees)

Particulars	Year ended 31.03.2010	Year ended 31.03.2009
Salary & Allowances	24,00,000	1,200,000
Commission	-	-
Contribution to Provident fund	79,200	8,580
Perquisites	-	-
<b>Total</b>	<b>24,79,200</b>	<b>1,208,580</b>

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

(Amount in Rupees)

Particulars	Year ended 31.03.2010	Year ended 31.03.2009
Components and spare parts	423,590	17,838,766

## e. Expenditure in Foreign Currency:

(Amount in Rupees)

Particulars	Year ended 31.03.2010	Year ended 31.03.2009
On account of Travel	317,001	237,147
Others	-	1,891,150

## f. Deferred Tax Assets/(Liabilities):

(Amount in Rupees)

Particulars	Year ended 31.03.2010	Year ended 31.03.2009
Deferred Tax Asset		
Disallowances u/s. 43B of Income Tax Act, 1961	390,161	348,975
Unabsorbed Business Loss	3,60,74,510	18,559,698
<b>Total (a)</b>	<b>3,64,64,671</b>	<b>18,908,673</b>
Deferred Tax Liability		
Difference between book and tax depreciation (b)		
<b>Total (b)</b>	<b>3,964,073</b>	<b>3,284,374</b>
<b>Net Deferred Tax Asset/(Liability) (a-b)</b>	<b>325,00,597</b>	<b>15,624,299</b>

g. **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.

## h. 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:

<b>Associates:</b>		<b>Enterprises owned/significantly influenced by Key Management Personnel:</b>	
1.	M/s. Northwood Infratech Pvt Ltd	1.	M/s Alpha City Chennai IT Park Projects Pvt Ltd
2.	M/s. Northwood Constructions India Pvt Ltd	2.	M/s. Sri Satya Sai Constructions (Partnership Firm)
3.	M/s. Northwood Properties India Pvt Ltd	3.	M/s. Sri Satya Sai Constructions (Sole Proprietary Concern)
4.	M/s. Northwood Realty India Pvt Ltd	4.	M/s. Sri Krishna Devaraya Hatcheries Private Limited
5.	M/s. Northwood Residential Ventures India Pvt Ltd	5.	M/s. SSPDL Ventures Pvt Ltd
6.	M/s. Northwood Township Projects Pvt Ltd	6.	M/s. SSPDL Properties Pvt Ltd
7.	M/s. SSPDL Northwood Homes Pvt Ltd	7.	M/s. SSPDL Retreat Pvt.Ltd
8.	M/s. SSPDL Northwood Residence Pvt Ltd	<b>Key Managerial Personnel:</b>	
9.	M/s. SSPDL Northwood Villas Pvt Ltd	1.	Mr. Challa Prakash                      Managing Director
10.	M/s. Alpha City Chennai IT Park Projects Pvt Ltd	2.	Mr. Challa Suresh                      Director
11.	M/s. SSPDL Infrastructure Developers Pvt Ltd	3.	Mr. E. Bhaskar Rao                      Director

**Related Party Transactions**

<b>Nature of Transactions</b>	<b>Associates</b>	<b>Key Managerial Person</b>
Contract Revenue Accepted	516,558,106 (137,312,820)	-
Remuneration	-	2,479,200 (1,208,580)
Rental Charges	- (1,242,768)	2,292,000 (831,069)
Asset Purchased/Car	-	350,000 (-)
Finance(including Loans and Equity contributions in cash or kind)	775,407,054 (753,974,509)	910,000 (-)
Outstanding Balance	225,029,578 (129,710,220)	184,665,777 (189,313,645)

Note: Figures in brackets indicates previous year figures

**i. Earnings Per Share:****(Amounts in Rupees)**

Particulars	Year ended 31.03.2010	Year ended 31.03.2009
Net Profit for the year after tax (a)	<b>((2,70,47,171))</b>	80,19,156
Weighted Average number of Equity shares outstanding during the year for Diluted Earnings Per Share (b)	<b>1,29,29,250</b>	1,29,29,250
Basic and Diluted Earnings per share (face value Rs.10/- each) (a) /(b)	<b>(2.09)</b>	0.62

**j. Investments in Associates:**

Particulars	Year ended 31.03.2010
Investment in Associates	<b>37,57,607</b>
Goodwill Identified	<b>11,30,509</b>
<b>Total</b>	<b>48,88,116</b>

k. 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  
M. No.: 21989

**PRAKASH CHALLA**  
MANAGING DIRECTOR

**E.BHASKAR RAO**  
DIRECTOR

Place : Hyderabad  
Date : 12.08.2010

**A.SHAIENDRA BABU**  
COMPANY SECRETARY CUM MANAGER (FINANCE)

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010**

Particulars	31st March, 2010		31st March, 2009	
	Rupees	Rupees	Rupees	Rupees
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Net Profit before Tax and Extraordinary Items</b>	<b>(43,923,469)</b>		<b>(61,878,715)</b>	
Adjustments for:				
Depreciation	3,197,684		2,872,051	
Interest Income	(4,922,454)		(5,328,952)	
Interest on Borrowing	65,023,928		65,682,263	
Dividend Income	(25,339)		(11,262)	
Excess Provision Written off - Trade Creditors	-		(7,063,661)	
Provision for Retirement Benefits	-		(3,027,141)	
Loss on Sale of Fixed Assets	83,267		-	
		<b>63,357,086</b>		<b>53,123,298</b>
		<b>19,433,617</b>		<b>(8,755,417)</b>
<b>Operating Profit before Working Capital Changes</b>				
Adjustments for:				
Trade and Other Recievables	110,714,819		(60,622,188)	
Inventories	11,445,182		(63,772,575)	
Trade Payables and Other Liabilities	(12,767,707)		261,947,725	
<b>Increase/(Decrease) in Net current assets</b>		<b>109,392,294</b>		<b>137,552,962</b>
<b>Cash Generated From Operations</b>		<b>128,825,911</b>		<b>128,797,545</b>
Adjustments for income tax paid		<b>240,720</b>		<b>(58,573,153)</b>
<b>Net cash from Operating Activities</b>	<b>A</b>	<b>129,066,631</b>		<b>70,224,392</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Disposal of Investments in Subsidiaries		-		108,000
Purchase of Investments in Associates		(5,225,356)		(155,786,672)
Purchase of Fixed Assets		(3,293,246)		(12,155,774)
Sale of Fixed Assets		42,983		-
Interest Received		4,117,891		5,362,837
Pre-Operative Expenses		(59,712)		(101,439)
Dividend income		25,339		11,262
<b>Net cash from Investing Activities</b>	<b>B</b>	<b>(4,392,101)</b>		<b>(162,561,786)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Interest on Borrowings		(65,023,928)		(65,682,263)
Proceeds / (Repayment) of Borrowings		(52,252,159)		93,342,084
<b>Net cash used in Financing Activities</b>	<b>C</b>	<b>(117,276,087)</b>		<b>27,659,821</b>
<b>Net increase/(Decrease) in Cash &amp; Cash equivalents</b>	<b>A+B+C</b>	<b>7,398,443</b>		<b>(64,677,573)</b>
Cash and Cash Equivalents at the beginning of the year		<b>17,842,558</b>		<b>82,520,131</b>
Cash and Cash Equivalents at the end of the year		<b>25,241,001</b>		<b>17,842,558</b>

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  
M. No.: 21989

PRAKASH CHALLA  
MANAGING DIRECTOR

E.BHASKAR RAO  
DIRECTOR

Place : Hyderabad  
Date : 12.08.2010

A.SHAIENDRA BABU  
COMPANY SECRETARY CUM MANAGER (FINANCE)

**Statement Pursuant to exemption received under Section 212 (B) of the Companies Act, 1956 relating to Subsidiary Companies**  
(Amount in Rupees)

Sl. No	Name of the Subsidiary Company	Capital	Reserves	Total Assets	Total Liabilities	Investment other than Investment in Subsidiary	Turnover	Profit. before Taxation	Provision for Taxation	Proposed Divided	Country
1	SSPDL Infra Projects Pvt Ltd	100,000	-	38,159,180	38,059,180	-	-	-	-	-	India
2	SSPDL Real Estates India Pvt Ltd	100,000	-	73,813,538	73,713,538	-	-	-	-	-	India
3	SSPDL Realty India Pvt Ltd	100,000	-	65,446,735	65,346,735	-	-	-	-	-	India
4	SSPDL Resorts Pvt Ltd	100,000	-	70,047,453	69,947,453	-	-	-	-	-	India
5	SSPDL Matrix Towers Pvt Ltd	100,000	-	117,385	17,385	-	-	-	-	-	India
6	Kollur Residential Project Pvt Ltd	100,000	-	120,000	20,000	-	-	-	-	-	India
7	SSPDL Almoayyed Projects Pvt Ltd	100,000	-	151,545	51,545	-	-	-	-	-	India

**For and on behalf of the Board of Directors**

**PRAKASH CHALLA**  
MANAGING DIRECTOR

**E.BHASKAR RAO**  
DIRECTOR

Place : Hyderabad  
Date : 12.08.2010

**A.SHAIENDRA BABU**  
COMPANY SECRETARY CUM MANAGER (FINANCE)



**SSPDL LIMITED**

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

**ATTENDANCE SLIP**

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

I hereby record my presence at the SIXTEENTH ANNUAL GENERAL MEETING of the Company held at Qutub Shahi Hall, Country Club, 6-3-1219, Begumpet, Hyderabad - 500 016 (A.P.) on Thursday, the 30th September, 2010 at 11.30 A.M.

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

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

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

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

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

\* Applicable to only Shareholders holding shares in demat form.

**SSPDL LIMITED**

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

**PROXY FORM**

I/We ----- of (Place) -----  
being a member / members of SSPDL LIMITED under Folio No. / Client ID No.-----  
DP ID. No ----- .hereby appoint Mr./ Ms.-----  
of (Place) ----- failing him/her Mr./Ms----- of  
(Place) -----as my/our proxy to vote for me / us and on my / our behalf at the SIXTEENTH ANNUAL  
GENERAL MEETING of the Company to be held at Qutub Shahi Hall, Country Club, 6-3-1219, Begumpet, Hyderabad - 500 016  
(A.P.) on Thursday, the 30th September, 2010 at 11.30 A.M. and at any adjournment(s) thereof.

Signed this ----- day of ----- 2010.

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

Affix Ps.15/-  
Revenue  
Stamp  
and sign  
across

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





Lakewood Enclave

The Retreat  
Bangalore



The Retreat  
Kerala

Chennai Central





*Building the big picture*

8-2-595 / 3 / 6, Eden Gardens, Road No. 10, Banjara Hills, Hyderabad - 500 034.

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