DIRECTORS' REPORT

To The Members

Your Directors have pleasure in presenting the Seventh Annual Report on the business and operations of the Company together with the audited accounts for the financial year ended 31st March, 2013.

FINANCIAL RESULTS

As there are no operations during the year, there are no financial results available for the period 2012-2013.

BUSINESS OVERVIEW

"The Retreat", Munnar, Kerala

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

The Company along with parent company SSPDL Limited and its SPVs is planning for operating a) Villa Development, b) Jungle Resort Development and c) Jungle and Plantation Development. 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 last Quarter of 2013.

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

DIRECTORS

In pursuance of the provisions of Section 255 of the Companies Act, 1956, Sri E.Bhaskar Rao, Director retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

Sri Suresh Challa has resigned as Director of the Company w.e.f. 25.05.2013. Your Board places on record its appreciation for the valuable services rendered by Sri Suresh Challa during his tenure as Director on the Board.

AUDITORS

Smt. Kosaraju Chandrika, Chartered Accountant, Hyderabad the Company's Statutory Auditor retires at the conclusion of Seventh Annual General Meeting and expressed willingness for the reappointment.

INFORMATION UNDER SECTION 217 (2A)

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

INFORMATION UNDER SECTION 217(1) (e)

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

A. CONSERVATION OF ENERGY :

Even though the Company's activity is Real Estate, Property Development, etc. which are not powerintensive, the Company is making every effort to

conserve the usage of power.

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

NIL NIL NIL

DIRECTORS' RESPONSIBILITY STATEMENT

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

- 1. In preparation of the Annual Accounts, the applicable accounting standards have been followed.
- 2. Appropriate accounting policies have been applied consistently. 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/loss of the Company for the period.
- 3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and preventing and detecting fraud and other irregularities.
- 4. The Annual Accounts have been prepared on a going concern basis.

ACKNOWLEDGEMENTS

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

For and on behalf of the Board of Directors

Place: Hyderabad

Date: 25.05.2013

PRAKASH CHALLA E. BHASKAR RAO

DIRECTOR DIRECTOR

KOSARAJU CHANDRIKA B.Com., F.C.A.

Chartered Accountant



INDEPENDENT AUDITOR'S REPORT

To the Members of M/s. SSPDL INFRA PROJECTS INDIA PRIVATE LIMITED

Report on the Financial Statements

I have audited the accompanying financial statements of M/s. SSPDL INFRA PROJECTS INDIA PRIVATE LIMITED ("the Company") which comprise the Balance Sheet as at March 31, 2013 the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Hyderabad

25/05/2013

Opinion

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) In the case of the Statement of Profit and Loss, for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), issued by the Central Government of India in terms of Section 227(4A) of the Act, I give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2. As required by section 227(3) of the Act, I report that:
- a) I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit;
- b) In my opinion, proper books of account as required by law have been kept by the Company so far as appears from my examination of those books;
- c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) In my opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act;
- e) On the basis of written representations received from the directors as on March 31, 2013, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of Section 274(1)(g) of the Act.

Place: Hyderabad Date: 25.05.2013

Hyderabad K M.No. * 028522

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

Annexure to the Auditors' Report

The Annexure referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of my report of even date:

i. In respect of its fixed assets:

The Company has no Fixed Assets as at the end of the financial year ending on March 31, 2013. Accordingly, Clause (i) (a) to (i) (c) of the Order is not applicable.

ii. In respect of its inventories:

The Company's inventory comprises of only Land and no moveable stock. Accordingly, Clause 4(ii) of the Order is not applicable.

- iii. a) According to the information and explanations given to me, during the year the Company has not granted any loans to companies covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, clauses (iii) (a) to (iii) (d) of the paragraph 4 of the Order are not applicable.
 - e) According to the information and explanations given to me, the Company has taken an unsecured loan from the companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount outstanding during the year is Rs.37,914,132/-and yearend balance is Rs.37,914,132/-.
 - f) In my opinion and according to the information and explanation given to me, the said loan is interest free loan and other terms and conditions are prima facie not prejudicial to the interest of the Company.
 - g) According to the information and explanations given to me, the said loan is repayable on demand and there is no repayment schedule.
- iv. In my opinion and according to the information and explanations given to me, there are adequate internal control systems commensurate with the size of the Company and nature of its business with regard to the purchase of inventory and fixed assets and also for the sale of goods and services. During the course of my audit, no major weakness has been noticed in the internal control system.
- v. In respect of the contracts or arrangements entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of my knowledge and belief and according to the information and explanation given to me:
 - a. The particulars of the contracts or arrangements referred to in Section.301 that need to be entered in the register maintained under the said section have been so entered.
 - b. In my opinion, and according to the information and explanations given to me, transactions made in pursuance of contracts or arrangements have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

M.No.

JE Challe 25/05/2013

- vi. According to the information and explanations given to me, the Company has not accepted deposits from the public within the meaning of Section 58A and Section 58AA of the Companies Act, 1956 and the rules framed there under
- vii. According to the information and explanations given to me and to the best of my knowledge and belief, internal audit is not applicable to the Company.
- viii As explained to me, maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 is not applicable for the current year. Accordingly, clause 4 (viii) of the Order is not applicable

ix. In respect of statutory dues:

- a) According to the records of the Company and information and explanations given to me, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State insurance, Income tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues to the extent applicable with the appropriate authorities during the year. According to the information and explanations given to me, no undisputed amounts payable in respect of the above are in arrears as at the yearend for a period of more than six months from the date on which they become payable.
- b) According to the information and explanations given to me there are no amounts in respect of Income tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess that have not been deposited with the appropriate authorities on account of any dispute
- x. Since the Company is yet to commence its commercial operations, there are no accumulated losses at the year end. Accordingly, clause 4 (x) of the Order is not applicable to the Company.
- xi. Based on my audit procedures and according to the information and explanations given to me, the Company has not availed any loans from the financial institutions and banks. Accordingly, clause 4(xi) of the Order is not applicable.
- xii. In my opinion and according to the information and explanations given to me, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, clause 4(xii) of the Order is not applicable.
- xiii In my opinion, the Company is not a Chit fund or a Nidhi/ Mutual Benefit fund/ Society. Therefore, the provisions of clause 4 (xiii) of the Order are not applicable to the Company.
- xiv The Company has not dealt or traded in shares, securities, debentures and other investments. Accordingly, clause 4 (xiv) of the Order are not applicable to the Company.

xv. In my opinion and as per the information and explanations given to me, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly, Clause 4(xv) of the Order is not applicable to the Company

Hyderabad

25/05/2013

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- xvi. In my opinion and according to the information and explanations given to me and on the basis of my examination of the books of accounts, no loans have been availed by the Company during the year. Accordingly, Clause 4(xvi) of the Order is not applicable to the Company.
- According to the information and explanations given to me and on an overall examination of the Balance Sheet of the Company, I am of the opinion that there are no funds raised on short-term basis that have been used for long term investment.
- xvi The Company has not made any preferential allotment to parties and companies covered under register maintained under section 301 of the Companies Act, 1956. Accordingly, clause 4(xviii) of the Order is not applicable.
- xix. The Company during the year has not issued any debentures. Accordingly, clause 4 (xix) of the Order are not applicable to the Company.
- xx. The Company has not raised any money by public issue of shares during the year. Accordingly, clause 4(xix) of the Order is not applicable.
- xxi. According to the information and explanations given to me, no fraud on or by the Company was noticed or reported during the year.

Place: Hyderabad Date: 25.05.2013 Hyderabad Anno O28522

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

Balance Sheet as at 31st March, 2013

(Amount in ₹)

	(Amount in ₹				
	Particulars Particulars	Note	As at	As at	
		No.	31-03-2013	31-03-2012	
1.	EQUITY AND LIABILITIES		·		
(1)	Shareholder's Funds				
	(a) Share Capital	2	100,000	100,000	
(2)	Current Liabilities				
	(a) Short - term borrowings	3	37,914,132	37,914,132	
	(b) Trade Payables	4	-	192,644	
	(c) Other Current Liabilities	5	3,950,085	2,897,083	
				·	
	TOTAL		41,964,217	41,103,859	
II.	ASSETS				
(3)	Non-Current assets				
	(a) Other non-current assets	6	56,243	56,243	
(4)	Current Assets				
	(a) Inventories	7	41,537,830	41,035,225	
	(b) Cash and Cash Equivalents	8	362,998	11,401	
	(c) Short -term loans and advances	9	7,146	990	
	TOTAL	-	41,964,217	41,103,859	
	TOTAL		71,007,217	,	

See accompanying notes to the financial statements

Hyderabad

M.No.

As per our report of even date attached

For and on behalf of the Board of Directors

KOSARAJU CHANDRIKA

Chartered Accountant (M.No.028522)

Place : Hyderabad Date : 25-05-2013 PRAKASH CHALLA

.DITACITATE

Director

Director

SSPDL INFRA PROJECTS INDIA PRIVATE LIMITED Profit & Loss Statement for the Year ended 31st March,2013

(Amount in ₹)

	Particulars	Note No.	For the Year Ended 31-03-2013	For the Year Endeo
1.	Revenue from Operations		-	-
11	Other Income		-	-
	Total Revenue (I + II)		-	-
111	Expenses:			
	Project Expenses / Other operative Expenses	10	395,633	1,215,883
	Changes in Inventories of Finished goods,			
	Work in Progress and Stock in trade	11	(502,605)	(1,319,882)
	Employee Benefits expense	12	36,209	26,565
	Finance Costs	13	6,524	13,336
	Other Expenses	14	64,239	64,098
	Total Expenses		-	-
iV	Profit / Loss for the period		-	· -

See accompanying notes to the financial statements

Hyderabad M.No.

As per our report of even date attached

For and on behalf of the Board of Directors

KOSARAJU CHANDRIKA

Chartered Accountant (M.No.028522)

Place: Hyderabad

Date: 25-05-2013

PRAKASH CHALLA

E.BHASKAR RAO

Director

Director

SSPDL INFRA PROJECTS INDIA PRIVATE LIMITED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31st March,2013

(Amount in ₹)

					(A	mount in ₹)
			As at 31 st	March,2013	As at 31st M	March, 2012
A	CASH FLOWS FROM OPERATING ACTIVITIES Net Profit before Tax and Extraordinary items					
	Adjustments for:					
	Depreciation		_			
İ	J Sopression					
	Operating Profit before Working Capital Charges					
	Adjustments for:		1			
	Trade and Others Receivables		(6,156)		30,362	
	Work in Progress		(502,605)		(1,319,882)	
]	Trade Payables and Other Liabilities		860,358		1,283,106	
	Increase/(Decrease) in Net current Assets			351,597		(6, 14)
	Cash Generated from Operation			351,597		(6,414)
	Adjustments for income tax paid			-		-
	Net Cash from Operating Activities	Α		351,597		(6,414)
В	CASH FILOWS FROM INVESTING ACIVITIES					
	Disposal of Investments					
	Purchase of Investments in Associates					
	Purchase of Fixed Assets					-
	Sale of Fixed Assets			-		
	Profit /loss on Sale of Fixed Assets			- ·		
	Interest Received					
	Dividend Income			-		
		B		-		
	Net Cash from Investing Activities					
С	CASH FLOWS FROM FINANCING ACTIVITIES					
	Interest on Borrowings					
	Borrowings					
	Net Cash used in Financing Activities	С		-		-
	Net Increase/(Decrease) in Cash & Cash equivalent	A+B+C		351,597		(6,414)
	Cash and Cash Equivalents at the beginning of the Year			11,401		17,815
	Cash and Cash Equivalents at the end of the Year			362,998		11,401
<u> </u>	A		For and	on behalf of t	ho Board of I	Directors

As per our attached report of even date

For and on behalf of the Board of Directors

KOSARAJU CHANDRIKA

Chartered Accountant (M.No.028522)

Place : Hyderabad Date : 25-05-2013 Hyderabad Account

PRAKASH CHALLA
Director

E.BHASKAR RAC

D:----

Director

SSPDL INFRA PROJECTS INDIA PRIVATE LIMITED (Notes forming part of financial statement)

Note 1: SIGNIFICANT ACCOUNTING POLICES

a. Basis of Accounting

The financial statements are prepared and presented in accordance with the Indian Generally Accepted Accounting Principles (GAAP) under historical cost convention on the accrual basis, GAAP comprises accounting standard notified by the Central Government of India under section 211(3C) of Companies Act 1956 other pronouncement of the Institute of Chartered Accountants of India and Provision of the companies Act, 1956.

The company has prepared these financial statements as per the format prescribed by Revised Schedule VI, to the Companies Act, 1956 ("the schedule") issued by Ministry of Corporate Affairs. Previous periods figures have been recast/restated to conform to the classification required by the Revised Schedule VI.

b. Use of Estimates

The preparation of financial statements in conformation with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of revenue and expenditure during the reporting period, reported balances of assets & liabilities as at the date of financial statement. Actual results could differ from these estimations. Any revision to accounting estimations is recognized prospectively in the current and future periods.

c. Inventories

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

d. Revenue Recognition

Revenue from Operation, from sale of land/property rights is recognised when the unconditional right to receive the income is established and other Income from sale of cardamom /pepper is recognized as when realised

e. Provisions

Provisions are recognised when the company has present legal or constructive obligations 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 obligations.

f. Preliminary and Pre- operative expenditure

Preliminary expenditure to the extent not written off or adjusted will be charged to revenue in the year in which there is profit to absorb the same.

g. List of related parties:

Enterprises Owned / significantly influenced by key Managerial Personnel: SSPDL Limited

Key Managerial Personnel:

1.	Mr. E Bhaskar Rao	Director
2.	Mr. Suresh Challa	Director
3.	Mr. Prakash Challa	Director

Related Party Transaction

Nature of Transactions	Name of the Enterprise	Amount in Rs.
Loan Taken from (Short Term)	SSPDL Limited	3,79,14,132
		*(3,79,14,132)

^{*}Figures in bracket indicate Previous Year Figures.

- h. Contingent Liabilities : Nil, (Previous year- Nil)
- i. Capital commitments not provided for (net of Advances) Nil, (Previous Year- Nil).

(Amou	ınt in ₹)
-------	-----------

As at	As at
31-03-2013	31-03-2012
·	
500,000	500,000
	•
100,000	100,000
100,000	100,000
	31-03-2013 500,000 100,000

ii) Details of shares holding: SSPDL Limited and its Nominees hold all the shares of the Company

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

	March :	31, 2013	March 31, 2012	
Equity shares	Number	Value	Number	Value
	10,000	100,000	10,000	100,000
Issued during the period	-	-	-	-
Outstanding at the end of the Year	10,000	100,000	10,000	100,000
Outstanding at the end of the Year	10,000	100,000	10,000	L

iv) Terms and conditions attached with shares:

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

(Amount in ₹)

NOTE # 3	As at	As at
	31.03.2013	31.03.2012
Short Term Borrowings		
Loans and Advances from related parties		
(Unsecured, considered good)	ļ	
- SSPDL Limited	37,914,132	37,914,132
	37,914,132	37,914,132

NOTE # 4 (Amount in ₹)

Particulars	As at	As at	
	31.03.2013	31.03.2012	
Trade payables			
- Others		192,644	
Total	-	192,644	

NOTE # 5 (Amount in ₹)

		(<i>-</i> ,
Particulars	As at	As at
	31.03.2013	31.03.2012
Other Current Liabilities		
- Other Payables	3,950,085	2,897,083
Total	3,950,085	2,897,083

NOTE #6 (Amount in ₹) **Particulars** As at As at 31.03.2013 31.03.2012 Other non-current assets Others Unamortized expenses (To the extent not written off or adjusted) Preliminary expenditure 56,243 56,243 Total 56,243 56,243

NOTE # 7		(Amount in ₹)
Particulars	As at	As at
	31.03.2013	31.03.2012
Inventories		
Opening Work in Progress	41,035,225	39,715,343
Add: (a) Project Expenses / Other operative Expenses	395,633	1,215,883
(b) Employee Benefits Expense	36,209	26,565
(c) Finance Costs	6,524	13,336
(d) Other Expenses	64,239	64,098
Closing Work in Progress	41,537,830	41,035,225

NOTE # 8 (Amour		(Amount in ₹)
Particulars	As at	As at
	31.03.2013	31.03.2012
Cash and Cash Equivalents		
Balances with Banks	11,878	8,543
Cash on Hand	351,120	2,858
Total	362,998	11,401

TE # 9 (Amount		(Amount in ₹)
Particulars	As at	As at
	31.03.2013	31.03.2012
Short -term loans and advances		
(unsecured, considered good)		
Advances to Suppliers / Contractors	6,156	-
Others		
- Prepaid Expenses	990	990
Total	7,146	990

SSPDL INFRA PROJECTS INDIA PRIVATE LIMITED Notes forming part of financial statement

Date: 25-05-2013

Dortionland	For the Year Ended 31	(Amount in ₹
Particulars	03-2013	31-03-2012
NOTE # 10		
Project Expenses / Other operative Expenses		
Land and Garden Development net of income	320,272	1,073,771
Power and Fuel	23,184	21,932
Travelling and Conveyance	38,790	107,910
General Expenses	13,387	12,270
Total	395,633	1,215,883
NOTE # 11		
Change In Work in Progress		
Opening Work in Progress	41,035,225	39,715,343
Less:		
Closing Work in Progress	41,537,830	41,035,225
Total	(502,605)	(1,319,882
NOTE # 12		
Employee Benefits Expense		
Salaries and Wages		14 507
Staff welfare	26 200	14,597
Total	36,209 36,209	11,968 26,56 5
Total	30,209	20,303
NOTE # 13	<u> </u>	
Finance Costs		•
Interest expense	6,524	13,336
Total	6,524	13,336
NOTE # 14		
Other Expenses		
Repairs and Maintenance - Others	19,687	10,690
Rates & Taxes	2,735	9,832
Communication cost	1,625	520
Travelling and conveyance	1,590	290
Commission / Brokerage	7,237	12,332
Printing & Stationery	2,263	6,320
Professional Charges	12,452	7,414
Payment to Auditors As:		
- Statutory Audit Fee	15,000	15,000
Bank Charges	1,650	1,700
Total	64,239	64,098
As per our report of even date attached	For and on behalf of the Board of Directors	
KChalie.	IX.	Bhan-lee
KOSARAJU CHANDRIKA	PRAKASH CHALLA	E.BHASKAR RAO
Chartered Accountant	Director	Director
(M.No.028522) * M.No. * 028522		
Place : Hyderabad		