



SSPDL
Limited

Building the big picture



ANNUAL REPORT 2017-18

Our Villa Project for BHEL Employees at Kollur/Osman Nagar, Hyderabad



| | | |
|--|--|--------------------------------|
| SSPDL LIMITED | CORPORATE IDENTITY NUMBER (CIN): L70100TG1994PLC018540 | |
| BOARD OF DIRECTORS | Sri PRAKASH CHALLA | Chairman and Managing Director |
| | Sri E.BHASKAR RAO | Director |
| | Sri K.AKMALUDDIN SHERIFF | Director |
| | Sri B.LOKANATH | Director |
| | Smt. SRIDEVI CHALLA | Director |
| | Dr. T.KRISHNA REDDY | Director |
| AUDIT COMMITTEE | Sri B.LOKANATH | Chairman |
| | Sri E.BHASKAR RAO | Member |
| | Dr. T.KRISHNA REDDY | Member |
| | Sri K.AKMALUDDIN SHERIFF | Member |
| STAKEHOLDERS RELATIONSHIP COMMITTEE | Sri B.LOKANATH | Chairman |
| | Sri E.BHASKAR RAO | Member |
| | Sri PRAKASH CHALLA | Member |
| NOMINATION AND REMUNERATION COMMITTEE | Sri B.LOKANATH | Chairman |
| | Sri K.AKMALUDDIN SHERIFF | Member |
| | Sri E.BHASKAR RAO | Member |
| CORPORATE SOCIAL RESPONSIBILITY COMMITTEE | Sri PRAKASH CHALLA | Chairman |
| | Sri E.BHASKAR RAO | Member |
| | Sri B.LOKANATH | Member |
| CHIEF FINANCIAL OFFICER | Sri U.S.S. RAMANJANEYULU N. | |
| COMPANY SECRETARY | Sri A.SHAIENDRA BABU | |
| AUDITORS | M/S. A. MADHUSUDANA & CO., CHARTERED ACCOUNTANTS, 101, DOYEN CHAMBERS, 8-3-319/11, YELLAREDDYGUDA, HYDERABAD - 500 073. | |
| BANKERS | STATE BANK OF INDIA - HYDERABAD & CHENNAI & AXIS BANK LIMITED - HYDERABAD & CHENNAI | |
| REGISTERED OFFICE | 8-2-595/3/6, 'EDEN GARDENS', ROAD NO.10, BANJARA HILLS, HYDERABAD - 500 034, TELANGANA. | |
| CORPORATE OFFICE | 'SSPDL HOUSE', NEW NO. #2, OLD NO. 15, VELLAIYAN STREET, KOTTURPURAM, CHENNAI - 600 085, TAMIL NADU. | |
| SHARE TRANSFER AGENTS AND ELECTRONIC REGISTRARS | KARVY COMPUTERSHARE PRIVATE LIMITED KARVY SELENIUM TOWER B, PLOT 31-32, GACHIBOWLI, FINANCIAL DISTRICT, NANAKRAMGUDA, HYDERABAD-500 032. | |

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NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWENTY FOURTH ANNUAL GENERAL MEETING OF THE MEMBERS OF THE COMPANY WILL BE HELD AT QUTUB SHAHI HALL, COUNTRY CLUB, 6-3-1219, BEGUMPET, HYDERABAD – 500 016, TELANGANA, AT 12.00 P.M. ON SATURDAY, THE 29TH DAY OF SEPTEMBER, 2018, TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:**Item No. 1 - Adoption of Financial Statements**

To receive, consider and adopt (a) the Audited Financial Statements of the Company for the financial year ended March 31, 2018, together with the Reports of the Board of Directors and the Auditors thereon; and (b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2018, together with the Report of the Auditors thereon.

Item No. 2 - Appointment of Director

To appoint a Director in place of Sri E.Bhaskar Rao (DIN: 00003608), who retires by rotation and, being eligible, offers himself for reappointment.

SPECIAL BUSINESS:**Item No. 3 - To ratify the remuneration of the Cost Auditors for the financial year ending 31st March, 2019**

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

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. D R S & Co., Cost Accountants (Membership No. 19892), Hyderabad, appointed as Cost Auditors by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year 2018-19, be paid a remuneration of ₹ 75,000/- (Rupees Seventy Five Thousand Only) plus applicable taxes and reimbursement of out of pocket expenses incurred in connection with the cost audit.”

“FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things and take all steps as may be necessary or expedient to give effect to this resolution.”

Item No. 4 - Increase in the aggregate limit of investment by Non-Resident Indians (NRIs) and Overseas Citizens of India (OCIs) in Equity Share Capital of the Company, etc.

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

“RESOLVED THAT pursuant to applicable provisions of Foreign Exchange Management Act, 1999, the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2017, read with the Master Directions on Foreign Investment dated January 4, 2018 issued by Reserve Bank of India, the Consolidated FDI Policy, as subsequently amended, the Companies Act, 2013 and the rules made there under and all other applicable rules, and regulations, guidelines and laws (including

any statutory modifications or re-enactment there of for the time being in force) and subject to all applicable approvals, permissions and sanctions and subject to such conditions as may be prescribed by any of the concerned authorities while granting such approvals, permissions, sanctions which may be agreed to by the Board, approval of the members be and is hereby accorded to permit Non-resident Indians (“NRIs”) and an Overseas Citizens of India (“OCIs”), to acquire and hold on their own account such number of equity shares aggregating up to 24% of the total paid-up equity capital for the time being, on a fully diluted basis or up to 24% of the paid-up value of each series of debentures or preference shares or share warrants, for the time being issued by the Company, subject to such laws, rules and regulations as applicable from time to time. Provided, however, that the total holding by any individual NRI or OCI shall not exceed such limits as are applicable or may be prescribed, from time to time, under applicable Acts, Laws, Rules and Regulations (including any statutory modifications or reenactment there of for the time being in force).”

“FURTHER RESOLVED THAT for the purpose of giving effect to above resolution, the Board of Directors and/or any Committee of the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds and things as are incidental there to 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**

Date: 14.08.2018

A. Shailendra Babu
Company Secretary

SSPDL Limited**Registered Office:**

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

Corporate Identity Number (CIN): L70100TG1994PLC018540

Phone: 040-6663 7560, Fax: 040-6663 7969.

Website: www.sspdl.com

e-mail: investors@sspdl.com

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.**

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. PROXY FORM IS ANNEXED.

A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company.

In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

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

- 2** The Register of Members and the transfer books of the Company will be closed from 24.09.2018 to 29.09.2018 (both days inclusive).
- 3** M/s. A.Madhusudana & Co., Chartered Accountants, were appointed as Statutory Auditors of the Company at the 23rd Annual General Meeting held on 28th September, 2017. Pursuant to Notification issued by the Ministry of Corporate Affairs on 7th May, 2018 amending section 139 of the Companies Act, 2013 and the Rules framed thereunder, the mandatory requirement for ratification of appointment of Auditors by the Members at every Annual General Meeting ("AGM") has been omitted, and hence the Company is not proposing an item on ratification of appointment of Auditors at this AGM.
- 4** Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted under Item No. 3 to 4 at the ensuing Annual General Meeting is annexed hereto and forms part of the Notice.
Further, additional information with respect to Item No. 2 is also annexed hereto.
- 5** Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations (in Form No.SH.13), power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP).
Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrar and Transfer Agent, M/s. Karvy Computershare Private Limited to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to M/s. Karvy Computershare Private Limited.

The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members

holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrar and Transfer Agent.

Further, the members who hold shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares.

Members can contact the Company or M/s. Karvy Computershare Private Limited for assistance in this regard.

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

The Registrar and Transfer Agent, Karvy Computershare Private Limited (Karvy), Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032, is handling registry work in respect of shares held both in physical form and in electronic/demat form.

In pursuance of SEBI Circular dated 20th April,2018 Company has sent communications to the members holding shares in physical form to update their PAN, Bank and other details. Members are requested to fill the details in the form sent and provide necessary documents to update their records.

- 6 Members holding shares in physical form are requested to note the following:**

Regulation 40 of the SEBI (LODR) Regulations, 2015, has been amended and the amended regulation states that:

"Save as otherwise specified in provisions of securities laws or Companies Act, 2013 and rules made thereunder, the listed entity shall also comply with the requirements as specified in this regulation for effecting transfer of securities:

Provided that, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository."

As per the above amendment, it is mandated that transfer of securities (incl. shares) would be carried out in dematerialized form only.

As advised by BSE w.e.f. 05.12.2018 the shares lodged for transfer shall be in dematerialized form only. Accordingly, the members of the Company holding shares in physical form may dematerialize the share certificates held by them through the depository participant of their choice and complete the conversion of share certificates from physical form to dematerialized form to avoid any inconvenience in future for transferring those shares, however, as clarified by the SEBI, shareholders may hold shares in physical form also, but, after 05.12.2018 those share certificates cannot be transferred unless they are dematerialized. In this regard, a notice to the members is placed on the website of the Company at www.sspdl.com members are also requested to take note of the same.

- 7** 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.

- 8 Members/Proxies are requested to bring their copies of Annual Report and the attendance slip duly filled in for attending the meeting.
- 9 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.
- 10 Corporate Members intending to send their Authorized Representatives to attend the meeting are requested to send a duly certified copy of the Board Resolution or other governing body, authorizing their representatives to attend and vote at the Annual General Meeting.
- 11 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.
- 12 The Ministry of Corporate Affairs has notified provisions relating to unpaid/ unclaimed dividend under Sections 124 and 125 of the Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016. As per these Rules, dividends which are not encashed/claimed by the Shareholder for a period of seven consecutive years shall be transferred to the Investor Education and Protection Fund (IEPF) Authority. The new IEPF Rules mandate the companies to transfer the shares of shareholders whose dividends remain unpaid / unclaimed for a period of seven consecutive years to the demat account of IEPF Authority. Further, the shareholders whose dividend / shares transferred to the IEPF Authority can now claim their shares from the Authority by following the Refund Procedure as detailed on the website of IEPF Authority <http://iepf.gov.in/IEPFA/refund.html>.
- 13 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 2018-19.
- 14 **Appointment/Re-appointment of Directors:**
The Information to be provided, in terms of regulation 36 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, clause 1.2.5 of Secretarial Standard-2 (SS-2) on "General Meetings", and the Companies Act, 2013, relating to Re-appointment of Director, Payment of Remuneration, is provided in the enclosed annexures to this notice and the same forms part of the Notice of the 24th Annual General Meeting of the Company.
- 15 **To promote green initiative, members holding shares in electronic form are requested to register/update their e-mail addresses through their Depository Participants for sending the future communications by email. Members holding the shares in physical form may register/update their e-mail addresses through the RTA, giving reference of their Folio Number.**
- 16 Electronic copy of the Annual report is being sent to all the members whose email IDs are registered with the Company/ Depository Participant(s) unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the notice of 24th Annual General Meeting and the Annual report, inter-alia, indicating the process and manner of e-voting along with Attendance Slip and Proxy Form, is being sent in the permitted mode.
- 17 Members may also note that the Annual Report for the financial year 2017-18 will also be available on the Company's website www.sspdl.com for their download. Members may also note that the notice of the 24th Annual General Meeting of the Company along with attendance slip and proxy form are also be available on the Company's website www.sspdl.com and also on the Karvy's website <https://evoting.karvy.com>.
- 18 Route map of the venue of the Meeting (including prominent land mark) is annexed.
- 19 **VOTING THROUGH ELECTRONIC MEANS:**
In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the members are provided with e-voting facility to exercise their right to vote electronically on all the resolutions set forth in the notice of the 24th Annual General Meeting (AGM) of the Company.
The Company as engaged the services of Karvy Computershare Private Limited (Karvy) to provide e-voting facility. It is hereby clarified that it is not mandatory for a member to vote using the e-voting facility, and a member may avail of the facility at his/her/it discretion, subject to compliance with the instructions prescribed below. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.
The instruction for e-voting are as under:
- A. In case a Member receiving an email of the AGM Notice from Karvy [for Members whose email IDs are registered with the Company/Depository Participant(s)]:**
- i) Launch internet browser by typing the URL: <https://evoting.karvy.com>
 - ii) Enter the login credentials (i.e., User ID and password mentioned below). Event No. followed by Folio No./DP ID-Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
 - iii) After entering these details appropriately, Click on "LOGIN".
 - iv) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,\$,etc.). The system will prompt you to change your password and update your contact details like mobile number, email address, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
 - v) You need to login again with new credentials.
 - vi) On successful login, the system will prompt you to select the "EVENT" i.e., SSPDL Limited.

- vii) On the voting page enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR/ AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as mentioned therein. If the shareholders does not indicate either "FOR" or "AGAINST" the shares held will not be counted under either head.
- viii) Shareholders holding multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.
- ix) Voting has to be done for each item of the Notice separately.
- x) You may then cast your vote by selecting an appropriate option and click on "Submit".
- xi) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, members can login any number of times till they have voted on the Resolution(s).
- xii) Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Power of Attorney / Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID: savitajyoti@yahoo.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_ EVENT NO."
- xiii) In case a person has become the Member of the Company after despatch of AGM Notice but on or before the **cut-off date i.e. 22nd September, 2018**, may write to Karvy on the email Id: evoting@karvy.com or to Ms. C. Shobha Anand, Contact No.040-67162222, at [Unit: SSPDL Limited] Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500032, requesting for the User ID and Password. After receipt of the above credentials, please follow all the steps from Sr. No. (i) to (xii) as mentioned in (A)above, to cast the vote.
- B. In case a member receives physical copy of the Notice by Post [for members whose e-mail addresses are not registered with the Company /Depository Participant(s)]:**
- i) User ID and initial password - These will be sent separately.
- ii) Please follow all steps from Sr. No. (i) to (xii) as mentioned in (A) above, to cast your vote.
- C. The e-voting period commences on Tuesday, the 25th September, 2018 at 10.00 A.M. and ends on Friday, 28th September, 2018 at 05.00 P.M.**
- During this period, the Members of the Company holding shares in physical form or in dematerialized form, as on the **cut-off date being Saturday, 22nd September, 2018**, may cast their vote by electronic means in the manner and process set out hereinabove. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. Further, the Members who have casted their vote electronically shall not vote by way of poll, if held at the Meeting.
- D. In case of any query pertaining to e-voting, please visit Help & Frequently Asked Questions (FAQ's) section available at Karvy's website <https://evoting.karvy.com>. (Karvy's Website). Also, may contact on Karvy's toll free number 1800 345 4001.
- E. The voting rights of the Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date being Saturday, 22nd September, 2018. A person who is not a Member as on the cut-off date should treat this Notice for information only.
- F. The Company has appointed Smt. Savita Jyoti, Practicing Company Secretary, Hyderabad, vide Membership No. FCS 3738, CP No.1796, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- G. The Scrutinizer shall immediately after the conclusion of the voting at AGM, first count the votes cast at the meeting, thereafter unblock the votes cast through e-voting in the presence of at least two (2) witnesses not in the employment of the Company and make not later 48 hours of conclusion of the meeting, a consolidated Scrutinizers Report of the total votes cast in the favour or against, if any, to the Chairman of the Company or a person authorised by him in writing who shall counter sign the same.
- H. The Results on resolutions shall be declared after the Annual General Meeting of the Company and the resolution(s) will be deemed to be passed on the Annual General Meeting date subject to receipt of the requisite number of votes in favour of the Resolution(s).
- I. The Results declared along with the Scrutinizer's Report(s) will be available on the website of the Company (www.sspdl.com) and Service Provider's website (<https://evoting.karvy.com>) and communication of the same to the BSE Limited.

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

Date: 14.08.2018

A. Shailendra Babu
Company Secretary

SSPDL Limited

Registered Office:

8-2-595/3/6, Eden Gardens,

Road No.10, Banjara Hills,

Hyderabad - 500 034, Telangana, India.

Corporate Identity Number (CIN): L70100TG1994PLC018540

Phone: 040-6663 7560, Fax: 040-6663 7969.

Website: www.sspdl.com

e-mail: investors@sspdl.com

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

As required under Section 102 of the Companies Act, 2013, the following Statement sets out all material facts relating to the Special Business specified in item no. 3 to 4 of the Notice of the Meeting. Information as required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of the Secretarial Standard on General Meetings (SS-2) is given below.

Item No. 3 - To ratify the remuneration of the Cost Auditors for the financial year ending 31st March, 2019

The Board, on the recommendation of the Audit Committee at its meeting held on 14th August, 2018, appointed M/s. D R S & Co., Cost Accountants, having Membership No. 19892, as cost auditor of the Company, in terms of Section 148 of the Companies Act, 2013 ("the Act") and fixed a sum of ₹ 75,000/- (Rupees Seventy Five Thousands Only) as remuneration payable to him for the financial year 2018-19, subject to ratification by the shareholders of the Company.

In terms of Section 148(3) of the Act, read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the cost auditor, as recommended by the Audit Committee and approved by the Board, is required to be ratified by the shareholders of the Company, at the ensuing AGM of the Company.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution set out in Item No. 3 of this Notice.

The Board, therefore, recommends the ordinary resolution, as set out in item No. 3, for ratification of the remuneration payable to the Cost Auditor by the shareholders of the Company.

Item No. 4 - Increase in the aggregate limit of investment by Non-Resident Indians (NRIs) and Overseas Citizens of India (OCIs) in Equity Share Capital of the Company, etc.

In terms of Foreign Exchange Management Act, 1999, as amended, the Foreign Exchange Management (Transferor Issue of Security by a Person Resident Outside India) Regulations, 2017, as amended (the "FEMA Regulations"), and other applicable law with regard to foreign investment in India by a Non-resident Indians (NRIs) or an Overseas Citizens of India (OCIs) (together with the FEMA Regulations, the "FEMA Laws"), NRIs or an OCIs may purchase or sell Capital Instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the following conditions:

- (1) NRIs or OCIs may purchase and sell Capital Instruments through a branch designated by an Authorised Dealer for the purpose;
- (2) The total holding by any individual NRI or OCI shall not exceed 5 percent of the total paid-up equity capital on a fully diluted basis or should not exceed 5 percent of the paid-up

value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed ten percent of the total paid-up equity capital on a fully diluted basis or shall not exceed ten percent of the paid-up value of each series of debentures or preference shares or share warrants;

Provided that the aggregate ceiling of 10 percent may be raised to 24 percent if a special resolution to that effect is passed by the General Body of the Indian company.

In view of the above, the special resolution is proposed to the members, only to enable the NRIs and OCIs to purchase/hold from time to time, as per the FEMA Regulations, the shares and other capital instruments like preference shares, warrants, debentures, etc., that may be issued by the company. In this regard, the Board of Directors of the Company in their meeting held on 14.08.2018, subject to approval of the shareholders by a special resolution and approvals, if any, of the concerned authorities, decided to raise the aggregate ceiling from 10 percent to 24 percent.

As per FEMA Regulations, 'Non-Resident Indian (NRI)' means an individual resident outside India who is citizen of India and 'Overseas Citizen of India (OCI)' means an individual resident outside India who is registered as an Overseas Citizen of India Cardholder under Section 7(A) of the Citizenship Act, 1955.

As on date, NRIs on repatriation basis are holding 5.01% and NRIs on non-repatriation basis holding 0.50% of the Company's paid-up equity share capital.

None of the Directors or the Key Managerial Personnel ("KMPs") of the Company and / or their relatives is concerned or interested, financially or otherwise, in the proposed resolution.

The Board is of the opinion that the Resolution set out at Item No. 4 of the Notice is in the best interests of the Company and therefore, recommends the same for the approval of the Members.

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

Date: 14.08.2018

A. Shailendra Babu
Company Secretary

SSPDL Limited

Registered Office:

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

Hyderabad - 500 034, Telangana, India.

Corporate Identity Number (CIN): L70100TG1994PLC018540

Phone: 040-6663 7560, Fax: 040-6663 7969.

Website: www.sspdl.com

e-mail: investors@sspdl.com

**ANNEXURE TO THE NOTICE
APPOINTMENT AND RE-APPOINTMENT OF DIRECTORS
(Item No. 2 of the Notice of 24th Annual General Meeting of M/s. SSPDL Limited)**

BRIEF PROFILE OF SRI E.BHASKAR RAO:

| | |
|--|---|
| Name of the Director | Sri E.Bhaskar Rao |
| DIN | 00003608 |
| Age | Completed 56 Years |
| A brief resume, Qualification(s), Experience and Nature of his expertise in specific functional areas, Recognition or awards | He is a Commerce graduate and has 24 years of varied experience in the business of poultry breeding and real estate and construction. |
| Terms and conditions of appointment or re-appointment | As per the applicable provisions of the Companies Act, 2013 and the rules made thereunder (as amended from time to time), he is liable to retire by rotation. Proposed to appoint him as a non-executive director of the Company. Sri E.Bhaskar Rao, who retires by rotation, and being eligible, offers himself for re-appointment. |
| Details of the remuneration last drawn by such person (F.Y. 2017-18) | Other than sitting fees for attending Board meetings and Committee meetings of the Board, he is not eligible for payment of any other remuneration and during the financial year 2017-18 he has been paid an amount of ₹ 142,500/- (Rupees One Lakh Forty Two Thousand Five Hundred Only) as sitting fees. |
| Date of first appointment on the Board | 24.10.1994 |
| Shareholding in the Company | 150,000 (1.16%) |
| Relationship with other Directors and Key Managerial Personnel | None of the directors of the Company are relatives of Sri E.Bhaskar Rao as per the provisions of the Section 2(77) of the Companies Act, 2013. |
| The number of Meetings of the Board attended during the Financial Year 2017-18 | 4 Board Meetings |
| Other Directorships (excluding SSPDL Limited) | He is also a director in, Srinivasa Agri Tech Pvt. Ltd., Sri Krishna Devaraya Hatcheries Pvt. Ltd., Jaagruthi Foundations Pvt. Ltd., Sri Lakshmi Narasamma Minerals Pvt. Ltd., Mojasa Enterprises LLP, Jaagruthi Ventures Pvt. Ltd., Edala Infrastructures Pvt. Ltd., SSPDL Ventures Pvt. Ltd., CBA Hotels & Resorts Pvt. Ltd., Edala Propertis Pvt. Ltd., Edala Hotels Pvt. Ltd., Corporate Enterprises Pvt. Ltd., SSPDL Infra Projects India Pvt. Ltd., SSPDL Resorts Pvt. Ltd., SSPDL Realty India Pvt. Ltd., SSPDL Real Estates India Pvt. Ltd., Mojasa Fragrances and Cosmetics Pvt. Ltd., (under the processing of Striking off). |
| Membership / Chairmanship of Committees of other Boards (excluding SSPDL Limited) | He is neither a member in any Committee of the Board nor a Director in any other listed Company. |

DIRECTORS' REPORT

To,
The Members

Your Directors have pleasure in presenting the Twenty-Fourth Annual Report on the business and operations of the Company together with the Audited Financial Accounts for the year ended 31st March, 2018.

FINANCIAL RESULTS

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

| A) STANDALONE: | | (₹ In Lakhs) | |
|---|------------------|------------------|--|
| PARTICULARS | 2017-2018 | 2016-2017 | |
| Total Revenue | 4,749.82 | 11,408.39 | |
| Less: Operating Expenses | 5,481.75 | 8,583.56 | |
| Gross Profit/(Loss) before Depreciation and Interest | (731.93) | 2,824.83 | |
| Less: Finance Costs | 365.49 | 281.80 | |
| Depreciation and Amortization Expense | 17.62 | 18.00 | |
| Profit/(Loss) before Tax Before exceptional and extra-ordinary items | (1,115.04) | 2,525.03 | |
| Exceptional and Extra-ordinary Item | 0.00 | 0.00 | |
| Profit/(Loss) before Tax after exceptional and extra-ordinary items | (1,115.04) | 2,525.03 | |
| Less: Tax Expense (Net) | (278.67) | 904.68 | |
| Profit/(Loss) After Tax | (836.37) | 1,620.35 | |
| Balance of Profit brought forward | 3,462.31) | 1,841.96 | |
| Profit available for appropriation | 2,625.94 | 3,462.31 | |
| APPROPRIATIONS | | | |
| Proposed Dividend | - | - | |
| Tax on proposed dividend | - | - | |
| Transfer to General Reserve | - | - | |
| Balance carried to Balance Sheet | 2,625.94 | 3,462.31 | |
| B) CONSOLIDATED: | | (₹ In Lakhs) | |
| PARTICULARS | 2017-2018 | 2016-2017 | |
| Total Income | 5,037.91 | 11,544.12 | |
| Less: Operating Expenses | 5,819.06 | 8,880.13 | |
| Gross Profit/(Loss) before Depreciation and Interest | (781.15) | 2,664.00 | |
| Less: Finance Costs | 429.98 | 355.37 | |
| Depreciation and Amortisation Expense | 34.52 | 51.48 | |
| Profit/(Loss) before Tax Before exceptional and extra-ordinary items | (1,245.65) | 2,257.15 | |
| Exceptional and Extra-ordinary Item | 0.00 | 0.00 | |
| Profit/(Loss) before Tax after exceptional and extra-ordinary items | (1,245.65) | 2,257.15 | |
| Less: Tax Expense (Net) | (278.67) | 904.68 | |
| Profit/(Loss) After Tax (Before Minority Interest and Share of Results of Associates) | (966.98) | 1,352.46 | |
| Less: Share of Profit/(Loss) of Minority Interest and Associates | Nil | Nil | |
| Profit/(Loss) After Tax for the year | (966.98) | 1,352.46 | |

STATE OF THE COMPANY'S AFFAIRS

The total revenue of your Company for the year under review is ₹ 4,749.82 lakhs as compared to ₹ 11,408.39 lakhs for the previous year ended 31st March, 2017. Profit/(Loss) after tax is ₹ (836.37) lakhs as against ₹ 1,620.35 lakhs in the previous year.

The projects undertaken by the Company are under different stages of execution, and the performance of the Company during the current year i.e., 2018-19 is expected to be in accordance with Company's plans.

Implementation of Ind AS and its impact:

The financial statements for the year ended 31.03.2018 are the first financial statements under Ind AS. Please refer the note on "First-time adoption of Ind AS" for an explanation of how the transition from previous GAAP to Ind AS has effected financial position, financial performance and cash flows. As per the applicable Ind AS, the necessary adjustments are made to the opening reserves (i.e., other equity) and the relevant details are provided in notes to the financial statements, including, the reconciliations between previous GAAP and Ind AS. The members are requested to take note of the same for understanding the effect of transition to Ind AS on various financial items.

PROPERTY DEVELOPMENT PROJECTS

CHENNAI

Alpha City Project

The construction of 4,77,000 sq. ft. IT Park has been completed in 2007 and software majors like IBM were Tenants in this building. Company is yet to receive ₹ 20.25 crores from Alpha City IT park. As the IT market pickup and expected revival in occupancy is seen we are hope full to recover the amount during this financial year.

Matrix Towers

The construction of this 1,43,000 sq. ft. IT Park is almost completed. Due to slump in IT space the state of the project has not changed and Company is exploring the market for sale/lease of the balance unsold space of about 8,500 sq. ft. with the recent revival in occupancy. Company entered into an agreement for ₹ 5.24 crores for sale of 8,500 sq. ft., however, the sale deed is not yet registered in the name of the buyer.

Green Acres

Godrej SSPDL Azure Project is a residential apartments project situated at Padur, Kazhipattur Village in Old Mahabalipuram Road (IT Highway), Kancheepuram District.

Project is executed through M/s. Godrej SSPDL Green Acres LLP ("LLP"). M/s. SSPDL Limited, Land owners, and M/s. Godrej Properties Limited have entered into a partnership to develop the above said residential project on profit sharing model on 27.03.2014.

After getting the final approval, project is launched in July, 2015. Total project area is 10,44,156 sq. ft., sold area till date 3,16,541 sq. ft., and unsold area till date is 7,27,615 sq. ft.

SSPDL Lakewood Enclave/Mayfair Apartments

A Residential Villa/Apartment project 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. 1st Phase consists of 32 Villas and 2nd phase is 76 apartments i.e., Mayfair Apartments. Layout sanction and planning permissions are received. Both the buildings have been pre-certified GOLD by Indian Green Building Council (IGBC). We are happy to inform that IGBC on inspection of the completed project upgraded the rating to "Platinum" category. Perhaps, this is the only Residential Project

in Tamil Nadu given Platinum rating.

We have already sold 13 Villas and 42 apartments from our share of 18 villas and 42 apartments respectively in the two projects. The Mayfair project is completed and handed over. Construction of Villas in Lakewood is in progress and have unsold area of 11,982 sq. ft. Because of slowdown in project sales in Chennai, the balance villas will be completed soon.

HYDERABAD

The Retreat, Hyderabad (BHEL Employees Cyber Colony) The Company has entered into a letter of Intent with one of the employees union of BHEL for developing 1155 homes in about 90+ acres. We have entered into MOU with BHEL Employees Model Mutually Aided Co-operative House Building Society Ltd on 5th September, 2012 for the total sale value of ₹ 317 Crores.

On our application with HMDA, Company got the sanction for construction of 1265 homes and apartments under EWS and LIG scheme to the extent of 1.25 lakhs sq. feet, besides commercial and common amenities. We also received sanctions from the Village Panchayats of Kollur and Osman Nagar Villages.

Against the above, Company finally concluded sale of 1155 plots to BHEL Employees Model Mutually Aided Co-operative House Building Society Ltd at a sale consideration of ₹ 139.47 crores. And, the Company entered into construction agreement with BHEL Employees Model Mutually Aided Co-operative House Building Society Ltd for construction of 1155 homes for a consideration of ₹ 12.95 lakhs per house (cost is subject to escalation) excluding the taxes.

The construction work is done by six contractors. CB Richard Ellis (CBRE) has been appointed as the Project Management Consultant for overseeing the project execution. 90% of the construction work is completed with regard to 1155 homes and it is expected that by end of September, 2018 it is planned to deliver.

Company has since sold 93% of the balance 110 homes and in advance stage of bulk sale of EWS and LIG apartments and we are expecting that the entire project will be completed in about approx. one years' time.

SSPDL Northwoods

SSPDL Ltd and Indiareit Fund Advisors Pvt. Ltd. through their SPVs have acquired 42 acres in Gundla Pochampally village, Hyderabad to develop a gated residential villa community "SSPDL Northwoods". Land conversion process is completed.

Since, the micro market is not supporting for villa development, doing a layout development for selling the developed plots. The final layout approval is received from the HMDA. Plots bookings to the extent of 100% of the project have been taken. The unsold commercial area is about 5,154.30 sq. yds. The sale is expected to be completed by December, 2018.

Development of Residential Apartments, Chennai:

Company signed a Joint Development Agreement for the development of premium residential apartments in Prithvi Avenue, Chennai. The total area of development is about 14,500 sq. ft., wherein SSPDL's share is 25%. SSPDL's share is equal to approximate sale value of ₹ 8.00 and profit margin of SSPDL is about ₹ 1.86 crores. Building approvals have been received and this project is expected to be completed in about 18 months.

KERALA

The Retreat

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

District, Kerala. The Company is planning to use the SPV's for operating a) Villa Development, b) Jungle Resort Development and c) Jungle and Plantation Development.

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

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

CONSTRUCTION BUSINESS:

Members are aware that, Company has incorporated a Subsidiary Company i.e., SSPDL Infratech Private Limited ("SIPL") for carrying on the Construction Business.

During the year under review, no further contract has been taken in SIPL.

DIVIDEND

Your Directors do not recommend any dividend for the Financial Year ended March 31, 2018.

THE AMOUNTS PROPOSED TO CARRY TO ANY RESERVES

The Company does not propose to transfer any amount to the general reserve for the financial year ended March 31, 2018.

COMMITTEES OF THE BOARD

Pursuant to requirement under the Companies Act, 2013 and The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors has constituted Committees of the Board i.e., Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, and Corporate Social Responsibility Committee.

Audit Committee: As on the date of this report, the Audit Committee comprises Sri B. Lokanath (Chairman), Sri E. Bhaskar Rao (Member), Dr. T. Krishna Reddy (Member) and Sri K.Akmaluddin Sheriff (Member). The Audit Committee is re-constituted on 09.05.2018 by inducting Sri K.Akmaluddin Sheriff as its member. During the period under review, there were no instances of non-acceptance of recommendations put forth by the Audit Committee to the Board.

The details of composition, number and dates of meetings held during the year under review, attendance of members and other details of the Board and above mentioned Committees are provided in the Corporate Governance Report which is enclosed to this report. The details of the Corporate Social Responsibility Committee are also provided in Annexure – 3 to this report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP) APPOINTMENT OR RESIGNATION

During the year under review, in the Annual General Meeting (AGM) held on 28.09.2017, Smt. Sridevi Challa (DIN 01802477) was re-appointed as Director.

The Key Managerial Personnel of the Company during the year are: (i) Sri Prakash Challa, Chairman and Managing Director, (ii) Sri U.S.S. Ramanjaneyulu N., Chief Financial Officer, and (iii) Sri A.Shailendra Babu, Company Secretary. And, during the year, there was no change in the KMPs of the Company.

In accordance with provisions of section 152 of the Companies Act, 2013 ("the Act"), Sri E.Bhaskar Rao (DIN 00003608), retires by rotation as Director at the ensuing annual general meeting and being eligible, he offers himself for re-appointment. The brief profile of Sri E.Bhaskar Rao is provided as an annexure to the Notice convening the 24th Annual General Meeting.

Your Directors recommend the re-appointment of Sri E.Bhaskar Rao as Director of the Company. The disclosures required pursuant to Secretarial Standard, Regulation 36 and Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are given respectively in the annexure to the Notice of the 24th AGM and in the Corporate Governance Report, which form part of the Annual Report.

NUMBER OF MEETINGS OF THE BOARD

During the year, 4 (four) meetings of the Board of Directors were held on 15.05.2017, 17.08.2017, 14.11.2017, and 14.02.2018. The details of the meetings and attendance of directors are furnished in the Corporate Governance Report which is enclosed to this report.

STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SUB-SECTION (6) OF SECTION 149

The Board hereby confirms that, all the Independent Directors of your Company have given a declaration that they meet the criteria of Independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

SHARES PLEDGED BY THE PROMOTERS/DIRECTORS

The number of shares pledged by promoter and directors of the company: **NIL.**

INSURANCE

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

SUBSIDIARY/ASSOCIATE COMPANIES

Names of companies which have become or ceased to be its subsidiaries, joint ventures or associate companies during the year:

During the year under review, no new company become or ceased as Subsidiary, Joint Venture or Associate of the company.

Report on highlights of performance, financial position of each of the subsidiaries, associates and joint venture companies and their contribution to the overall performance of the company during the period under report:

- SSPDL Resorts Pvt Ltd, a wholly owned subsidiary of the Company, recorded turnover of ₹ 11.92 lakhs and loss after tax of ₹ 11.46 lakhs for the year ended 31st March, 2018 as compared to turnover of ₹ 10.05 lakhs and loss after tax of ₹ 28.89 lakhs in the previous year.

- SSPDL Realty India Pvt Ltd, a wholly owned subsidiary of the Company, recorded turnover of ₹ 68.34 lakhs and loss after tax of ₹ 28.50 lakhs for the year ended 31st March, 2018 as compared to turnover of ₹ 29.36 lakhs and loss after tax of ₹ 56.79 lakhs in the previous year.
- SSPDL Real Estates India Pvt Ltd, a wholly owned subsidiary of the Company, recorded turnover of ₹ 94.44 lakhs and loss after tax of ₹ 68.27 lakhs for the year ended 31st March, 2018 as compared to turnover of ₹ 41.13 lakhs and loss after tax of ₹ 101.39 lakhs in the previous year.
- SSPDL Infra Projects India Pvt Ltd, a wholly owned subsidiary of the Company, recorded turnover of ₹ 36.64 lakhs and loss after tax of ₹ 24.75 lakhs for the year ended 31st March, 2018 as compared to turnover of ₹ 31.04 lakhs and loss after tax of ₹ 39.25 lakhs in the previous year.
- SSPDL Infratech Pvt Ltd, a wholly owned subsidiary of the Company, recorded turnover of ₹ NIL lakhs and profit after tax of ₹ 1.99 lakhs for the year ended 31st March, 2018 as compared to turnover of ₹ 24.16 lakhs and loss after tax of ₹ 41.40 lakhs in the previous year.
- Northwood Properties India Pvt Ltd, an associate of the Company, recorded total revenue of ₹ 2116.41 lakhs and loss after tax of ₹ 372.53 lakhs for the year ended 31st March, 2018 as compared to total revenue of ₹ 2951.07 and loss after tax of ₹ 1354.13 in the previous year. As on 31.03.2018, Paid-up Share Capital is ₹ 27.00 lakhs, Total Liabilities is ₹ 17.89 lakhs, and Total Assets are ₹ 17.89 lakhs.

Company is not having joint ventures, hence, no information is provided. Financial position of each of the subsidiaries companies are provided in Form AOC-1 attached to the consolidated financial statements.

The above stated wholly owned subsidiaries, in aggregate, contributed a loss after tax of ₹ 130.98 lakhs to the consolidated profit of the Company. And, Northwood Properties India Pvt Ltd, an associate of the Company, contributed a profit/(loss) after tax of ₹ NIL lakhs for the year ended 31st March, 2018.

Statement containing salient features of financial statements of subsidiaries:

In pursuance of provisions of section 129(3) of the Companies Act, 2013 and Rule 5 of the Companies (Accounts) Rules, 2014, a Statement containing salient features of financial statements of subsidiaries in the prescribed format - Form AOC-1 is attached to the consolidated financial statement.

CONSOLIDATED FINANCIAL STATEMENTS

The audited consolidated financial statement presented by the Company are prepared in accordance with the Indian Accounting Standards (Ind AS), the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013, Listing Regulations.

In pursuance of provisions of section 129(3) of the Companies Act, 2013, the consolidated financial statement are enclosed for laying before the annual general meeting of the company along with the laying with the financial statement of the Company.

Upon a request is received, the annual accounts of the subsidiary companies will be made available to shareholders of the company. The annual accounts of the subsidiary companies shall also be

kept for inspection during business hours by any shareholder in the registered office of the company and same will be kept on the company's website i.e., www.sspdl.com.

CORPORATE GOVERNANCE REPORT

A separate section on Corporate Governance is enclosed which forms part of the annual report. The Auditor's Certificate regarding compliance of conditions of corporate governance is annexed with the directors' report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In terms of the provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), a separate report on Management Discussion and Analysis is enclosed as an annexure to the Director's Report.

DEPOSITS

During the year under review, your Company did not accept any deposits within the meaning of provisions of Chapter V – Acceptance of Deposits by Companies of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

SHARE CAPITAL

During the year under review, your Company has not issued (i) equity shares with differential voting rights, (ii) sweat equity shares, (iii) employee stock options, and (iv) not made any provision of money for purchase of its own shares by employees or by trustees for the benefit of employees.

WHISTLE BLOWER POLICY

In pursuance of provisions of the Companies Act, 2013 and the Listing Regulations Company has formulated Whistle Blower Policy (Vigil Mechanism) with a view to provide a mechanism for (i) directors and employees of the Company to freely communicate/report genuine concerns or/and grievances about illegal or unethical practices, unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy, and (ii) the stakeholders of the company to freely communicate their concerns about illegal or unethical practices, and to approach the Whistle Officer/Chairman of the Audit Committee of the Company to, inter-alia, report the same to the management. This Policy is an extension of the Company's Code of Conduct.

The Audit Committee oversee the vigil mechanism through the committee. This Policy inter-alia provides a direct access to the Chairman of the Audit Committee.

The Whistle Officer/Chairman of the Audit Committee shall submit a report to the Audit Committee on a regular basis about all the complaints referred to him/her since the last report together with the results of investigations, if any.

The Whistle Blower Policy may be accessed on the Company's website at the link: viz. www.sspdl.com/investors/policy/

EXTRACT OF ANNUAL RETURN

As provided under Section 92(3) of the Companies Act, 2013, an extract of Annual Return in Form MGT-9 as on March 31, 2018 is attached as ANNEXURE - 1 to this Report.

The annual return of the Company is placed on the company's website at the link www.sspdl.com/investors/php

THE DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS.

The company has placed system of internal financial controls with reference to the financial statements. In our view, these internal financial controls are adequate and are operating effectively.

AUDITORS

In pursuance of the applicable provisions of the Companies Act, 2013 read with provisions of the Companies (Audit and Auditors) Rules, 2014, M/s. A.Madhusudana & Co., Chartered Accountants, (ICAI Firm Registration No. 007405S), Hyderabad was appointed, at the 23rd Annual General Meeting (AGM) of the Company held on 28.09.2017, as the Statutory Auditors of the Company to hold office for a term of 5 (five) years, from the conclusion of 23rd AGM until the conclusion of the 28th Annual General Meeting of the Company to be held in the year 2022 (subject to ratification of their appointment by the Members at every Annual General Meeting, as may be applicable), at such remuneration, plus applicable taxes, out of pocket expenses as may be incurred by them during the course of the Audit, as may be mutually agreed between the Board of Directors of the Company and the Auditors.

The Members may note that consequent to the changes made in the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 by the Ministry of Corporate Affairs (MCA) vide notification dated May 7, 2018, the proviso to Section 139(1) of the Companies Act, 2013 read with explanation to sub-rule 7 of Rule 3 of the Companies (Audit and Auditors) Rules, 2014, the requirement of ratification of appointment of Auditors by the Members at every AGM has been done away with. Therefore, the Company is not seeking any ratification of appointment of M/s. A.Madhusudana & Co., Chartered Accountants, as the Statutory Auditors of the Company, by the Members at the ensuing AGM. However, M/s. A.Madhusudana & Co., Chartered Accountants, will continue as the auditors until the conclusion of the 28th Annual General Meeting of the Company to be held in the year 2022.

M/s. A.Madhusudana & Co., Chartered Accountants, have given a written consent to act as Statutory Auditors of your Company and have also confirmed that the said appointment would be in conformity with the provisions of sections 139 and 141 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014. They have also confirmed that they hold a valid certificate issued by the Peer Review Board of the ICAI as required under the provisions of Regulation 33 of the Listing Regulations.

AUDITORS' REPORT

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

COST AUDIT

As per the provisions of section 148 of the Companies Act, 2013 and Rule 4 of the Companies (Cost Records and Audit) Amendment Rules, 2014, Cost audit is applicable to your Company.

Based on the recommendations of the Audit Committee, the Board of Directors have appointed M/s. D R S & Co., Cost Accountants, Hyderabad (Membership No.: 19892) as the Cost Auditors of the Company for the financial year 2018-19. In terms of Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration

payable to the Cost Auditors for the financial year 2018-19 is subject to ratification by the shareholders of the Company. The Notice convening the Annual General Meeting contains the proposal for ratification of the remuneration payable to the Cost Auditors.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with corresponding Rules framed there under, the Board has appointed Smt. Banduvula Krishnaveni, Practicing Company Secretary, Hyderabad as the Secretarial Auditors of the Company to carry out the secretarial audit for the year ending 31st March, 2018. A Secretarial Audit Report given by the Secretarial Auditors in Form No. MR-3 is annexed with this Report as ANNEXURE - 2.

EXPLANATION OR COMMENTS TO QUALIFICATION, RESERVATION, ADVERSE REMARK OR DISCLAIMER MADE, IF ANY, IN THE STATUTORY AUDITORS' REPORT AND THE SECRETARIAL AUDIT REPORT

The Statutory Auditors' Report and the Secretarial Audit Report to the members, for the year ended March 31, 2018, does not contain any qualification, reservation, adverse remark or disclaimer which require explanations or comments by the Board.

DEMATERIALISATION OF SHARES:

Of the total shares, 1.67% shares are held in physical form. Shareholders holding shares in physical form are once again advised to dematerialize their shares to avoid the risk associated with the physical holding of share certificates and also for facilitating easy liquidity for shares.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company is committed to provide a protective environment at workplace for all its women employees. Also, in terms of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made there under, Company has constituted internal complaints committees to which employee scan write in their complaints and the Company has in place a formal policy for Prevention of Sexual Harassment of its employees.

During the year ended 31 March, 2018 there were no incidents of sexual harassment reported in the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the requirements of Section 134(3)(c) of the Companies Act, 2013, your directors, hereby confirm that:

- (a) in the preparation of the annual accounts for the financial year ended March 31, 2018, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2018 and of the profit and loss of the company for the financial year ended March 31, 2018;
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

- (d) the Directors had prepared the annual accounts on a going concern basis; and
- (e) the Directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

THE CHANGE IN THE NATURE OF BUSINESS

There is no change in the nature of business of the Company.

THE DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

There are no significant and/or material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE FINANCIAL YEAR OF THE COMPANY AND DATE OF THIS REPORT

There are no material changes and commitments affecting the financial position of the Company which have occurred between the financial year ended March 31, 2018 of the Company and the date of this Report.

CORPORATE SOCIAL RESPONSIBILITY

A Corporate Social Responsibility ("CSR") Committee has been constituted in accordance with the provisions of Section 135 of the Companies Act, 2013. The details required under the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 are given in CSR Report appended as an ANNEXURE - 3 to this Report. The CSR Policy is available on the website of the Company at <http://sspdl.com/investors.php>.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The particulars of loans, guarantees and investments have been disclosed in the financial statements.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SUB-SECTION (1) OF SECTION 188 OF THE COMPANIES ACT, 2013

All transactions entered by the Company with Related Parties were in the Ordinary Course of Business and at Arm's Length pricing basis. And, during the year, the Company had not entered into any contracts or arrangements or transactions with related parties which could be considered material in accordance with the policy on related party transactions of the Company. Also, there were no such transactions entered by the Company which were in conflict with the interest of the Company. Suitable disclosures as required by the applicable accounting standards have been made in the Notes to the financial statements.

The Board had approved policies on Related Party Transactions and Material Subsidiary. Both the policies have been uploaded on the Company's website, under the web link: <http://sspdl.com/investors.php>.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

In terms of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, the particulars of conservation of energy, technology absorption, foreign exchange earnings and outgo, are provided below:

| | | |
|--|--|--|
| (A) | Conservation of energy- | |
| | (i) the steps taken or impact of energy on conservation | Even though the Company's activity is Real Estate, Property Development and Civil Construction which are not power intensive, the Company is making every effort to conserve the usage of power. |
| | (ii) the steps taken by the company for utilising alternate sources of energy | Not Applicable |
| | (iii) the capital investment on energy conservation equipments | NIL |
| (B) | Technology absorption- | |
| | (i) the efforts made towards technology absorption | NIL |
| | (ii) the benefits derived like product improvement, cost reduction, product development or import substitution | NIL |
| | (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- | No technology has been imported during the past 3 years. |
| | (a) the details of technology imported | NIL |
| | (b) the year of import; | NIL |
| | (c) whether the technology been fully absorbed | NIL |
| | (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and | NIL |
| (iv) the expenditure incurred on Research and Development. | NIL | |

| (C) | Foreign exchange earnings and Outgo- | For the year ended | |
|-----|--------------------------------------|---|------------|
| | | The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows: 31.03.2018 | |
| | | 31.03.2018 | 31.03.2017 |
| - | Foreign Exchange Earnings | NIL | NIL |
| - | Foreign exchange Outgo | NIL | ₹ 50,077 |

RISK MANAGEMENT

The Company has developed and implemented a risk management policy for the company. In the opinion of the Board, there are no foreseeable risks which may threaten the existence of the Company.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has complied with the applicable provisions of Secretarial Standards issued by the Institute of Company Secretaries of India.

NOMINATION AND REMUNERATION POLICY

The Nomination and Remuneration Policy, containing (a) criteria for determining qualifications, positive attributes, independence of a director, etc. and (b) guiding principles for payment of remuneration to Directors, Key Managerial Personnel and other employees, is provided in the Corporate Governance Report.

ANNUAL EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

The evaluation of Board, Committee(s) and individual Directors was carried out based on structured questionnaire encompassing parameters such as performing statutory duties, level of engagement and contribution, independence of judgment, etc. Further, the details on performance evaluation criteria are provided in the Corporate Governance Report.

MEETINGS OF INDEPENDENT DIRECTORS

The Company's Independent Directors meet at least once in every financial year without the presence of non-independent directors and members of the management.

The independent director in their meeting (a) review the performance of non-independent directors and the Board as a whole, (b) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors, and (c) assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

A meeting of the Independent Directors was held on 14th February, 2018 and all independent directors attended the meeting except Sri K.Akmaluddin Sheriff.

THE DISCLOSURE OF REMUNERATION DETAILS AND PARTICULARS OF EMPLOYEES

The disclosure pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in ANNEXURE – 4.

Further, a statement showing the names, remuneration received, and other particulars of top ten employees and employees drawing remuneration in excess of the limits as set out in the Rules 5(2) and 5(3) of the aforesaid Rules, forms part of this report. However, in terms of first proviso to Section 136(1) of the Act, the Annual Report and Accounts are being sent to the members and others entitled thereto, excluding the aforesaid information. The said information is available for inspection by the members at the Registered Office of the Company during business hours on working days up to the date of the ensuing Annual General Meeting. Any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request. Further, the details are also available on the Company's website: www.sspdl.com

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
CHAIRMAN AND
MANAGING DIRECTOR
(DIN 02257638)

E.BHASKAR RAO
DIRECTOR
(DIN 00003608)

Place : Hyderabad
Date : 14.08.2018

ANNEXURE -1
Form No.MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on March 31, 2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

| | |
|---|---|
| i) CIN | L70100TG1994PLC0018540 |
| ii) Registration Date | 17th October, 1994 |
| iii) Name of the Company | SSPDL Limited |
| iv) Category/Sub-Category of the Company | Company Limited by Shares / Public Company |
| v) Address of the Registered, Office and contact details | 8-2-595/3/6, Eden Gardens, Road No.10, Banjara Hills, Hyderabad - 500 034, Telangana. Phone No.: 040 - 6663 7560 Fax No. : 040 - 6663 7969 Email: einward.ris@karvy.com and investors@sspdl.com Website: www.sspdl.com |
| vi) Whether listed Company | Yes, BSE Limited |
| vii) Name, Address and Contact details of Registrar and Transfer Agent, if any | Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 Phone Nos : 040 6716 2222 Fax Nos : 040 2342 0814. E-mail : einward.ris@karvy.com |

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

| Sl. No. | Name and Description of main products/services | NIC Code of the Product/service | % to total turnover of the Company |
|---------|--|---------------------------------|------------------------------------|
| 1 | Real Estate and Development and Construction | 410 | 100% |

III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

| Sl. No. | Name and Address of the Company | Corporate Identity Number (CIN) | Holding/ Subsidiary/ Associate | % of shares held | Applicable Section |
|---------|--|---------------------------------|--------------------------------|------------------|--------------------|
| 1 | SSPDL Infratech Private Limited 8-2-595/3/6, Eden Gardens, Road No.10, Banjara Hills, Hyderabad - 500 034, Telangana, India. | U45209TG2010PTC068608 | Subsidiary Company | 100.00 | 2(87) |
| 2 | SSPDL Infra Projects India Private Limited 8-2-595/3/6, Eden Gardens, Road No.10, Banjara Hills, Hyderabad - 500 034, Telangana, India. | U45200TG2007PTC052739 | Subsidiary Company | 100.00 | 2(87) |
| 3 | SSPDL Resorts Private Limited 8-2-595/3/6, Eden Gardens, Road No.10, Banjara Hills, Hyderabad - 500 034, Telangana, India. | U45200TG2007PTC052761 | Subsidiary Company | 100.00 | 2(87) |
| 4 | SSPDL Realty India Private Limited 8-2-595/3/6, Eden Gardens, Road No.10, Banjara Hills, Hyderabad - 500 034, Telangana, India. | U45200TG2007PTC052816 | Subsidiary Company | 100.00 | 2(87) |
| 5 | SSPDL Real Estates India Private Limited 8-2-595/3/6, Eden Gardens, Road No.10, Banjara Hills, Hyderabad - 500 034, Telangana, India. | U70102TG2007PTC052818 | Subsidiary Company | 100.00 | 2(87) |
| 6 | Northwood Properties India Private Limited 8-2-595/3/6, Eden Gardens, Road No.10, Banjara Hills, Hyderabad - 500 034, Telangana, India. | U70102TG2008PTC057756 | Associate Company | 41.67* | 2(6) |

* Details of total paid-up share capital of M/s. Northwood Properties India Pvt. Ltd. and SSPDL Limited's holding in it :
(i) 10,000, Normal equity shares (with voting rights) of ₹ 10/- each, (ii) 10,000, Class A equity shares (without voting rights) of ₹ 10/- each, and (iii) 10,000, Class B equity shares (without voting rights) of ₹ 10/-.

Details of SSPDL Limited's holding in M/s. Northwood Projects India Pvt. Ltd.:

(i) 2,500, Normal equity shares, i.e., 25% of total normal equity shares, and (ii) 10,000, Class B equity shares, i.e., 100% of total Class B equity shares.

Therefore, % of shareholding of SSPDL Limited in above mentioned company's total paid-up share capital is 41.67%.

IV SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

| Category of Shareholders | | No. of Shares held at the beginning of the year (As on 01.04.2017) | | | | No. of Shares held at the end of the year (As on 31.03.2018) | | | | % Change during the year |
|--------------------------|--|--|-----------------|--------------------|-------------------|--|-----------------|--------------------|-------------------|--------------------------|
| | | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. | PROMOTERS | | | | | | | | | |
| (1) | Indian | | | | | | | | | |
| a) | Individual/HUF | 45,65,740 | 0 | 45,65,740 | 35.31 | 45,42,099 | 0 | 45,42,099 | 35.13 | (0.18) |
| b) | Central Govt | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| c) | State Govt (s) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| d) | Bodies Corp. | 24,27,752 | 0 | 24,27,752 | 18.78 | 24,27,752 | 0 | 24,27,752 | 18.78 | 0.00 |
| e) | Banks / FI | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| f) | Any Other.... | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | Sub-total (A) (1):- | 69,93,492 | 0 | 69,93,492 | 54.09 | 69,69,851 | 0 | 69,69,851 | 53.91 | (0.18) |
| (2) | Foreign | | | | | | | | | |
| a) | NRLs - Individuals | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| b) | Other – Individuals | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| c) | Bodies Corp. | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| d) | Banks / FI | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| e) | Any Other.... | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | Sub-total (A) (2):- | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | Total shareholding of Promoter (A) = (A)(1)+(A)(2) | 69,93,492 | 0 | 69,93,492 | 54.09 | 69,69,851 | 0 | 69,69,851 | 53.91 | (0.18) |
| B. | PUBLIC SHAREHOLDING | | | | | | | | | |
| (1) | Institutions | | | | | | | | | |
| a) | Mutual Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| b) | Banks / FI | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| c) | Central Govt | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| d) | State Govt(s) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| e) | Venture Capital Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| f) | Insurance Companies | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| g) | FIs | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| h) | Foreign Venture Capital Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| i) | Others (specify) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | Sub-total (B)(1):- | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (2) | Non-Institutions | | | | | | | | | |
| a) | Bodies Corp. | | | | | | | | | |
| | i) Indian | 4,16,051 | 11,200 | 4,27,251 | 3.30 | 3,26,542 | 11,200 | 3,37,742 | 2.61 | (0.69) |
| | ii) Overseas | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| b) | Individuals | | | | | | | | | |
| | i) Individual shareholders holding nominal share capital upto Rs. 1 lakh | 16,68,303 | 55,949 | 17,24,252 | 13.34 | 16,59,548 | 55,249 | 17,14,797 | 13.26 | (0.08) |
| | ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh | 28,34,297 | 30,000 | 28,64,297 | 22.15 | 29,64,766 | 30,000 | 29,94,766 | 23.16 | 1.01 |
| c) | Others (specify) | | | | | | | | | |
| | Clearing Members | 2,606 | 0 | 2,606 | 0.02 | 3,969 | 0 | 3,969 | 0.03 | 0.01 |
| | HUF | 1,92,614 | 0 | 1,92,614 | 1.49 | 1,78,009 | 0 | 1,78,009 | 1.38 | (0.11) |
| | Non-Resident Indians | 6,04,738 | 1,20,000 | 7,24,738 | 5.61 | 5,98,725 | 1,20,000 | 7,18,725 | 5.56 | (0.05) |
| | Non-Banking Finance Company | 0 | 0 | 0 | 0.00 | 11,391 | 0 | 11,391 | 0.09 | 0.09 |
| | Sub-total (B)(2) | 57,18,609 | 2,17,149 | 59,35,758 | 45.91 | 57,42,950 | 2,16,449 | 59,59,399 | 46.09 | 0.18 |
| | Total Public Shareholding (B)=(B)(1)+(B)(2) | 57,18,609 | 2,17,149 | 59,35,758 | 45.91 | 57,42,950 | 2,16,449 | 59,59,399 | 46.09 | 0.18 |
| C. | SHARES HELD BY CUSTODIAN FOR GDRS & ADRS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Grand Total (A+B+C) | 1,27,12,101 | 2,17,149 | 1,29,29,250 | 100.00 | 1,27,12,801 | 2,16,449 | 1,29,29,250 | 100.00 | 0.00 |

(ii) Shareholding of Promoters

| Sl. No. | Name of the Promoter | Shareholding at the beginning of the year (As on 01.04.2017) | | | Shareholding at the end of the year (As on 31.03.2018) | | | % change in share holding during the year |
|---------|---|--|----------------------------------|--|--|----------------------------------|--|---|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | |
| 1 | Sri Krishna Devaraya Hatcheries Pvt Ltd | 24,02,652 | 18.58 | 0.00 | 24,02,652 | 18.58 | 0.00 | 0.00 |
| 2 | Prakash Challa | 23,59,390 | 18.25 | 0.00 | 23,59,390 | 18.25 | 0.00 | 0.00 |
| 3 | Eadala Padmaja | 8,95,000 | 6.92 | 0.00 | 8,95,000 | 6.92 | 0.00 | 0.00 |
| 4 | Suresh Challa | 8,82,800 | 6.83 | 0.00 | 8,72,042 | 6.74 | 0.00 | (0.09) |
| 5 | Edala Bhaskar Rao | 1,50,000 | 1.16 | 0.00 | 1,50,000 | 1.16 | 0.00 | 0.00 |
| 6 | Vallabhaneni Gopal Krishna | 1,18,267 | 0.91 | 0.00 | 1,19,367 | 0.92 | 0.00 | 0.01 |
| 7 | Sridevi Challa | 1,02,500 | 0.79 | 0.00 | 1,02,500 | 0.79 | 0.00 | 0.00 |
| 8 | Vellanki V Rao | 30,000 | 0.23 | 0.00 | 30,000 | 0.23 | 0.00 | 0.00 |
| 9 | Chitturi Mangayamma | 12,883 | 0.10 | 0.00 | 0 | 0.00 | 0.00 | (0.10) |
| 10 | Jagapati Investments Private Limited | 13,500 | 0.10 | 0.00 | 13,500 | 0.10 | 0.00 | 0.00 |
| 11 | Intelligent Software Solutions (P) Ltd | 11,600 | 0.09 | 0.00 | 11,600 | 0.09 | 0.00 | 0.00 |
| 12 | Chitturi Suresh Rayudu | 10,500 | 0.08 | 0.00 | 10,500 | 0.08 | 0.00 | 0.00 |
| 13 | Challa Chinnamma | 3,200 | 0.02 | 0.00 | 3,200 | 0.02 | 0.00 | 0.00 |
| 14 | V Gopal Krishna | 1,100 | 0.01 | 0.00 | 0 | 0.00 | 0.00 | (0.01) |
| 15 | Challa Rajendra Prasad | 100 | 0.00 | 0.00 | 100 | 0.00 | 0.00 | 0.00 |
| | Total | 69,93,492 | 54.09 | 0.00 | 69,69,851 | 53.91 | 0.00 | (0.18) |

(iii) Change in Promoters' Shareholding (Please specify, if there is no change)

| Sl. No. | Name of the Promoter | Shareholding at the beginning of the year as on 01.04.2017 | | Cumulative Shareholding during the year | |
|---------|---|--|----------------------------------|---|----------------------------------|
| | | No. of Shares | % of total Shares of the Company | No. of Shares | % of total Shares of the Company |
| 1 | Suresh Challa | | | | |
| | At the beginning of the year 01.04.2017 | 8,82,800 | 6.83 | 8,82,800 | 6.83 |
| | Date wise increase/Decrease in Shareholding during the year Specifying the reasons for Increase/decreases (e.g. allotment/ transfer/bonus/sweat equity etc.): | | | | |
| | Sold on 07.04.2017 | 2,000 | 0.02 | 8,80,800 | 6.81 |
| | Sold on 14.04.2017 | 2,150 | 0.02 | 8,78,650 | 6.80 |
| | Sold on 21.04.2017 | 3,500 | 0.03 | 8,75,150 | 6.77 |
| | Sold on 28.04.2017 | 500 | 0.00 | 8,74,650 | 6.76 |
| | Sold on 07.07.2017 | 2,608 | 0.02 | 8,72,042 | 6.74 |
| | At the end of the year on 31.03.2018 | | | 8,72,042 | 6.74 |

| Sl. No. | Name of the Promoter | Shareholding at the beginning of the year as on 01.04.2017 | | Cumulative Shareholding during the year | |
|--------------------------------------|---|--|----------------------------------|---|----------------------------------|
| | | No. of Shares | % of total Shares of the Company | No. of Shares | % of total Shares of the Company |
| 2 | Vallabhaneni Gopal Krishna | | | | |
| | At the beginning of the year 01.04.2017 | 1,18,267 | 0.91 | 1,18,267 | 0.91 |
| | Date wise increase/Decrease in Shareholding during the year Specifying the reasons for Increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.): | | | | |
| | Transferred from other Demat Account on 06.10.2017 | 1,100 | 0.01 | 1,19,367 | 0.92 |
| | At the end of the year on 31.03.2018 | | | 1,19,367 | 0.92 |
| 3 | Vallabhaneni Gopal Krishna | | | | |
| | At the beginning of the year 01.04.2017 | 1,100 | 0.01 | 1100 | 0.01 |
| | Date wise increase/Decrease in Shareholding during the year Specifying the reasons for Increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.): | | | | |
| | Transferred to other Demat Account on 06.10.2017 | 1,100 | 0.01 | 0 | 0.00 |
| | At the end of the year on 31.03.2018 | | | 0 | 0.00 |
| 4 | Chitturi Mangayamma | | | | |
| | At the beginning of the year 01.04.2017 | 12,883 | 0.10 | 12,883 | 0.10 |
| | Date wise increase/Decrease in Shareholding during the year Specifying the reasons for Increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc.): | | | | |
| | Sold on 07.04.2017 | 400 | 0.00 | 12,483 | 0.10 |
| | Sold on 21.04.2017 | 800 | 0.01 | 11,683 | 0.09 |
| | Sold on 28.04.2017 | 2,903 | 0.02 | 8,780 | 0.07 |
| | Sold on 05.05.2017 | 2,700 | 0.02 | 6,080 | 0.05 |
| | Sold on 26.05.2017 | 345 | 0.00 | 5,735 | 0.04 |
| | Sold on 02.06.2017 | 1,001 | 0.01 | 4,734 | 0.04 |
| | Sold on 09.06.2017 | 1,960 | 0.02 | 2,774 | 0.02 |
| | Sold on 16.06.2017 | 900 | 0.01 | 1,874 | 0.01 |
| | Sold on 23.06.2017 | 1,074 | 0.01 | 800 | 0.01 |
| | Sold on 01.09.2017 | 800 | 0.01 | 0 | 0.00 |
| At the end of the year on 31.03.2018 | | | 0 | 0.00 | |

Note: Except the above there is no change in the shareholding of other promoters during 01.04.2017 to 31.03.2018. Total shares held by all promoters as on 01.04.2017 and 31.03.2018 are provided above.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and holders of GDRs and ADRs)

| Sl. No. | Name of the Shareholder | Shareholding at the beginning of the year as on 01.04.2017 | | Cumulative Shareholding during the year | |
|---------|---|--|----------------------------------|---|----------------------------------|
| | | No. of Shares | % of total Shares of the Company | No. of Shares | % of total Shares of the Company |
| 1 | Gautam Prakash | | | | |
| | At the beginning of the year 01.04.2017 | 3,54,000 | 2.74 | 3,54,000 | 2.74 |
| | Date wise increase/Decrease in Shareholding during the year Specifying the reasons for Increase/decreases (e.g. allotment/ transfer/ bonus/sweat equity etc.): | 0 | 0.00 | 3,54,000 | 2.74 |
| | At the end of the year on 31.03.2018 | | | 3,54,000 | 2.74 |
| 2 | G V S Raju | | | | |
| | At the beginning of the year 01.04.2017 | 2,06,851 | 1.60 | 2,06,851 | 1.60 |
| | Date wise increase/Decrease in Shareholding during the year Specifying the reasons for Increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.): | 0 | 0.00 | 2,06,851 | 1.60 |
| | At the end of the year on 31.03.2018 | | | 2,06,851 | 1.60 |
| 3 | Jay Janak Jesrani | | | | |
| | At the beginning of the year 01.04.2017 | 70,000 | 0.54 | 70,000 | 0.54 |
| | Date wise increase/Decrease in Shareholding during the year Specifying the reasons for Increase/decreases (e.g. allotment / transfer/ bonus/sweat equity etc.): | | | | |
| | Purchased on 07.04.2017 | 39,000 | 0.30 | 1,09,000 | 0.84 |
| | Purchased on 14.04.2017 | 6,000 | 0.05 | 1,15,000 | 0.89 |
| | Purchased on 21.04.2017 | 21,453 | 0.17 | 1,36,453 | 1.06 |
| | Purchased on 28.04.2017 | 3,292 | 0.03 | 1,39,745 | 1.08 |
| | Purchased on 05.05.2017 | 1,800 | 0.01 | 1,41,545 | 1.09 |
| | Purchased on 12.05.2017 | 337 | 0.00 | 1,41,882 | 1.10 |
| | Purchased on 19.05.2017 | 286 | 0.00 | 1,42,168 | 1.10 |
| | Purchased on 23.06.2017 | 21,884 | 0.17 | 1,64,052 | 1.27 |
| | Purchased on 21.07.2017 | 4,000 | 0.03 | 1,68,052 | 1.30 |
| | Purchased on 28.07.2017 | 3,400 | 0.03 | 1,71,452 | 1.33 |
| | Purchased on 11.08.2017 | 4,330 | 0.03 | 1,75,782 | 1.36 |
| | Purchased on 03.11.2017 | 200 | 0.00 | 1,75,982 | 1.36 |
| | Purchased on 24.11.2017 | 1,000 | 0.01 | 1,76,982 | 1.37 |
| | Sold on 26.01.2018 | 701 | 0.01 | 1,76,281 | 1.36 |
| | Sold on 09.02.2018 | 14 | 0.00 | 1,76,267 | 1.36 |
| | At the end of the year on 31.03.2018 | | | 1,76,267 | 1.36 |
| 4 | Cherukuri Ramakrishna | | | | |
| | At the beginning of the year 01.04.2017 | 1,67,055 | 1.29 | 1,67,055 | 1.29 |
| | Date wise increase/Decrease in Shareholding during the year Specifying the reasons for Increase/decrease (e.g. allotment / transfer/ bonus/sweat equity etc.): | | | | |
| | Sold on 15.09.2017 | 2,000 | 0.02 | 1,65,055 | 1.28 |
| | Sold on 19.01.2018 | 1,068 | 0.00 | 1,63,987 | 1.27 |
| | At the end of the year on 31.03.2018 | | | 1,63,987 | 1.27 |

| Sl. No. | Name of the Shareholder | Shareholding at the beginning of the year as on 01.04.2017 | | Cumulative Shareholding during the year | |
|---------|--|--|----------------------------------|---|----------------------------------|
| | | No. of Shares | % of total Shares of the Company | No. of Shares | % of total Shares of the Company |
| 5 | Koteswara Rao Potineni | | | | |
| | At the beginning of the year 01.04.2017 | 0 | 0.00 | 0 | 0.00 |
| | Date wise increase/Decrease in Shareholding during the year Specifying the reasons for Increase/decreases (e.g. allotment/ transfer/ bonus/sweat equity etc.): | 0 | 0.00 | 0 | 0.00 |
| | Purchased on 01.12.2017 | 1,33,136 | 1.03 | 1,33,136 | 1.03 |
| | At the end of the year on 31.03.2018 | | | 1,33,136 | 1.03 |
| 6 | Vinod Prakash | | | | |
| | At the beginning of the year 01.04.2017 | 1,20,000 | 0.93 | 1,20,000 | 0.93 |
| | Date wise increase/Decrease in Shareholding during the year Specifying the reasons for Increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.): | 0 | 0.00 | 1,20,000 | 0.93 |
| | At the end of the year on 31.03.2018 | | | 1,20,000 | 0.93 |
| 7 | Padmavathi Noothalapati | | | | |
| | At the beginning of the year 01.04.2017 | 1,12,600 | 0.87 | 1,12,600 | 0.87 |
| | Date wise increase/Decrease in Shareholding during the year Specifying the reasons for Increase/decreases (e.g. allotment/ transfer/ bonus/sweat equity etc.): | 0 | 0.00 | 1,12,600 | 0.87 |
| | At the end of the year on 31.03.2018 | | | 1,12,600 | 0.87 |
| 8 | Bapiraju Champati | | | | |
| | At the beginning of the year 01.04.2017 | 1,09,770 | 0.85 | 1,09,770 | 0.85 |
| | Date wise increase/Decrease in Shareholding during the year Specifying the reasons for Increase/decreases (e.g. allotment/ transfer/ bonus/sweat equity etc.): | | | | |
| | Purchased on 14.04.2017 | 1,698 | 0.01 | 1,11,468 | 0.86 |
| | Purchased on 21.04.2017 | 500 | 0.00 | 1,11,968 | 0.87 |
| | Purchased on 12.05.2017 | 476 | 0.00 | 1,12,444 | 0.87 |
| | Purchased on 18.08.2017 | 100 | 0.00 | 1,12,544 | 0.87 |
| | Purchased on 25.08.2017 | 1038 | 0.01 | 1,13,582 | 0.88 |
| | Purchased on 01.09.2017 | 637 | 0.00 | 1,14,219 | 0.88 |
| | Sold on 15.09.2017 | 500 | 0.00 | 1,13,719 | 0.88 |
| | Purchase on 22.09.2017 | 1321 | 0.01 | 1,15,040 | 0.89 |
| | Sold on 29.09.2017 | 124 | 0.00 | 1,14,916 | 0.89 |
| | Sold on 06.10.2017 | 7493 | 0.06 | 1,07,423 | 0.83 |
| | Purchased on 13.10.2017 | 28 | 0.00 | 1,07,451 | 0.83 |
| | Sold on 20.10.2017 | 700 | 0.01 | 1,06,751 | 0.83 |
| | Sold on 10.11.2017 | 400 | 0.00 | 1,06,351 | 0.82 |
| | Sold on 01.12.2017 | 600 | 0.00 | 1,05,751 | 0.82 |
| | Sold on 08.12.2017 | 650 | 0.01 | 1,05,101 | 0.81 |
| | Purchased on 23.03.2018 | 2897 | 0.02 | 1,07,998 | 0.84 |
| | At the end of the year on 31.03.2018 | | | 1,07,998 | 0.84 |

| Sl. No. | Name of the Shareholder | Shareholding at the beginning of the year as on 01.04.2017 | | Cumulative Shareholding during the year | |
|--------------------------------------|--|--|----------------------------------|---|----------------------------------|
| | | No. of Shares | % of total Shares of the Company | No. of Shares | % of total Shares of the Company |
| 9 | Mahendra Giridhar Lal | | | | |
| | At the beginning of the year 01.04.2017 | 1,07,307 | 0.83 | 1,07,307 | 0.83 |
| | Date wise increase/Decrease in Shareholding during the year Specifying the reasons for Increase/decreases (e.g. allotment/ transfer/ bonus/sweat equity etc.): | 0 | 0.00 | 1,07,307 | 0.83 |
| | At the end of the year on 31.03.2018 | | | 1,07,307 | 0.83 |
| 10 | Talluri Lalitha Kumari | | | | |
| | At the beginning of the year 01.04.2017 | 82,149 | 0.64 | 82,149 | 0.64 |
| | Date wise increase/Decrease in Shareholding during the year Specifying the reasons for Increase/decreases (e.g. allotment/ transfer/ bonus/sweat equity etc.): | | | | |
| | Sold on 11.08.2017 | 3,000 | 0.02 | 79,149 | 0.61 |
| | Sold on 18.08.2017 | 1,690 | 0.01 | 77,459 | 0.60 |
| | Purchased on 25.08.2017 | 11,002 | 0.09 | 88,461 | 0.68 |
| | Sold on 15.09.2017 | 2,461 | 0.02 | 86,000 | 0.67 |
| | Sold on 27.10.2017 | 2,914 | 0.02 | 83,086 | 0.64 |
| | Sold on 31.10.2017 | 86 | 0.00 | 83,000 | 0.64 |
| | Sold on 12.01.2018 | 7,220 | 0.06 | 75,780 | 0.59 |
| | Purchased on 26.01.2018 | 7,364 | 0.06 | 83,144 | 0.64 |
| | Purchased on 02.02.2018 | 7,547 | 0.06 | 90,691 | 0.70 |
| | Purchased on 09.02.2018 | 3,000 | 0.02 | 93,691 | 0.72 |
| At the end of the year on 31.03.2018 | | | 93,691 | 0.72 | |
| 11 | Subba Lakshmi Pericherla | | | | |
| | At the beginning of the year 01.04.2017 | 89,187 | 0.69 | 89,187 | 0.69 |
| | Date wise increase/Decrease in Shareholding during the year Specifying the reasons for Increase/decreases (e.g. allotment/ transfer/ bonus/sweat equity etc.): | | | | |
| | Sold on 15.09.2017 | 300 | 0.00 | 88,887 | 0.68 |
| | Sold on 13.10.2017 | 1,400 | 0.01 | 87,487 | 0.68 |
| | Sold on 22.12.2017 | 200 | 0.00 | 87,287 | 0.68 |
| | Sold on 05.01.2018 | 590 | 0.00 | 86,697 | 0.67 |
| | Sold on 12.01.2018 | 2,600 | 0.02 | 84,097 | 0.65 |
| At the end of the year on 31.03.2018 | | | 84,097 | 0.65 | |
| 12 | V.Sidda Reddy | | | | |
| | At the beginning of the year 01.04.2017 | 1,07,000 | 0.83 | 1,07,000 | 0.83 |
| | Date wise increase/Decrease in Shareholding during the year Specifying the reasons for Increase/decreases (e.g. allotment/ transfer/ bonus/sweat equity etc.): | | | | |
| | Sold on 08.09.2017 | 5,000 | 0.04 | 1,02,000 | 0.79 |
| | Sold on 15.09.2017 | 10,000 | 0.08 | 92,000 | 0.71 |
| | Sold on 27.10.2017 | 2,325 | 0.02 | 89,675 | 0.69 |
| | Sold on 24.11.2017 | 235 | 0.00 | 89,440 | 0.69 |
| | Sold on 08.12.2017 | 5,000 | 0.04 | 84,440 | 0.65 |
| | Sold on 12.01.2018 | 5,000 | 0.04 | 79,440 | 0.61 |
| | Purchased on 19.01.2018 | 3,950 | 0.03 | 83,390 | 0.64 |
| At the end of the year on 31.03.2018 | | | 83,390 | 0.64 | |

| Sl. No. | Name of the Shareholder | Shareholding at the beginning of the year as on 01.04.2017 | | Cumulative Shareholding during the year | |
|---------|--|--|----------------------------------|---|----------------------------------|
| | | No. of Shares | % of total Shares of the Company | No. of Shares | % of total Shares of the Company |
| 13 | K Swapna | | | | |
| | At the beginning of the year 01.04.2017 | 84,356 | 0.65 | 84,356 | 0.65 |
| | Date wise increase/Decrease in Shareholding during the year Specifying the reasons for Increase/decreases (e.g. allotment/ transfer/ bonus/sweat equity etc.): | | | | |
| | Sold on 15.09.2017 | 11,646 | 0.09 | 72,710 | 0.56 |
| | Sold on 29.09.2017 | 4,826 | 0.04 | 67,884 | 0.53 |
| | Sold on 06.10.2017 | 21,338 | 0.16 | 46,546 | 0.36 |
| | Sold on 13.10.2017 | 35,367 | 0.27 | 11,179 | 0.09 |
| | Purchased on 20.10.2017 | 13,821 | 0.11 | 25,000 | 0.19 |
| | At the end of the year on 31.03.2018 | | | 25,000 | 0.19 |

(v) Shareholding of Directors and Key Managerial Personnel (KMP):

| Sl. No. | Name of the Director | Shareholding at the beginning of the year as on 01.04.2017 | | Cumulative Shareholding during the year | |
|---------|--|--|----------------------------------|---|----------------------------------|
| | | No. of Shares | % of total Shares of the Company | No. of Shares | % of total Shares of the Company |
| 1 | Prakash Challa | | | | |
| | At the beginning of the year 01.04.2017 | 23,59,390 | 18.25 | 23,59,390 | 18.25 |
| | Date wise increase/Decrease in Shareholding during the year Specifying the reasons for Increase/decreases (e.g. allotment/ transfer/bonus/sweat equity Etc.): | 0 | 0.00 | 23,59,390 | 18.25 |
| | At the end of the year on 31.03.2018 | | | 23,59,390 | 18.25 |
| 2 | E.Bhaskar Rao | | | | |
| | At the beginning of the year 01.04.2017 | 1,50,000 | 1.16 | 1,50,000 | 1.16 |
| | Date wise increase/Decrease in Shareholding during the year Specifying the reasons for Increase/decrease (e.g. Allotment/ transfer/bonus/sweat equity etc.): | 0 | 0.00 | 1,50,000 | 1.16 |
| | At the end of the year on 31.03.2018 | | | 1,50,000 | 1.16 |
| 3 | K.Akmaluddin Sheriff | | | | |
| | At the beginning of the year 01.04.2017 | 6,634 | 0.05 | 6,634 | 0.05 |
| | Date wise increase/Decrease in Shareholding during the year Specifying the reasons for Increase/decreases (e.g. allotment/ transfer/ bonus/sweat equity etc.): | 0 | 0 | 6,634 | 0.05 |
| | At the end of the year on 31.03.2018 | | | 6,634 | 0.05 |
| 4 | B.Lokanath | | | | |
| | At the beginning of the year 01.04.2017 | 0 | 0.00 | 0 | 0.00 |
| | Date wise increase/Decrease in Shareholding during the year Specifying the reasons for Increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.): | 0 | 0.00 | 0 | 0.00 |
| | At the end of the year on 31.03.2018 | | | 0 | 0.00 |
| 5 | Sridevi Challa | | | | |
| | At the beginning of the year 01.04.2017 | 1,02,500 | 0.79 | 1,02,500 | 0.79 |
| | Date wise increase/Decrease in Shareholding during the year Specifying the reasons for Increase/decreases (e.g. allotment/ transfer/ bonus/sweat equity etc.): | 0 | 0.00 | 1,02,500 | 0.79 |
| | At the end of the year on 31.03.2018 | | | 1,02,500 | 0.79 |
| 6 | Dr.T.Krishna Reddy | | | | |
| | At the beginning of the year 01.04.2017 | 0 | 0.00 | 0 | 0.00 |
| | Date wise increase/Decrease in Shareholding during the year Specifying the reasons for Increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc.): | 0 | 0.00 | 0 | 0.00 |
| | At the end of the year on 31.03.2018 | | | 0 | 0.00 |

(v) Shareholding of Directors and Key Managerial Personnel (KMP):

| Sl. No. | Name of the Key Managerial Personnel | Shareholding at the beginning of the year as on 01.04.2017 | | Cumulative Shareholding during the year | |
|---------|---|--|----------------------------------|---|----------------------------------|
| | | No. of Shares | % of total Shares of the Company | No. of Shares | % of total Shares of the Company |
| 1 | A.Shailendra Babu | | | | |
| | At the beginning of the year 01.04.2017 | 0 | 0.00 | 0 | 0.00 |
| | Date wise increase/Decrease in Shareholding during the year Specifying the reasons for Increase/decreases (e.g. allotment/ transfer/bonus/sweat equity etc.): | 0 | 0.00 | 0 | 0.00 |
| | At the end of the year on 31.03.2018 | | | 0 | 0.00 |
| 2 | USS Ramanjaneyulu N | | | | |
| | At the beginning of the year 01.04.2017 | 0 | 0.00 | 0 | 0.00 |
| | Date wise increase/Decrease in Shareholding during the year Specifying the reasons for Increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc.): | 0 | 0.00 | 0 | 0.00 |
| | At the end of the year on 31.03.2018 | | | 0 | 0.00 |

(V) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amount in ₹)

| Particulars | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|---------------------|----------|---------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 8,73,165 | 15,76,48,663 | 0 | 15,85,21,828 |
| ii) Interest due but not paid | 0 | 0 | 0 | 0 |
| iii) Interest accrued but not due | 24,84 | 1,78,08,645 | 0 | 1,78,11,129 |
| Total (i+ii+iii) | 8,75,649 | 17,54,57,308 | 0 | 17,63,32,957 |
| Change in Indebtedness during the financial year | | | | |
| Addition | 6,76,00,000 | 10,00,00,000 | 0 | 16,76,00,000 |
| Reduction | 31,65,854 | 80,00,000 | 0 | 1,11,65,854 |
| Net Change | 6,44,34,146 | 9,70,00,000 | 0 | 16,14,34,146 |
| Indebtedness at the end of the financial year | | | | |
| 1) Principal Amount | 6,53,07,281 | 27,24,43,105 | 0 | 33,77,50,386 |
| 2) Interest due but not paid | 0 | 0 | 0 | 0 |
| 3) Interest accrued but not due | 0 | 2,34,30,293 | 0 | 2,34,30,293 |
| Total (i+ii+iii) | 6,53,07,281 | 29,58,73,398 | 0 | 36,11,80,679 |

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/ or Manager:

| Sl. No. | Particulars of Remuneration | Name of MD Mr. Prakash Challa | Total Amount (In ₹) |
|---------|---|----------------------------------|------------------------|
| 1 | Gross salary | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 95,75,496 | 95,75,496 |
| | (b) Value of perquisites u/s 17(2) Income - tax Act, 1961 | 0.00 | 0.00 |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | 0.00 | 0.00 |
| 2 | Stock Option | 0.00 | 0.00 |
| 3 | Sweat Equity | 0.00 | 0.00 |
| 4 | Commission | 0.00 | 0.00 |
| | - as % of profit | 0.00 | 0.00 |
| | - others, specify... | 0.00 | 0.00 |
| 5 | Others, please specify (P.F) | 24,504 | 24,504 |
| | Total (A) | 96,00,000 | 96,00,000 |
| | Over all Ceiling as per the Act: ₹ 96,00,000 (fixed) and contribution to Provident Fund, Gratuity, Earn Leave encashment. | | |

B. Remuneration to other directors:

| Sl. No. | Particulars of Remuneration | Name of Directors | | | Total Amount (In ₹) |
|---------|---|--------------------------|-----------------------|-----------------------|---------------------|
| | | K. AKMALUDDIN SHERIFF | B.LOKANATH | Dr.T.KRISHNA REDDY | |
| 1 | Independent Directors | | | | |
| | Fee for attending board / committee meetings | 20,000 | 1,42,500 | 1,20,000 | 2,82,500 |
| | Commission | - | - | - | - |
| | Others, please specify | - | - | - | - |
| | Total (1) | 20,000 | 1,42,500 | 1,20,000 | 2,82,500 |
| 2 | Other Non-Executive Directors | E.BHASKAR RAO | SRIDEVI CHALLA | - | |
| | Fee for attending board / committee meetings | 1,42,500 | 60,000 | - | 2,02,500 |
| | Commission | - | - | - | - |
| | Others, please specify | - | - | - | - |
| | Total (2) | 1,42,500 | 60,000 | - | 2,02,500 |
| | Total (B)=(1+2) | 1,62,500 | 2,02,500 | 1,20,000 | 4,85,000 |
| | Total Managerial Remuneration ₹ 96,00,000 (Excluding Sitting fees) | | | | |
| | Over all Ceiling as per the Act: ₹ 96,00,000 (fixed) and contribution to Provident Fund, Gratuity, Earn Leave encashment and sitting fees payable to Non-executive Directors. | | | | |

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:

| Sl. No. | Particulars of Remuneration | Key Managerial Personnel | | | Total Amount (In ₹) |
|---------|---|--------------------------|-------------------|-----------------------|---------------------|
| | | CEO | Company Secretary | CFO | |
| | | - | A.Shailendra Babu | U.S.S.Ramanjaneyulu N | |
| 1 | Gross salary | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | - | 23,57,498 | 11,79,784 | 35,37,282 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - | 0 | 0 | 0 |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | - | 0 | 0 | 0 |
| 2 | Stock Option | - | 0 | 0 | 0 |
| 3 | Sweat Equity | - | 0 | 0 | 0 |
| 4 | Commission | | | | |
| | - as % of profit | - | 0 | 0 | 0 |
| | - others, specify... | - | 0 | 0 | 0 |
| 5 | Others, please specify (P.F.) | - | 24,504 | 0 | 24,504 |
| | Total | - | 23,82,002 | 11,79,784 | 35,61,786 |

(VII) PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

| | Type | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD / NCLT / COURT] | Appeal made, if any (give Details) |
|-----------|----------------------------------|------------------------------|-------------------|---|-------------------------------|------------------------------------|
| A. | COMPANY | | | | | |
| | Penalty | NIL | NIL | NIL | NIL | NIL |
| | Punishment | NIL | NIL | NIL | NIL | NIL |
| | Compounding | NIL | NIL | NIL | NIL | NIL |
| B. | DIRECTORS | | | | | |
| | Penalty | NIL | NIL | NIL | NIL | NIL |
| | Punishment | NIL | NIL | NIL | NIL | NIL |
| | Compounding | NIL | NIL | NIL | NIL | NIL |
| C. | OTHER OFFICERS IN DEFAULT | | | | | |
| | Penalty | NIL | NIL | NIL | NIL | NIL |
| | Punishment | NIL | NIL | NIL | NIL | NIL |
| | Compounding | NIL | NIL | NIL | NIL | NIL |

For and on behalf of the Board of Directors of SSPDL Limited

PLACE: HYDERABAD
DATE : 14.08.2018PRAKASH CHALLA
CHAIRMAN AND MANAGING DIRECTOR
(DIN: 02257638)E.BHASKAR RAO
DIRECTOR
(DIN: 00003608)

‘ANNEXURE - 2’
Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
SSPDL Limited
CIN: L70100TG1994PLC018540
Hyderabad

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by *M/s SSPDL Limited* (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.

The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable to the Company during the year as there no relevant transactions during the audit period :

- (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (f) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

I further report that the Company has complied with the following laws specifically applicable to the Company as declared by the Management of the Company:

- (i) Building and Other Construction Workers' (Regulation of Employment and Conditions of Services) Act, 1996

As regards Real Estate (Regulations and Development) Act, 2016 (Central Act 16 of 2016), The Government of Telangana notified Telangana Real Estate (Regulations and Development) Rules, 2017 vide Order dated August 4th, 2017 according to which the said Rules shall come in to force from the date of their publication in the Telangana Gazette. As per the provisions of the Rules Projects for which building permissions were approved prior to 01.01.2017 by the Competent Authorities are excluded from the applicability of the Rules.

As per the information given and explanations provided by the Company, the Company has only one Ongoing Project and permission for the same has been obtained prior to 01.01.2017. The Company has no other new project/projects which fall within the ambit of Telangana Real Estate (Regulations and Development) Rules, 2017 as on date and hence these Rules are not applicable to the Company for year under review.

I have also examined compliance with the Listing Agreements entered into by the Company with BSE Limited.

The Company has complied with Secretarial Standards Meetings of the Board of Directors (SS-1) and Secretarial Standards on General Meetings (SS-2) as issued by The Institute of Company Secretaries of India during the year under review.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the Board of Directors or Committee of the Board, as the case may be.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

B.KRISHNAVENI
ACS No: 9686
C P No.: 4286

Place : Hyderabad
Date : 14.08.2018

'ANNEXURE 3' TO THE DIRECTORS' REPORT
CSR ACTIVITIES FOR THE FINANCIAL YEAR 2017-18

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

The Company's CSR Policy framework details the mechanisms for undertaking various programs in accordance with Section 135 of the Companies Act, 2013 (the Act) for the benefit of the community.

The Company's CSR activities relate to the following areas:

| | |
|--------|---|
| (i) | eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation,. Including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water; |
| (ii) | promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects; |
| (iii) | promoting gender equality, empowering women, setting up homes and hotels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups; |
| (iv) | ensuing environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water, including contribution to the Clean Ganga Fund setup by the Central Government for rejuvenation of river Ganga; |
| (v) | protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts; |
| (vi) | measures for the benefit of armed forces veterans, war windows and their dependents; |
| (vii) | training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports; |
| (viii) | contribution to Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women; |
| (ix) | contribution or funds provided to technology incubators located within academic institutions which are approved by the Central Government; |
| (x) | rural development projects; |
| (xi) | slum area development; |
| | Explanation: For the purpose of this item, the term "Slum Area" shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force. |

2. **Composition of the CSR Committee:**

The Committee comprises of following:

1. Sri Prakash Challa, Chairman
2. Sri E. Bhaskar Rao, Member, and
3. Sri B. Lokanath, Member

3. **Average net profit/(loss) of the Company for the last three financial years** : ₹ 13,88,19,023/-.
4. **Prescribed CSR expenditure (two percent of the amount as in item 3 above)** : ₹ 27,76,380/-.
5. **Details of CSR spent during the financial year** :
- a. **Total amount to be spent for the financial year** : ₹ 27,76,380/-
- b. **Amount unspent, if any** : ₹ 25,26,380/-.

c. Manner in which the amount was spent in the financial year is detailed below:

| S.No. | CSR Project or activity identified | Sector in which the Project is covered | Projects or Programs (1) Local Area or other (2) Specify the State and district where projects or program was undertaken | Amount outlay (budget) project or programme wise (₹ In Lakh) | Amount spent on the projects or programs Sub heads: (1) Direct Expenditure on projects or programs). (2) Overheads: (₹ In Lakh) | Cumulative expenditure upto the reporting period (₹ In Lakh) | Amount spent: Direct or through implementing agency |
|-------|------------------------------------|--|--|--|--|--|---|
| 1 | Ecoart | Environmental Sustainability | Gingurthy village, Tandur Mandal, Vikarabad District, Telangana | 250,000 | Direct Expenditure on Projects | 250,000 | Through Ekalavya Foundation |

6. Reasons for not spending the amount during the financial year:

The management is fully committed to Corporate Social Responsibility and related efforts mandated by the regulation. The Company is in the process of evaluating the areas and locations for CSR activities. Preference is given to undertake CSR activities in areas around Osman Nagar, Kollur villages and other areas where Company is presently operating and evaluating various options available to spend in these areas. Once the decision is taken on the activity, amount will be spent. And, one of the CSR activity and project on which Company decided to spend through an agency is yet to be grounded, hence not spent any amount on such approved CSR activity.

Company will take necessary steps to spend the amounts which have not been spent in current and previous financial years on CSR activities.

7. CSR Committee Responsibility Statement:

The CSR Committee hereby affirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

For SSPDL Limited

PRAKASH CHALLA
CHAIRMAN AND MANAGING DIRECTOR AND
CHAIRMAN – CSR COMMITTEE
(DIN: 02257638)

Place : Hyderabad
Date : 14.08.2018

ANNEXURE - 4

DETAILS UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- (i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year:

| Sl. No. | Name of the Director | Ratio of the remuneration to the median remuneration of the employees |
|---------|--------------------------|---|
| 1 | Sri Prakash Challa | 28.66:1 |
| 2 | Sri E.Bhaskar Rao | 0.43:1 |
| 3 | Sri K.Akmaluddin Sheriff | 0.06:1 |
| 4 | Sri B.Lokanath | 0.43:1 |
| 5 | Smt. Sridevi Challa | 0.18:1 |
| 6 | Dr. T.Krishna Reddy | 0.36:1 |

The Non-executive Directors (other than Sri Prakash Challa) are eligible for sitting fee only, for attending the meetings of the Board and its Committees.

- (ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year

| Sl. No. | Name | Designation | Percentage increase in remuneration |
|---------|-----------------------------|--------------------------------|-------------------------------------|
| 1 | Sri Prakash Challa | Chairman and Managing Director | 28.57* |
| 2 | Sri E.Bhaskar Rao | Director | NIL# |
| 3 | Sri K.Akmaluddin Sheriff | Director | NIL# |
| 4 | Sri B.Lokanath | Director | NIL# |
| 5 | Smt. Sridevi Challa | Director | NIL# |
| 6 | Dr. T.Krishna Reddy | Director | NIL# |
| 7 | Sri U.S.S. Ramanjaneyulu .N | Chief Financial Officer | 5.00\$ |
| 8 | Sri A.Shailendra Babu | Company Secretary | 5.00\$ |

During the year 2017-18:

* With the approval of the shareholders in 23rd AGM held on 28.09.2017, the Remuneration payable to Sri Prakash Challa, Chairman and Managing Director of the Company was increased, w.e.f. 01.10.2017, from ₹700,000/- per month plus perquisites to ₹900,000/- per month plus perquisites.

There is no change in the sitting fee payable for attending each of the meeting of the Board and meeting of the Committees of the Board. Therefore, the percentage increase for non-executive directors remuneration is not considered for the above purpose. However, the amount of remuneration received by a non-executive director(s) may increase or decrease compared to previous year based on the number of meetings held and attended during the year by the respective non-executive director. The details of remuneration paid to all directors, including non-executive directors are provided in the 'Report on Corporate Governance – 2017-18' and Extract of annual return.

\$ W.e.f. 01.10.2017, the Remuneration payable to Sri U.S.S. Ramanjaneyulu .N, Chief Financial Officer and Sri A.Shailendra Babu, Company Secretary of the Company was increased by 5% respectively.

- (iii) The percentage increase in the median remuneration of employees in the financial year: There is an increase in the median remuneration of employees in financial year 2017-18 by 10.00% as compared to financial year 2016-17.

- (iv) The number of permanent employees on the rolls of Company:

As on 31.03.2018, there are 45 permanent employees on the rolls of the Company.

- (v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e., 2017-18 is 10.34%. The increments were given to all employees of the Company w.e.f. 01.10.2017. And, for the same financial year, the managerial remuneration is increased by 28.57% w.e.f. 01.10.2017

Sri Prakash Challa is responsible for identifying and bringing new business and execution of the same in the interest of the Company. Under his leadership, the Company witnessed joint ventures with various investors/partners, including foreign partners. Also, he is responsible to discharge the duties entrusted by the Board of Directors from time to time, which may include day-to-day management and administration of the Company. Considering the same, the remuneration of Sri Prakash Challa was increased by the shareholders at 23rd Annual General Meeting of the Company held on 28.09.2017.

- (vi) The Remuneration paid to Key Managerial Personnel is as per the Remuneration policy of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT 2017-18

1. ECONOMY OVERVIEW

Global Economy:

The global economy seems to be leaving the legacy of the global financial crisis of the past decade behind. About half the world's countries are experiencing an increase in growth. This synchronized recovery may lead to even faster growth in the near term. All the consensus forecasts for 2018 and 2019 reflect optimism. And this growth is occurring for the right reasons—investment and trade growth, which had been declining, have risen. The global growth is projected to reach 3.9 percent in 2018 and 2019.

However, words of caution from the experts indicate that this upswing will last only as long as global sentiments remain steady and inflation is kept under control. The protectionist threats cast a dark cloud over future growth. The recently announced and anticipated tariff increases by the United States and retaliatory measures by trading partners have increased the likelihood of escalating and sustained trade actions. These could derail the recovery and depress medium-term growth prospects, both through their direct impact on resource allocation and productivity and by raising uncertainty and taking a toll on investment. If these threats lead to trade wars, the consequences could be devastating. Even if they do not, uncertainty about economic policy dampens investor sentiment. Also, among emerging market and developing economies, growth prospects are becoming more uneven, amid rising oil prices, higher yields in the United States, escalating trade tensions, and market pressures on the currencies of some economies with weaker fundamentals.

Avoiding protectionist measures and finding a cooperative solution that promotes continued growth in goods and services trade remain essential to preserve the global expansion. Policies and reforms should aim at sustaining activity, raising medium-term growth, and enhancing its inclusiveness.

The Indian Economy:

The Indian economy witnessed another challenging year, with Real GDP growth slowing down sharply to 6.6% compared to 7.1% in 2016-17, reflecting the short-term disruptions caused by GST implementation, residual impact of cash crunch and deceleration in net exports.

The long-delayed GST was finally implemented and it will go a long way in improving the business environment in the country. This is the single biggest structural reform in the country that pushes for creation of a unified common market, laying aside the inefficiencies created by different tax incidences in various states.

The government is putting more emphasis on infrastructure development, entrepreneurship and investment, improving the business climate, enhancing productivity and fostering strong and sustainable growth. India continues to progress with wide-ranging policy reforms and initiatives. The result is that the country today presents unprecedented opportunities for global and domestic businesses.

Infrastructure development and 'housing for all' mission have earned considerable appreciation from all corners.

OUTLOOK:

India remains the fastest growing major economy in the world. The pace of GDP growth is expected to gather momentum in the medium term on the back of favourable global economic tailwinds, pick-up in Private Investment and implementation of key policy reforms. As per median estimates, based on the Survey of Professional Forecasters conducted by RBI, GDP is likely to grow by 7.3% in 2018-19.

2. INDUSTRY STRUCTURE AND DEVELOPMENTS:

It comprises four sub-sectors - housing, retail, hospitality, and commercial. Housing sector contributes to about six percent of India's gross domestic product (GDP). The total realty market in the country is expected to touch US\$ 180 billion by 2020. Real estate is a highly fragmented sector with only a few organized players. Now, the presence of large corporations in across the country is increasing.

The real estate market has been going through a phase of massive change. The regulatory reforms implemented through frameworks defined under the Real Estate (Regulation and Development) Act, 2016, and Goods and Services Tax (GST) to an extent, have led the sector in a certain direction. Due to which the sector exhibiting a trend towards greater transparency and becoming more organized.

A demographic trend reveals that India is on the verge of massive urbanization over the next couple of decades. Every year, more than one crore people relocate to urban areas in India and the nation's total urban population is expected to reach about 81 crore by 2050. Availability of low cost credit is driving the demand for housing, policies like, Real Estate (Regulation and Development) Act infuse fresh buyers interest in real estate sector.

The Governments recent thrust on affordable housing through policy measures have resulted in sharp rise in new housing projects in the affordable segment for low income groups. Also, with the recent slew of reforms like GST with a special rate of 8% for affordable housing, tax concessions for affordable housing including 80-IBA of Income Tax Act, Infrastructure status to affordable housing, Pradhan Mantri Awas Yojna (PMAY) (including, Credit Linked Subsidy Scheme (CLSS)), Revision of RBI limit on priority sector etc. have usher more confidence in India's Real Estate Sector and particularly in Affordable Housing.

Demand for the affordable housing is at an all-time historic high, but it's the supply part of the equation that India had trouble with. The growing migration of people to urban areas has overwhelmed infrastructure, pushed up land costs, and led to housing shortages.

Credit Linked Subsidy Scheme (CLSS) – PMAY Impact:

- Private developers can participate in the national mission of housing with the advantage of CLSS,
- The carpet area of houses eligible for subsidy under CLSS has been enhanced from 120 square meters to 160 square

meters for MIG I (Income limit Rs. 12 lakh per annum) and from 150 square meters to 200 square meters for MIG II (Income limit Rs. 18 lakh per annum). This is a big boost to housing in tier 3 and tier 4 towns,

- Interest subsidy of 4% on MIG I and 3% on MIG II translate into savings of more than Rs. 5 lakh to consumers over the life of loan, making housing affordable,

3. OPPORTUNITIES, THREATS / RISKS AND CONCERNS:

Opportunities:

The high urbanisation rate, rising young population base, increasing disposable income levels, rising aspirations and increasing proportion of nuclear families, which influence urban consumption base and subsequent rapid growth of the retail industry, offers huge potential for demand for residential real estate and growth in the retail sector.

The government has taken major policy initiatives to bring about dynamism in the real estate sector which has maximum linkages to other industries after agriculture. These include: Pradhan Mantri Awas Yojana (PMAY), Atal Mission for Rejuvenation and Urban Transformation (AMRUT), Real Estate (Regulation and Development) Act 2016 (RERA), Smart Cities Mission, Affordable Housing, Benami Transactions Act, Real Estate Investment Trusts (REITs), and easing of FDI norms.

Above all will energize and boost the sector and have positive impact in the long run. Also, the initiatives of the government will give impetus to employment opportunities in

real estate sector and the growth of industries ancillary to the real estate sector.

Threats / Risks and Concerns:

Real estate being a cyclical industry and projects have a long gestation period, gets impacted more by the changes in macroeconomic variables like global and country's economy, changes in the market dynamics, availability of capital, interest rate, GDP Growth, employment, purchasing power, inflation, availability of skilled labour, etc., and the same directly impacts the project sales and profitability of the Company.

Execution delay may result in cost overruns and it can cost dearly in the form of higher than expected input cost and higher than anticipated interest burden. Further, such delays also negatively impact the Company's reputation and returns.

Also, intrinsic challenges that hinder growth of the sector and performance of your Company, factors such as high borrowing costs, lack of funding, liquidity issues and slow (and uneven) development of urban infrastructure.

4. SEGMENT WISE PERFORMANCE:

The Company is engaged in construction and development of Commercial, residential properties in metropolitan and Tier II cities and infrastructure projects.

The projects under taken by the Company on its own and through other partners are under various stages of execution and the details of the status of these projects are mentioned in the Directors Report.

5. OUTLOOK

Your company is currently executing housing projects in Hyderabad and Chennai. Considering the past experiences,

your Company primarily focusing on the development of property, mid-size houses, etc. and reduced the construction contracts work. However, on finding better opportunities it will take up and execute the construction contracts. In Hyderabad, the demand scenario is seen to be improving during 2018-19.

Based on the opportunities available in real estate sector, the management being optimistic about the growth in real estate sector, your company will undertake projects suiting the current market requirement.

6. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

Your 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. Which are adequate to protect the Company's resources. The Audit Committee reviews the adequacy of internal financial control and risk management 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 (CONSOLIDATED) WITH RESPECT TO OPERATIONAL PERFORMANCE:

Total Revenue: During the year under review the total revenue is ₹ 5037.91 lakhs, against ₹ 11544.12 lakhs in 2016-17.

Total Expenses: Total expenses for the year are ₹ 6283.56 lakhs, as against ₹ 9286.97 lakhs for 2016-17.

Profit/Loss Before Tax: Profit before Tax for the year is ₹ (1245.65) lakhs, as against profit of ₹ 2257.15 lakhs in 2016-17.

Profit After Tax: The Profit after Tax is ₹ (966.98) lakhs as against profit of ₹ 1352.46 lakhs in 2016-17.

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, 2018 your company has 45 employees on its payroll.

CAUTIONARY STATEMENT:

Statements in the Management Discussions and Analysis, the Directors Report, 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 - 2017-18

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 and the Board of Directors, Insider Trading Policy and Whistle Blower Policy to ensure compliances and fairness in all its operations and dealings. The Code of Conduct is available on the Company's website at www.sspdl.com. The Company is in compliance of requirements of guidelines stipulated in the Listing Agreement entered with the Stock Exchanges and the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 ("Listing Regulations").

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, 2018, the Board comprised of six members. The Board consists of both promoter and non-promoter Directors.

During the year 2017-18 Four Meetings of the Board of Directors were held on 15th May, 2017, 17th August, 2017, 14th November, 2017, and 14th February, 2018. The time gap between any two board meetings did not exceed 120 days. Minimum four Board Meetings are held in each year, which are tentatively 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.

| Date of Board Meeting | Total Strength of the Board | No. of Directors Attended |
|-----------------------|-----------------------------|---------------------------|
| 15.05.2017 | 6 | 4 |
| 17.08.2017 | 6 | 5 |
| 14.11.2017 | 6 | 6 |
| 14.02.2018 | 6 | 5 |

The details of the composition of the Board of Directors as at the end of the year under review and their attendance at the Board Meetings and the last AGM of the Company are given below:

| Sl. No. | Name of the Director | Position / Category | No. of Board Meetings Attended | Whether Attended last AGM | No. of other Directorships held other than SSPDL Limited | | In other Committees as Member (or/and) Chairman | Share-holding of the Directors |
|---------|---|--|--------------------------------|---------------------------|--|---------|---|--------------------------------|
| | | | | | Public | Private | | |
| 1 | Sri Prakash Challa (DIN:02257638) | Chairman and Managing Director; Executive Promoter Director | 4 | Yes | Nil | 12* | Nil | 23,59,390 |
| 2 | Sri E.Bhaskar Rao (DIN:00003608) | Non-Executive Promoter Director | 4 | Yes | Nil | 16# | Nil | 1,50,000 |
| 3 | Sri K.Akmaluddin Sheriff (DIN:01121372) | Independent Non-Executive Director | 1 | No | Nil | 5 | Nil | 6,634 |
| 4 | Sri B. Lokanath (DIN:00037303) | Independent Non-Executive Director | 4 | Yes | Nil | 7 | Nil | 0 |
| 5 | Smt. Sridevi Challa (DIN:01802477) | Non-Executive Promoter Director | 3 | No | Nil | 2 | Nil | 1,02,500 |
| 6 | Dr. T. Krishna Reddy (DIN:00003407) | Independent Non-Executive Director | 4 | Yes | 1 | 9 | Nil | 0 |

* Including one Limited Liability Partnership Firm.

Including Companies under process of striking off.

The details of pecuniary transactions with Non-Executive Directors' are provided in financial statements.

No Director is related to any other Director on the Board in terms of the definition of 'relative' given under the Companies Act, 2013.

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:

- Annual operating plans and budgets and any updates.
- Capital budgets and any updates.
- Quarterly results of the company and its operating divisions or business segments.
- Minutes of meetings of audit committee and other committees of the board of Directors.
- The information on recruitment and remuneration of senior officers just below the level of board of directors, including appointment or removal of Chief Financial Officer and the Company Secretary.
- Show cause, demand, prosecution notices and penalty notices which are materially important.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the company, or substantial non-payment for goods sold by the company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the company or taken an adverse view regarding another enterprise that can have negative implications on the company.
- Details of any joint venture or collaboration agreement.
- Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
- Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- Sale of investments, subsidiaries, assets, which are material in nature and not in normal course of business.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

3. BOARD COMMITTEES

As on 31.03.2018, the Board has four Committees viz., Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility 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

The powers, role and terms of reference of the Audit Committee covers the areas as contemplated under the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, section 177 of the Companies Act, 2013 and the rules made thereunder the Companies Act, 2013.

Composition:

As on 31.03.2018, the Audit Committee comprises of Sri B.Lokanath, non-executive Independent Director as the Chairman, Sri E.Bhaskar Rao, Non-executive Director and Dr. T.Krishna Reddy, non-executive Independent Director as the members and Mr. Shailendra Babu Ande, Company Secretary is the Secretary to the Audit Committee.

All the members are financially literate and possess the requisite financial/business acumen to specifically look into the internal controls and audit procedures. The Managing Director, Auditors, and Chief Financial Officer are invitees to the meetings of the Audit Committee. The terms of reference of the Audit Committee are wide enough to cover all the aspects in accordance with the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and Section 177 and other applicable provisions of the Companies Act, 2013 and the rules made there under.

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 etc.

During the year under review, the Audit Committee met four times, i.e., on 15th May, 2017, 17th August, 2017, 14th November, 2017, and 14th February, 2018. The attendance records of the members at these meetings are given below:

| Name | Designation | Meetings held during the year | Meetings attended during the Year |
|---------------------|-------------|-------------------------------|-----------------------------------|
| Sri B.Lokanath | Chairman | 4 | 4 |
| Sri E.Bhaskar Rao | Member | 4 | 4 |
| Dr. T.Krishna Reddy | Member | 4 | 4 |

As per the Listing Agreement, the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 and section 177 of the Companies Act, 2013, the Audit Committee has been entrusted with the following responsibilities.

Powers of Audit Committee

The Audit Committee shall have the following powers:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

Role of the Audit Committee

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
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 and auditor's report thereon 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 (c) of sub-section 3 of section 134 of the Companies Act, 2013
 - 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;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. 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;
14. Discussion with internal auditors of any significant findings and follow up there on;

15. 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;
16. 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;
17. 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;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. The Audit Committee of the listed holding company shall also review the financial statements, in particular, the investments made by the unlisted subsidiary company.
21. The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company; and
22. The Audit Committee shall have authority to investigate into any matter in relation to the items specified or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the company.
23. The auditors of a company and the key managerial personnel shall have a right to be heard in the meetings of the Audit Committee when it considers the auditor's report but shall not have the right to vote.

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.

Further, carry out any other function, from time to time, as (i) mandated by the Board, (ii) required by the provisions of the Companies Act, 2013 and the rules made there under, Listing Agreement and the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, and (iii) as may be necessary or appropriate for the performance of its duties.

(B) STAKEHOLDERS RELATIONSHIP COMMITTEE

Composition

As on 31.03.2018, the Stakeholders Relationship Committee comprises of Sri B. Lokanath (Non-executive Director) as its Chairman and Sri Prakash Challa and Sri E.Bhaskar Rao as its members. The Company Secretary, Mr. Shailendra Babu Ande is the Compliance Officer.

Terms of reference

- Attend to the share transfer formalities, issue of duplicate certificates, revalidation of dividend warrants,
- look into the redressal of grievances of shareholders, debenture holders and other security holders,
- shall consider and resolve the grievances of the security holders of the company including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, if any,
- Review the reports issued by the RTA relating to approval/confirmation of requests for share transfer/transmission/transposition/consolidation/issue of duplicate share certificates/sub-division, remat, demat of shares, other complaints received from the shareholders, etc. from time to time. Also, review the reports/certificates issued by the professionals with regard to 'Reconciliation of Share Capital', etc.,
- The Committee oversees performance of the Registrars and Transfer Agents of the Company and recommends measures for overall improvement in the quality of investor services,
- To further delegate any of its powers to any employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s),

- The Committee may invite other Directors / Officers of the Company to attend the meetings of the Committee as 'Invitees' from time to time as and when required,
- The Committee meets as and when the need arises. The chairperson of the committee or, in his absence, any other member of the committee authorised by him in this behalf shall attend the general meetings of the company.
- To carry out any other function, from time to time, as (i) mandated by the Board, (ii) required by the provisions of the Companies Act, 2013 and the rules made there under, Listing Agreement, and the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and (iii) as may be necessary or appropriate for the performance of its duties.

During the year under review, the Committee met four times, i.e., on 15th May, 2017, 17th August, 2017, 14th November, 2017, and 13th February, 2018. The attendance records of the members at these meetings are given below:

| Name | Designation | Meetings held during the year | Meetings attended during the Year |
|--------------------|-------------|-------------------------------|-----------------------------------|
| Sri B.Lokanath | Chairman | 4 | 4 |
| Sri E.Bhaskar Rao | Member | 4 | 4 |
| Sri Prakash Challa | Member | 4 | 4 |

The status of shareholder's complaints during the financial year 2017-18 is as under:

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

SEBI Complaints Redress System (SCORES): During the financial year 2017-18, the Company has not received any investor complaints through the SCORES.

(C) NOMINATION AND REMUNERATION COMMITTEE

Composition

The Company has constituted the Nomination and Remuneration Committee as per the provisions of the Companies Act, 2013 and Listing Agreement and the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015. As on 31st March, 2018 the Remuneration Committee comprises of Sri B.Lokanath as the Chairman, Sri K.Akmaluddin Sheriff and Sri E.Bhaskar Rao as its members.

Brief description of terms of reference

- identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal;
- carry on the evaluation of every director's performance;
- formulation of the criteria for determining qualifications, positive attributes and independence of a director;
- recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees; While formulating the policy consider the provisions of the Companies Act, 2013 and the rules made there under and the listing agreement.
- formulation of criteria for evaluation of the Board, Directors and Committees.
- devising a policy on Board diversity; succession plan; and
- any other matter as per the provisions of the Companies Act, 2013 and rules made there under and Listing Agreement and as the Board may decide from time to time.

During the year under review, the Nomination and Remuneration Committee met three times, i.e., on 15th May, 2017, 17th August, 2017, and 14th February, 2018. The attendance records of the members at these meetings are given below:

| Date of Committee Meeting | Total Strength of the Committee | No. of members Attended |
|---------------------------|---------------------------------|-------------------------|
| 15.05.2017 | 3 | 2 |
| 17.08.2017 | 3 | 2 |
| 14.02.2018 | 3 | 2 |

| Name | Designation | Meetings held during the Year | Meetings attended during the Year |
|--------------------------|-------------|-------------------------------|-----------------------------------|
| Sri B.Lokanath | Chairman | 3 | 3 |
| Sri K.Akmaluddin Sheriff | Member | 3 | 0 |
| Sri E.Bhaskar Rao | Member | 3 | 3 |

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 2017-18 are given below:

| Name of the Director | Sitting Fee (in ₹) | | | | | Salary and Perquisites (in ₹) | Commission (in ₹) |
|---------------------------|--------------------|--------------------------|--|--|--|-------------------------------|-------------------|
| | Board Meetings | Audit Committee Meetings | Stakeholders Relationship Committee Meetings | Nomination and Remuneration Committee Meetings | Corporate Social Responsibility Committee Meetings | | |
| Sri Prakash Challa | Nil | Nil | Nil | Nil | Nil | 96,00,000* | Nil |
| Sri E.Bhaskar Rao | 80,000 | 40,000 | 10,000 | 7,500 | 5,000 | Nil | Nil |
| Sri K. Akmaluddin Sheriff | 20,000 | Nil | Nil | Nil | Nil | Nil | Nil |
| Sri B. Lokanath | 80,000 | 40,000 | 10,000 | 7,500 | 5,000 | Nil | Nil |
| Smt Sridevi Challa | 60,000 | Nil | Nil | Nil | Nil | Nil | Nil |
| Dr. T.Krishna Reddy | 80,000 | 40,000 | Nil | Nil | Nil | Nil | Nil |

* Includes, Salary of ₹ 95,75,496/- and Contribution to Provident Fund of ₹ 24,504/-. Total salary payable to Sri Prakash Challa is fixed salary only and no performance linked incentives are paid.

Details of all pecuniary relationship or transactions of the Non-Executive Directors with Company are disclosed in notes to the financial statements.

Service Contracts, notice period, severance fee and stock options are not applicable. Except the above, no other benefits including bonus, stock options, pension etc. are paid to any director of the Company.

Director's Familiarization Programme:

The details of Director's Familiarization Programme are provided on Companies. <http://sspdl.com/investors.php>

Criteria on payment of remuneration to Non-Executive Director:

The details are provided below. Presently company is paying only sitting fees to Non-Executive Directors for attending the meetings of the Board and Committees of the Board.

NOMINATION AND REMUNERATION POLICIES OF THE COMPANY:

(A) NOMINATION POLICY

1. CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES & INDEPENDENCE OF A DIRECTOR:

i. Qualifications of a Director:-

- For the positions of Director – He/she is not disqualified as stated in section 164 of the Companies Act, 2013,
- For the position of an Independent Director, in addition to above, he/she should meet the criteria of an Independent Director as stated in section 149(6) of the Companies Act, 2013 and the Listing Agreement, the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015,

- For the position of Managing director or whole time director, the person is not disqualified as stated in section 196. And, he/she should satisfy all conditions stated in Part I of Schedule V to the Companies Act, 2013,
- Satisfies the above said qualifications from time to time, also as per the applicable law for the time being in force,
- Background, adequate educational qualifications,
- Preference should be given to persons who possess appropriate skills, experience and knowledge in field of the business in which company is engaged, one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, operations, etc.
- Any other qualification as may be specified in the Companies Act, 2013 or Listing Agreement or other applicable law, if any.

ii. Positive attributes of Directors:-

- High standards of ethical behaviour (Personal and professional), integrity, and values,
- Strong interpersonal and communication skills and soundness of judgement,
- Willing to devote sufficient time and attention for performing duties of a director, and
- Ability to read and understand basic financial statements i.e., balance sheet, profit and loss account and statement of cash flows, etc.

iii. Independence of Directors:-

- Director meets with the criteria prescribed for 'Independent Director' in the Companies Act, as laid down in the Act, 2013 and Clause 49 of the Listing Agreement.

2. CRITERIA FOR SELECTION OF SENIOR MANAGEMENT

- He/she possess appropriate skills, experience and knowledge in the functional area,
- Preferably possess relevant academic qualification,
- For the position of Company Secretary and Chief Financial Officer, individual shall possess the academic qualification as prescribed in the Companies Act, 2013 or the Listing Agreement, if any,
- Ensure that an individual proposed to be appointed in senior management shall not be disqualified as per the provisions of the Companies Act, 2013, rules made there under and the listing agreement.

The Nomination and Remuneration Committee at its discretion decides about whether a person has sufficient qualification, experience, and expertise for the position for which such person has been considered. Further, in addition to above mentioned criteria, the Nomination and Remuneration Committee may consider such other points in identifying a suitable person.

The Committee will ensure that, in selecting directors, the Board will have the composition that meets the legal requirements of the Companies Act, 2013 and the Listing Agreement, etc. from time to time.

The term of office of Directors (including, Alternate Director, Additional Director, Independent Directors, Managing Director, Rotational Directors, etc.) shall be governed by the provisions of the Companies Act, 2013 and the Listing Agreement. However, the term of office of senior management shall be decided based on the requirements of the Company and standard practices in the industry.

B) REMUNERATION POLICY

Guiding principles

The guiding principle is that the remuneration and the other terms of employment shall be competitive in order to ensure that the Company can attract, motivate, reward and retain competent Directors and Senior Management.

While designing the remuneration package, the Committee shall consider (i) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully, (ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks, and (iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

Remuneration to Non-Executive Directors:

The components of remuneration of Non-Executive Directors of the Company are sitting fees, commission and such other remuneration as permissible under and in compliance with, the provisions of Companies Act, 2013 (as amended from time to time). They shall be covered under the Directors and Officers Policy taken by the Company, if any.

Considering the important role to be played and duties to be performed by the Non-Executive Directors of the Company, they will be paid the remuneration as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors/shareholders of the company, as may be applicable. However, the remuneration payable to the Non-Executive Directors of the Company shall be subject to the overall limit as prescribed in the Companies Act, 2013 and the rules made there under.

Remuneration to Key Managerial Personnel and other employees:

i. Remuneration to Managing Director:

Considering the role of the Managing Director in developing the business, executing the plans of the Company, etc., he/she shall be paid the remuneration. Subject to the provisions of the Companies Act, 2013 and the rules made there under (including the amendments made from time to time), the Nomination and Remuneration Committee shall recommend the remuneration payable to the Managing Director, including the components of such remuneration i.e., remuneration per month/per annum, commission, compensation, etc., Such recommended remuneration is paid as approved by the Board of Directors, shareholders of the Company, the Central Government, as may be applicable. Also, the Managing Directors is covered under the Directors and Officers Policy.

In case, Company is having no profit or inadequate profit under the Companies Act, 2013, the Nomination and Remuneration Committee while approving the remuneration of Managing Director, subject to compliance with other applicable provisions of the Companies Act, 2013, shall —

- (a) take into account, financial position of the company, trend in the industry, appointee's qualification, experience, past performance, past remuneration, etc.;
- (b) be in a position to bring about objectivity in determining the remuneration package while striking a balance between the interest of the company and the shareholders.

ii. Remuneration to other Key Managerial Personnel (i.e., other than Managing Director, whole time director, Chief executive officer, if any), Senior Management and other employees:

The key components of remuneration package of the other Key Managerial Personnel and other employees (linked to their grade) of the Company shall comprise of basic salary, dearness allowance, house rent allowance, transport allowance, ex-gratia, bonus, contribution to provident fund and superannuation fund, gratuity, leave travel allowance, leave encashment, etc.

Subject to complying with the other provisions of the Companies Act, 2013 and other laws, the Managing Director of the Company is authorised to decide the remuneration of other Key Managerial Personnel, Senior Management and other employees, considering the standard market practice and prevailing HR policies of the Company.

Revision in remuneration/Increments: After doing the performance appraisal (annual or as and when needed) the Managing Director of the Company will determine the remuneration revision/increments of other Key Managerial Personnel, Senior Management and other employees of the Company.

Subject to compliance with the applicable law, deviations on elements of this policy may be made when deemed necessary in the interests of the Company and if there are specific reasons in an individual case.

C) CRITERIA FOR EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS, ETC.

Criteria for evaluation of the Board as a whole:

- The frequency of meetings,
- The length of meetings,
- The administration of meetings,
- Appropriate mix of knowledge and skills in the composition of the Board and its Committees,
- Access to appropriate, quality and timely information,
- Disclosure of information to the stakeholders,
- Framing necessary policies and implementation,
- According and obtaining the approval as may be required under the Companies Act, 2013, the rules made there under, and the Listing Agreement,
- Statutory Compliances and Corporate Governance, etc.

Criteria for evaluation of the Individual Directors (Executive and Non-Executive Directors):

(a) All Directors:

- Knowledge of business of the Company, updating with changes in business environment and the regulatory environment,
- Attendance at meetings of the Board, Committees and Shareholders,

- Having knowledge and commitment to fulfil fiduciary duties of directors,
- Making statutory disclosures, declarations and conflict of interest, if any,
- Level of preparedness for the meetings of the Board and Committees,
- Contributing their knowledge and experience in developing strategy at the meetings of the Board and Committees, including expressing dissent, if any, on any item,
- Relationship with fellow board members, etc.

(b) Executive Directors: In addition to criteria mentioned above in (a) –

- Initiatives taken for bringing new business and developing new business ideas,
- Executing the Business Plan of the Company and strategy set by the Board,
- Knowledge of the industry in which company operating and understanding changes/developments in the industry and market conditions,
- Contribution in identifying and mitigating the risks associated with the business of the Company,
- Providing appropriate, quality information in time, explanation to the members of the Board and Committees,
- Implementation of the Policies of the Company, developing the necessary systems,
- Guiding the Senior Management in performing their duties,
- Handling customers, employees and other stakeholder's matters, etc.

(c) Independent Directors: In addition to criteria mentioned above in (a) -

- Meeting the criteria of Independent Director as per the Companies Act, 2013 and the Listing Agreement,
- Attendance at meetings of the Board, Committees and Shareholders,
- Participate constructively and actively in the committees of the Board in which they are chairpersons or members,
- Exercise independent judgement,
- Participating in separate meeting of the Independent Directors,
- help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct, and
- undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company, etc.

In addition to above, the Board may consider such other criteria as it may deem fit to evaluate the Directors, Committees, and the Board.

(D) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Composition

The Company has constituted the Corporate Social Responsibility ("CSR") Committee as per the provisions of the Companies Act, 2013. As on 31st March, 2018 the Corporate Social Responsibility Committee comprises of Sri Prakash Challa as the Chairman, Sri E.Bhaskar Rao and Sri B.Lokanth as its members.

Terms of Reference

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company in compliance with the provisions of the Companies Act, 2013 and rules made thereunder;
- Recommend the amount of expenditure to be incurred on the CSR activities to be undertaken by the company;
- Monitor the Corporate Social Responsibility Policy of the Company from time to time;
- Carry out any other function, from time to time, as (i) mandated by the Board, (ii) required by the provisions of the Companies Act, 2013 and the rules made there under, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and other applicable laws, and (iii) as may be necessary or appropriate for the performance of its duties.

During the year under review, the Corporate Social Responsibility Committee met two times, i.e., on 25th July, 2017, and 13th February, 2018. The attendance records of the members at these meetings are given below:

| Date of Committee Meeting | Total Strength of the Committee | No. of members Attended |
|---------------------------|---------------------------------|-------------------------|
| 25.07.2017 | 3 | 3 |
| 13.02.2018 | 3 | 3 |

| Name | Designation | Meetings held during the year | Meetings attended during the Year |
|--------------------|-------------|-------------------------------|-----------------------------------|
| Sri Prakash Challa | Chairman | 2 | 2 |
| Sri E.Bhaskar Rao | Member | 2 | 2 |
| Sri B.Lokanath | Member | 2 | 2 |

Other details with regard to CSR Committee, Activities and policy are provided in the Directors Report and Annexure-3 to the Directors Report

4. GENERAL BODY MEETINGS

The details of Annual General Meetings are as follows:

| Year | Location | Nature of Meeting (AGM) | Date | Time | No. of Special Resolutions passed |
|-----------|--|-------------------------|----------------------|------------|------------------------------------|
| 2016-2017 | Qutub Shahi Hall, Country Club, 6-3-1219, Begumpet, Hyderabad - 500 016, Telangana | AGM | 28th September, 2017 | 12.00 P.M. | *One Special Resolution was passed |
| 2015-2016 | Qutub Shahi Hall, Country Club, 6-3-1219, Begumpet, Hyderabad - 500 016, Telangana | AGM | 29th September, 2016 | 12.00 P.M. | No Special Resolution was passed |
| 2014-2015 | Qutub Shahi Hall, Country Club, 6-3-1219, Begumpet, Hyderabad - 500 016, Telangana | AGM | 30th September, 2015 | 12.00 P.M. | No Special Resolution was passed |

* A Special Resolution was passed by the shareholders with requisite majority, with regard to payment of remuneration to Sri Prakash Challa, Chairman and Managing Director of the Company.

No Special Resolution is proposed to be conducted through Postal Ballot.

Procedure of Postal Ballot: As per the provisions of the Companies Act, 2013 and Rules made there under from time to time.

5. DISCLOSURES

- i) During the Financial Year 2017-18, there are no materially significant related party transaction with related parties that may have potential conflict with the interests of the Company at large. Further, the details of related party transactions are provided in Notes to the Financial Statements in the Annual Report.
- ii) In terms of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Board of Directors has formulated a Policy on Related Party Transactions which can be accessed from the website of the Company at <http://sspdl.com/investors.php>.
- iii) In terms of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Board of Directors has formulated a policy for determining material subsidiaries and the Policy is available on the website of the Company at <http://sspdl.com/investors.php>.
- iv) No penalties or strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, for any non-compliance on any matter relating to capital markets, during the last three years.
- v) Whistle Blower Policy: The Company established a vigil mechanism to report concerns about unethical behaviour, actual or suspected fraud or violation of code of conduct policy etc. The mechanism also provides for adequate safe guards against victimization of employees who avail the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. No personnel have been denied access to the Audit Committee. Policy is available on the website of the Company at <http://sspdl.com/investors.php>.
- vi) Details of Compliance with mandatory requirements and non-mandatory requirements:

The Company has complied with the requirements of Corporate Governance Report of Paragraphs (2) to (10) mentioned in Part 'C' of Schedule V of the Listing Regulations and disclosed necessary information.

Also, the Company has complied with corporate governance requirements as specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the Listing Regulations.

With regard to Non-Mandatory Requirements:

1. The Board

The Board - A non-executive Chairman may be entitled to maintain a Chairman's office at the company's expense and also allowed reimbursement of expenses incurred in performance of his duties: Not applicable, as Company is having Executive Chairman.

2. Shareholder Rights

A half-yearly declaration of financial performance including summary of the significant events in last six-months are presently, not being sent to shareholders of the Company.

3. Modified opinion(s) of in audit report

During the year under review, there is no audit qualification in your Company's standalone financial statements nor has there been a matter of emphasis made during the year. Your Company continues to adopt best practices to ensure a regime of unqualified financial statements.

4. Separate posts of Chairman and CEO

The company has not appointed separate persons to the post of Chairman and Managing Director/CEO.

5. Reporting of Internal Auditor

The Internal Auditors are invited to the meetings of the Audit Committee wherein they report to the Audit Committee. Also, the Internal Auditors are invited to the meetings of the Board.

vii) Commodity price risks or foreign exchange risk and hedging activities:- Company business requires steel and cement and this risk is managed through operating procedures. And, Company is not having any exposure to foreign exchange.

6. SUBSIDIARY COMPANIES

As per the provisions of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, no subsidiary of the Company is a material non-listed Indian subsidiary to the company as per the provisions of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

7. MEANS OF COMMUNICATION

The Quarterly/Half Yearly and Annual Financial Results of the Company are submitted to the BSE Limited, where the shares of the Company are listed. The financial results are normally published in leading newspapers like "Business Standard" (English) and "Andhra Prabha" (Telugu).

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

8. GENERAL SHAREHOLDER'S INFORMATION

| Sl. No. | Item | Details |
|---------|--|--|
| 1 | AGM Date, Time and Venue | On 29th September, 2018 the Saturday, at 12.00 P.M. At Qutub Shahi Hall, Country Club, 6-3-1219, Begumpet, Hyderabad - 500 016, Telangana. |
| 2 | Financial Year | 1st April, 2018 to 31st March, 2019 |
| 3 | Financial Calendar (tentative and subject to change) | For the Quarter ending: <ul style="list-style-type: none"> • 30th June, 2018 : by 14.08.2018 • 30th September, 2018 : by 14.11.2018 • 31st December, 2018 : by 14.02.2019 • 31st March, 2019 : by 30.05.2019, Audited Results. Annual General Meeting for the year ending 31st March, 2019 : by 30.09.2019 |
| 4 | Dates of Book Closure | From 24th September, 2018 to 29th September, 2018 (Both days inclusive). |

| | | |
|---|---------------------------|--|
| 5 | Dividend Payment Date | Not Applicable |
| 6 | Listing on Stock Exchange | The Company's Shares are listed on BSE Limited. The Address of the Exchange is as given below: - BSE Limited, 25th Floor, Phiroze Jee jeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001. - The Company has duly paid the Listing fees for the year 2018-19. |
| 7 | Stock Code | (BSE) 530821 SCRIP ID OF BOLT SYSTEM SSPDL |

Green Initiative

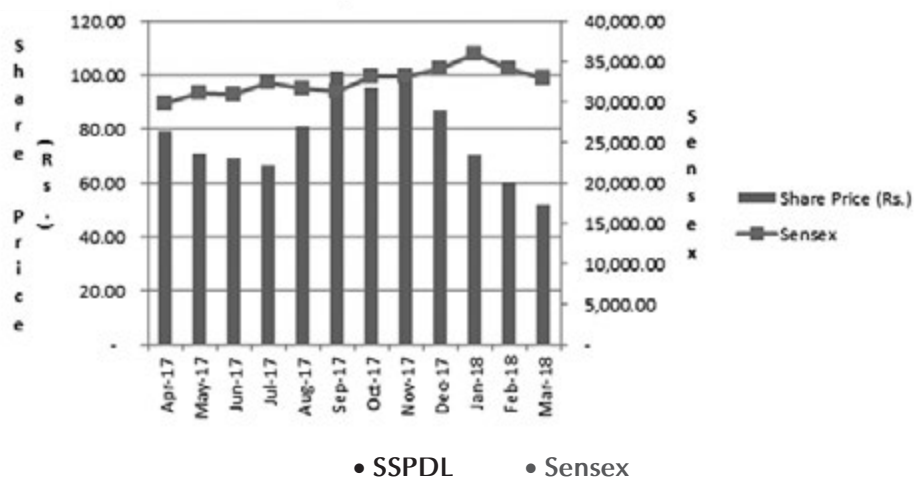
As a green initiative measure, the provisions of the Companies Act, 2013 and the SEBI ((Listing Obligations and Disclosure Requirements) Regulations, 2015 have permitted Companies to deliver annual reports to investors through electronic mode who have registered their e-mail address.

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

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

| Month and Year | High (In ₹) | Low (In ₹) |
|-----------------|-------------|------------|
| April, 2017 | 87.00 | 75.05 |
| May, 2017 | 82.45 | 66.10 |
| June, 2017 | 80.00 | 67.00 |
| July, 2017 | 78.70 | 56.70 |
| August, 2017 | 83.80 | 51.20 |
| September, 2017 | 106.80 | 79.00 |
| October, 2017 | 105.00 | 87.10 |
| November, 2017 | 109.00 | 76.00 |
| December, 2017 | 101.00 | 85.45 |
| January, 2018 | 107.00 | 66.20 |
| February, 2018 | 76.35 | 58.20 |
| March, 2018 | 66.45 | 46.60 |

10. Performance in Comparison to BSE Index



Historical Graph 01.04.2017 to 31.03.2018

11. Registrar and Transfer Agents
[for both physical and
electronic (demat) segments]

M/s. Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot 31-32,
Gachibowli, Financial District,
Nanakramguda, Hyderabad - 500 032
Phone Nos : 040 6716 2222
Fax Nos : 040 2342 0814.
E-mail : einward.ris@karvy.com

12. Share Transfer System

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

13. Shareholding Information:

i) **Distribution Schedule as on 31.03.2018:**

| Sl. No. | Category (No. of Shares) | No. of Shareholders | % of Shareholders | Total Shares | Amount (₹) | % of Shareholding |
|---------|--------------------------|---------------------|-------------------|--------------------|---------------------|-------------------|
| 1 | Upto 500 | 2,582 | 75.92 | 3,78,527 | 37,85,270 | 2.93 |
| 2 | 501 - 1000 | 298 | 8.76 | 2,44,574 | 24,45,740 | 1.89 |
| 3 | 1001 - 2000 | 183 | 5.38 | 2,84,092 | 28,40,920 | 2.20 |
| 4 | 2001 - 3000 | 86 | 2.53 | 2,20,220 | 22,02,200 | 1.70 |
| 5 | 3001 - 4000 | 40 | 1.18 | 1,41,553 | 14,15,530 | 1.09 |
| 6 | 4001 - 5000 | 32 | 0.94 | 1,51,955 | 15,19,550 | 1.18 |
| 7 | 5001 - 10000 | 68 | 2.00 | 5,05,773 | 50,57,730 | 3.91 |
| 8 | 10001 and above | 112 | 3.29 | 1,10,02,556 | 11,00,25,560 | 85.10 |
| | Total | 3,401 | 100.00 | 1,29,29,250 | 12,92,92,500 | 100.00 |

ii) **Shareholding Pattern as on 31.03.2018:**

| Sl. No. | Category | No. of Shareholders | Total Shares | % to Equity |
|---------|----------------------|---------------------|--------------------|---------------|
| 1 | PROMOTERS | 13 | 69,69,851 | 53.91 |
| 2 | RESIDENT INDIVIDUALS | 3,153 | 47,09,563 | 36.42 |
| 3 | BODIES CORPORATE | 99 | 3,37,742 | 2.61 |
| 4 | NON-RESIDENT INDIANS | 31 | 7,18,725 | 5.56 |
| 5 | HUF | 97 | 1,78,009 | 1.38 |
| 6 | CLEARING MEMBERS | 7 | 3,969 | 0.03 |
| 7 | NBFC | 1 | 11,391 | 0.09 |
| | Total | 3,401 | 1,29,29,250 | 100.00 |

14. Dematerialization of Shares and Liquidity

The Company's equity shares are compulsorily traded in dematerialized form for all investors. Investors are therefore advised to open a Demat account with the Depository Participant of their choice to trade in Demat form. The list of depository participants is available with NSDL and CDSL. The ISIN allotted to the Company's Scrip is INE838C01011. 98.33% of Company's shares are now held in Electronic form. The Company's shares are currently traded in X Group on the BSE, Mumbai.

Shareholding Summary: As of 31st March, 2018 the shareholding summary is as under:

| Category | No. of Holders | Total Shares | % to Equity |
|--------------|----------------|--------------------|---------------|
| Physical | 214 | 2,16,449 | 1.67 |
| NSDL | 1,904 | 84,62,200 | 65.45 |
| CDSL | 1,283 | 42,50,601 | 32.88 |
| Total | 3,401 | 1,29,29,250 | 100.00 |

In terms of Regulation 55A of the SEBI (Depositories and Participants) Regulations, 1996, reconciliation of Share Capital Audit is conducted every quarter, by Savita Jyoti Associates, Practicing Company Secretaries, to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital and the report is forwarded to the Stock Exchanges where the shares of the Company are listed. And, Corporate Governance compliance report for the quarter ended 30.06.2017, 30.09.2017, 31.12.2017 and 31.03.2018 were submitted to the BSE Limited.

15. **Outstanding ADRs/GDRs** As on March 31, 2018, the Company has not issued any ADR/GDR.

16. **Plant Locations** Not applicable

17. **Addresses for Correspondence:**

Registered Office:

SSPDL Limited (CIN: L70100TG1994PLC018540)
8-2-595/3/6, Eden Gardens, Road No.10,
Banjara Hills, Hyderabad - 500 034, Telangana.
Phone No.: 040 - 6663 7560
Fax No.: 040 - 6663 7969
www.sspdl.com

Registrars and Transfer Agents:

M/s. Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot 31-32,
Gachibowli, Financial District,
Nanakramguda, Hyderabad - 500 032.
Phone Nos : 040 6716 2222
Fax Nos : 040 2342 0814.
E-mail : einward.ris@karvy.com

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

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

DECLARATION BY THE MANAGING DIRECTOR

[Under Regulation 34(3) read with paragraph D of Schedule V of the SEBI
(Listing Obligations and Disclosure Requirements), Regulations, 2015]]

I, Prakash Challa, Chairman and Managing Director of SSPDL Limited is hereby confirm that the Board has laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company. Further, I hereby declare that all the members of board of directors and senior management personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management during the financial year 2017-18.

Place : Hyderabad

Date : 14.08.2018

PRAKASH CHALLA
CHAIRMAN AND MANAGING DIRECTOR

COMPLIANCE CERTIFICATE

To,
The Board of Directors,
SSPDL Limited,
Hyderabad.

In pursuance of provisions of Regulation 17(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, We, Prakash Challa, Chairman and Managing Director and U.S.S. Ramanjaneyu .N, Chief Financial Officer of M/s. SSPDL Limited ("the Company"), we hereby certify that:

- A. We have reviewed financial statements and the cash flow statement for the financial year ended 31.03.2018 and that to the best of our knowledge and belief:
 - (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the 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 internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such 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
 - (1) significant changes in internal control over financial reporting during the year;
 - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For SSPDL Limited

Prakash Challa
Chairman and Managing Director

Place : Hyderabad

Date : 30.05.2018

For SSPDL Limited

U S S Ramanjaneyulu N
Chief Financial Officer

INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
SSPDL LIMITED

1. We, M/s.AMADHUSUDANA & CO.,Chartered Accountants, the Statutory Auditors of SSPDL LIMITED("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March, 2018, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (" SEBI Listing Regulations").

Managements' Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

Auditors' Responsibility

3. Our responsibility is limited to examining the procedures and implementation 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.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013,in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI Listing Regulations during the year ended 31st March, 2018.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

for A MADHUSUDHANA & CO.
Chartered Accountants
ICAI Firm Registration Number: 004436S

G.V.S Prasad
Partner
Membership Number: 020653

Place : Hyderabad
Date : 14.08.2018

INDEPENDENT AUDITORS' REPORT

To the members of SSPDL Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of SSPDL Limited ('the Company') which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that

give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 including Ind AS, of the financial position of the Company as at 31st March, 2018, and its profit including other comprehensive income, its cash flows and changes in equity for the year ended on that date.

Other Matter

The Comparative financial information of the Company for the year ended 31st March, 2017 and transition date opening balance sheet as at 01st April, 2016 included in these standalone Ind AS financial statements, are based on previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31st March, 2017 and 31st March, 2016 dated 15th May, 2017 and 28th May, 2016 respectively expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us. Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of section 143(11) of the Act, we give in the "Annexure-A", a statement on the matters specified in paragraphs 3 and 4 of the order.
2. As required by section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

- e) On the basis of the written representations received from the directors as on 31st March, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure-B"; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements- Refer Note 26(b) to the standalone Ind AS financial statements.
- ii. The Company didn't have any long term contracts including derivative contracts for which there were any foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For A MADHUSUDANA & CO.,
Chartered Accountants
(Firm Registration No.007405S)

(G.V.S PRASAD)
PARTNER

Place: Hyderabad
Date: 30/05/2018

Membership No. 020653

Annexure - A referred to in paragraph 1 of Report on Other Legal and Regulatory Requirements section of our report of even date

Re: SSPDL Limited ('the Company')

i. In respect of its fixed assets:

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, the management has physically verified a substantial portion of the fixed assets during the year and in our opinion frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies noticed on physical verification of fixed assets as compared to the books of account were not material and have been properly dealt with in the books of accounts.
- (c) In our opinion and according to the information and explanations given to us, all the title deeds of immovable properties are held in the name of the Company.
- ii. According to the information and explanations given to us, the inventories have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on physical verification of inventory as compared to the books of account were not material and have been properly dealt with in the books of accounts.
- iii. According to the information and explanations given to us, the Company has granted unsecured loans to four wholly owned subsidiaries covered in the register maintained under section 189 of the Act.
- (a) The terms and conditions of grant of such loans are, in our opinion prima facie, not prejudicial to interest of the shareholders.
- (b) The said loans are repayable on demand and are interest free.
- (c) There are no overdue on the loans mentioned above.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- v. According to the information and explanations given to us, the Company has not accepted deposits from the public within the meaning of Section 73 and 76 or any other relevant provisions of the Act and the rules framed there under.
- vi. We have broadly reviewed the books of account and records maintained by the Company pursuant to the Rules made by the Central Government of India for the maintenance of cost records prescribed under sub-section (1) of section 148 of the Act in respect of production and processing activities of the Company and are of the opinion that prima facie, the prescribed accounts and records have been maintained. We have however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. In respect of Statutory dues:
- (a) The Company is regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, Goods and Service tax, customs duty, value added tax, cess and other material statutory dues applicable to it. The provisions relating to excise duty are not applicable to the Company. According to the information and explanations given to us, no undisputed amounts payable in respect of such statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, the dues outstanding of income-tax, sales-tax, service tax, value added tax and cess on account of dispute, are as follows:

| Name of the Statute | Nature of the Dues | Amount ₹In Lakhs | Period to which the amount relates | Forum where dispute is pending |
|-------------------------------|-----------------------------------|---------------------|---------------------------------------|-----------------------------------|
| Tamil Nadu General sales Act. | Disallowances of Input tax credit | 0.33 | 2006-07 | Supreme court |
| Tamil Nadu General Sales Act | Disallowances of Input tax credit | 1.25 | 2007-08 | Supreme court |
| Finance Act 1994 | Service tax demand | 7.53 | 2006-11 | CESTAT, Chennai |
| Finance Act 1994 | Service tax demand | 0.19 | 2010-12 | CESTAT, Chennai |

- viii. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to banks and financial institutions. The Company did not have any debentures outstanding as at the year end.
- ix. Based on the information and explanations given to us by the management, the Company has not raised any moneys by way of initial public offer or further public offer of equity shares, convertible securities and debt securities. During the year Company has taken term loan from PNB Housing Finance Ltd. and it is utilised for the purpose for which it is raised.
- x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no material fraud, by the Company or on the Company by its officers or employees, has been noticed or reported during the year.
- xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For A MADHUSUDANA & CO.,
Chartered Accountants
(Firm Registration No.007405S)

Place: Hyderabad
Date: 30/05/2018

(G.V.S PRASAD)
PARTNER
Membership No. 020653

**Annexure - B to the Our Report of even date on the Standalone Financial Statements of SSPDL Limited
Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **SSPDL Limited** (“the Company”) as of 31 March 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For A MADHUSUDANA & CO.,
Chartered Accountants
(Firm Registration No.007405S)

Place: Hyderabad
Date: 30/05/2018

(G.V.S PRASAD)
PARTNER
Membership No. 020653

BALANCE SHEET AS AT MARCH 31, 2018

(All amounts are in Indian Rupees unless otherwise specified)

| Particulars | Note No. | As at March 31, 2018 | As at March 31, 2017 | As at April 01, 2016 |
|--|----------|-----------------------------|-----------------------------|-----------------------------|
| I. ASSETS | | | | |
| 1 Non-current Assets | | | | |
| (a) Property, Plant and Equipment | 3 | 2,246,993 | 3,845,966 | 5,458,693 |
| (b) Financial Assets | | | | |
| (i) Investments | 4a | 87,292,568 | 110,480,528 | 133,480,528 |
| (ii) Other financial assets | 4b | - | 14,899,591 | 13,990,226 |
| (c) Deferred Tax assets (Net) | 5 | 89,874,714 | 62,008,009 | 95,036,409 |
| (d) Other Non-current assets | 6 | 46,384,155 | 26,918,705 | 15,614,312 |
| | | <u>225,798,430</u> | <u>218,152,798</u> | <u>263,580,168</u> |
| 2 Current Assets | | | | |
| (a) Inventories | 7 | 407,581,933 | 317,646,226 | 373,147,854 |
| (b) Financial Assets | | | | |
| (i) Trade Receivables | 8a | 444,035,744 | 407,578,152 | 337,260,347 |
| (ii) Cash and cash equivalents | 8b | 36,392,000 | 9,338,029 | 34,306,715 |
| (iii) Bank balances other than (ii) above | 8c | 157,672 | 157,672 | 14,948,202 |
| (iv) Loans | 8d | 280,981,881 | 250,935,442 | 179,867,114 |
| (v) Others financial assets | 8e | 304,148,739 | 251,864,017 | 4,367,390 |
| (c) Other Current Assets | 9 | 229,709,239 | 153,226,593 | 131,188,028 |
| | | <u>1,703,007,207</u> | <u>1,390,746,131</u> | <u>1,075,085,650</u> |
| Total | | <u>1,928,805,638</u> | <u>1,608,898,929</u> | <u>1,338,665,818</u> |
| II. EQUITY AND LIABILITIES | | | | |
| 1 Equity | | | | |
| (a) Equity Share Capital | 10 | 129,292,500 | 129,292,500 | 129,292,500 |
| (b) Other equity | | 501,722,248 | 585,359,738 | 423,324,778 |
| | | <u>631,014,748</u> | <u>714,652,238</u> | <u>552,617,278</u> |
| LIABILITIES | | | | |
| 2 Non-current Liabilities | | | | |
| (a) Financial liabilities | | | | |
| (i) Borrowings | 11a | 60,365,859 | 437,305 | 873,165 |
| (ii) Trade payables | 11b | - | 44,506,224 | 29,767,787 |
| (iii) Other Financial liabilities | 11c | - | 100,000 | 100,000 |
| (b) Provisions | 12 | 8,012,868 | 5,331,096 | 2,413,557 |
| | | <u>68,378,727</u> | <u>50,374,625</u> | <u>33,154,509</u> |
| 3 Current Liabilities | | | | |
| (a) Financial liabilities | | | | |
| (i) Borrowings | 13a | 305,773,398 | 175,457,308 | 149,648,663 |
| (ii) Trade payables | 13b | 224,741,600 | 248,758,469 | 114,484,765 |
| (iii) Other Financial liabilities | 13c | 57,021,998 | 52,866,831 | 53,552,416 |
| (b) Other Current Liabilities | 14 | 526,041,666 | 254,807,344 | 209,539,110 |
| (c) Provisions | 15 | 115,833,502 | 111,982,113 | 225,669,077 |
| | | <u>1,229,412,164</u> | <u>843,872,066</u> | <u>752,894,031</u> |
| Total | | <u>1,928,805,638</u> | <u>1,608,898,929</u> | <u>1,338,665,818</u> |
| Summary of significant accounting policies | 1 & 2 | | | |

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

As per our attached report of even date

For A. Madhusudana & Co.,
Chartered Accountants
Firm Registration No. : 007405S

For and on behalf of the Board of Directors

G.V.S. Prasad
Partner
Membership No. : 020653

Prakash Challa
Chairman and Managing Director
(DIN:02257638)

E.Bhaskar Rao
Director
(DIN: 00003608)

Place : Hyderabad
Date : 30-05-2018

U S S Ramanjaneyulu N
Chief Financial Officer

A.Shailendra Babu
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018
(All amounts are in Indian Rupees unless otherwise specified)

| Particulars | Note No. | For the Year Ended March 31, 2018 | For the Year Ended March 31, 2017 |
|---|----------|--------------------------------------|--------------------------------------|
| Revenue: | | | |
| Revenue from Operations | 16 | 473,380,831 | 1,125,030,498 |
| Other Income | 17 | 1,601,433 | 15,808,620 |
| Total Revenue | | 474,982,263 | 1,140,839,117 |
| Expenses: | | | |
| a) Construction Expenses | 18 | 491,258,272 | 806,991,854 |
| b) Employee Benefits Expense | 19 | 31,833,873 | 27,446,502 |
| c) Finance Costs | 20 | 36,548,932 | 28,179,513 |
| d) Depreciation and Amortization Expense | 3 | 1,762,028 | 1,800,413 |
| e) Other Expenses | 21 | 25,083,355 | 23,917,475 |
| Total Expenses | | 586,486,459 | 888,335,757 |
| Profit / (Loss) before Tax | | (111,504,196) | 252,503,360 |
| Tax Expense: | | | |
| a) Current Tax | | - | 57,440,000 |
| b) Deferred Tax Charge / (Release) | | (27,866,705) | 23,152,350 |
| c) MAT Credit Utilisation/(Entitlement) | | - | 9,876,050 |
| Total Tax Expenses | | (27,866,705) | 90,468,400 |
| Profit/ (Loss) for the Year | | (83,637,490) | 162,034,960 |
| Other Comprehensive income | | | |
| Items that will not be reclassified subsequently to profit or loss (Net of tax) | | - | - |
| Items that will be reclassified subsequently to profit or loss (Net of tax) | | - | - |
| Total other comprehensive income, net of tax | | - | - |
| Total Comprehensive income for the period | | (83,637,490) | 162,034,960 |
| Earnings Per Share (Face value of ₹10 each) | | | |
| - Basic and Diluted | 22 | (6.47) | 12.53 |
| Summary of significant accounting policies | 1 & 2 | | |

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

As per our attached report of even date

For A. Madhusudana & Co.,
Chartered Accountants
Firm Registration No. : 007405S

For and on behalf of the Board of Directors

G.V.S. Prasad
Partner
Membership No. : 020653

Prakash Challa
Chairman and Managing Director
(DIN:02257638)

E.Bhaskar Rao
Director
(DIN: 00003608)

Place : Hyderabad
Date : 30-05-2018

U S S Ramanjaneyulu N
Chief Financial Officer

A.Shailendra Babu
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in Indian Rupees unless otherwise specified)

| Particulars | For the Year Ended March 31, 2018 | For the Year Ended March 31, 2017 |
|--|--------------------------------------|--------------------------------------|
| A CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net Profit/(Loss) before Tax | (111,504,196) | 252,503,360 |
| Adjustments for: | | |
| Depreciation | 1,762,028 | 1,800,413 |
| Interest income | (1,336,054) | (11,989,469) |
| Dividend Income | - | - |
| Interest Cost | 36,548,932 | 28,179,513 |
| Liabilities & Provisions no longer required - written back | - | (8,959) |
| Advance written off | - | - |
| Bad debts writtne off | - | - |
| Provision for future contract losses - Provided / (Reversal) - Net | 4,240,678 | (114,076,273) |
| Profit/loss on sale of investments | - | - |
| Provision for Defect Liability Period | 2,354,207 | 3,245,583 |
| Provision for Gratuity | - | - |
| Profit/loss on sale of fixed assets | - | - |
| | (67,934,405) | 159,654,168 |
| Operating Profit before Working Capital Changes | | |
| Adjustments for: | | |
| Decrease/(increase) in inventories | (89,935,707) | 55,501,628 |
| Decrease/(increase) in trade receivables | (36,457,592) | (70,317,805) |
| Decrease/(increase) in Short Term loans and advances | (30,046,439) | (71,068,328) |
| Decrease/(increase) in other current financial assets | (52,284,722) | (247,496,627) |
| Decrease/(increase) in other current assets | (76,482,646) | (41,409,656) |
| Decrease/(increase) in Non current other financial assets | 14,899,591 | (909,365) |
| Decrease/(increase) in Other Non-Current Assets | (19,465,450) | (11,304,393) |
| Increase/(decrease) in Non current trade payables | (44,506,224) | 14,738,437 |
| Increase/(decrease) in Non current Other financial liabilities | (100,000) | - |
| Increase/(decrease) in Non current Provisions | 327,565 | (328,044) |
| Increase/(decrease) in current trade payables | (24,016,869) | 134,282,663 |
| Increase/(decrease) in other current financial liabilities | (350,395) | (727,835) |
| Increase/(decrease) in other current liabilities | 271,234,321 | 45,268,234 |
| Increase/(decrease) in Short term Provisions | (389,289) | 389,309 |
| (Increase) / Decrease in Net Current Assets | (87,573,856) | (193,381,781) |
| Cash Generated from Operation | (155,508,260) | (33,727,613) |
| Adjustments for income tax (paid)/refund | - | (38,068,909) |
| Net Cash from Operating Activities | (155,508,260) | (71,796,522) |

| Particulars | For the Year Ended March 31, 2018 | For the Year Ended March 31, 2017 |
|--|--------------------------------------|--------------------------------------|
| B CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of investments | - | - |
| Disposal of investments | 23,187,960 | 23,000,000 |
| Purchase of fixed assets | (163,055) | (187,686) |
| Proceeds from sale of fixed assets | - | - |
| Interest received | 1,336,054 | 11,989,469 |
| Dividend Received | - | - |
| Bank balances not considered as cash equivalents | - | 14,790,530 |
| Net Cash from Investing Activities | B 24,360,959 | 49,592,312 |
| C CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Interest paid on borrowings | (36,548,932) | (28,179,513) |
| Proceeds/(repayment) of Long Term borrowings | 59,928,554 | (435,860) |
| Proceeds/(repayment) of Short term borrowings | 134,821,652 | 25,850,895 |
| Net Cash used in Financing Activities | C 158,201,274 | (2,764,478) |
| Net Increase/(Decrease) in Cash and Cash Equivalent | A+B+C 27,053,972 | (24,968,687) |
| Cash and cash equivalents at the beginning of the year | 9,338,029 | 34,306,715 |
| Cash and cash equivalents at the end of the year | 36,392,001 | 9,338,028 |

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

As per our attached report of even date

For A. Madhusudana & Co.,
Chartered Accountants
Firm Registration No. : 007405S

For and on behalf of the Board of Directors

G.V.S. Prasad
Partner
Membership No. : 020653

Prakash Challa
Chairman and Managing Director
(DIN:02257638)

E.Bhaskar Rao
Director
(DIN: 00003608)

Place : Hyderabad
Date : 30-05-2018

U S S Ramanjaneyulu N
Chief Financial Officer

A.Shailendra Babu
Company Secretary

Statement Of Changes In Equity

(All amounts are in Indian Rupees unless otherwise specified)

a) Equity

| Particulars | As on March 31, 2018 | As on March 31, 2017 | As on April 01, 2016 |
|--|-------------------------|-------------------------|-------------------------|
| Equity shares Issued, Subscribed and Paid up capital | | | |
| As at April 1, 2016 | 129,292,500 | 129,292,500 | 129,292,500 |
| Addition\Deletions for the period | - | - | - |
| As at March 31, 2017 | 129,292,500 | 129,292,500 | 129,292,500 |
| Addition\Deletions for the period | - | - | - |
| As at March 31, 2018 | 129,292,500 | 129,292,500 | 129,292,500 |

b) Other Equity

| Particulars | Reserves and surplus | | | Total |
|---|----------------------|----------------------------|--------------------|--------------------|
| | General Reserve | Securities Premium Reserve | Retained Earnings | |
| Balance as at April 01, 2016 | 18,241,459 | 220,887,000 | 184,196,319 | 423,324,778 |
| Changes in accounting policy or prior period errors | - | - | - | - |
| Restated Balance at the beginning of the period | - | - | - | - |
| Total comprehensive income for the period | - | - | 162,034,960 | 162,034,960 |
| Dividends | - | - | - | - |
| Transfer to retained earnings | - | - | - | - |
| Any other change (Nature to be specified) | - | - | - | - |
| Balance as at March 31, 2017 | 18,241,459 | 220,887,000 | 346,231,279 | 585,359,738 |
| Changes in accounting policy or prior period errors | - | - | - | - |
| Restated Balance at the beginning of the period | - | - | - | - |
| Total comprehensive income for the period | - | - | (83,637,490) | (83,637,490) |
| Dividends | - | - | - | - |
| Transfer to retained earnings | - | - | - | - |
| Any other change (Nature to be specified) | - | - | - | - |
| Balance as at the March 31, 2018 | 18,241,459 | 220,887,000 | 262,593,789 | 501,722,248 |

Nature and purpose of the Reserves

i) Securities Premium

Securities Premium is used to record the premium on the issue of Shares. The reserve is used for the purposes as specified in the Companies Act, 2013.

ii) General Reserve

The Company is required to create a general reserve out of the profits when the Company declares dividend to shareholders

As per our attached report of even date

For **A. Madhusudana & Co.**,
Chartered Accountants
Firm Registration No. : 007405S

For and on behalf of the Board of Directors

G.V.S. Prasad
Partner
Membership No. : 020653

Prakash Challa
Chairman and Managing Director
(DIN:02257638)

E.Bhaskar Rao
Director
(DIN: 00003608)

Place : Hyderabad
Date : 30-05-2018

U S S Ramanjaneyulu N
Chief Financial Officer

A.Shailendra Babu
Company Secretary

Notes to Financial Statements for the Financial Year Ended 31.03.2018

1 Corporate Information

SSPDL Limited ("the Company") was incorporated on October 17, 1994. The Company is a leading real estate developer engaged primarily in the business of real estate, property development, construction and other related activities. The company is domiciled in India and listed on BSE Limited (BSE)

2 Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements up to year ended 31 March 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These financial statements are the first financial statements under Ind AS. Refer note on "First-time adoption of Ind AS" for an explanation of how the transition from previous GAAP to Ind AS has effected financial position, financial performance and cash flows.

ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue from rendering service is net of service tax and GST.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met and as per terms of lease agreements.

Revenue from Services

Timing of recognition: Revenue from services is recognised in the accounting period in which the services are rendered.

i) Construction Contracts;

In accordance with AS -7 (Revised), the Company recognizes contract revenue at cost of work performed on the contract plus proportionate margin, using percentage completion method stated on the basis of proportionate cost of work performed to-date, to the total estimated contract costs 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 from Developing /Constructing properties for all projects commenced on or before March 31, 2012 and where revenue recognition commenced on or before the above date, is recognized in accordance with the provisions of Indian Accounting standard 18 on Revenue Recognition, read with Guidance Note on "Accounting for real estate transactions(for entities to whom Ind AS is applicable)". Revenue is computed based on the "percentage of completion method" and on the percentage of actual project costs incurred thereon to total estimated project cost.

Revenue from Developing /Constructing properties for all projects commenced on or after April 1, 2012 or project where the revenue is recognized for the first time on or after the above date, is recognized in accordance with the Revised Guidance Note issued by the Institute of Chartered Accountants of India ("ICAI") on "Accounting for Real Estate Transactions for entities to whom ind AS is applicable."

As per this Guidance Note, the revenue has been recognized on percentage of completion method provided all of the following conditions are met at the reporting date.

- Required critical approvals for commencement of the project have been obtained,
- At least 25% of estimated construction and development costs (excluding land cost) has been incurred,
- At least 25% of the saleable project area is secured by the Agreements to sell/application forms (containing salient terms of the agreement to sell); and
- At least 10% of the total revenue as per agreement to sell is realized in respect of these agreements.

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;

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

v) Dividend Income;

Dividend income is recognized when the company's right to receive dividend is established by the reporting date.

vi) Rental Receipts;

Rent, service receipts, income from forfeiture of properties and interest from customers under agreement to sell is accounted for on accrual basis except in cases where ultimate collection is considered doubtful.

Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Leases**As a lessee**

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a business comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Group; and
- fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred;
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used by the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fairvalue recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

Impairment of assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from assets or group of assets (cash generating units). Non financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call, bank deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Investments and other financial assets

i) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The company reclassifies debt investments when and only when its business model for managing those assets changes.

ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.
- **Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/(losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Investments equity instruments of subsidiaries, associates or joint ventures.

Investments in equity instruments of subsidiaries, joint ventures and associates are accounted for at cost in accordance with Ind AS 27 Separate Financial Statements

iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 18 details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected life time losses to be recognised from initial recognition of the receivables.

(iv) Derecognition of financial assets

A financial asset is derecognised only when

- the Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

Property, Plant and Equipment

Free hold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 01 April, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives and residual value

Depreciation on tangible assets is provided on pro-rata basis on the straight line method in accordance with useful life estimated by the management which is the same as those prescribed under Schedule II to the Companies Act, 2013. The useful life, residual value and the depreciation method are reviewed atleast at each financial year end.

If the expectations differ from previous estimates, the changes are accounted for prospectively as a change in accounting estimate. Assets costing ₹ 5,000 or less are depreciated in full in the year of acquisition. In respect of additions/deletions, depreciation charge is restricted to the period of use.

The asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains or losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

Intangible assets

i) Goodwill

Goodwill on acquisitions of subsidiary is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

ii) Computer software

Computer software are stated at cost, less accumulated amortisation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

iii) Amortisation methods and periods

The Group amortises intangible assets with a finite useful life using the straight-line method over the following periods:

Computer software - 5 years

iv) Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of intangible assets recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

Trade and other payables

These amounts represent liabilities for goods and services provided to the entity prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid as per mutual terms of arrangement from the date of supply. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings

Borrowings are initially recognized at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other gains/ (losses).

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognized in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instrument issued.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of financial statements for issue, not to demand payment as consequence of the breach.

Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalization. Other borrowings costs are expensed in the period in which they are incurred.

Provisions

Provisions for legal claims are recognised when the entity has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contributed Equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Earnings per share

i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company;
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

Standards issued but not yet effective

The standard issued, but not yet effective up to the date of issuance of the Company's financial statements is disclosed below. The Company intends to adopt this standard when it becomes effective.

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective for annual periods beginning on or after April 1, 2018. There are no standards, changes in standards and interpretations that are not in force up to reporting period that the Company expects to have a material impact arising from its application in this financial statements.

Ind AS 115- Revenue from Contracts with customers

Ind AS 115, is effective for periods beginning on or after April 01, 2018. Ind AS 115 sets out the requirements for recognising revenue that apply to all contracts with customers (except for contracts that are within the scope of the Standards on leases, insurance contracts and financial instruments). Ind AS 115 replaces the previous revenue Standards: Ind AS 18 Revenue and Ind AS 11 Construction Contracts, and the related appendices.

The standard establishes a comprehensive framework for determining when to recognise revenue and how much revenue to recognise. Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is transferred to the customer. The core principle in that framework is that a company should recognise revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the fair value of consideration to which the company expects to be entitled in exchange for those goods or services.

The management is in process of quantifying the effect of this standard, however no impact is expected.

Critical estimates and judgements**Revenue and inventories**

The Company recognizes revenue using the percentage of completion method. This requires forecasts to be made of total budgeted cost with the outcomes of underlying construction and service contracts, which require assessments and judgements to be made on changes in work scopes, claims (compensation, rebates etc.) and other payments to the extent they are probable and they are capable of being reliably measured. For the purpose of making estimates for claims, the Company used the available contractual and historical information

Useful lives of depreciable/ amortisable assets

Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets.

Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses

Measurement of financial assets and financial liabilities

The entity measures its financial assets at amortised cost or fair value through other comprehensive income or fair value through Profit and loss and financial liabilities at amortised cost or fair value through Profit and loss. The determination of such values involve the use of significant assumptions such as the expected life of the financial assets or liabilities, fair value of assets or liabilities on the reporting date depending upon the market conditions, cash flows, Restrictions if any on the transfer. Uncertainty in these estimates may significantly impact the Carrying amount of such financial assets or liabilities. For the purpose of making estimates, the Company used the available contractual and historical information

Provisions, Contingent liabilities and contingent assets

Provisions are measured at the present value of management's best estimate of the outflow of resources required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense. Any changes in the market conditions or the expected time for settlement of the liability results in change in the present value of assets.

Contingent liabilities are disclosed based on the best available information with the company regarding the probability of outflow of resources required to settle the obligation.

Notes to financial statements for the year ended March 31, 2018

(All amounts are in Indian Rupees unless otherwise specified)

First-time adoption of Ind AS**A. Transition to Ind AS**

These are the company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 2, have been applied in preparing the financial statements for the year ended March 31, 2018, in preparing the comparative information presented in these financial statements for the year ended March 31, 2017 (the Company's date of transition), and in preparing the comparative information presented in these financial statements as at April 01, 2016. An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is set out in the following tables and notes

B Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

| Particulars | Previous GAAP April 01, 2016 | Effect of Transition to Ind AS | Ind As April 01, 2016 |
|---|---------------------------------|-----------------------------------|--------------------------|
| Non-current Assets | | | |
| (i) Property, Plant and Equipment | 5,458,693 | - | 5,458,693 |
| (ii) Investments | 174,437,238 | (40,956,710) | 133,480,528 |
| (iii) Other financial assets | 13,990,226 | - | 13,990,226 |
| (iv) Deferred Tax assets (Net) | 97,540,639 | (2,504,230) | 95,036,409 |
| (v) Other Non-current assets | 15,614,312 | - | 15,614,312 |
| | 307,041,108 | (43,460,940) | 263,580,168 |
| Current Assets | | | |
| (i) Inventories | 373,147,854 | - | 373,147,854 |
| (ii) Trade Receivables | 337,260,347 | - | 337,260,347 |
| (iii) Cash and cash equivalents | 34,306,715 | - | 34,306,715 |
| (iv) Bank balances other than (iii) above | 14,948,202 | - | 14,948,202 |
| (v) Loans | 179,867,114 | - | 179,867,114 |
| (vi) Others financial assets | 6,245,228 | (1,877,838) | 4,367,390 |
| (vii) Other Current Assets | 129,310,190 | 1,877,838 | 131,188,028 |
| | 1,075,085,650 | - | 1,075,085,650 |
| TOTAL | 1,382,126,758 | (43,460,940) | 1,338,665,818 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| (i) Equity Share Capital | 129,292,500 | - | 129,292,500 |
| (ii) Other equity | 459,549,734 | (36,224,956) | 423,324,778 |
| | 588,842,234 | (36,224,956) | 552,617,278 |

| Particulars | Previous GAAP April 01, 2016 | Effect of Transition to Ind AS | Ind As April 01, 2016 |
|---|---------------------------------|-----------------------------------|--------------------------|
| LIABILITIES | | | |
| Non-current Liabilities | | | |
| (i) Financial liabilities | | | |
| (a) Borrowings | 873,165 | - | 873,165 |
| (b) Trade payables | 36,182,931 | (6,415,144) | 29,767,787 |
| (c) Other Financial liabilities | 100,000 | - | 100,000 |
| (ii) Provisions | 3,234,397 | (820,840) | 2,413,557 |
| | 40,390,493 | (7,235,984) | 33,154,509 |
| Current Liabilities | | | |
| (i) Financial liabilities | | | |
| (a) Borrowings | 149,648,663 | - | 149,648,663 |
| (b) Trade payables | 114,484,765 | - | 114,484,765 |
| (c) Other Financial liabilities | 53,552,416 | - | 53,552,416 |
| (ii) Other Current Liabilities | 209,539,110 | - | 209,539,110 |
| (iii) Provisions | 225,669,077 | - | 225,669,077 |
| (iv) Current tax liabilities (Net) | - | - | - |
| | 752,894,031 | - | 752,894,031 |
| Total | 1,382,126,758 | (43,460,940) | 1,338,665,818 |
| Particulars | Previous GAAP March 31, 2017 | Effect of Transition to Ind AS | Ind As March 31, 2017 |
| Non-current Assets | | | |
| (i) Property, Plant and Equipment | 3,845,966 | - | 3,845,966 |
| (ii) Investments | 151,437,238 | (40,956,710) | 110,480,528 |
| (iii) Other financial assets | 14,899,591 | - | 14,899,591 |
| (iv) Deferred Tax assets (Net) | 63,974,165 | (1,966,156) | 62,008,009 |
| (v) Other Non-current assets | 26,918,705 | - | 26,918,705 |
| | 261,075,664 | (42,922,866) | 218,152,798 |
| Current Assets | | | |
| (i) Inventories | 317,646,226 | - | 317,646,226 |
| (ii) Trade Receivables | 407,578,152 | - | 407,578,152 |
| (iii) Cash and cash equivalents | 9,338,029 | - | 9,338,029 |
| (iv) Bank balances other than (iii) above | 157,672 | - | 157,672 |
| (v) Loans | 250,935,442 | - | 250,935,442 |
| (vi) Others financial assets | 252,832,490 | (968,473) | 251,864,017 |
| (vii) Other Current Assets | 152,287,674 | 938,919 | 153,226,593 |
| | 1,390,775,686 | (29,554) | 1,390,746,131 |
| TOTAL | 1,651,851,350 | (42,952,420) | 1,608,898,929 |

| Particulars | Previous GAAP March 31, 2017 | Effect of Transition to Ind AS | Ind As March 31, 2017 |
|--|---------------------------------|-----------------------------------|--------------------------|
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| (i) Equity Share Capital | 129,292,500 | - | 129,292,500 |
| (ii) Other equity | 622,601,386 | (37,241,648) | 585,359,738 |
| | 751,893,886 | (37,241,648) | 714,652,238 |
| LIABILITIES | | | |
| Non-current Liabilities | | | |
| (i) Financial liabilities | | | |
| (a) Borrowings | 437,305 | - | 437,305 |
| (b) Trade payables | 49,068,112 | (4,561,888) | 44,506,224 |
| (c) Other Financial liabilities | 100,000 | - | 100,000 |
| (ii) Provisions | 6,479,980 | (1,148,884) | 5,331,096 |
| | 56,085,397 | (5,710,772) | 50,374,625 |
| Current Liabilities | | | |
| (i) Financial liabilities | | | |
| (a) Borrowings | 175,457,308 | - | 175,457,308 |
| (b) Trade payables | 248,758,469 | - | 248,758,469 |
| (c) Other Financial liabilities | 52,866,831 | - | 52,866,831 |
| (ii) Other Current Liabilities | 254,807,344 | - | 254,807,344 |
| (iii) Provisions | 111,982,113 | - | 111,982,113 |
| | 843,872,066 | - | 843,872,066 |
| Total | 1,651,851,349 | (42,952,420) | 1,608,898,929 |
| Particulars | Previous GAAP March 31, 2017 | Effect of Transition to Ind AS | Ind As March 31, 2017 |
| Revenue: | | | |
| Revenue from Operations | 1,125,030,498 | - | 1,125,030,498 |
| Other Income | 9,993,681 | 5,814,939 | 15,808,620 |
| Total Revenue | 1,135,024,179 | 5,814,939 | 1,140,839,117 |
| Expenses: | | | |
| a) Construction Expenses | 806,991,854 | - | 806,991,854 |
| b) Employee Benefits Expense | 27,446,502 | - | 27,446,502 |
| c) Finance Costs | 21,748,727 | 6,430,786 | 28,179,513 |
| d) Depreciation and Amortization Expense | 1,800,413 | - | 1,800,413 |
| e) Other Expenses | 22,978,556 | 938,919 | 23,917,475 |
| Total Expenses | 880,966,052 | 7,369,705 | 888,335,757 |

| Particulars | Previous GAAP March 31, 2017 | Effect of Transition to Ind AS | Ind As March 31, 2017 |
|--|---------------------------------|-----------------------------------|--------------------------|
| Profit / (Loss) before Tax | 254,058,126 | (1,554,766) | 252,503,360 |
| Tax Expense: | | | |
| (a) Current Tax | 57,440,000 | - | - |
| (b) Deferred Tax Charge / (Release) | 23,690,424 | (51,557,129) | (27,866,705) |
| (c) MAT Credit Utilisation/(Entitlement) | 9,876,050 | - | - |
| Total Tax Expenses | 91,006,473 | (51,557,129) | (27,866,705) |
| Profit/ (Loss) for the Year | 163,051,653 | 50,002,363 | 280,370,066 |

Reconciliation of total equity as at March 31, 2017

| Particulars | April 01, 2016 | March 31, 2017 |
|--|---------------------|---------------------|
| Total equity (shareholder's funds) as per previous GAAP | 588,842,233 | 751,893,887 |
| Adjustments: | | |
| Provision for defect liability period | 820,840 | 1,148,884 |
| Retention Money payable recognised at amortised cost | 6,415,144 | 4,561,888 |
| Advance for land recognised at amortised cost | - | (29,554) |
| Deferred tax on account of Ind AS Adjustments | (2,504,229) | (1,966,156) |
| Impairment of Investment in OCD's of Northwood Properties India Private Limited | (30,000,000) | (30,000,000) |
| Investment in SSPDL Infrastructure Developers Private Limited measured at Fair Value | (10,956,710) | (10,956,710) |
| Total adjustments | (36,224,955) | (37,241,648) |
| Total equity as per Ind AS | 552,617,278 | 714,652,239 |

Reconciliation of total comprehensive income/(loss) for the year ended March 31, 2017

| Particulars | FY 16-17 |
|---|-----------------------|
| Profit/ (loss) after tax as per previous GAAP | 163,051,654 |
| Adjustments: | |
| Add: Notional Interest on Long term Provisions | 666,930.69 |
| Add: Notional Interest on Long Term Trade Payables | 4,238,643.30 |
| Add: Notional Interest on Other Financial Assets Non-current | 909,364.69 |
| Add: Reversal of Processing Charges on Loan | - |
| Less: Amortisation of processing charges | (338,886.45) |
| Less: Notional Interest on Long term Provisions | (6,091,899.44) |
| Less: Notional Interest on Long Term Trade Payables | (938,919.04) |
| Add: Amortisation of prepaid Other Financial Assets Non-current | - |
| Less : Deferred Tax | 538,073 |
| Total adjustments | (1,016,693.25) |
| Profit after tax as per Ind AS | 162,034,960 |
| Other comprehensive income | - |
| Total comprehensive income as per Ind AS | 162,034,960 |

Impact of Ind AS adoption on the statements of cash flows for the year ended March 31, 2016

* The adjustments above are on account of reclassification of the previous GAAP numbers to conform to Ind AS presentation requirements.

The following are the optional and mandatory exemption availed by the company while preparation of financials in accordance with indian accounting standards

i) Ind AS optional exemptions

a) Deemed cost for property, plant and equipment, investment property and intangible assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets and investment property covered by Ind AS 40 Investment Properties. Accordingly, the Company has elected to measure all of its property, plant and equipment, intangible assets and investment property at their previous GAAP carrying value.

b) Investment

Ind AS 101 permits a first-time adopter to continue previous GAAP carrying value for investment in equity instrument of subsidiaries, associates and joint ventures. Accordingly, the Company has elected to apply the said exemption.

ii) Ind AS Mandatory exemptions

An entity shall apply the following exceptions:

- a) derecognition of financial assets and financial liabilities
- b) hedge accounting
- c) non-controlling interests
- d) classification and measurement of financial assets
- e) impairment of financial assets
- f) embedded derivatives
- g) government loans

Notes to financial statements for the year ended March 31, 2018
Financial instruments and risk management

Note : Fair value measurements

| Particulars | Hierarchy | 31 March 2018 | | | | 31 March 2017 | | | |
|------------------------------------|-----------|----------------|----------|----------------------|--|----------------|----------|--------------------|--|
| | | Carrying value | | Fair Value | | Carrying value | | Fair Value | |
| | | FVPL | FVOCI | Amortised Cost | | FVPL | FVOCI | Amortised Cost | |
| Financial Assets | | | | | | | | | |
| Investment in NSC Bonds | | 300,000 | - | - | | 300,000 | - | - | |
| Trade Receivables | 3 | - | - | 444,035,744 | | - | - | 407,578,152 | |
| Cash and cash equivalents | 3 | - | - | 36,392,000 | | - | - | 9,338,029 | |
| Other Bank Balances | | - | - | 157,672 | | - | - | 157,672 | |
| Loans and advances | | - | - | 280,981,881 | | - | - | 265,835,033 | |
| Other financial assets | | - | - | 304,148,741 | | - | - | 251,864,017 | |
| Total Financial Assets | | 300,000 | - | 1,065,716,038 | | 300,000 | - | 934,772,903 | |
| Financial Liabilities | | | | | | | | | |
| Borrowings | 3 | - | - | 366,139,257 | | - | - | 175,894,613 | |
| Trade Payables | 3 | - | - | 177,777,744 | | - | - | 293,264,693 | |
| Other Financial Liabilities | 3 | - | - | 56,624,156 | | - | - | 52,966,831 | |
| Total Financial Liabilities | | - | - | 600,541,156 | | - | - | 522,126,137 | |

(i) Fair value hierarchy

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. There are no transfers between levels 1 and 2 during the year. The company's policy is to recognise transfers in and transfers out of fair value hierarchy levels as at the end of the reporting period.

The carrying amounts of trade receivables, loans, trade payables and cash and bank balances are considered to be the same as their fair values, due to their short term nature.

The fair values of non-current borrowings are based on discounted cash flows using current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

Financial Risk management

The Company's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge certain foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements.

| Risk | Exposure arising from | Measurement | Management |
|-----------------------------|---|---------------------------------|--|
| Credit risk | Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost | Aging analysis Credit rating | Diversification of bank deposits, credit limits and letter of credit |
| Liquidity risk | Borrowings and other liabilities | Rolling cash flow forecasts | Availability of committed credit lines and borrowing facilities |
| Market risk - Interest rate | Long-term borrowings at variable rates | Sensitivity analysis | Interest rate swaps |

The Company's risk management is carried out by the treasury department under policies approved by the Board of Directors. The board provides written principles for overall risk management as well as policies covering specific areas such as interest rate risk, credit risk and investment of excess liquidity.

(A) Credit Risk:

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from operating activities (primarily trade receivables) and from financing activities, including deposits with banks and other financial instruments.

(i) Credit risk management

Credit risk is managed at the company level. The company has low or no credit risk associated to its customers and hence the credit risk is considered at low credit risk category.

(ii) Provision for expected credit losses

The company provides for expected credit loss based on the following:

| Category | Description of category | Basis for recognition of expected credit loss provision | |
|--------------------------------------|--|---|----------------------------------|
| | | Loans and deposits | Trade receivables |
| High quality assets, low credit risk | Assets where there is low risk of default and where the counter party has sufficient capacity to meet the obligations and where there has been low frequency of defaults in the past. | 12-month expected credit losses | Life time expected credit losses |
| Doubtful assets, credit impaired | Assets are written off when there is no reasonable expectation of recovery, such as a debt or declaring bankruptcy or failing to engage in a payment plan with the Company. The company categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than 180 days past due. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss. | Asset is written off | |

Year ended March 31, 2018:

(a) Expected credit loss for loans, security deposits and investments

| Particulars | Asset Group | Estimated gross carrying amount at default | Expected probability of default | Expected credit losses | Carrying amount net of impairment provision |
|---|-------------------|--|---------------------------------|------------------------|---|
| Loss allowance measured at 12 month expected credit losses - Financial assets for which credit risk has not increased significantly since initial recognition | Trade Receivables | 444,035,744 | 0% | - | 444,035,744 |
| | Loans | 280,981,881 | 0% | - | 280,981,881 |

(b) Expected credit loss for trade receivables under simplified approach

| Ageing | 0-90 days | 90-365 days | More than 365 days | Total |
|--|-------------|-------------|--------------------|-------------|
| Gross carrying amount | 444,035,744 | - | - | 444,035,744 |
| Expected loss rate | 0% | - | - | - |
| Expected credit loss (loss allowance provision) | - | - | - | - |
| Carrying amount of trade receivables (net of impairment) | 444,035,744 | - | - | 444,035,744 |

Year ended March 31, 2017:

(a) Expected credit loss for loans, security deposits and investments

| Particulars | Asset Group | Estimated gross carrying amount at default | Expected probability of default | Expected credit losses | Carrying amount net of impairment provision |
|---|-------------------|--|---------------------------------|------------------------|---|
| Loss allowance measured at 12 month expected credit losses - Financial assets for which credit risk has not increased significantly since initial recognition | Trade Receivables | 407,578,152 | 0% | - | 407,578,152 |
| | Loans | 265,835,033 | 0% | - | 265,835,033 |

(b) Expected credit loss for trade receivables under simplified approach

| Ageing | 0-90 days | 90-365 days | More than 365 days | Total |
|--|-------------|-------------|--------------------|-------------|
| Gross carrying amount | 407,578,152 | - | - | 407,578,152 |
| Expected loss rate | 0% | - | - | - |
| Expected credit loss (loss allowance provision) | - | - | - | - |
| Carrying amount of trade receivables (net of impairment) | 407,578,152 | - | - | 407,578,152 |

During the period, the company made no write offs of trade receivables, it does not expect to receive future cash flows or recoveries from collection of cash flows previously written off.

(B) Liquidity Risk:

Liquidity risk is the risk that the company will encounter difficulty in meeting its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stresses conditions without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has lines of credit from group company and also from banks. The company believes that these facilities are sufficient to meet its funds requirements. Accordingly, no liquidity risk is perceived.

(i) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

| Particulars | 31 March, 2018 | 31 March, 2017 |
|----------------------------|----------------|----------------|
| Floating Rate | | |
| - Expiring within one year | 4,941,422 | 435,860 |
| - Expiring beyond one year | 60,365,859 | 437,305 |

(ii) Maturities of financial liabilities

The tables below analyse the company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

| Contractual maturities of financial liabilities 31 March 2018 | Less than 6 months to 1 year | | | More than 2 years | Total |
|--|------------------------------|--------------------|-----------------------|-------------------|--------------------|
| | Less than 6 months | 6 months to 1 year | Between 1 and 2 years | | |
| Non derivatives | | | | | |
| Borrowings | 2,631,745 | 2,309,677 | 4,988,468 | 55,377,391 | 65,307,281 |
| Trade payables | 177,777,744 | - | - | - | 177,777,744 |
| Total non derivative liabilities | 180,409,489 | 2,309,677 | 4,988,468 | 55,377,391 | 243,085,024 |
| Contractual maturities of financial liabilities 31 March 2017 | Less than 6 months to 1 year | | | More than 2 years | Total |
| | Less than 6 months | 6 months to 1 year | Between 1 and 2 years | | |
| Non derivatives | | | | | |
| Borrowings | 435,860 | 437,305 | - | - | 873,165 |
| Trade payables | 293,264,693 | - | - | - | 293,264,693 |
| Total non derivative liabilities | 293,700,553 | 437,305 | - | - | 294,137,858 |

Capital Management**Risk management**

The Company's objective when managing capital are to:

1. Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
2. Maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts.

Consistent with others in the industry, the group monitors capital on the basis of the following gearing ratio:

| Particulars | 31 March, 2018 | 31 March, 2017 |
|--------------------------|----------------|----------------|
| Net Debt | 28,915,281 | (8,464,864) |
| Total Equity | 631,014,748 | 714,652,238 |
| Net debt to equity ratio | 5% | -1% |

NOTES TO THE FINANCIAL STATEMENTS

3 Property, Plant and Equipment

| Description | Construction Equipments | Furniture and Fixtures | Computers | Office Equipments | Vehicles | Total |
|--|-------------------------|------------------------|-----------|-------------------|-----------|-----------|
| Gross Block at April 01, 2016 (Deemed Cost) | 1,867,847 | 808,716 | 38,965 | 823,257 | 1,919,907 | 5,458,692 |
| Additions | - | - | 72,350 | 115,337 | - | 187,687 |
| Disposals | - | - | - | - | - | - |
| Gross block at March 31, 2017 | 1,867,847 | 808,716 | 111,315 | 938,594 | 1,919,907 | 5,646,379 |
| Additions | - | - | - | 146,669 | 16,386 | 163,055 |
| Disposals | - | - | - | - | - | - |
| Gross Block at March 31, 2018 | 1,867,847 | 808,716 | 111,315 | 1,085,263 | 1,936,293 | 5,809,434 |
| Accumulated Depreciation at April 01, 2016 (Deemed Cost) | | | | | | |
| Charge for the year | 154,286 | 779,738 | 57,796 | 278,294 | 530,300 | 1,800,414 |
| Adjustments | - | - | - | - | - | - |
| Disposals | - | - | - | - | - | - |
| Accumulated depreciation at March 31, 2017 | 154,286 | 779,738 | 57,796 | 278,294 | 530,300 | 1,800,414 |
| Charge for the year | 147,548 | 72,977 | 28,662 | 221,503 | 192,184 | 662,874 |
| Adjustments | 1,031,178 | (62,368) | 15,587 | 69,594 | 45,163 | 1,099,154 |
| Disposals | - | - | - | - | - | - |
| Accumulated depreciation at March 31, 2018 | 1,333,012 | 790,347 | 102,045 | 569,391 | 767,647 | 3,562,442 |
| Net block | | | | | | |
| At April 01, 2016 | 1,867,847 | 808,716 | 38,965 | 823,257 | 1,919,907 | 5,458,692 |
| At March 31, 2017 | 1,713,561 | 28,978 | 53,519 | 660,300 | 1,389,607 | 3,845,965 |
| At March 31, 2018 | 534,835 | 18,369 | 9,270 | 515,872 | 1,168,645 | 2,246,991 |

4 Financial Assets – Non current

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 01, 2016 |
|---|----------------------|----------------------|----------------------|
| a) Investments (Refer Note 4 (c)) | | | |
| Trade Investments | | | |
| Equity instruments of subsidiaries | 19,975,287 | 19,975,287 | 19,975,287 |
| Equity instruments of Associates | 1,125,000 | 1,125,000 | 1,125,000 |
| Equity instruments of Other enterprises | 99,810 | 1,787,770 | 1,787,770 |
| Debentures of Associate | 65,542,471 | 87,042,471 | 110,042,471 |
| Investment in Limited Liability partnership | 250,000 | 250,000 | 250,000 |
| Non Trade Investments | | | |
| In government securities | 300,000 | 300,000 | 300,000 |
| | 87,292,568 | 110,480,528 | 133,480,528 |
| b) Other financial assets | | | |
| Other Deposits | - | 14,899,591 | 13,990,226 |
| | - | 14,899,591 | 13,990,226 |
| Total Financial Assets | 87,292,568 | 125,380,119 | 147,470,754 |

NOTES TO THE FINANCIAL STATEMENTS**4c) Details of Unquoted, Non-current Investments**

| Particulars | As at March 31, 2018 | | | As at March 31, 2017 | | | As at April 01, 2016 | | |
|---|----------------------|-----------------------|--------------|-----------------------|--------------|-----------------------|----------------------|-----------------------|--------------|
| | Face Value | No. of Shares Holding | Book Value | No. of Shares Holding | Book Value | No. of Shares Holding | Book Value | No. of Shares Holding | Book Value |
| I) Trade Investments | | | | | | | | | |
| A In Equity shares of Subsidiary Of Subsidiary | | | | | | | | | |
| SSPDL Resorts Private Limited | 10 | 10,000 | 100,000 | 10,000 | 100,000 | 10,000 | 100,000 | 10,000 | 100,000 |
| SSPDL Realty India Private Limited | 10 | 10,000 | 100,000 | 10,000 | 100,000 | 10,000 | 100,000 | 10,000 | 100,000 |
| SSPDL Real Estates India Private Limited | 10 | 10,000 | 100,000 | 10,000 | 100,000 | 10,000 | 100,000 | 10,000 | 100,000 |
| SSPDL Infra Projects India Private Limited | 10 | 10,000 | 100,000 | 10,000 | 100,000 | 10,000 | 100,000 | 10,000 | 100,000 |
| SSPDL Infotech Private Limited | 1 | 1,196,000 | 19,575,287 | 1,196,000 | 19,575,287 | 1,196,000 | 19,575,287 | 1,196,000 | 19,575,287 |
| | | | 19,975,287 | | 19,975,287 | | 19,975,287 | | 19,975,287 |
| Of Associates | | | | | | | | | |
| Northwood Properties India Private Limited -Class A Equity shares | 10 | 22,500 | 225,000 | 22,500 | 225,000 | 22,500 | 225,000 | 22,500 | 225,000 |
| Northwood Properties India Private Limited -Class B Equity shares | 10 | 90,000 | 900,000 | 90,000 | 900,000 | 90,000 | 900,000 | 90,000 | 900,000 |
| | | | 1,125,000 | | 1,125,000 | | 1,125,000 | | 1,125,000 |
| Of Other Enterprises | | | | | | | | | |
| Alphacity Chennai IT Park Projects Private Limited | 10 | 9,980 | 99,800 | 9,980 | 99,800 | 9,980 | 99,800 | 9,980 | 99,800 |
| SSPDL Infrastructure Developers Private Limited -Class A Equity Shares | 10 | 36,422 | 10,956,710 | 36,422 | 10,956,710 | 36,422 | 10,956,710 | 36,422 | 10,956,710 |
| SSPDL Infrastructure Developers Private Limited -Class b Equity Shares | 10 | 1 | 10 | 1 | 10 | 1 | 10 | 1 | 10 |
| SSPDL Properties Private Limited | 10 | - | - | 168,796 | 1,687,960 | 168,796 | 1,687,960 | 168,796 | 1,687,960 |
| (Less) : Impairment of Investment in SSPDL Infrastructure Developers Private Limited | | | (10,956,710) | | (10,956,710) | | (10,956,710) | | (10,956,710) |
| | | | 99,810 | | 1,787,770 | | 1,787,770 | | 1,787,770 |
| B Debentures of Associate Company | | | | | | | | | |
| Optionally Convertible 15% Debentures (Series B) ("OCD's"); | 10 | 9,554,247 | 95,542,471 | 11,704,247 | 117,042,471 | 14,004,247 | 140,042,471 | 14,004,247 | 140,042,471 |
| Northwood Properties India Private Limited | | | | | (30,000,000) | | (30,000,000) | | (30,000,000) |
| Less: Impairment of Investment of OCD's of Northwood Properties India Private Limited | | | (30,000,000) | | 65,542,471 | | 87,042,471 | | 110,042,471 |
| | | | 250,000 | | 250,000 | | 250,000 | | 250,000 |
| C Investments in Limited Liability Partnership | | | | | | | | | |
| SSPDL Green Acres LLP | | | 86,992,568 | | 110,180,528 | | 133,180,528 | | 133,180,528 |
| Total Trade Investments | | | | | | | | | |
| Non-trade Investments | | | | | | | | | |
| A In Government Securities | | | | | | | | | |
| National Savings Certificate | | | 300,000 | | 300,000 | | 300,000 | | 300,000 |
| Total Unquoted, Non current Investments | | | 87,292,568 | | 110,480,528 | | 133,480,528 | | 133,480,528 |

NOTES TO THE FINANCIAL STATEMENTS

5 Deferred Tax Assets (Net)

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 01, 2016 |
|---|-------------------------|-------------------------|-------------------------|
| a) Deferred Tax Asset | | | |
| On account of | | | |
| Difference of Depreciation between Books and Tax laws | 743,350 | 543,492 | 217,449 |
| Section 43 B {Provision for Service tax} | 15,610,650 | 18,732,780 | 18,732,780 |
| Section 43 B { Provision for Sales Tax} | 4,568,315 | 5,481,978 | 5,481,978 |
| Provision for Defect Liability Period | 2,547,779 | 2,242,592 | 1,119,360 |
| Carry Forward Business Losses | 28,227,425 | - | 10,429,836 |
| Carry Forward Unabsorbed Depreciation | 217,728 | - | 187,919 |
| Adv for JDA at thalambur - sspdl madhavanam | - | 335,169 | 649,882 |
| MAT Credit Entitlement | 36,973,323 | 36,973,323 | 46,849,373 |
| Total (a) | 90,111,582 | 64,309,334 | 98,190,520 |
| b) Deferred Tax Liability | | | |
| On account of | | | |
| Provision for defect liability period-interest suspense | 236,868 | 397,606 | 284,076 |
| Retention money payable – 1155 homes-interest suspense | - | 1,578,778 | 2,220,153 |
| Adv for JDA at thalambur - sspdl madhavanam-Prepaid | - | 324,941 | 649,882 |
| Total (b) | 236,868 | 2,301,325 | 3,154,112 |
| c) Net Deferred Tax Asset / (Liability) (a-b) | 89,874,714 | 62,008,009 | 95,036,409 |

6 Other Non-Current Assets

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 01, 2016 |
|----------------------------------|-------------------------|-------------------------|-------------------------|
| Advance to suppliers/contractors | - | - | - |
| Security deposits | 9,037,067 | 8,664,928 | 8,614,804 |
| Others deposits | 34,279,959 | 18,253,777 | 6,999,508 |
| Unamortised Expenses | 3,067,129 | - | - |
| | 46,384,155 | 26,918,705 | 15,614,312 |

7 Inventories

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 01, 2016 |
|--------------------------------|-------------------------|-------------------------|-------------------------|
| Work-in-progress | 249,856,899 | 202,728,213 | 166,371,651 |
| Cost of land under development | 136,967,912 | 96,179,544 | 200,205,055 |
| Cost of Materials | 20,757,122 | 18,738,469 | 6,571,148 |
| | 407,581,933 | 317,646,226 | 373,147,854 |

8 Financial Assets – Current

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 01, 2016 |
|---|-------------------------|-------------------------|-------------------------|
| a) Trade Receivables | | | |
| Unsecured, considered good | | | |
| a) Due by private companies in which directors are interested | 202,547,358 | 210,123,438 | 205,478,190 |
| b) Others | 241,488,386 | 197,454,714 | 131,782,157 |
| Total (a) | 444,035,744 | 407,578,152 | 337,260,347 |

NOTES TO THE FINANCIAL STATEMENTS

| Particulars | As at | | As at | | As at |
|--|--|--------------------|----------------------|--------------------|--------------------|
| | March 31, 2018 | March 31, 2017 | March 31, 2018 | March 31, 2017 | April 01, 2016 |
| b) Cash and cash equivalents | | | | | |
| Cash on hand | 1,937,214 | 244,169 | | | 70,023 |
| Balances with banks | | | | | |
| - In current account | 31,600,956 | 8,458,522 | | | 34,236,692 |
| In deposits accounts (Original maturity less than 3 months) | 2,853,830 | 635,337 | | | - |
| Total (b) | 36,392,000 | 9,338,029 | | | 34,306,715 |
| c) Other banks balances | | | | | |
| - In Margin money Deposits | 157,672 | 157,672 | | | 3,748,202 |
| - In unpaid dividend | - | - | | | - |
| - In deposits accounts (Original maturity more than 3 months) | - | - | | | 11,200,000 |
| Total (c) | 157,672 | 157,672 | | | 14,948,202 |
| d) Loans | | | | | |
| Loans and advances to related parties [Refer note 8 (d) (i)] | 248,605,305 | 221,380,072 | | | 149,629,473 |
| Other loans and advances; | 32,376,576 | 29,555,370 | | | 30,237,641 |
| Total (d) | 280,981,881 | 250,935,442 | | | 179,867,114 |
| i) Disclosure as per clause 32 of the listing agreement | | | | | |
| Particulars | Maximum Amount Outstanding at any time during the year | | As At | | |
| | 2017-18 | 2016-17 | March 31, 2018 | March 31, 2017 | April 01, 2016 |
| I) Advances to Subsidiaries: | | | | | |
| SSPDL Realty India Private Limited | 51,525,614 | 49,798,096 | 51,525,614 | 49,798,096 | 45,371,341 |
| SSPDL Real Estates India Private Limited | 89,337,796 | 64,049,094 | 89,337,796 | 64,049,094 | 46,544,656, |
| SSPDL Infra Projects India Private Limited | 33,174,502 | 33,161,784 | 33,174,502 | 33,161,784 | 32,072,469, |
| SSPDL Resorts Private Limited | 58,804,045 | 58,339,726 | 58,804,045 | 58,339,726 | 24,609,635 |
| II) Advances to Associates: | | | | | |
| Northwood Properties India Private Limited | - | 268,025 | - | 268,025 | 268,025 |
| III) Advances to Others | | | | | |
| Sri Satya Sai Constructions | 15,000,000 | 15,000,000 | 15,000,000 | 15,000,000 | - |
| SSPDL Infrastructure Developers Private Limited | 763,348 | 763,348 | 763,348 | 763,348 | 763,348 |
| | 248,605,305 | 221,380,072 | 248,605,305 | 221,380,072 | 149,629,474 |
| e) Other Financial Assets | | | | | |
| Interest accrued on deposits | | | 3,087,163 | 3,076,915 | 2,489,552 |
| Other deposits | | | 15,868,064 | - | - |
| Prepaid Deposits | | | - | 938,919 | 1,877,838 |
| Unbilled Revenue | | | 285,193,514 | 247,848,183 | - |
| Total (e) | | | 304,148,741 | 251,864,017 | 4,367,390 |
| Total Financial Assets (a + b + c + d+e) | | | 1,065,716,038 | 919,873,312 | 570,749,768 |

9 Other Current Assets

| Particulars | As at | | As at | | As at |
|---|--------------------|--------------------|----------------|----------------|--------------------|
| | March 31, 2018 | March 31, 2017 | March 31, 2018 | March 31, 2017 | April 01, 2016 |
| Unsecured, considered good | | | | | |
| Advance to suppliers and contractors | 93,113,061 | 83,681,215 | | | 43,298,574 |
| Balance with statutory/government authorities | 119,362,778 | 52,986,738 | | | 72,357,829 |
| Advance for purchase of land | 15,000,000 | 15,000,000 | | | 15,000,000 |
| Loans and advances to employees | 591,930 | 601,295 | | | 123,128 |
| Prepaid expenses | 1,641,469 | 957,345 | | | 408,497 |
| | 229,709,239 | 153,226,593 | | | 131,188,028 |

NOTES TO THE FINANCIAL STATEMENTS

10 Equity

i) Equity Share Capital

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 01, 2016 |
|--|-------------------------|-------------------------|-------------------------|
| Authorised Capital 2,50,00,000 (Previous Year: 2,50,00,000) Equity share of ₹10 each | 250,000,000 | 250,000,000 | 250,000,000 |
| Issued, Subscribed and Paid up 1,29,29,250 (Previous Year:1,29,29,250) Equity shares of ₹10 each fully paid up | 129,292,500 | 129,292,500 | 129,292,500 |
| | 129,292,500 | 129,292,500 | 129,292,500 |

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

| Particulars | As at March 31, 2018 | | As at March 31, 2017 | |
|--------------------------------------|-------------------------|--------------------|-------------------------|--------------------|
| | Number of shares | Value | Number of shares | Value |
| Equity shares | | | | |
| At the beginning of the period | 12,929,250 | 129,292,500 | 12,929,250 | 129,292,500 |
| Issued during the period | - | - | - | - |
| Outstanding at the end of the period | 12,929,250 | 129,292,500 | 12,929,250 | 129,292,500 |

(b) Terms / rights attached to equity shares

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

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

| Particulars | As at March 31, 2018 | | As at March 31, 2017 | |
|---|-------------------------|--------------|-------------------------|--------------|
| | Number of shares | % of holding | Number of shares | % of holding |
| Prakash Challa | 2,359,390 | 18.25 | 2,359,390 | 18.25 |
| Edala Padmaja | 895,000 | 6.92 | 895,000 | 6.92 |
| Sri Krishna Devaraya Hatcheries Private Limited | 2,402,652 | 18.58 | 2,402,652 | 18.58 |
| Suresh Challa | 872,042 | 6.74 | 887,600 | 6.87 |

ii) Other equity

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 01, 2016 |
|----------------------------|-------------------------|-------------------------|-------------------------|
| General Reserve | 18,241,459 | 18,241,459 | 18,241,459 |
| Securities Premium Reserve | 220,887,000 | 220,887,000 | 220,887,000 |
| Retained Earnings | 262,593,789 | 346,231,279 | 184,196,319 |
| | 501,722,248 | 585,359,738 | 423,324,778 |

Nature and purpose of the Reserves

i) Securities Premium

Securities Premium is used to record the premium on the issue of Shares. The reserve is used for the purposes as specified in the Companies Act, 2013

ii) General Reserve

The Company is required to create a general reserve out of the profits when the Company declares dividend to shareholders

NOTES TO THE FINANCIAL STATEMENTS

11 Financial Liabilities – Non current

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 01, 2016 |
|--|-------------------------|-------------------------|-------------------------|
| a) Borrowings | | | |
| Secured | | | |
| Term Loans from Banks | | | |
| PNB Housing Finance Limited | 60,365,859 | - | - |
| Vehicle loans | | | |
| Toyota Finance services limited | - | 437,305 | 873,165 |
| | 60,365,859 | 437,305 | 873,165 |
| Term loan from PNB Housing Finance Limited | | | |
| i) Terms and Conditions | | | |
| The term loan of Rs.6.76 crores has been obtained for general business purpose. The loan amount is repayable in 120 Months starting from 10-07-2017. The rate of interest applicable on the loan is 10.25% (Fixed) per annum for the first 36 Months and floating interest rate based on prevailing PNBHFR for the remaining repayment period. | | | |
| ii) Details of security | | | |
| The loan is secured by mortgage of commercial property belonging to one of the directors. | | | |
| Vehicle Loan from Toyota Finance Limited | | | |
| Vehicle loans are secured by hypothecation of respective vehicles | | | |
| b) Trade Payables | | | |
| Retention Money Payable | - | 44,506,224 | 29,767,787 |
| | - | 44,506,224 | 29,767,787 |
| c) Other financial liabilities | | | |
| Security deposits | - | 100,000 | 100,000 |
| | - | 100,000 | 100,000 |
| | 60,365,859 | 45,043,529 | 30,740,952 |

12 Long-term Provisions

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 01, 2016 |
|---|-------------------------|-------------------------|-------------------------|
| Provision for Defect Liability Period | 8,834,187 | 6,479,980 | 3,234,397 |
| (Less): Interest Cost as per IND AS 37 | (821,319) | (1,148,884) | (820,840) |
| Provision for Defect Liability Period (Net of interest cost) | 8,012,868 | 5,331,096 | 2,413,557 |

13 Financial Liabilities – Current

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 01, 2016 |
|--|-------------------------|-------------------------|-------------------------|
| a) Borrowings | | | |
| Unsecured | | | |
| Loans repayable on demand | | | |
| Loans and advances from related parties and others | 305,773,398 | 175,457,308 | 149,648,663 |
| Total (a) | 305,773,398 | 175,457,308 | 149,648,663 |
| b) Trade Payables | | | |
| - Dues to micro and small enterprises * | - | - | - |
| - Others | 224,741,600 | 248,758,469 | 114,484,765 |
| Total (b) | 224,741,600 | 248,758,469 | 114,484,765 |

* The Company is seeking confirmation from its suppliers whether they fall under the category of micro and small enterprises as mentioned under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006"). Based on confirmations received till date, the Company believes that it does not have any outstanding dues towards Micro and Small Enterprises. Further the Company has not paid/accrued any interest under the MSMED Act, 2006.

NOTES TO THE FINANCIAL STATEMENTS

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 01, 2016 |
|--|--------------------------------------|--------------------------------------|-------------------------|
| c) Other financial liabilities | | | |
| Current maturities of long-term debts | 4,941,422 | 435,860 | 393,610 |
| Security Deposits Received | 47,923,600 | 47,923,600 | 47,923,600 |
| Outstanding expenses and others | 4,156,976 | 4,507,371 | 5,235,206 |
| Total (c) | 57,021,998 | 52,866,831 | 53,552,416 |
| Total Financial Liabilities | Total (a+b+c) 587,536,996 | 477,082,608 | 317,685,844 |
| 14 Other Current Liabilities | | | |
| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 01, 2016 |
| Advance received from clients ** | 521,747,693 | 244,086,688 | 198,905,708 |
| Statutory liabilities | 4,543,968 | 10,720,656 | 9,595,049 |
| Billing excess revenue | - | - | 1,038,353 |
| | 526,291,662 | 254,807,344 | 209,539,110 |
| ** Advance received from clients includes ₹15.26 crores from director and ₹5.00 crores from others against agreement for sale land . | | | |
| 15 Short-term Provisions | | | |
| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 01, 2016 |
| Provision for employee benefits | | | |
| Gratuity | - | 389,309 | - |
| Other provisions | | | |
| Provision for Estimated Future contract losses | 45,864,831 | 41,624,133 | 155,700,405 |
| Provision for Service tax Demand | 54,128,467 | 54,128,467 | 54,128,467 |
| Provision for Sales tax Demand | 15,840,204 | 15,840,204 | 15,840,204 |
| | 115,833,502 | 111,982,113 | 225,669,076 |
| 16 Revenue From Operations | | | |
| Particulars | For the Year Ended March 31, 2018 | For the Year Ended March 31, 2017 | |
| Revenue from Construction Contracts | 406,223,263 | 835,740,309 | |
| Revenue from Development projects | 67,157,568 | 269,290,189 | |
| Revenue from Sale of Land / Plots | - | 20,000,000 | |
| | 473,380,831 | 1,125,030,498 | |
| 17 Other Income | | | |
| Particulars | For the Year Ended March 31, 2018 | For the Year Ended March 31, 2017 | |
| a) Interest Income | | | |
| Interest on deposits with banks | 70,290 | 2,048,105 | |
| Interest on Loans and advances | - | 3,907,361 | |
| Interest on income tax refund | - | 219,064 | |
| Others | 1,265,764 | 5,814,939 | |
| | 1,336,054 | 11,989,469 | |

NOTES TO THE FINANCIAL STATEMENTS

| Particulars | For the Year Ended March 31, 2018 | For the Year Ended March 31, 2017 |
|---|--------------------------------------|--------------------------------------|
| b) Dividend Income | | |
| Dividend on Investments | - | - |
| | - | - |
| c) Other Non Operative Income | | |
| Maintenance charges | - | - |
| Liabilities no longer required written back | - | 8,959 |
| Other income | 265,379 | 3,810,192 |
| | <u>265,379</u> | <u>3,819,151</u> |
| | <u>1,601,433</u> | <u>15,808,620</u> |

18 Construction Expenses

| Particulars | For the Year Ended March 31, 2018 | For the Year Ended March 31, 2017 |
|--|--------------------------------------|--------------------------------------|
| (a) Cost Incurred during the year | | |
| Works contract including contractor's bills | 517,277,236 | 710,667,978 |
| Masonry and other works | 395,173 | 832,230 |
| Power and fuel charges | 62,051 | 115,810 |
| Rates and taxes | 5,141,180 | - |
| Project consultancy charges | 17,069,550 | 15,463,750 |
| Land cost and development charges | 39,230,100 | 12,243,100 |
| | <u>579,175,290</u> | <u>739,322,868</u> |
| (b) Changes in Work-in-progress | | |
| Work In Progress at the end of the year | | |
| - Work-in-progress | 249,856,899 | 202,728,249 |
| - Cost of land under development | 136,967,912 | 96,179,544 |
| | <u>(i) 386,824,811</u> | <u>298,907,793</u> |
| Work In Progress at the beginning of the year | | |
| - Work-in-progress | 202,728,249 | 166,371,651 |
| - Cost of land under development | 96,179,544 | 200,205,128 |
| | <u>(ii) 298,907,793</u> | <u>366,576,779</u> |
| Net (increase)/decrease in Work in progress | <u>(ii - i) (87,917,018)</u> | <u>67,668,986</u> |
| Construction expenses | <u>(a + b) 491,258,272</u> | <u>806,991,854</u> |

19 Employee Benefits Expense

| Particulars | For the Year Ended March 31, 2018 | For the Year Ended March 31, 2017 |
|---|--------------------------------------|--------------------------------------|
| Salaries and wages | 29,221,767 | 25,900,925 |
| Contribution to provident and other funds | 780,124 | 625,738 |
| Staff welfare expenses | 1,831,982 | 919,839 |
| | <u>31,833,873</u> | <u>27,446,502</u> |

NOTES TO THE FINANCIAL STATEMENTS

20 Finance Costs

| Particulars | For the Year Ended March 31, 2018 | For the Year Ended March 31, 2017 |
|---------------------------------|--------------------------------------|--------------------------------------|
| a) Interest expense : | | |
| i) Borrowings | 31,141,208 | 21,703,907 |
| ii) Others | 5,348,176 | 6,469,189 |
| b) Other borrowing costs | | |
| Processing Charges | 59,548 | 6,417 |
| | 36,548,932 | 28,179,513 |

21 Other Expenses

| Particulars | For the Year Ended March 31, 2018 | For the Year Ended March 31, 2017 |
|-------------------------------------|--------------------------------------|--------------------------------------|
| Rent | 3,894,000 | 3,865,500 |
| Electricity charges | 1,271,128 | 1,058,615 |
| Repairs and maintenance - Machinery | - | - |
| Repairs and maintenance - others | 336,613 | 265,532 |
| Insurance | 1,022,006 | 1,170,640 |
| Rates and taxes | 815,594 | 1,598,326 |
| Communication expenses | 582,787 | 574,953 |
| Travelling and conveyance | 1,992,501 | 1,971,027 |
| Printing and stationery | 340,541 | 309,007 |
| Business promotion | 377,280 | 95,036 |
| Security charges | 3,176,809 | 4,628,465 |
| Director sitting fees | 482,750 | 600,000 |
| Legal and professional | 4,281,001 | 2,996,560 |
| Payments to auditors: | | |
| - Statutory audit fee | 500,000 | 500,000 |
| - Tax audit fee | 100,000 | 100,000 |
| for Other services | 160,000 | 120,000 |
| for Reimbursement of expenses | 86,036 | 99,219 |
| CSR Expenditure | 250,000 | - |
| Vehicle running and maintenance | 1,508,447 | 1,137,851 |
| Bank charges | 72,806 | 37,716 |
| Amortisation of prepaid expenses | 938,919 | 938,919 |
| Miscellaneous expenses | 2,894,136 | 1,850,109 |
| | 25,083,355 | 23,917,475 |

22) Earnings Per Share ("EPS")

| | | |
|---|--------------|-------------|
| Net profit/(loss) for the year after tax (a) | (83,637,490) | 162,034,960 |
| Weighted average number of equity shares outstanding during the year used for calculating EPS (b) | 12,929,250 | 12,929,250 |
| Basic and diluted EPS (Face value ₹10 each) (a)/(b) | (6.47) | 12.53 |

NOTES TO THE FINANCIAL STATEMENTS

23 Tax expense

| Particulars | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
|---|--------------------------------------|--------------------------------------|
| (a) Current Tax | - | 57,440,000 |
| (b) Deferred Tax Charge / (Release) | (27,866,705) | 23,152,350 |
| (c) MAT Credit Utilisation/(Entitlement) | - | 9,876,050 |
| Total tax expense reported in statement of profit and loss | (27,866,705) | 90,468,400 |

The major components of income tax expense and reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 34.608% and the reported tax expense in the statement of profit or loss are as follows

Statement of reconciliation of tax expense

| S.No | Particulars | March 31, 2018 | March 31, 2017 |
|------|--|---------------------|-------------------|
| 1 | Accounting Profit before income tax | (111,504,196) | 252,503,360 |
| 2 | Add:Permanent tax Differences considered in tax computation | | |
| a) | Disallowances u/s 37 of Income tax act, 1961 | 411,432 | 38,403 |
| b) | Income offered for tax in earlier years and accounted in current year | - | (2,065,061) |
| c) | Excess assets considered in deferred tax calculation of Previous year (Provision for future contract losses) | - | 3,630,914 |
| 3 | Accounting profit after adjusting permanent tax differences (1 + 2) | (111,092,764) | 254,107,616 |
| 4 | Effective Tax Rate in force for future years | 28.84% | 34.61% |
| 5 | Theoretical tax expense (3 * 4) | (32,039,153) | 87,941,564 |
| 6 | Adjustment for change in effective tax rate from previous years | (4,172,448) | - |
| 7 | Interest under sec 234A, 234B, 234C of income tax act 1961, included in tax expense | - | 2,526,836 |
| | Total tax expense reported in statement of profit and loss (5-6+7) | (27,866,706) | 90,468,400 |

24 Details of dues to micro and small enterprises as defined under MSMED Act 2006

The Company is seeking confirmation from its suppliers whether they fall under the category of micro and small enterprises as mentioned under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006"). Based on confirmations received till date, the Company believes that it does not have any outstanding dues towards Micro and Small Enterprises. Further the Company has not paid/accrued any interest under the MSMED Act, 2006.

25 Disclosure in Accordance with Indian Accounting Standard 11 :

| Particulars | Year ended March 31, 2018 | Year ended March 31, 2017 |
|--|------------------------------|------------------------------|
| Contract Revenue recognized in the period | 406,223,263 | 722,401,274 |
| Cost incurred and Recognized Profit or Losses up to the reporting period | 1,710,746,134 | 1,310,709,636 |
| Advances Received as at reporting period | - | - |
| Retention Money | - | - |
| Gross amount due from customers for contract work as asset | 647,884,682 | 247,848,184 |
| Gross amount due to customers for contract work as liability | - | - |

NOTES TO THE FINANCIAL STATEMENTS

26 Capital Commitments and Contingent Liabilities Not provided for :

a) Commitments

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|--|-------------------------|-------------------------|
| Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | Nil | Nil |

b) Contingent liabilities

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|-------------------------|-------------------------|
| Corporate Guarantee given in favour of federal bank for term loans availed by wholly owned subsidiaries | | |
| SSPDL Infra Projects Private Limited | 1,543,752 | 1,911,956 |
| SSPDL Real Estates India Private Limited | 9,230,913 | 12,007,475 |
| SSPDL Reality India Private Limited | 6,355,350 | 8,246,191 |
| SSPDL Resorts Private Limited | 9,630,707 | 12,014,397 |
| Corporate Guarantee given in favour of federal bank for working capital loans availed by wholly owned subsidiaries | | |
| SSPDL Infra Projects Private Limited | 4,436,313 | 4,493,848 |
| SSPDL Real Estates India Private Limited | 13,327,186 | 13,453,074 |
| SSPDL Reality India Private Limited | 15,524,629 | 15,687,393 |

27 Expenditure in foreign Currency

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|--------------------|-------------------------|-------------------------|
| Travel Expenditure | - | 50,077 |
| Others | - | - |
| | - | 50,077 |

28 As per Indian Accounting Standard 19 "Employees Benefits", the disclosures of Employees benefits as defined in the Accounting Standard are given below

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

| Particulars | For the Year Ended March 31, 2018 | For the Year Ended March 31, 2017 |
|---|--------------------------------------|--------------------------------------|
| Employer's Contribution to Provident Fund | 667,354 | 532,557 |

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

i) Change in the present value of obligation

| Particulars | For the Year Ended March 31, 2018 | For the Year Ended March 31, 2017 |
|--|--------------------------------------|--------------------------------------|
| Present Value of defined benefit obligation at the beginning of the year | 2,211,145 | 1,794,092 |
| Interest cost | 176,765 | 143,527 |
| Past service cost (Vested Employees) | 30,414 | - |
| Current service cost | 421,119 | 341,559 |
| Benefits paid | - | - |
| Actuarial changes arising from changes in financial assumptions | (201,717) | (68,033) |
| Actuarial changes arising from changes in experience adjustments | 2,637,726 | 2,211,145 |

ii) Net liability recognised in the balance sheet

| Particulars | For the Year Ended March 31, 2018 | For the Year Ended March 31, 2017 |
|--|--------------------------------------|--------------------------------------|
| Acquisition Adjustment | - | - |
| Expected Return on Plan Assets | 182,997 | 143,726 |
| Employer's Contributions | 1,153,279 | - |
| Employee's Contributions | - | - |
| Benefits Paid | - | - |
| Actuarial Gain / (Loss) on the Plan Assets | 32,211 | - |
| Fair Value of Plan Assets as at the end | 1,368,487 | 143,726 |

iii) Fair Value of Plan Assets

| Particulars | For the Year Ended March 31, 2018 | For the Year Ended March 31, 2017 |
|---|--------------------------------------|--------------------------------------|
| Fair Value of Plan Assets as at the beginning | 2,289,098 | 2,145,371 |
| Acquisition Adjustment | - | - |
| Actual Return on Plan Assets | 215,208 | 143,726 |
| Employer's Contributions | 1,153,279 | - |
| Employee's Contributions | - | - |
| Benefits Paid | - | - |
| Fair Value of Plan Assets as at the end | 3,657,585 | 2,289,097 |

iv) Expenses Recognised in profit and loss

| Particulars | For the Year Ended March 31, 2018 | For the Year Ended March 31, 2017 |
|--|--------------------------------------|--------------------------------------|
| Current Service Cost | 421,119 | 341,559 |
| Past Service Cost (Vested Employees) | 30,414 | - |
| Past Service Cost (Un-vested Employees) | - | - |
| Interest Cost | 176,765 | 143,527 |
| Expected Return on Plan Assets | (182,997) | (143,726) |
| Curtailment Cost | - | - |
| Settlement Cost | - | - |
| Net Actuarial (Gain) / Loss recognised in the period | (233,928) | (68,033) |
| Expenses Recognised in statement of Profit and Loss | 211,373 | 273,327 |

v) Recognised in other comprehensive income for the year

| Particulars | For the Year Ended March 31, 2018 | For the Year Ended March 31, 2017 |
|---|--------------------------------------|--------------------------------------|
| Actuarial changes arising from changes in demographic assumptions | - | - |
| Actuarial changes arising from changes in financial assumptions | (201,717) | (68,033) |
| Actuarial changes arising from changes in experience adjustments | 2,637,726 | 2,211,145 |
| Return on plan assets excluding interest income | - | - |
| Recognised in other comprehensive income | 2,436,009 | 2,143,112 |

vi) Major categories of Plan Assets (as percentage of Total Plan Assets)

| Particulars | For the Year Ended March 31, 2018 | For the Year Ended March 31, 2017 |
|--------------------------|--------------------------------------|--------------------------------------|
| Funds managed by Insurer | 100% | 100% |

vii) **Bifurcation of Present Value of Obligation at the end of the year as per revised Schedule III of the Companies Act, 2013**

| Particulars | For the Year Ended March 31, 2018 | For the Year Ended March 31, 2017 |
|---|--------------------------------------|--------------------------------------|
| Current Liability (Short term) | 264,759 | 264,759 |
| Non-Current Liability (Long term) | 2,372,967 | 2,372,967 |
| Present Value of Obligation as at the end | 2,637,726 | 2,637,726 |

viii) **Expenses recognised in the statement of profit and loss for the year**

| Particulars | For the Year Ended March 31, 2018 | For the Year Ended March 31, 2017 |
|--|--------------------------------------|--------------------------------------|
| Current service cost | 421,119 | 341,559 |
| Interest cost on benefit obligation (Net) | 176,765 | 143,527 |
| Total expenses included in employee benefits expense | 597,884 | 485,086 |

c) **Actuarial assumptions**i) **Financial Assumptions**

| Particulars | For the Year Ended March 31, 2018 | For the Year Ended March 31, 2017 |
|--|--------------------------------------|--------------------------------------|
| Discount Rate per annum | 7.65% | 8.00% |
| Salary growth Rate per annum | 7.00% | 7.00% |
| Expected rate of return on plan assets (per annum) | 8.00% | 8.00% |

ii) **Demographic Assumptions**

| Particulars | For the Year Ended March 31, 2018 | For the Year Ended March 31, 2017 |
|---|--------------------------------------|--------------------------------------|
| Mortality rate (% of IALM 06-08) | 100% | 100% |
| Normal retirement age | 58 Years | 58 Years |
| Attrition / Withdrawal rates, based on age: (per annum) | | |
| Upto 30 years | 3% | 5% |
| 31 - 44 years | 2% | NA |
| Above 44 years | 1% | NA |

29 **Segment Reporting**

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 Indian Accounting Standard 108 issued by the ICAI is not required

30 **Disclosure under Indian Accounting standard 24 - Related Party Disclosures**i) **The management has identified the following as related parties**

| Relationship | Name of Related Party |
|--|--|
| Subsidiaries | SSPDL Resorts Private Limited SSPDL Reality India Private Limited SSPDL Real Estates India Private Limited SSPDL Infra Projects India Private Limited SSPDL Infratech Private Limited |
| Associates | Northwood Properties India Private Limited |
| Enterprises owned/ significantly influenced by Key Management Personnel | Alpha City Chennai IT Park Projects Private Limited Sri Satya Sai Constructions (Partnership Firm) Sri Krishna Devaraya Hatcheries Private Limited SSPDL Ventures Private Limited Edala Estates Private Limited SSPDL Infrastructure Developers Private Limited |
| Key Managerial Personnel | Mr. Challa Prakash, Managing Director Mr. E. Bhaskar Rao, Director Mrs. Sridevi Challa, Director Mr. Suresh Challa (Relative of KMP) |

ii) Related party transactions

| Particulars | Key Managerial Personnel | | Relatives of key managerial persons | | Subsidiaries | | Associates | | Enterprises owned or significantly influenced by Key management personnel or their relatives | | | | |
|---|--------------------------|------------|-------------------------------------|---------|--------------|---------|------------|---------|--|---------|---------|---------|---------|
| | 2017-18 | 2016-17 | 2017-18 | 2016-17 | 2017-18 | 2016-17 | 2017-18 | 2016-17 | 2017-18 | 2016-17 | 2017-18 | 2016-17 | 2017-18 |
| Unsecured Loan Taken | | | | | | | | | | | | | |
| Srinivas Hatcheries Limited | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Repayment of Unsecured Loan | | | | | | | | | | | | | |
| Srinivas Hatcheries Limited | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Amount received on Redemption of OCD's | | | | | | | | | | | | | |
| Northwood Properties India Private Limited | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Interest accrued on unsecured loans | | | | | | | | | | | | | |
| Sri Krishna Devaraya Hatcheries Private Limited | - | - | - | - | - | - | - | - | - | - | - | - | - |
| E. Bhaskar Rao | 10,760,024 | 9,647,557 | - | - | - | - | - | - | - | - | - | - | - |
| SSPDL Ventures Private Limited | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Srinivas Hatcheries Limited | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Advance given/(recovered) | | | | | | | | | | | | | |
| SSPDL Real Estates India Private Limited | - | - | - | - | - | - | - | - | - | - | - | - | - |
| SSPDL Infra Projects India Private Limited | - | - | - | - | - | - | - | - | - | - | - | - | - |
| SSPDL Realty India Private Limited | - | - | - | - | - | - | - | - | - | - | - | - | - |
| SSPDL Resorts Private Limited | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Advance received / (repaid) towards sale of land | | | | | | | | | | | | | |
| E. Bhaskar Rao | - | 15,000,000 | - | - | - | - | - | - | - | - | - | - | - |
| Padmaja Eadala | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Advance Given / (Recovered) towards purchase of land | | | | | | | | | | | | | |
| Sri Satya Sai Constructions | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Rent paid | | | | | | | | | | | | | |
| Suresh Challa | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Remuneration | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Prakash Challa | 9,600,000 | 8,400,000 | - | - | - | - | - | - | - | - | - | - | - |
| Total | | | | | | | | | | | | | |

iii) Balances outstanding for related parties

| Particulars | Key Managerial Personnel | | Relatives of key managerial persons | | Subsidiaries | | Associates | | Enterprises owned or significantly influenced by Key management personnel or their relatives | | Total | |
|--|--------------------------|-------------|-------------------------------------|------------|--------------|------------|------------|-------------|--|------------|-------------|-------------|
| | 2017-18 | 2016-17 | 2017-18 | 2016-17 | 2017-18 | 2016-17 | 2017-18 | 2016-17 | 2017-18 | 2016-17 | | |
| Trade payables | | | | | | | | | | | | |
| SSPDL Infotech Private Limited | - | - | - | - | 57,991,758 | 57,482,965 | - | - | - | - | 57,991,758 | 57,482,965 |
| (Formerly known as SSPDL Interserve Private Limited) | | | | | | | | | | | | |
| Unsecured loan Taken | | | | | | | | | | | | |
| Sri Krishna Devaraya Hatcheries Private Limited | - | - | - | - | - | - | - | - | 46,789,501 | 42,059,750 | 46,789,501 | 42,059,750 |
| E. Bhaskar Rao | 95,800,088 | 86,116,066 | - | - | - | - | - | - | - | 95,800,088 | 86,116,066 | - |
| Srinivas Hatcheries Limited | - | - | - | - | - | - | - | - | 8,000,000 | - | 8,000,000 | - |
| SSPDL Ventures Private Limited | - | - | - | - | - | - | - | - | 30,000,000 | 30,000,000 | 30,000,000 | 30,000,000 |
| Investment in OCD's | | | | | | | | | | | | |
| Northwood Properties India Private Limited | - | - | - | - | - | - | 95,542,471 | 117,042,471 | - | - | 95,542,471 | 117,042,471 |
| Interest Accrued on Unsecured loan | | | | | | | | | | | | |
| SSPDL Ventures Private Limited | - | - | - | - | - | - | - | - | 14,127,289 | 9,267,289 | 14,127,289 | 9,267,289 |
| Trade receivables | | | | | | | | | | | | |
| Alpha City Chennai IT Park Projects Private Limited | - | - | - | - | - | - | - | - | - | - | - | - |
| Loans and advance recoverable | | | | | | | | | | | | |
| SSPDL Realty India Private Limited | - | - | - | - | 51,525,614 | 49,798,096 | - | - | - | - | 51,525,614 | 49,798,096 |
| SSPDL Resorts Private Limited | - | - | - | - | 58,804,045 | 58,339,726 | - | - | - | - | 58,804,045 | 58,339,726 |
| SSPDL Real Estates India Private Limited | - | - | - | - | 89,337,796 | 64,049,094 | - | - | - | - | 89,337,796 | 64,049,094 |
| SSPDL Infra Projects India Private Limited | - | - | - | - | 33,174,502 | 33,161,784 | - | - | - | - | 33,174,502 | 33,161,784 |
| SSPDL Infrastructure Developers Private Limited | | | | | | | | | 763,348 | 763,348 | 763,348 | 763,348 |
| Sri Satya Sai Constructions | - | - | - | - | - | - | - | - | 15,000,000 | 15,000,000 | 15,000,000 | 15,000,000 |
| Loans and advance payable | | | | | | | | | | | | |
| E. Bhaskar Rao | 152,562,507 | 152,562,507 | - | - | - | - | - | - | - | - | 152,562,507 | 152,562,507 |
| Padmaja Eadala | - | - | 20,000,000 | 20,000,000 | - | - | - | - | - | - | 20,000,000 | 20,000,000 |
| SSPDL Ventures Private Limited | - | - | - | - | - | - | - | - | 900,000 | 900,000 | 900,000 | 900,000 |
| Rent deposits | | | | | | | | | | | | |
| Suresh Challa | - | - | 90,000 | 90,000 | - | - | - | - | - | - | 90,000 | 90,000 |

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

As per our attached report of even date

For A. Madhusudana & Co.,
Chartered Accountants
Firm Registration No. : 007405S

For and on behalf of the Board of Directors

G.V.S. Prasad
Partner
Membership No. : 020653

Prakash Challa
Chairman and Managing Director
(DIN:02257638)

E.Bhaskar Rao
Director
(DIN: 00003608)

Place : Hyderabad
Date : 30-05-2018

U S S Ramanjaneyulu N
Chief Financial Officer

A.Shailendra Babu
Company Secretary

SSPDL LIMITED

CONSOLIDATED FINANCIAL STATEMENTS AS ON 31ST MARCH, 2018

INDEPENDENT AUDITORS' REPORT

To the members of SSPDL Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of **SSPDL Limited** ('the Holding Company'), its subsidiary (the Holding Company and its subsidiary together referred to as the Group), and its associates, comprising of the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associates in accordance with the accounting principles generally accepted in India, Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended.

The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit.

While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and associate, the aforesaid consolidated Ind AS 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 of the consolidated state of affairs of the Group and its associate as at 31st March, 2018, their consolidated profit including other comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matters

The Comparative financial information of the company for the year ended 31st March, 2017 and transition date opening balance sheet as at 01st April, 2016 included in these consolidated Ind AS financial statements, are based on previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31st March, 2017 and 31st March, 2016 dated 15th May, 2017 and 28th May, 2016 respectively expressed an unmodified opinion on those consolidated financial statements, as adjusted for the differences in the accounting principles adopted by the company on transition to the Ind AS, which have been audited by us.

We did not audit the financial statements and other financial information in respect of five subsidiaries whose Ind AS financial statements reflect total assets (net) of Rs. 3,858.84 lakhs as at March 31, 2018, total revenues of Rs 292.02 lakhs and net cash flows amounting to "NIL" for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include group share of net Loss of Rs.130.98 lakhs for the year ended March 31, 2018, as considered in the financial statements, in respect of one associate whose financial statements have not been audited by us. These financial statements and other financial information are audited by other auditors, whose financial statements, other financial information and auditor's reports have been furnished to us. Our opinion on the consolidated Ind

AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries and associate, is based solely on the reports of such other auditors.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and joint ventures, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- a) We/the other auditors whose reports we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated Ind AS financial statements.
- b) In our opinion, proper books of account as required by law, relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and reports of other auditors.
- c) The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
- d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended;
- e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies and

associate incorporated in India, none of the directors of the Group's companies and associate incorporated in India is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act

- f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its associate incorporated in India refer to our separate report in "Annexure-A".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and associate, as noted in the 'Other matter' paragraph:
 - i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and associate - Refer Note 26(b) to the financial statements.
 - ii. The Group and associate did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding company, its subsidiaries and associate incorporated in India during the year ended 31 March 2018.

For A MADHUSUDANA & CO.,
Chartered Accountants
(Firm Registration No.007405S)

Place: Hyderabad
Date: 30/05/2018

(G.V.S PRASAD)
PARTNER
Membership No. 020653

Annexure - A to the Our Report of even date on the Consolidated Financial Statements of SSPDL Limited Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of SSPDL Limited ("the Holding Company"), its subsidiary companies and associate company, which are companies incorporated in India, as of 31 March 2018 in conjunction with our audit of the Consolidated Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies and its associate company which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Holding Company, its subsidiary companies and its associate company, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors of the subsidiary companies and associate company, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company, its subsidiary companies and its associate company, which are companies incorporated in India

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is

a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies, its joint operation companies, its associate companies and joint ventures, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to five subsidiary companies and one associate company, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

For A MADHUSUDANA & CO.,
Chartered Accountants
(Firm Registration No.007405S)

(G.V.S PRASAD)

PARTNER

Membership No. 020653

Place: Hyderabad

Date: 30/05/2018

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018

(All amounts are in Indian Rupees unless otherwise specified)

| Particulars | Note No. | As at | | |
|---|----------|----------------------|----------------------|----------------------|
| | | March 31, 2018 | March 31, 2017 | April 01, 2016 |
| I. ASSETS | | | | |
| 1 Non-current Assets | | | | |
| (a) Property, Plant and Equipment | 3 | 8,075,229 | 8,878,983 | 13,046,599 |
| (b) Other Intangible assets | | - | 265,478 | 2,202,445 |
| (c) Financial Assets | | | | |
| (i) Investments | 4a | 66,192,281 | 89,380,241 | 112,380,241 |
| (ii) Others | 4b | 12,431,309 | 27,405,479 | 26,399,272 |
| (d) Deferred Tax assets (Net) | 5 | 89,874,714 | 62,008,009 | 95,036,409 |
| (e) Other Non-current assets | 6 | 95,699,701 | 54,066,471 | 48,396,577 |
| | | 272,273,234 | 242,004,661 | 297,461,542 |
| 2 Current Assets | | | | |
| (a) Inventories | 7 | 638,062,049 | 548,126,341 | 603,565,970 |
| (b) Financial Assets | | | | |
| (i) Trade Receivables | 8a | 451,841,309 | 419,076,957 | 350,018,881 |
| (ii) Cash and cash equivalents | 8b | 38,739,232 | 11,022,649 | 47,592,444 |
| (iii) Bank balances other than (ii) above | 8c | 157,672 | 157,672 | 3,748,202 |
| (iv) Loans | 8d | 48,139,924 | 45,586,743 | 31,269,014 |
| (v) Others | 8e | 290,326,549 | 253,909,889 | 5,374,909 |
| (c) Other Current Assets | 9 | 141,089,694 | 76,068,184 | 92,940,933 |
| | | 1,608,356,429 | 1,353,948,435 | 1,134,510,353 |
| | | 1,880,629,664 | 1,595,953,096 | 1,431,971,895 |
| TOTAL | | | | |
| II. EQUITY AND LIABILITIES | | | | |
| 1 Equity | | | | |
| (a) Equity Share Capital | 10 | 129,292,500 | 129,292,500 | 129,292,500 |
| (b) Other equity | | 466,975,053 | 563,673,367 | 428,426,872 |
| | | 596,267,553 | 692,965,867 | 557,719,372 |
| LIABILITIES | | | | |
| 2 Non-current Liabilities | | | | |
| (a) Financial liabilities | | | | |
| (i) Borrowings | 11a | 80,426,581 | 27,481,464 | 35,458,317 |
| (ii) Trade payables | 11b | - | 44,506,224 | 29,767,787 |
| (iii) Other Financial liabilities (other than those specified in item (b), to be specified) | 11c | - | 100,000 | 100,000 |
| (b) Provisions | 12 | 8,012,868 | 5,377,218 | 2,820,674 |
| | | 88,439,449 | 77,464,906 | 68,146,778 |
| 3 Current Liabilities | | | | |
| (a) Financial liabilities | | | | |
| (i) Borrowings | 13a | 339,061,536 | 209,091,623 | 182,926,272 |
| (ii) Trade payables | 13b | 134,822,991 | 167,249,835 | 73,854,187 |
| (iii) Other Financial liabilities (other than those specified in item (b), to be specified) | 13c | 66,852,906 | 68,497,419 | 70,103,812 |
| (b) Other Current Liabilities | 14 | 539,351,729 | 268,701,331 | 253,552,397 |
| (c) Provisions | 15 | 115,833,503 | 111,982,115 | 225,669,078 |
| | | 1,195,922,665 | 825,522,323 | 806,105,746 |
| | | 1,880,629,664 | 1,595,953,096 | 1,431,971,895 |
| Total | | | | |

Summary of significant accounting policies

1 & 2

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

As per our attached report of even date
For A. Madhusudana & Co.,
Chartered Accountants
Firm Registration No. : 0074055

G.V.S. Prasad
Partner
Membership No. : 020653

Place : Hyderabad
Date :30-05-2018

For and on behalf of the Board of Directors

Prakash Challa
Chairman and Managing Director
(DIN:02257638)

U S S Ramanjaneyulu N
Chief Financial Officer

E.Bhaskar Rao
Director
(DIN: 00003608)

A.Shailendra Babu
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in Indian Rupees unless otherwise specified)

| Particulars | Note No | For the Year Ended March 31, 2018 | For the Year Ended March 31, 2017 |
|---|------------------|--------------------------------------|--------------------------------------|
| Revenue: | | | |
| Revenue from Operations | 16 | 487,097,967 | 1,136,188,069 |
| Other Income | 17 | 16,693,080 | 18,224,369 |
| Total Revenue | | 503,791,047 | 1,154,412,438 |
| Expenses: | | | |
| a) Construction Expenses | 18 | 500,965,949 | 813,709,731 |
| b) Employee Benefits Expense | 19 | 48,714,830 | 43,282,422 |
| c) Finance Costs | 20 | 42,997,916 | 35,536,845 |
| d) Depreciation and Amortization Expense | 3 | 3,452,179 | 5,148,133 |
| e) Other Expenses | 21 | 32,225,192 | 31,020,411 |
| Total Expenses | | 628,356,066 | 928,697,542 |
| Profit / (Loss) before Tax | | (124,565,019) | 225,714,895 |
| Tax Expense: | | | |
| (a) Current Tax | | - | 57,440,000 |
| (b) Deferred Tax for the year | | (27,866,705) | 23,152,350 |
| (c) MAT Credit Utilisation/(Entitlement) | | - | 9,876,050 |
| Total Tax Expenses | | (27,866,705) | 90,468,400 |
| Profit/ (Loss) for the Period/Year | | (96,698,314) | 135,246,496 |
| Other Comprehensive income | | | |
| Items that will not be reclassified subsequently to profit or loss (Net of tax) | | - | - |
| Items that will be reclassified subsequently to profit or loss (Net of tax) | | - | - |
| Total other comprehensive income, net of tax | | - | - |
| Total Comprehensive income for the period | | (96,698,314) | 135,246,496 |
| Earnings Per Share (Face value of ₹ 10 each) | | | |
| - Basic and Diluted | 22 | (7.48) | 10.46 |
| Summary of significant accounting policies | 1 & 2 | | |

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

 As per our attached report of even date
 For A. Madhusudana & Co.,
 Chartered Accountants
 Firm Registration No. : 0074055

For and on behalf of the Board of Directors

G.V.S. Prasad
 Partner
 Membership No. : 020653

Prakash Challa
 Chairman and Managing Director
 (DIN:02257638)

E.Bhaskar Rao
 Director
 (DIN :00003608)

 Place : Hyderabad
 Date :30-05-2018

U S S Ramanjaneyulu N
 Chief Financial Officer

A.Shailendra Babu
 Company Secretary

Consolidated Cash flow statement for the Year ended March 31, 2018

(All amounts are in Indian Rupees unless otherwise specified)

| Particulars | For the Year Ended March 31, 2018 | For the Year Ended March 31, 2017 |
|---|--------------------------------------|--------------------------------------|
| A CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net Profit before Tax | (124,565,019) | 225,714,895 |
| Adjustments for: | | |
| Depreciation | 3,452,179 | 5,148,133 |
| Interest income | (1,336,054) | (12,011,584) |
| Dividend Income | - | - |
| Interest on borrowings | 37,590,192 | 29,061,239 |
| Liabilities & Provisions no longer required - written back | (7,244,330) | (1,407,353) |
| Advance written off | 5,174,230 | - |
| Bad debts writtne off | - | - |
| Proivision for future contract losses - Provided / (Reversal) - Net | - | - |
| Profit/loss on sale of investments | - | - |
| Provision for Defect Liability Period | - | - |
| Profit/loss on sale of fixed assets | (300,000) | (192,972) |
| | (87,228,802) | 246,312,359 |
| Operating Profit before Working Capital Changes | | |
| Adjustments for: | | |
| Decrease/(increase) in inventories | (89,935,708) | 55,439,629 |
| Decrease/(increase) in trade receivables | (32,764,352) | (69,058,076) |
| Decrease/(increase) in Short Term loans and advances | (2,553,182) | (14,317,729) |
| Decrease/(increase) in other current financial assets | (36,416,660) | (248,534,980) |
| Decrease/(increase) in other current assets | (65,021,510) | (2,549,265) |
| Decrease/(increase) in Non current other financial assets | 14,974,170 | (1,006,207) |
| Decrease/(increase) in Other Non-Current Assets | (41,633,230) | (5,669,895) |
| Increase/(decrease) in Non current trade payables | (44,506,224) | 14,738,437 |
| Increase/(decrease) in Non current Other financial liabilities | (100,000) | - |
| Increase/(decrease) in Non current Provisions | 2,635,650 | 2,556,544 |
| Increase/(decrease) in current trade payables | (37,601,074) | 93,395,648 |
| Increase/(decrease) in other current financial liabilities | (6,150,075) | (1,648,643) |
| Increase/(decrease) in other current liabilities | 277,894,728 | 15,157,893 |
| Increase/(decrease) in Short term Provisions | 3,851,388 | (112,288,569) |
| (Increase) / Decrease in Net Current Assets | (57,326,079) | (273,785,212) |
| Cash Generated from Operation | (144,554,881) | (27,472,854) |
| Adjustments for income tax (paid)/refund | - | (38,017,985) |
| Net Cash from Operating Activities | (144,554,881) | (65,490,839) |

| Particulars | For the Year Ended March 31, 2018 | For the Year Ended March 31, 2017 |
|--|--------------------------------------|--------------------------------------|
| B CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of investments | - | - |
| Disposal of investments | 23,187,960 | 23,000,000 |
| Purchase of fixed assets | (2,648,425) | (980,517) |
| Purchase of intangible assets | 265,478 | 1,936,967 |
| Proceeds from sale of fixed assets | 300,000 | 192,972 |
| Interest received | 1,336,054 | 12,011,584 |
| Dividend Received | - | - |
| Bank balances not considered as cash equivalents | - | 3,590,530 |
| Net Cash from Investing Activities | B | 39,751,536 |
| C CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Interest paid on borrowings | (37,590,192) | (29,061,239) |
| Proceeds/(repayment) of Short Term borrowings | 129,969,913 | 26,165,351 |
| Proceeds/(repayment) of Long term borrowings | 57,450,676 | (7,934,604) |
| Net Cash used in Financing Activities | C | (10,830,492) |
| Net Increase/(Decrease) in Cash and Cash Equivalent | A+B+C | (36,569,795) |
| Cash and cash equivalents at the beginning of the year | 11,022,649 | 47,592,444 |
| Cash and cash equivalents at the end of the year | 38,739,232 | 11,022,649 |

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

As per our attached report of even date

For A. Madhusudana & Co.,
Chartered Accountants
Firm Registration No. : 0074055

For and on behalf of the Board of Directors

G.V.S. Prasad
Partner
Membership No. : 020653

Prakash Challa
Chairman and Managing Director
(DIN:02257638)

E.Bhaskar Rao
Director
(DIN: 00003608)

Place : Hyderabad
Date :30-05-2018

U S S Ramanjaneyulu N
Chief Financial Officer

A.Shailendra Babu
Company Secretary

Consolidated Statement Of Changes In Equity
(All amounts are in Indian Rupees unless otherwise specified)

A) Equity

| Particulars | As on March 31, 2018 | As on March 31, 2017 | As on April 01, 2016 |
|---|-------------------------|-------------------------|-------------------------|
| Equity shares Issued, Subscribed and Paid up capital | | | |
| As at April 1, 2016 | 129,292,500 | 129,292,500 | 129,292,500 |
| Addition\Deletions for the period | - | - | - |
| As at March 31, 2017 | 129,292,500 | 129,292,500 | 129,292,500 |
| Addition\Deletions for the period | - | - | - |
| As at March 31, 2018 | 129,292,500 | 129,292,500 | 129,292,500 |

B) Other Equity

| Particulars | Reserves and surplus | | | | Total |
|---|----------------------|-----------------|----------------------------|-------------------|--------------|
| | Capital Reserve | General Reserve | Securities Premium Reserve | Retained Earnings | |
| Balance as at April 1, 2016 | 237,101,053 | 18,241,459 | 269,691,000 | (96,606,640) | 428,426,872 |
| Changes in accounting policy or prior period errors | - | - | - | - | - |
| Restated Balance at the beginning of the period | - | - | - | - | - |
| Total comprehensive income for the period | - | - | - | 135,246,496 | 135,246,496 |
| Dividends | - | - | - | - | - |
| Transfer to retained earnings | - | - | - | - | - |
| Any other change (Nature to be specified) | - | - | - | - | - |
| Balance as at March 31, 2017 | 237,101,053 | 18,241,459 | 269,691,000 | 38,639,855 | 563,673,367 |
| Changes in accounting policy or prior period errors | - | - | - | - | - |
| Restated Balance at the beginning of the period | - | - | - | - | - |
| Total comprehensive income for the period | - | - | - | (96,698,314) | (96,698,314) |
| Dividends | - | - | - | - | - |
| Transfer to retained earnings | - | - | - | - | - |
| Any other change (Nature to be specified) | - | - | - | - | - |
| Balance as at March 31, 2018 | 237,101,053 | 18,241,459 | 269,691,000 | (58,058,459) | 466,975,053 |

Nature and purpose of the Reserves

i) Securities Premium

Securities Premium is used to record the premium on the issue of Shares. The reserve is used for the purposes as specified in the Companies Act, 2013

As per our attached report of even date

For A. Madhusudana & Co.,
Chartered Accountants
Firm Registration No. : 007405S

For and on behalf of the Board of Directors

G.V.S. Prasad
Partner
Membership No. : 020653

Prakash Challa
Chairman and Managing Director
(DIN:02257638)

E.Bhaskar Rao
Director
(DIN: 00003608)

Place : Hyderabad
Date : 30-05-2018

U S S Ramanjaneyulu N
Chief Financial Officer

A.Shailendra Babu
Company Secretary

Notes to Consolidated Financial Statements for the Financial Year ended 31.03.2018

1 Corporate Information

SSPDL Limited ("The Holding Company") was incorporated on October 17, 1994. The company together with its subsidiaries and associates ("The Group") is a leading real estate developer engaged primarily in the business of real estate, property development, construction and other related activities. The group is domiciled in India. SSPDL limited is listed on BSE Limited (BSE)

2 Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

(i) Compliance with Ind AS

The consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The consolidated financial statements up to year ended 31 March 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These consolidated financial statements are the first consolidated financial statements under Ind AS. Refer note on "First-time adoption of Ind AS" for an explanation of how the transition from previous GAAP to Ind AS has effected financial position, financial performance and cash flows.

(ii) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value.

(iii) Basis for consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. The Group can have power over the investee even if it owns less than majority voting rights i.e. rights arising from other contractual arrangements. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Statement of profit and loss (including other comprehensive income ('OCI')) of subsidiaries acquired or disposed of during the period are recognized from the effective date of acquisition, or up to the effective date of disposal, as applicable.

The Group combines the financial statements of the Holding Company and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

All the subsidiaries of the company are wholly owned subsidiaries and hence there are no non-controlling interests.

Investment in entities in which there exists significant influence but not a controlling interest are accounted for under the equity method i.e. the investment is initially recorded at cost, identifying any goodwill arising at the time of acquisition, as the case may be, which will be inherent in investment. The carrying amount of the investment is adjusted thereafter for the post acquisition changes in the share of net assets of the investee, adjusted where necessary to ensure consistency with the accounting policies of the Group. The consolidated statement of profit and loss (including the other comprehensive income) includes the Group's share of the results of the operations of the investee. Dividends received or receivable from associate ventures are recognized as a reduction in the carrying amount of the investment. The Group discontinues the use of equity method from the date when investment ceases to be an associate.

The company has not entered into any joint ventures as on reporting date.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue from rendering service is net of service tax and GST.

Revenue is recognised when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met and as per terms of lease agreements.

Revenue from Services

Timing of recognition: Revenue from services is recognised in the accounting period in which the services are rendered.

i) Construction Contracts;

In accordance with Indian accounting standard 11 (Revised), the group recognizes contract revenue at cost of work performed on the contract plus proportionate margin, using percentage completion method stated on the basis of proportionate cost of work performed to-date, to the total estimated contract costs 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 from Developing /Constructing properties for all projects commenced on or before March 31, 2012 and where revenue recognition commenced on or before the above date, is recognized in accordance with the provisions of Indian Accounting standard 18 on Revenue Recognition, read with Guidance Note on "Accounting for real estate transactions(for entities to whom Ind AS is applicable)". Revenue is computed based on the "percentage of completion method" and on the percentage of actual project costs incurred thereon to total estimated project cost.

Revenue from Developing /Constructing properties for all projects commenced on or after April 1, 2012 or project where the revenue is recognized for the first time on or after the above date, is recognized in accordance with the Revised Guidance Note issued by the Institute of Chartered Accountants of India ("ICAI") on "Accounting for Real Estate Transactions for entities to whom ind AS is applicable."

As per this Guidance Note, the revenue has been recognized on percentage of completion method provided all of the following conditions are met at the reporting date.

- Required critical approvals for commencement of the project have been obtained,
- At least 25% of estimated construction and development costs (excluding land cost) has been incurred,
- At least 25% of the saleable project area is secured by the Agreements to sell/application forms (containing salient terms of the agreement to sell); and
- At least 10% of the total revenue as per agreement to sell is realized in respect of these agreements.

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. In case of any remaining substantial obligations as per the agreements, revenue is recognized on the percentage of completion method of accounting.

iv) Interest Income;

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

v) Dividend Income;

Dividend income is recognized when the group's right to receive dividend is established by the reporting date.

vi) Rental Receipts;

Rent, service receipts, income from forfeiture of properties and interest from customers under agreement to sell is accounted for on accrual basis except in cases where ultimate collection is considered doubtful.

Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Leases

As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a business comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Group; and
- fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred;
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used by the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fairvalue recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

Impairment of assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from assets or group of assets (cash generating units). Non financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call, bank deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Investments and other financial assets

(i) Classification

The group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Measurement

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.
- **Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Investments equity instruments of subsidiaries, associates or joint ventures.

Investments in equity instruments of subsidiaries, joint ventures and associates are accounted for at cost in accordance with Ind AS 27 Separate consolidated financial statements

(iii) Impairment of financial assets

The group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected life time losses to be recognised from initial recognition of the receivables.

(iv) Derecognition of financial assets

A financial asset is derecognised only when

- the group has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the group has not retained control of the financial asset. Where the group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

Property, plant and equipment

Free hold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Transition to Ind AS

On transition to Ind AS, the group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 01 April, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives and residual value

Depreciation on tangible assets is provided on pro-rata basis on the straight line method in accordance with useful life estimated by the management which is the same as those prescribed under Schedule II to the Companies Act, 2013. The useful life, residual value and the depreciation method are reviewed atleast at each financial year end. If the expectations differ from previous estimates, the changes are accounted for prospectively as a change in accounting estimate.

Assets costing Rs. 5,000 or less are depreciated in full in the year of acquisition. In respect of additions/deletions, depreciation charge is restricted to the period of use.

The asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

Intangible assets**(i) Goodwill**

Goodwill on acquisitions of subsidiary is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

(ii) Computer software

Computer software are stated at cost, less accumulated amortisation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

(iii) Amortisation methods and periods

The Group amortises intangible assets with a finite useful life using the straight-line method over the following periods:

Computer software - 5 years

(iv) Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of intangible assets recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

Trade and other payables

These amounts represent liabilities for goods and services provided to the entity prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid as per mutual terms of arrangement from the date of supply. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings

Borrowings are initially recognized at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other gains/ (losses).

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognized in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instrument issued.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of consolidated financial statements for issue, not to demand payment as consequence of the breach.

Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalization. Other borrowings costs are expensed in the period in which they are incurred.

Provisions

Provisions for legal claims are recognised when the entity has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contributed Equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Earnings per share**(i) Basic earnings per share**

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the group;
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

Standards issued but not yet effective

The standard issued, but not yet effective up to the date of issuance of the group's consolidated financial statements is disclosed below. The group intends to adopt this standard when it becomes effective.

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new and amendments to Ind ASs which the group has not applied as they are effective for annual periods beginning on or after April 1, 2018. There are no standards, changes in standards and interpretations that are not in force up to reporting period that the group expects to have a material impact arising from its application in this consolidated financial statements.

IndAS 115- Revenue from Contracts with customers

Ind AS 115, is effective for periods beginning on or after April 01, 2018. Ind AS 115 sets out the requirements for recognising revenue that apply to all contracts with customers (except for contracts that are within the scope of the Standards on leases, insurance contracts and financial instruments). Ind AS 115 replaces the previous revenue Standards: Ind AS 18 Revenue and Ind AS 11 Construction Contracts, and the related appendices.

The standard establishes a comprehensive framework for determining when to recognise revenue and how much revenue to recognise. Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is transferred to the customer. The core principle in that framework is that a group should recognise revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the fair value of consideration to which the group expects to be entitled in exchange for those goods or services.

The management is in process of quantifying the effect of this standard, however no impact is expected.

Critical estimates and judgements

Revenue and inventories

The group recognizes revenue using the percentage of completion method. This requires forecasts to be made of total budgeted cost with the outcomes of underlying construction and service contracts, which require assessments and judgements to be made on changes in work scopes, claims (compensation, rebates etc.) and other payments to the extent they are probable and they are capable of being reliably measured. For the purpose of making estimates for claims, the group used the available contractual and historical information

Useful lives of depreciable/ amortisable assets

Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets.

Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses

Measurement of financial assets and financial liabilities

The entity measures its financial assets at amortised cost or fair value through other comprehensive income or fair value through Profit and loss and financial liabilities at amortised cost or fair value through Profit and loss. The determination of such values involve the use of significant assumptions such as the expected life of the financial assets or liabilities, fair value of assets or liabilities on the reporting date depending upon the market conditions, cash flows, Restrictions if any on the transfer. Uncertainty in these estimates may significantly impact the Carrying amount of such financial assets or liabilities. For the purpose of making estimates, the group used the available contractual and historical information

Provisions, Contingent liabilities and contingent assets

Provisions are measured at the present value of management's best estimate of the outflow of resources required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense. Any changes in the market conditions or the expected time for settlement of the liability results in change in the present value of assets.

Contingent liabilities are disclosed based on the best available information with the group regarding the probability of outflow of resources required to settle the obligation.

Notes to financial statements for the year ended March 31, 2018

(All amounts are in Indian Rupees unless otherwise specified)

First-time adoption of Ind AS**A Transition to Ind AS**

These are the company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 2, have been applied in preparing the financial statements for the year ended March 31, 2018, in preparing the comparative information presented in these financial statements for the year ended March 31, 2017 (the Company's date of transition), and in preparing the comparative information presented in these financial statements as at April 01, 2016. An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is set out in the following tables and notes

B Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

| Particulars | Previous GAAP April 01, 2016 | Effect of Transition to Ind AS | Ind As April 01, 2016 |
|---|---------------------------------|--------------------------------|--------------------------|
| Non-current Assets | | | |
| (i) Property, Plant and Equipment | 13,046,599 | - | 13,046,599 |
| (ii) Other Intangible assets | 2,202,445 | - | 2,202,445 |
| (iii) Investments | 153,336,951 | (40,956,710) | 112,380,241 |
| (iv) Other financial assets | 26,399,272 | - | 26,399,272 |
| (v) Deferred Tax assets (Net) | 97,540,639 | (2,504,230) | 95,036,409 |
| (vi) Other Non-current assets | 48,396,577 | - | 48,396,577 |
| | 340,922,483 | (43,460,940) | 297,461,542 |
| Current Assets | | | |
| (i) Inventories | 603,565,970 | - | 603,565,970 |
| (ii) Trade Receivables | 350,018,881 | - | 350,018,881 |
| (iii) Cash and cash equivalents | 47,592,444 | - | 47,592,444 |
| (iv) Bank balances other than (iii) above | 3,748,202 | - | 3,748,202 |
| (v) Loans | 31,269,014 | - | 31,269,014 |
| (vi) Others financial assets | 7,252,747 | (1,877,838) | 5,374,909 |
| (vii) Other Current Assets | 90,665,719 | 2,275,214 | 92,940,933 |
| | 1,134,112,977 | 397,376 | 1,134,510,353 |
| TOTAL | 1,475,035,460 | (43,063,565) | 1,431,971,895 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| (i) Equity Share Capital | 129,292,500 | - | 129,292,500 |
| (ii) Other equity | 464,254,452 | (35,827,580) | 428,426,872 |
| | 593,546,952 | (35,827,580) | 557,719,372 |

| Particulars | Previous GAAP April 01, 2016 | Effect of Transition to Ind AS | Ind As April 01, 2016 |
|---|---------------------------------|--------------------------------|--------------------------|
| LIABILITIES | | | |
| Non-current Liabilities | | | |
| (i) Financial liabilities | | | |
| (a) Borrowings | 35,458,317 | - | 35,458,317 |
| (b) Trade payables | 36,182,931 | (6,415,144) | 29,767,787 |
| (c) Other Financial liabilities | 100,000 | - | 100,000 |
| (ii) Provisions | 3,641,514 | (820,840) | 2,820,674 |
| | 75,382,762 | (7,235,984) | 68,146,778 |
| Current Liabilities | | | |
| (i) Financial liabilities | | | |
| (a) Borrowings | 182,926,272 | - | 182,926,272 |
| (b) Trade payables | 73,854,187 | - | 73,854,187 |
| (c) Other Financial liabilities | 70,103,812 | - | 70,103,812 |
| (ii) Other Current Liabilities | 253,552,397 | - | 253,552,397 |
| (iii) Provisions | 225,669,078 | - | 225,669,078 |
| | 806,105,746 | - | 806,105,746 |
| Total | 1,475,035,460 | (43,063,565) | 1,431,971,895 |
| Particulars | Previous GAAP March 31, 2017 | Effect of Transition to Ind AS | Ind As March 31, 2017 |
| Non-current Assets | | | |
| (i) Property, Plant and Equipment | 8,878,983 | - | 8,878,983 |
| (ii) Other Intangible assets | 265,478 | - | 265,478 |
| (iii) Investments | 130,336,951 | (40,956,710) | 89,380,241 |
| (iv) Other financial assets | 27,405,479 | - | 27,405,479 |
| (v) Deferred Tax assets (Net) | 63,974,165 | (1,966,156) | 62,008,009 |
| (vi) Other Non-current assets | 54,066,471 | - | 54,066,471 |
| | 284,927,527 | (42,922,866) | 242,004,661 |
| Current Assets | | | |
| (i) Inventories | 548,126,341 | - | 548,126,341 |
| (ii) Trade Receivables | 419,076,957 | - | 419,076,957 |
| (iii) Cash and cash equivalents | 11,022,649 | - | 11,022,649 |
| (iv) Bank balances other than (iii) above | 157,672 | - | 157,672 |
| (v) Loans | 45,586,743 | - | 45,586,743 |
| (vi) Others financial assets | 254,878,362 | (968,473) | 253,909,889 |
| (vii) Other Current Assets | 74,806,589 | 1,261,594 | 76,068,184 |
| | 1,353,655,314 | 293,121 | 1,353,948,435 |
| TOTAL | 1,638,582,840 | (42,629,745) | 1,595,953,096 |

| Particulars | Previous GAAP March 31, 2017 | Effect of Transition to Ind AS | Ind As March 31, 2017 |
|--|---------------------------------|--------------------------------|--------------------------|
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| (i) Equity Share Capital | 129,292,500 | - | 129,292,500 |
| (ii) Other equity | 600,592,340 | (36,918,972) | 563,673,367 |
| | 729,884,840 | (36,918,972) | 692,965,867 |
| LIABILITIES | | | |
| Non-current Liabilities | | | |
| (i) Financial liabilities | | | |
| (a) Borrowings | 27,481,464 | - | 27,481,464 |
| (b) Trade payables | 49,068,112 | (4,561,888) | 44,506,224 |
| (c) Other Financial liabilities | 100,000 | - | 100,000 |
| (ii) Provisions | 6,526,102 | (1,148,884) | 5,377,218 |
| | 83,175,679 | (5,710,772) | 77,464,906 |
| Current Liabilities | | | |
| (i) Financial liabilities | | | |
| (a) Borrowings | 209,091,623 | - | 209,091,623 |
| (b) Trade payables | 167,249,835 | - | 167,249,835 |
| (c) Other Financial liabilities | 68,497,419 | - | 68,497,419 |
| (ii) Other Current Liabilities | 268,701,331 | - | 268,701,331 |
| (iii) Provisions | 111,982,115 | - | 111,982,115 |
| | 825,522,323 | - | 825,522,323 |
| Total | 1,638,582,841 | (42,629,745) | 1,595,953,096 |
| Revenue: | | | |
| Revenue from Operations | 1,136,188,069 | - | 1,136,188,069 |
| Other Income | 12,409,430 | 5,814,939 | 18,224,369 |
| Total Revenue | 1,148,597,499 | 5,814,939 | 1,154,412,438 |
| Expenses: | | | |
| a) Construction Expenses | 813,709,731 | - | 813,709,731 |
| b) Employee Benefits Expense | 43,282,422 | - | 43,282,422 |
| c) Finance Costs | 29,106,059 | 6,430,786 | 35,536,845 |
| d) Depreciation and Amortization Expense | 5,148,133 | - | 5,148,133 |
| e) Other Expenses | 30,006,792 | 1,013,619 | 31,020,411 |
| Total Expenses | 921,253,137 | 7,444,405 | 928,697,542 |
| Profit / (Loss) before Tax | 227,344,362 | (1,629,467) | 225,714,895 |
| Tax Expense: | | | |
| (a) Current Tax | 57,440,000 | - | 57,440,000 |
| (b) Deferred Tax Charge / (Release) | 23,690,424 | (51,557,129) | 23,152,350 |
| (c) MAT Credit Utilisation/(Entitlement) | 9,876,050 | - | 9,876,050 |
| Total Tax Expenses | 91,006,473 | (51,557,129) | 90,468,400 |
| Profit/ (Loss) for the Year | 136,337,889 | 49,927,663 | 135,246,496 |

Reconciliation of total equity as at March 31, 2017

| Particulars | March 31, 2017 | April 01, 2016 |
|--|---------------------|---------------------|
| Total equity (shareholder's funds) as per previous GAAP | 729,884,841 | 593,546,952 |
| Provision for defect liability period | 1,148,884 | 820,840 |
| Retention Money payable recognised at amortised cost | 4,561,888 | 6,415,144 |
| Amortisation of prepaid rent | (29,554) | - |
| Processing charges Prepaid | 322,675 | 397,376 |
| Deferred tax on Ind AS Adjustments | (1,966,156) | (2,504,230) |
| Impairment of Investment in OCD's of Northwood Properties India Private Limited | (30,000,000) | (30,000,000) |
| Investment in SSPDL Infrastructure Developers Private Limited measured at Fair Value | (10,956,710) | (10,956,710) |
| Total adjustments | (36,918,972) | (35,827,580) |
| Total equity as per Ind AS | 692,965,869 | 557,719,372 |

Reconciliation of total comprehensive income/(loss) for the year ended March 31, 2017

| Particulars | FY 16-17 |
|--|--------------------|
| Profit/ (loss) after tax as per previous GAAP | 136,337,889 |
| Adjustments: | |
| Add: Notional Interest on Long term Provisions | 666,931 |
| Add: Notional Interest on Long Term Trade Payables | 4,238,643 |
| Add: Notional Interest on Other Financial Assets Non-current | 909,365 |
| Add: Amortisation of Processing Charges on Loan | (74,700) |
| Less: Notional Interest on Long term Provisions | (338,886) |
| Less: Notional Interest on Long Term Trade Payables | (6,091,899) |
| Less: Amortisation of prepaid Other Financial Assets Non-current | (938,919) |
| Less: Deferred Tax | 538,074 |
| Total adjustments | (1,091,393) |
| Profit after tax as per Ind AS | 135,246,495 |
| Other comprehensive income | - |
| Total comprehensive income as per Ind AS | - |

Impact of Ind AS adoption on the statements of cash flows for the year ended March 31, 2016

* The adjustments above are on account of reclassification of the previous GAAP numbers to conform to Ind AS presentation requirements.

The following are the optional and mandatory exemption availed by the company while preparation of financials in accordance with indian accounting standards

i) Ind AS optional exemptions**a) Deemed cost for property, plant and equipment, investment property and intangible assets**

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets and investment property covered by Ind AS 40 Investment Properties. Accordingly, the Company has elected to measure all of its property, plant and equipment, intangible assets and investment property at their previous GAAP carrying value.

b) Investment

Ind AS 101 permits a first-time adopter to continue previous GAAP carrying value for investment in equity instrument of subsidiaries, associates and joint ventures. Accordingly, the Company has elected to apply the said exemption.

ii) Ind AS Mandatory exemptions

An entity shall apply the following exceptions:

- a) derecognition of financial assets and financial liabilities
- b) hedge accounting
- c) non-controlling interests
- d) classification and measurement of financial assets
- e) impairment of financial assets
- f) embedded derivatives
- g) government loans

Notes to consolidated financial statements for the year ended March 31, 2018
 Financial instruments and risk management

(All amounts are in Indian Rupees unless otherwise specified)

Note : Fair value measurements

| Particulars | Hierarchy | 31 March 2018 | | | | 31 March 2017 | | | |
|------------------------------------|-----------|----------------|----------|--------------------|--|----------------|----------------|----------------|--------------------|
| | | Carrying value | | Fair Value | | Carrying value | | Fair Value | |
| | | FVPL | FVOCI | Amortised Cost | | FVPL | FVOCI | Amortised Cost | |
| Financial Assets | | | | | | | | | |
| Investments | | 300,000 | - | - | | | 300,000 | - | - |
| Trade Receivables | 3 | - | - | 451,841,309 | | | - | - | 419,076,957 |
| Loans | 3 | - | - | 48,139,924 | | | - | - | 45,586,743 |
| Cash and cash equivalents | | - | - | 38,739,232 | | | - | - | 11,022,649 |
| Other Bank balances | | - | - | 157,672 | | | - | - | 157,672 |
| Other Financial assets | | - | - | 302,757,858 | | | - | - | 281,315,368 |
| Total Financial Assets | | 300,000 | - | 841,635,995 | | | 300,000 | - | 757,159,389 |
| Financial Liabilities | | | | | | | | | |
| Borrowings | 3 | - | - | 419,488,117 | | | - | - | 236,573,087 |
| Trade Payables | 3 | - | - | 134,822,991 | | | - | - | 211,756,059 |
| Deposits from Customer | 3 | - | - | 66,852,906 | | | - | - | 68,597,419 |
| Total Financial Liabilities | | - | - | 554,311,108 | | | - | - | 448,329,146 |

(i) Fair value hierarchy

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There are no transfers between levels 1 and 2 during the year. The company's policy is to recognise transfers in and transfers out of fair value hierarchy levels as at the end of the reporting period.

The carrying amounts of trade receivables, loans, trade payables and cash and bank balances are considered to be the same as their fair values, due to their short term nature.

The fair values of non-current borrowings are based on discounted cash flows using current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

Financial Risk management

The Company's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge certain foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements.

| Risk | Exposure arising from | Measurement | Management |
|-----------------------------|---|---------------------------------|--|
| Credit risk | Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost | Aging analysis Credit rating | Diversification of bank deposits, credit limits and letter of credit |
| Liquidity risk | Borrowings and other liabilities | Rolling cash flow forecasts | Availability of committed credit lines and borrowing facilities |
| Market risk - Interest rate | Long-term borrowings at variable rates | Sensitivity analysis | Interest rate swaps |

The Company's risk management is carried out by the treasury department under policies approved by the Board of Directors. The board provides written principles for overall risk management as well as policies covering specific areas such as interest rate risk, credit risk and investment of excess liquidity.

(A) Credit Risk:

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from operating activities (primarily trade receivables) and from financing activities, including deposits with banks and other financial instruments.

(i) Credit risk management

Credit risk is managed at the company level. The company has low or no credit risk associated to its customers and hence the credit risk is considered at low credit risk category.

(ii) Provision for expected credit losses

The company provides for expected credit loss based on the following:

| Category | Description of category | Basis for recognition of expected credit loss provision | |
|--------------------------------------|--|---|----------------------------------|
| | | Loans and deposits | Trade receivables |
| High quality assets, low credit risk | Assets where there is low risk of default and where the counter party has sufficient capacity to meet the obligations and where there has been low frequency of defaults in the past. | 12-month expected credit losses | Life time expected credit losses |
| Doubtful assets, credit impaired | Assets are written off when there is no reasonable expectation of recovery, such as a debt or declaring bankruptcy or failing to engage in a payment plan with the Company. The company categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than 180 days past due. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss. | Asset is written off | |

Year ended March 31, 2018:

(a) Expected credit loss for loans, security deposits and investments

| Particulars | Asset Group | Estimated gross carrying amount at default | Expected probability of default | Expected credit losses | Carrying amount net of impairment provision |
|---|-------------------|--|---------------------------------|------------------------|---|
| Loss allowance measured at 12 month expected credit losses - Financial assets for which credit risk has not increased significantly since initial recognition | Trade Receivables | 451,841,309 | 0% | - | 451,841,309 |
| | Loans | 48,139,924 | 0% | - | 48,139,924 |

(b) Expected credit loss for trade receivables under simplified approach

| Ageing | 0-90 days | 90-365 days | More than 365 days | Total |
|--|-------------|-------------|--------------------|-------------|
| Gross carrying amount | 451,841,309 | - | - | 451,841,309 |
| Expected loss rate | 0% | - | - | - |
| Expected credit loss (loss allowance provision) | - | - | - | - |
| Carrying amount of trade receivables (net of impairment) | 451,841,309 | - | - | 451,841,309 |

Year ended March 31, 2017:

(a) Expected credit loss for loans, security deposits and investments

| Particulars | Asset Group | Estimated gross carrying amount at default | Expected probability of default | Expected credit losses | Carrying amount net of impairment provision |
|---|-------------------|--|---------------------------------|------------------------|---|
| Loss allowance measured at 12 month expected credit losses - Financial assets for which credit risk has not increased significantly since initial recognition | Trade Receivables | 419,076,957 | 0% | - | 419,076,957 |
| | Loans | 45,586,743 | 0% | - | 45,586,743 |

(b) Expected credit loss for trade receivables under simplified approach

| Ageing | 0-90 days | 90-365 days | More than 365 days | Total |
|--|-------------|-------------|--------------------|-------------|
| Gross carrying amount | 419,076,957 | - | - | 419,076,957 |
| Expected loss rate | 0% | - | - | - |
| Expected credit loss (loss allowance provision) | - | - | - | - |
| Carrying amount of trade receivables (net of impairment) | 419,076,957 | - | - | 419,076,957 |

During the period, the company made no write offs of trade receivables, it does not expect to receive future cash flows or recoveries from collection of cash flows previously written off.

(B) Liquidity Risk:

Liquidity risk is the risk that the company will encounter difficulty in meeting its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stresses conditions without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has lines of credit from group company and also from banks. The company believes that these facilities are sufficient to meet its funds requirements. Accordingly, no liquidity risk is perceived.

(i) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

| Floating Rate | 31 March, 2018 | 31 March, 2017 |
|----------------------------|----------------|----------------|
| - Expiring within one year | 11,641,422 | 7,135,860 |
| - Expiring beyond one year | 80,426,581 | 27,481,464 |

(ii) Maturities of financial liabilities

The tables below analyse the company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

- all non derivative financial liabilities, and
 - net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flow
- The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

| Contractual maturities of financial liabilities 31 March 2018 | Less than 6 months | 6 months to 1 year | Between 1 and 2 years | More than 2 years | Total |
|--|---------------------------|---------------------------|------------------------------|--------------------------|--------------------|
| Non derivatives | | | | | |
| Borrowings | 10,967,468 | 5,659,677 | 11,688,468 | 63,752,391 | 92,068,003 |
| Trade payables | 134,822,991 | | | - | 134,822,991 |
| Total non derivative liabilities | 145,790,459 | 5,659,677 | 11,688,468 | 63,752,391 | 226,890,994 |
| Contractual maturities of financial liabilities 31 March 2017 | Less than 6 months | 6 months to 1 year | Between 1 and 2 years | More than 2 years | Total |
| Non derivatives | | | | | |
| Borrowings | 9,055,019 | 3,350,000 | 6,700,000 | 15,075,000 | 34,180,019 |
| Trade payables | 211,756,059 | - | - | - | 211,756,059 |
| Total non derivative liabilities | 220,811,078 | 3,350,000 | 6,700,000 | 15,075,000 | 245,936,078 |

Capital Management

Risk management

The Company's objective when managing capital are to:

1. Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
2. Maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts.

Consistent with others in the industry, the group monitors capital on the basis of the following gearing ratio:

| Particulars | 31 March, 2018 | 31 March, 2017 |
|--------------------------|-----------------------|-----------------------|
| Net Debt | 419,488,117 | 236,573,087 |
| Total Equity | 596,267,553 | 692,965,867 |
| Net debt to equity ratio | 70% | 34% |

(All amounts are in Indian Rupees unless otherwise specified)

3 Property, Plant and Equipment

| Description | Tangible Assets | | | | | | Intangible Assets | |
|---|------------------------|------------------------|-----------|------------------|-----------|------------|-------------------|-----------|
| | Construction Equipment | Furniture and Fixtures | Computers | Office Equipment | Vehicles | Total | Software | |
| Gross Block at April 1, 2016 (Deemed Cost) | 3,981,432 | 4,634,971 | 528,231 | 1,244,597 | 2,670,907 | 13,060,138 | 884,930 | |
| Additions | - | - | 72,350 | 115,337 | - | 187,687 | - | |
| Disposals | 2,377,733 | 123,733 | - | - | 497,244 | 2,998,710 | - | |
| Gross Block at March 31, 2017 | 1,603,699 | 4,511,238 | 600,581 | 1,359,934 | 2,173,663 | 10,249,115 | 884,930 | |
| Additions | - | - | - | 146,669 | 16,386 | 163,055 | - | |
| Disposals | 482,289 | - | - | - | - | 482,289 | - | |
| Gross Block at March 31, 2018 | 1,121,410 | 4,511,238 | 600,581 | 1,506,603 | 2,190,049 | 9,929,881 | 884,930 | |
| Accumulated Depreciation at April 1, 2016 (Deemed Cost) | - | - | - | - | - | - | - | |
| Charge for the year | 1,427,203 | 1,400,906 | 366,117 | 572,955 | 761,501 | 4,528,682 | 619,452 | |
| Adjustments | - | - | - | - | - | - | - | |
| Disposals | 2,357,521 | 60,100 | - | - | 333,821 | 2,751,442 | - | |
| Accumulated Depreciation at March 31, 2017 | (930,318) | 1,340,806 | 366,117 | 572,955 | 427,680 | 1,777,240 | 619,452 | |
| Charge for the year | 426,493 | 680,046 | 213,739 | 394,005 | 373,268 | 2,087,551 | 265,478 | |
| Adjustments | 1,031,178 | (62,368) | 15,587 | 69,594 | 45,163 | 1,099,154 | - | |
| Disposals | 482,289 | - | - | - | - | 482,289 | - | |
| Accumulated Depreciation at March 31, 2018 | 45,064 | 1,958,484 | 595,443 | 1,036,554 | 846,111 | 4,481,656 | 884,930 | |
| Net block | | | | | | | | |
| At April 1, 2016 | 3,981,432 | 4,634,971 | 528,231 | 1,244,597 | 2,670,907 | 13,060,138 | 884,930 | |
| At March 31, 2017 | 2,534,017 | 3,170,432 | 234,464 | 786,979 | 1,745,983 | 8,471,875 | 265,478 | |
| At March 31, 2018 | 1,076,346 | 2,552,754 | 5,138 | 470,049 | 1,343,937 | 5,448,224 | - | |
| Capital Work in progress | | | | | | | | 2,627,002 |

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

(All amounts are in Indian Rupees unless otherwise specified)

4 Financial Assets – Non current

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 01, 2016 |
|---|--------------------------|---------------------------|---------------------------|
| a) Investments (Refer Note 4(c)) | | | |
| Trade Investments | | | |
| Equity instruments of Associates | - | - | - |
| Equity instruments of Other enterprises | 99,810 | 1,787,770 | 1,787,770 |
| Debentures of Associate | 65,542,471 | 87,042,471 | 110,042,471 |
| Investment in Limited Liability partnership | 250,000 | 250,000 | 250,000 |
| Non Trade Investments | | | |
| In government securities | 300,000 | 300,000 | 300,000 |
| | <u>66,192,281</u> | <u>89,380,241</u> | <u>112,380,241</u> |
| b) Other financial assets | | | |
| Security deposits | 12,431,309 | 12,459,170 | 12,409,046 |
| Deposit to Land Owners | - | 14,899,591 | 13,990,226 |
| Interest Accrued | - | 46,718 | - |
| | <u>12,431,309</u> | <u>27,405,479</u> | <u>26,399,272</u> |
| Total Financial Assets | <u>78,623,590</u> | <u>116,785,720</u> | <u>138,779,513</u> |

c) Details of Unquoted, Non-current Investments

| Particulars | Face Value | As at March 31, 2018 | | As at March 31, 2017 | | As at April 01, 2016 | |
|--|------------|-----------------------|---------------|-----------------------|------------------|-----------------------|------------------|
| | | No. of Shares Holding | Book Value | No. of Shares Holding | Book Value | No. of Shares Holding | Book Value |
| i) Trade Investments | | | | | | | |
| A In Equity shares of | | | | | | | |
| Of Associates | | | | | | | |
| Northwood Properties India Private Limited | | | | | | | |
| - Class A Equity shares | 10 | 22,500 | - | 22,500 | - | 22,500 | - |
| Northwood Properties India Private Limited | | | | | | | |
| - Class B Equity shares | 10 | 90,000 | - | 10,000 | - | 10,000 | - |
| | | | - | | - | | |
| B Of Other Enterprises | | | | | | | |
| Alphacity Chennai IT Park Projects Private Limited | 10 | 9,980 | 99,800 | 9,980 | 99,800 | 9,980 | 99,800 |
| SSPDL Infrastructure Developers Private Limited | | | | | | | |
| - Class A Equity Shares | 10 | 36,422 | 10,956,710 | 36,422 | 10,956,710 | 36,422 | 10,956,710 |
| SSPDL Infrastructure Developers Private Limited | | | | | | | |
| - Class B Equity Shares | 10 | 1 | 10 | 10 | 10 | 10 | 10 |
| SSPDL Properties Private Limited | 10 | - | - | 168,796 | 1,687,960 | 168,796 | 1,687,960 |
| (Less) : Impairment of Investment in SSPDL Infrastructure Developers Private Limited | | | (10,956,710) | | (10,956,710) | | (10,956,710) |
| | | | <u>99,810</u> | | <u>1,787,770</u> | | <u>1,787,770</u> |

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

| Particulars | Face Value | As at March 31, 2018 | | As at March 31, 2017 | | As at April 01, 2016 | |
|--|------------|-----------------------|-----------------------------|-----------------------|-----------------------------|-----------------------|-----------------------------|
| | | No. of Shares Holding | Book Value | No. of Shares Holding | Book Value | No. of Shares Holding | Book Value |
| C Debentures | | | | | | | |
| of Associate Company | | | | | | | |
| Optionally Convertible 15% Debentures (Series B) ("OCD's"); | | | | | | | |
| Northwood Properties India Private Limited | 10 | 9,554,247 | 95,542,471 | 11,704,247 | 117,042,471 | 14,004,247 | 140,042,471 |
| (Less) : Impairment of Investment of OCD's of Northwood Properties India Private Limited | | | (30,000,000) | | (30,000,000) | | (30,000,000) |
| | | | <u>65,542,471</u> | | <u>87,042,471</u> | | <u>110,042,471</u> |
| D Investments in Limited Liability Partnership | | | | | | | |
| SSPDL Green Acres LLP | | | 250,000 | | 250,000 | | 250,000 |
| Total Trade Investments | | | <u>65,892,281</u> | | <u>89,080,241</u> | | <u>112,080,241</u> |
| II) Non-trade Investments | | | | | | | |
| A In Government Securities | | | | | | | |
| National Savings Certificate | | | 300,000 | | 300,000 | | 300,000 |
| Total Uquoted, Non current Investments | | | <u>66,192,281</u> | | <u>89,380,241</u> | | <u>112,380,241</u> |
| 5 Deferred Tax Assets (Net) | | | | | | | |
| | | | As at March 31, 2018 | | As at March 31, 2017 | | As at April 01, 2016 |
| a) Deferred Tax Asset | | | | | | | |
| On account of | | | | | | | |
| Difference of Depreciation between Books and Tax laws | | | 743,350 | | 543,492 | | 217,449 |
| Section 43 B {Provision for Service tax} | | | 15,610,650 | | 18,732,780 | | 18,732,780 |
| Section 43 B { Provision for Sales Tax} | | | 4,568,315 | | 5,481,978 | | 5,481,978 |
| Section 43 B {Interest to Banks and FI's} | | | - | | - | | - |
| Provision for Future Contract Losses as per AS-7 | | | 1,223,012 | | - | | 14,521,944 |
| Provision for Defect Liability Period | | | 2,547,779 | | 2,242,592 | | 1,119,360 |
| Carry Forward Business Losses | | | 28,227,425 | | 0 | | 10,429,836 |
| Carry Forward Unabsorbed Depreciation | | | 217,728 | | - | | 187,919 |
| Adv for JDA at thalambur - sspdl madhavanam - Interest cost | | | - | | 335,169 | | 649,882 |
| MAT Credit Entitlement | | | 36,973,323 | | 36,973,323 | | 46,849,373 |
| Total (a) | | | <u>90,111,582</u> | | <u>64,309,334</u> | | <u>98,190,520</u> |
| b) Deferred Tax Liability | | | | | | | |
| On account of | | | | | | | |
| Provision for defect liability period-interest suspense | | | 236,868 | | 397,606 | | 284,076 |
| Retention money payable – 1155 homes-interest suspense | | | - | | 1,578,778 | | 2,220,153 |
| Adv for JDA at thalambur - sspdl madhavanam-Prepaid | | | - | | 324,941 | | 649,882 |
| Total (b) | | | <u>236,868</u> | | <u>2,301,325</u> | | <u>3,154,112</u> |
| c) Net Deferred Tax Asset / (Liability) (a-b) | | | <u>89,874,714</u> | | <u>62,008,009</u> | | <u>95,036,409</u> |

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

6 Other Non-Current Assets

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 01, 2016 |
|----------------------------------|-------------------------|-------------------------|-------------------------|
| Advance to suppliers/contractors | 42,436,768 | 35,484,827 | 38,703,403 |
| Others deposits | 49,948,023 | 18,253,777 | 6,999,508 |
| Prepaid Expenses | 3,314,910 | 322,675 | 397,376 |
| Tax Deducted at source | - | 5,192 | 2,296,290 |
| | 95,699,701 | 54,066,471 | 48,396,577 |

7 Inventories

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 01, 2016 |
|--------------------------------|-------------------------|-------------------------|-------------------------|
| Work-in-progress | 480,337,015 | 433,208,328 | 396,789,767 |
| Cost of land under development | 136,967,912 | 96,179,544 | 200,205,055 |
| Cost of Materials | 20,757,122 | 18,738,469 | 6,571,148 |
| | 638,062,049 | 548,126,341 | 603,565,970 |

8 Financial Assets – Current

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 01, 2016 |
|---|-------------------------|-------------------------|-------------------------|
| a) Trade Receivables | | | |
| Unsecured, considered good | | | |
| a) Outstanding for a period exceeding six months from the day they became due for payment | | | |
| Due by private companies in which directors are interested | 202,547,358 | 210,123,438 | 205,478,190 |
| Others | 6,735,236 | 14,113,267 | 14,113,267 |
| b) Outstanding for a period not exceeding six months from the day they became due for payment | | | |
| Due by private companies in which directors are interested | - | - | - |
| Others | 242,558,716 | 198,325,044 | 133,912,215 |
| Less : Provision for doubtful advances | - | (3,484,791) | (3,484,791) |
| Total (a) | 451,841,309 | 419,076,957 | 350,018,881 |
| b) Cash and cash equivalents | | | |
| Cash on hand | 2,187,160 | 493,851 | 184,547 |
| Balances with banks | | | |
| - In current account | 33,698,242 | 9,893,461 | 36,207,897 |
| - In deposits accounts (Original maturity of 3 months or less) | 2,853,830 | 635,337 | 11,200,000 |
| Total (b) | 38,739,232 | 11,022,649 | 47,592,444 |

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

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 01, 2016 | | |
|--|---|-------------------------|-------------------------|--------------------|--------------------|
| c) Other banks balances | | | | | |
| - In margin money account | 157,672 | 157,672 | 3,748,202 | | |
| - In unpaid dividend | - | - | - | | |
| - In deposits accounts (Original maturity more than 3 months) | - | - | - | | |
| Total (c) | 157,672 | 157,672 | 3,748,202 | | |
| d) Loans | | | | | |
| Loans and advances to related parties [Refer note 8 (d) (i)] | 15,763,348 | 16,031,373 | 1,031,373 | | |
| Other loans and advances; | 32,376,576 | 29,555,370 | 30,237,641 | | |
| Total (d) | 48,139,924 | 45,586,743 | 31,269,014 | | |
| i) Disclosure as per clause 32 of the listing agreement | | | | | |
| Particulars | Maximum Amount Outstanding at any time during the year | | As At | | |
| | 2017-18 | 2016-17 | March 31, 2018 | March 31, 2017 | April 01, 2016 |
| i) Advances to Associates: | | | | | |
| Northwood Properties India Private Limited | - | 268,025 | - | 268,025 | 268,025 |
| ii) Advances to Others | | | | | |
| SSPDL Infrastructure Developers Private Limited | 763,348 | 763,348 | 763,348 | 763,348 | 763,348 |
| Sri Satya Sai Constructions | 15,000,000 | 15,000,000 | 15,000,000 | 15,000,000 | - |
| | 15,763,348 | 16,031,373 | 15,763,348 | 16,031,373 | 1,031,373 |
| e) Other Financial Assets | | | | | |
| Interest accrued on deposits | | | 3,087,163 | 3,076,915 | 2,489,552 |
| Prepaid Deposits | | | - | 938,919 | 1,877,838 |
| Unbilled Revenue | | | 287,239,386 | 249,894,055 | 1,007,519 |
| Total (e) | | | 290,326,549 | 253,909,889 | 5,374,909 |
| Total Financial Assets (a + b + c + d+e) | | | 829,204,686 | 729,753,910 | 438,003,450 |
| 9 Other Current Assets | | | | | |
| Unsecured, considered good | | | | | |
| Advance to suppliers and contractors | | | 3,530,356 | 8,361,980 | 6,973,198 |
| Loans and advances to employees | | | 709,492 | 728,305 | 192,689 |
| Balance with statutory/government authorities | | | 118,808,618 | 52,999,178 | 72,421,193 |
| Advance for Purchase of land | | | 15,000,000 | 15,000,000 | 15,000,000 |
| Prepaid expenses | | | 2,363,189 | 2,118,152 | 1,493,284 |
| Less : Provision for Doubtful advances | | | 678,039 | (3,139,431) | (3,139,431) |
| | | | 141,089,694 | 76,068,184 | 92,940,933 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)**10 Equity**

All Amount in Indian Rupees unless other wise stated

i) Equity Share Capital

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 01, 2016 |
|--|-------------------------|-------------------------|-------------------------|
| Authorised Capital | | | |
| 2,50,00,000 (Previous Year: 2,50,00,000) Equity share of ₹ 10 each | 250,000,000 | 250,000,000 | 250,000,000 |
| Issued, Subscribed and Paid up | | | |
| 1,29,29,250 (Previous Year:1,29,29,250) Equity shares of ₹ 10 each fully paid up | 129,292,500 | 129,292,500 | 129,292,500 |
| | 129,292,500 | 129,292,500 | 129,292,500 |

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

| Particulars | As at March 31, 2018 | | As at March 31, 2017 | |
|---|----------------------|--------------------|----------------------|--------------------|
| | Number of shares | Value | -Number of shares | Value |
| Equity shares | | | | |
| At the beginning of the period | 12,929,250 | 129,292,500 | 12,929,250 | 129,292,500 |
| Issued during the period | - | - | - | - |
| Outstanding at the end of the period | 12,929,250 | 129,292,500 | 12,929,250 | 129,292,500 |

(b) Terms / rights attached to equity shares

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

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

| Particulars | As at March 31, 2018 | | As at March 31, 2017 | |
|---|----------------------|--------------|----------------------|--------------|
| | Number of shares | % of holding | Number of shares | % of holding |
| Prakash Challa | 2,359,390 | 18.25 | 2,359,390 | 18.25 |
| Edala Padmaja | 895,000 | 6.92 | 895,000 | 6.92 |
| Sri Krishna Devaraya Hatcheries Private Limited | 2,402,652 | 18.58 | 2,402,652 | 18.58 |
| Suresh Challa | 872,042 | 6.74 | 887,600 | 6.87 |

ii) Other equity

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 01, 2016 |
|----------------------------|-------------------------|-------------------------|-------------------------|
| Capital Reserve | 237,101,053 | 237,101,053 | 237,101,053 |
| General Reserve | 18,241,459 | 18,241,459 | 18,241,459 |
| Securities Premium Reserve | 269,691,000 | 269,691,000 | 269,691,000 |
| Retained Earnings | (58,058,459) | 38,639,855 | (96,606,640) |
| | 466,975,053 | 563,673,367 | 428,426,872 |

Nature and purpose of the Reserves**i) Capital Reserve**

The Company is required to create a capital reserve out of the profits when the Company converted OCD's into equity shares

ii) General Reserve

The Company is required to create a general reserve out of the profits when the Company declares dividend to shareholders

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

iii) Securities Premium

Securities Premium is used to record the premium on the issue of Shares. The reserve is used for the purposes as specified in the Companies Act, 2013

11 Financial Liabilities – Non current

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 01, 2016 |
|---------------------------------------|-------------------------|-------------------------|-------------------------|
| a) Borrowings | | | |
| Secured | | | |
| Term Loan from banks | | | |
| Federal Bank Limited (Refer (b) (i)) | 20,060,722 | 27,044,159 | 34,585,152 |
| Term Loan from PNB | 60,365,859 | - | - |
| Vehicle Loans | | | |
| Toyota Finance Services Limited | - | 437,305 | 873,165 |
| | 80,426,581 | 27,481,464 | 35,458,317 |

Terms and conditions of Borrowings

i) Term Loan from Federal Bank

1) SSPDL Infra Projects private limited

Terms and conditions

The term loan was sanctioned by federal bank for direct agricultural purpose. The total limit of the facility is Rs. 24 Lakhs. The loan is repayable in 7 equal yearly installments starting from July 2015. Interest is to be serviced on monthly basis. The rate of interest applicable on the loan is BR+3.00% (13.55% at the time of sanctioned) with a penal interest of 2.00% on default of principal or interest.

Details of security given

Primary security

Equitable mortgage of 17.04.18 hectare of Land valuing Rs. 294 Lakhs (as on 06.06.2014) belonging to SSPDL Infra Project Pvt. Ltd.

Collateral security

Additional charge on 41.43.33 hectare of Land valuing Rs. 1,077 Lakhs (as on 06.06.2014) belonging to SSPDL Real Estates India Private Limited and other assets which are charged to FKCC limit belonging to SSPDL Real estates India Private Limited, SSPDL Realty India Private Limited and SSPDL Resorts Private Limited

Guarantors

| Name of the party | Relationship |
|-----------------------------------|-----------------|
| SSPDL Real Estates India Pvt. Ltd | Co-Subsidiary |
| Mr. Prakash Challa | Director |
| SSPDL Ltd | Holding Company |

2) SSPDL Real Estates India private limited

Terms and conditions

The term loan was sanctioned by federal bank for indirect agricultural purpose. The total limit of the facility is Rs. 175 Lakhs. The loan is repayable in 84 equal monthly installments starting from July 2014. Interest is to be serviced on monthly basis. The rate of interest applicable on the loan is BR+3.00% (13.55% at the time of sanctioned) with a penal interest of 2.00% on default of principal or interest.

Details of security given

Primary security

Additional charge on 41.43.33 hectare of Land valuing Rs. 1,077 Lakhs (as on 14.05.2013) belonging to SSPDL Real estates India Private limited and the buildings and other assets therein and which is charged to FKCC limit belonging to SSPDL Real estates India Private Limited, SSPDL Realty India Private Limited and SSPDL Resorts Private Limited

Guarantors

| Name of the party | Relationship |
|--------------------|-----------------|
| Mr. Prakash Challa | Director |
| SSPDL Ltd | Holding Company |

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

3) SSPDL Realty India private limited

Terms and conditions

The term loan was sanctioned by federal bank for indirect agricultural purpose. The total limit of the facility is Rs. 120 Lakhs. The loan is repayable in 84 equal monthly installments starting from July 2014. Interest is to be serviced on monthly basis. The rate of interest applicable on the loan is BR+3.00% (13.55% at the time of sanctioned) with a penal interest of 2.00% on default of principal or interest.

Details of security given

Primary security

Equitable mortgage of 46.81.50 hectare of Land valuing Rs. 809 Lakhs (as on 14.05.2013) and buildings and other assets therein belonging to SSPDL Infra Project Pvt. Ltd.

Collateral Security

Additional charge on 41.43.33 hectare of Land valuing Rs. 1,077 Lakhs (as on 14.05.2013) belonging to SSPDL Real estates India Private limited and the buildings and other assets therein and which is charged to FKCC limit belonging to SSPDL Real estates India Private Limited, SSPDL Infra Projects India Private Limited and SSPDL Resorts Private Limited.

Guarantors

| Name of the party | Relationship |
|--|-----------------|
| SSPDL Real Estates India Private Limited | Co-Subsidiary |
| Mr. Prakash Challa | Director |
| SSPDL Ltd | Holding Company |

4) SSPDL Resorts private limited

Terms and conditions

The term loan was sanctioned by federal bank for direct agricultural purpose. The total limit of the facility is Rs. 150 Lakhs. The loan is repayable in 7 equal yearly installments starting from July 2015. Interest is to be serviced on monthly basis. The rate of interest applicable on the loan is BR+3.00% (13.55% at the time of sanctioned) with a penal interest of 2.00% on default of principal or interest.

Details of security given

Primary security

Additional charge on 41.43.33 hectare of Land valuing Rs. 1,077 Lakhs (as on 14.05.2013) belonging to SSPDL Real estates India Private limited and the buildings and other assets therein and which is charged to FKCC limit belonging to SSPDL Real estates India Private Limited, SSPDL Infra Projects India Private Limited and SSPDL Realty India Private Limited.

Guarantors

| Name of the party | Relationship |
|--|-----------------|
| SSPDL Real Estates India Private Limited | Co-Subsidiary |
| Mr. Prakash Challa | Director |
| SSPDL Ltd | Holding Company |

ii) Term loan from PNB Housing Finance Limited

Terms and Conditions

The term loan has been obtained for general business purpose. The loan amount is repayable in 120 Months starting from 10-07-2017. The rate of interest applicable on the loan is 10.25% (Fixed) per annum for the first 36 Months and floating interest rate based on prevailing PNBHFR for the remaining repayment period.

Details of security

The loan is secured by mortgage of commercial property belonging to one of the directors.

iii) Vehicle loans are secured by hypothecation of respective vehicles

b) Trade Payables

| | | | |
|-------------------------|---|------------|------------|
| Retention Money Payable | - | 44,506,224 | 29,767,787 |
| | - | 44,506,224 | 29,767,787 |

c) Other financial liabilities

| | | | |
|-------------------|------------|------------|------------|
| Security deposits | - | 100,000 | 100,000 |
| | - | 100,000 | 100,000 |
| | 80,426,581 | 72,087,688 | 65,326,104 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)**12 Long-term Provisions**

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 01, 2016 |
|---|-------------------------|-------------------------|-------------------------|
| Compensated Absences | - | 46,122 | 407,117 |
| Provision for Defect Liability Period | 8,834,187 | 6,479,980 | 3,234,397 |
| (Less): Interest Cost as per IND AS 35 | (821,319) | (1,148,884) | (820,840) |
| Provision for Defect Liability Period (Net of interest cost) | 8,012,868 | 5,331,096 | 2,413,557 |
| Total | 8,012,868 | 5,377,218 | 2,820,674 |

13 Financial Liabilities – Current

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 01, 2016 |
|--|-------------------------|-------------------------|-------------------------|
| a) Borrowings | | | |
| Secured | | | |
| Loans repayable on demand from bank | | | |
| Federal Bank OD | 33,288,138 | 33,634,315 | 33,277,609 |
| Unsecured | | | |
| Loans and advances from related parties and others | 305,773,398 | 175,457,308 | 149,648,663 |
| Total (a) | 339,061,536 | 209,091,623 | 182,926,272 |

i) Cash Credit from Federal Bank**1) SSPDL Infra Projects private limited****Terms and conditions**

The Cash Credit was sanctioned by federal bank for direct agricultural purpose. The total limit of the facility is Rs. 40 Lakhs. The facility was sanctioned on 02.03.2017 and the tenure of the facility is 36 Months. The said loan is repayable on demand. Interest is to be serviced on monthly basis. The rate of interest applicable on the loan is 10.75% P.A for the first two years and MCLR+1.45% with a penal interest of 2.00% on default of principal or interest.

Details of security given**Primary security**

Hypothecation of standing crops and assets in 17.04.18 Ha of agricultural Plantation planted with Coffee, cardamom and pepper etc, under Sy.no.124/2, 129/2,180/1 in Anaviratty village, Devikulam taluk, Idukki District in the Name of SSPDL Infra Project India Pvt. Ltd with a margin of 15%.

Collateral security

Against land value Rs. 259.72 Lakhs belongs to SSPDL Infra Projects India Pvt. Ltd and additional charge on land belongs to SSPDL Real Estate India Pvt. Ltd, SSPDL LTD, SSPDL Realty India Pvt. Ltd and SSPDL Resorts Pvt. Ltd

Guarantors

| Name of the party | Relationship |
|--------------------|-----------------|
| Mr. Prakash Challa | Director |
| SSPDL Ltd | Holding Company |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)**2) SSPDL Real estates India Private Limited****Terms and conditions**

The Cash Credit was sanctioned by federal bank for direct agricultural purpose. The total limit of the facility is Rs. 120 Lakhs. The facility was sanctioned on 02.03.2017 and the tenure of the facility is 36 Months. The said loan is repayable on demand. Interest is to be serviced on monthly basis. The rate of interest applicable on the loan is 10.75% P.A for the first two years and MCLR+1.45% with a penal interest of 2.00% on default of principal or interest.

Details of security given**Primary security**

Hypothecation of standing crops and assets in 41.43.33 Ha of agricultural Plantation planted with Coffee, cardamom and pepper etc, under Sy.no.124/2, 129/2,180/1 in Anaviratty village, Devikulam taluk, Idukki District in the Name of SSPDL Real estates India Pvt. Ltd with a margin of 15%.

Collateral security

Against land value Rs. 1103.18 Lakhs belongs to SSPDL Real Estates India Pvt. Ltd and additional charge on land belongs to SSPDL Infra Projects India Pvt. Ltd, SSPDL LTD, SSPDL Realty India Pvt. Ltd and SSPDL Resorts Pvt. Ltd

Guarantors

| Name of the party | Relationship |
|--------------------------|---------------------|
| Mr. Prakash Challa | Director |
| SSPDL Ltd | Holding Company |

3) SSPDL Realty India Private Limited**Terms and conditions**

The Cash Credit was sanctioned by federal bank for direct agricultural purpose. The total limit of the facility is Rs. 140 Lakhs. The facility was sanctioned on 02.03.2017 and the tenure of the facility is 36 Months. The said loan is repayable on demand. Interest is to be serviced on monthly basis. The rate of interest applicable on the loan is 13.10% P.A for the first two years and MCLR+3.80% with a penal interest of 2.00% on default of principal or interest.

Details of security given**Primary security**

Hypothecation of standing crops and assets in 46.81.50 Ha of agricultural Plantation planted with Coffee, cardamom and pepper etc, under Sy.no.124/2, 129/2,180/1 in Anaviratty village, Devikulam taluk, Idukki District in the Name of SSPDL Realty India Pvt. Ltd with a margin of 15%.

Collateral security

Against land value Rs. 995.75 Lakhs belongs to SSPDL Realty India Pvt. Ltd and additional charge on land belongs to SSPDL Infra Projects India Pvt. Ltd, SSPDL LTD, SSPDL Real Estates India Pvt Ltd and SSPDL Resorts Pvt. Ltd

Guarantors

| Name of the party | Relationship |
|--------------------------|---------------------|
| Mr. Prakash Challa | Director |
| SSPDL Ltd | Holding Company |

b) Trade Payables

| | | | |
|---|--------------------|--------------------|-------------------|
| - Dues to micro and small enterprises * | - | - | - |
| - Others | 134,822,991 | 167,249,835 | 73,854,187 |
| Total (b) | 134,822,991 | 167,249,835 | 73,854,187 |

* The Company is seeking confirmation from its suppliers whether they fall under the category of micro and small enterprises as mentioned under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006"). Based on confirmations received till date, the Company believes that it does not have any outstanding dues towards Micro and Small Enterprises. Further the Company has not paid/accrued any interest under the MSMED Act, 2006.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)**c) Other financial liabilities**

| | | | |
|--|-------------------|-------------------|-------------------|
| Current maturities of long-term debts ** | 11,641,422 | 7,135,860 | 7,093,610 |
| Security Deposits Received | 47,923,600 | 47,923,600 | 47,923,600 |
| Outstanding expenses and others | 5,977,219 | 5,762,601 | 6,405,677 |
| Employee Benefit expenses Payable | 1,310,665 | 257,762 | 1,006,846 |
| Interest Accrued on Borrowings | - | 7,417,596 | 7,674,079 |
| Total (c) | 66,852,906 | 68,497,419 | 70,103,812 |

** Current maturities of long-term debts represents vehicle loan taken from Toyota Financial Services India Ltd and are secured by the respective vehicles.

| | | | | |
|------------------------------------|------------------------|--------------------|--------------------|--------------------|
| Total Financial Liabilities | Total (a+b+c) | 540,737,433 | 444,838,877 | 326,884,271 |
|------------------------------------|------------------------|--------------------|--------------------|--------------------|

14 Other Current Liabilities

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 01, 2016 |
|---------------------------------|-------------------------|-------------------------|-------------------------|
| Advance received from clients # | 534,613,367 | 257,543,966 | 243,697,314 |
| Statutory liabilities | 4,738,362 | 11,157,365 | 9,855,083 |
| | 539,351,729 | 268,701,331 | 253,552,397 |

** Advance received from clients includes ₹15.26 crores from director and ₹5.00 crores from others against agreement for sale land .

15 Short-term Provisions

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 01, 2016 |
|--|-------------------------|-------------------------|-------------------------|
| Provision for employee benefits | | | |
| Gratuity | - | 389,309 | - |
| Other provisions | | | |
| Provision for Estimated Future contract losses | 45,864,831 | 41,624,133 | 155,700,405 |
| Provision for Service tax Demand | 54,128,467 | 54,128,467 | 54,128,467 |
| Provision for Sales tax Demand | 15,840,204 | 15,840,204 | 15,840,204 |
| | 115,833,502 | 111,982,113 | 225,669,076 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)**16 Revenue From Operations**

| Particulars | For the Year Ended March 31, 2018 | For the Year Ended March 31, 2017 |
|-------------------------------------|--------------------------------------|--------------------------------------|
| Revenue from Construction Contracts | 406,223,263 | 835,740,309 |
| Revenue from Development projects | 67,157,568 | 289,290,189 |
| Revenue from Sale of Land / Plots | - | - |
| Other operating revenues | 13,717,136 | 11,157,571 |
| | 487,097,967 | 1,136,188,069 |

17 Other Income

| Particulars | For the Year Ended March 31, 2018 | For the Year Ended March 31, 2017 |
|---|--------------------------------------|--------------------------------------|
| a) Interest Income | | |
| Interest on deposits with banks | 70,290 | 2,070,220 |
| Interest on Loans and advances | - | 3,907,361 |
| Interest on income tax refund | - | 219,064 |
| Others | 1,265,764 | 5,814,939 |
| | 1,336,054 | 12,011,584 |
| b) Dividend Income | | |
| Dividend on Investments | - | - |
| c) Other Non Operative Income | | |
| Maintenance charges | 7,417,596 | - |
| Liabilities no longer required written back | 7,244,330 | 8,959 |
| Provisions no longer required written back | - | 1,398,394 |
| Profit on sale of investments | - | - |
| Profit on sale of fixed assets | 300,000 | 192,972 |
| Other income | 395,100 | 4,612,460 |
| | 15,357,026 | 6,212,785 |
| | 16,693,080 | 18,224,369 |

18 Construction Expenses

| Particulars | For the Year Ended March 31, 2018 | For the Year Ended March 31, 2017 |
|---|--------------------------------------|--------------------------------------|
| (a) Cost Incurred during the year | | |
| Works contract including contractor's bills | 525,487,496 | 718,148,832 |
| Masonry and other works | 245,246 | 98,710 |
| Power and fuel charges | 87,372 | 145,223 |
| Rates and taxes | 5,141,180 | 3,166 |
| Project consultancy charges | 18,691,610 | 15,463,750 |
| Land cost and development charges | 39,230,100 | 12,243,100 |
| | 588,883,004 | 746,102,781 |

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

| Particulars | For the Year Ended March 31, 2018 | For the Year Ended March 31, 2017 |
|--|--------------------------------------|--------------------------------------|
| (b) Changes in Work-in-progress | | |
| Work In Progress at the end of the year | | |
| - Work-in-progress | 480,337,015 | 433,208,328 |
| - Cost of land under development | 136,967,912 | 96,179,544 |
| (i) | 617,304,927 | 529,387,872 |
| Work In Progress at the beginning of the year | | |
| - Work-in-progress | 433,208,328 | 396,789,767 |
| - Cost of land under development | 96,179,544 | 200,205,055 |
| (ii) | 529,387,872 | 596,994,822 |
| Net (increase)/decrease in Work in progress | (ii - i) | 67,606,950 |
| Construction expenses | (a + b) | 813,709,731 |
| <hr/> | | |
| 19 Employee Benefits Expense | | |
| Particulars | For the Year Ended March 31, 2018 | For the Year Ended March 31, 2017 |
| Salaries and wages | 45,763,988 | 41,094,658 |
| Contribution to provident and other funds | 1,023,055 | 1,095,653 |
| Staff welfare expenses | 1,927,787 | 1,092,111 |
| | 48,714,830 | 43,282,422 |
| <hr/> | | |
| 20 Finance Costs | | |
| Particulars | For the Year Ended March 31, 2018 | For the Year Ended March 31, 2017 |
| a) Interest expense : | | |
| i) Borrowings | 37,590,192 | 29,061,239 |
| ii) Others | 5,348,176 | 6,469,189 |
| b) Other borrowing costs | | |
| Processing Charges | 59,548 | 6,417 |
| | 42,997,916 | 35,536,845 |
| <hr/> | | |

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

21 Other Expenses

| Particulars | For the Year Ended March 31, 2018 | For the Year Ended March 31, 2017 |
|---|--------------------------------------|--------------------------------------|
| Rent | 4,016,400 | 5,334,300 |
| Rates and taxes | 1,087,606 | 2,449,572 |
| Electricity charges | 1,448,075 | 1,200,466 |
| Repairs and maintenance | | |
| - Buildings | 100 | 11,335 |
| - Others | 628,502 | 944,860 |
| Insurance | 1,138,538 | 1,223,725 |
| Advertisement charges | 97,400 | 9,975 |
| Commission and brokerages | 137,232 | 102,466 |
| Communication expenses | 633,089 | 634,895 |
| Travelling and conveyance | 2,466,516 | 2,487,093 |
| Printing and stationery | 346,596 | 324,783 |
| Business promotion | 276,340 | 85,061 |
| Director sitting fees | 485,000 | 600,000 |
| Legal and professional | 3,102,931 | 3,625,575 |
| Security charges | 3,176,809 | 4,628,465 |
| Retention Money Receivable & Advances given Written Off | 5,174,230 | - |
| Payments to auditors: | | |
| Statutory audit fee | 560,000 | 563,750 |
| Tax audit fee | 100,000 | 100,000 |
| Other services | 160,000 | 120,000 |
| Reimbursement of expenses | 86,036 | 99,219 |
| CSR Expenditure | 250,000 | - |
| Vehicle running and maintenance | 1,483,126 | 1,261,336 |
| Bank charges | 292,977 | 70,773 |
| Amortisation of Prepaid expenses | 1,013,813 | 1,013,619 |
| Miscellaneous expenses | 4,063,876 | 4,129,143 |
| Transferred to WIP for the Quarter 1 | | |
| | 32,225,192 | 31,020,411 |

22 Earnings Per Share ("EPS")

| | | |
|---|--------------|-------------|
| Net profit/(loss) for the year after tax (a) | (96,698,314) | 135,246,496 |
| Weighted average number of equity shares outstanding during the year used for calculating EPS (b) | 12,929,250 | 12,929,250 |
| Basic and diluted EPS (Face value ₹ 10 each) (a)/(b) | (7.48) | 10.46 |

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

23 Tax expense

| Particulars | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
|---|--------------------------------------|--------------------------------------|
| (a) Current Tax | - | 57,440,000 |
| (b) Deferred Tax Charge / (Release) for the year | (27,866,705) | 23,152,350 |
| (c) MAT Credit Utilisation/(Entitlement) | - | 9,876,050 |
| Total tax expense reported in statement of profit and loss | (27,866,705) | 90,468,400 |

The major components of income tax expense and reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 34.608% and the reported tax expense in the statement of profit or loss are as follows

Statement of reconciliation of tax expense

| S.No | Particulars | March 31, 2018 | March 31, 2017 |
|------|--|----------------------|--------------------|
| 1 | Accounting Profit before income tax | (124,565,019) | 225,714,895 |
| 2 | Add: Permanent tax Differences considered in tax computation | | |
| a) | Disallowances u/s 37 of Income tax act, 1961 | 411,432 | 38,403 |
| b) | Income offered for tax in earlier years and accounted in current year | - | (2,065,061) |
| c) | Excess assets considered in deferred tax calculation of Previous year (Provision for future contract losses) | - | 3,630,914 |
| 3 | Accounting profit after adjusting permanent tax differences (1 + 2) | (124,153,587) | 227,319,151 |
| 4 | Effective Tax Rate in force for future years | 28.84% | 34.61% |
| 5 | Theoretical tax expense (3 * 4) | (35,805,895) | 78,670,612 |
| 6 | Adjustment for change in effective tax rate from previous years | (4,172,448) | - |
| 7 | Interest under sec 234A, 234B, 234C of income tax act 1961, included in tax expense | - | 2,526,836 |
| 8 | Deferred tax assets not considered in subsidiary companies | 3,766,741 | 9,270,952 |
| | Total tax expense reported in statement of profit and loss (5-6+7) | (27,866,705) | 90,468,400 |

24 Details of dues to micro and small enterprises as defined under MSMED Act 2006

The Group is seeking confirmation from its suppliers whether they fall under the category of micro and small enterprises as mentioned under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006"). Based on confirmations received till date, the Company believes that it does not have any outstanding dues towards Micro and Small Enterprises. Further the Company has not paid/accrued any interest under the MSMED Act, 2006.

25 Disclosure in Accordance with Indian Accounting Standard 11 :

| Particulars | Year ended March 31, 2018 | Year ended March 31, 2017 |
|--|------------------------------|------------------------------|
| Contract Revenue recognized in the period | 406,223,263 | 722,401,274 |
| Cost incurred and Recognized Profit or Losses up to the reporting period | 1,710,746,134 | 1,310,709,636 |
| Advances Received as at reporting period | - | - |
| Retention Money | - | - |
| Gross amount due from customers for contract work as asset | 647,884,682 | 247,848,184 |
| Gross amount due to customers for contract work as liability | - | - |

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

26 Capital Commitments and Contingent Liabilities Not provided for :

a) Commitments

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|--|-------------------------|-------------------------|
| Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | Nil | Nil |

b) Contingent liabilities

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|-------------|-------------------------|-------------------------|
| | Nil | Nil |

27 Expenditure in foreign Currency

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|--------------------|-------------------------|-------------------------|
| Travel Expenditure | - | 50,077 |
| Others | - | - |
| | - | 50,077 |

28 As per Indian Accounting Standard 19 "Employees Benefits", the disclosures of Employees benefits as defined in the Accounting Standard are given below

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

| Particulars | For the Year Ended March 31, 2018 | For the Year Ended March 31, 2017 |
|---|--------------------------------------|--------------------------------------|
| Employer's Contribution to Provident Fund | 667,354 | 532,557 |

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

i) Change in the present value of obligation

| Particulars | For the Year Ended March 31, 2018 | For the Year Ended March 31, 2017 |
|--|--------------------------------------|--------------------------------------|
| Present Value of defined benefit obligation at the beginning of the year | 2,211,145 | 1,794,092 |
| Interest cost | 176,765 | 143,527 |
| Past service cost (Vested Employees) | 30,414 | - |
| Current service cost | 421,119 | 341,559 |
| Benefits paid | - | - |
| Actuarial changes arising from changes in financial assumptions | (201,717) | (68,033) |
| Actuarial changes arising from changes in experience adjustments | 2,637,726 | 2,211,145 |

ii) Net liability recognised in the balance sheet

| Particulars | For the Year Ended March 31, 2018 | For the Year Ended March 31, 2017 |
|--|--------------------------------------|--------------------------------------|
| Acquisition Adjustment | - | - |
| Expected Return on Plan Assets | 182,997 | 143,726 |
| Employer's Contributions | 1,153,279 | - |
| Employee's Contributions | - | - |
| Benefits Paid | - | - |
| Actuarial Gain / (Loss) on the Plan Assets | 32,211 | - |
| Fair Value of Plan Assets as at the end | 1,368,487 | 143,726 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)**iii) Fair Value of Plan Assets**

| Particulars | For the Year Ended March 31, 2018 | For the Year Ended March 31, 2017 |
|---|--------------------------------------|--------------------------------------|
| Fair Value of Plan Assets as at the beginning | 2,289,098 | 2,145,371 |
| Acquisition Adjustment | - | - |
| Actual Return on Plan Assets | 215,208 | 143,726 |
| Employer's Contributions | 1,153,279 | - |
| Employee's Contributions | - | - |
| Benefits Paid | - | - |
| Fair Value of Plan Assets as at the end | 3,657,585 | 2,289,097 |

iv) Expenses Recognised in profit and loss

| Particulars | For the Year Ended March 31, 2018 | For the Year Ended March 31, 2017 |
|--|--------------------------------------|--------------------------------------|
| Current Service Cost | 421,119 | 341,559 |
| Past Service Cost (Vested Employees) | 30,414 | - |
| Past Service Cost (Un-vested Employees) | - | - |
| Interest Cost | 176,765 | 143,527 |
| Expected Return on Plan Assets | (182,997) | (143,726) |
| Curtailment Cost | - | - |
| Settlement Cost | - | - |
| Net Actuarial (Gain) / Loss recognised in the period | (233,928) | (68,033) |
| Expenses Recognised in statement of Profit and Loss | 211,373 | 273,327 |

v) Recognised in other comprehensive income for the year

| Particulars | For the Year Ended March 31, 2018 | For the Year Ended March 31, 2017 |
|---|--------------------------------------|--------------------------------------|
| Actuarial changes arising from changes in demographic assumptions | - | - |
| Actuarial changes arising from changes in financial assumptions | (201,717) | (68,033) |
| Actuarial changes arising from changes in experience adjustments | 2,637,726 | 2,211,145 |
| Return on plan assets excluding interest income | - | - |
| Recognised in other comprehensive income | 2,436,009 | 2,143,112 |

vi) Major categories of Plan Assets (as percentage of Total Plan Assets)

| Particulars | For the Year Ended March 31, 2018 | For the Year Ended March 31, 2017 |
|--------------------------|--------------------------------------|--------------------------------------|
| Funds managed by Insurer | 100% | 100% |

vii) Bifurcation of Present Value of Obligation at the end of the year as per revised Schedule III of the Companies Act, 2013

| Particulars | For the Year Ended March 31, 2018 | For the Year Ended March 31, 2017 |
|---|--------------------------------------|--------------------------------------|
| Current Liability (Short term) | 264,759 | 264,759 |
| Non-Current Liability (Long term) | 2,372,967 | 2,372,967 |
| Present Value of Obligation as at the end | 2,637,726 | 2,637,726 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)**viii) Expenses recognised in the statement of profit and loss for the year**

| Particulars | For the Year Ended March 31, 2018 | For the Year Ended March 31, 2017 |
|--|--------------------------------------|--------------------------------------|
| Current service cost | 421,119 | 341,559 |
| Interest cost on benefit obligation (Net) | 176,765 | 143,527 |
| Total expenses included in employee benefits expense | 597,884 | 485,086 |

c) Actuarial assumptions**i) Financial Assumptions**

| Particulars | For the Year Ended March 31, 2018 | For the Year Ended March 31, 2017 |
|--|--------------------------------------|--------------------------------------|
| Discount Rate per annum | 7.65% | 8.00% |
| Salary growth Rate per annum | 7.00% | 7.00% |
| Expected rate of return on plan assets (per annum) | 8.00% | 8.00% |

ii) Demographic Assumptions

| Particulars | For the Year Ended March 31, 2018 | For the Year Ended March 31, 2017 |
|---|--------------------------------------|--------------------------------------|
| Mortality rate (% of IALM 06-08) | 100% | 100% |
| Normal retirement age | 58 Years | 58 Years |
| Attrition / Withdrawal rates, based on age: (per annum) | | |
| Upto 30 years | 3% | 5% |
| 31 - 44 years | 2% | NA |
| Above 44 years | 1% | NA |

29 Segment Reporting

The Company derives more than 90% of its revenues from a single segment viz. real estate and property development. Consequently, Segment Report as per the Indian Accounting Standard 108 issued by the ICAI is not applicable. Further, there are no tangible and intangible fixed assets of the Company, which are located outside India as at balance sheet date.

30 Disclosure under Indian Accounting standard 24 - Related Party Disclosures**i) The management has identified the following as related parties**

| Relationship | Name of Related Party |
|--|--|
| Associates | Northwood properties India Private Limited |
| Enterprises owned/ significantly influenced by Key Management Personnel | Alpha City Chennai IT Park Projects Private Limited Sri Satya Sai Constructions (Partnership Firm) Sri Satya Sai Constructions (Sole Proprietary Concern) Sri Krishna Devaraya Hatcheries Private Limited SSPDL Ventures Private Limited Edala Estates Private Limited SSPDL Infrastructure Developers Private Limited |
| Key Managerial Personnel | Mr. Challa Prakash, Managing Director Mr. E. Bhaskar Rao, Director Mrs. Sridevi Challa, Director Mr. Suresh Challa (Relative of KMP) |

ii) Related party transactions

| Particulars | Key Managerial Personnel | | Relatives of key managerial persons | | Subsidiaries | | Associates | | Enterprises owned or significantly influenced by Key management personnel or their relatives | | Total | |
|---|--------------------------|------------|-------------------------------------|------------|--------------|---------|--------------|------------|--|---------|--------------|--------------|
| | 2017-18 | 2016-17 | 2017-18 | 2016-17 | 2017-18 | 2016-17 | 2017-18 | 2016-17 | 2017-18 | 2016-17 | 2017-18 | 2016-17 |
| Unsecured Loan Taken | | | | | | | | | | | | |
| Srinivas Hatcheries Limited | - | - | - | - | - | - | - | - | - | - | - | - 38,000,000 |
| Repayment of Unsecured Loan | | | | | | | | | | | | |
| Srinivas Hatcheries Limited | - | - | - | - | - | - | - | - | - | - | - | 30,000,000 |
| Amount received on Redemption of OCD's | | | | | | | | | | | | |
| Northwood Properties India Private Limited | - | - | - | - | - | - | - 23,000,000 | 23,000,000 | - | - | - 21,500,000 | 23,000,000 |
| Interest accrued on unsecured loans | | | | | | | | | | | | |
| Sri Krishna Devaraya Hatcheries Private Limited | - | - | - | - | - | - | - | - | - | - | - | 4,724,046 |
| E. Bhaskar Rao | 10,760,024 | 9,647,557 | - | - | - | - | - | - | - | - | - | 10,760,024 |
| SSPDL Ventures Private Limited | - | - | - | - | - | - | - | - | - | - | - | 5,400,001 |
| Srinivas Hatcheries Limited | - | - | - | - | - | - | - | - | - | - | - | 15,781 |
| Advance received / (repaid) towards sale of land | | | | | | | | | | | | |
| E. Bhaskar Rao | - | 15,000,000 | - | - | - | - | - | - | - | - | - | 15,000,000 |
| Padmaja Eadala | - | - | - | 20,000,000 | - | - | - | - | - | - | - | 20,000,000 |
| Advance Given / (Recovered) towards purchase of land | | | | | | | | | | | | |
| Sri Satya Sai Constructions | - | - | - | - | - | - | - | - | - | - | - | 15,000,000 |
| Rent paid | | | | | | | | | | | | |
| Suresh Challa | - | - | - | 1,254,000 | 1,225,500 | - | - | - | - | - | - | 1,254,000 |
| Remuneration | | | | | | | | | | | | |
| Prakash Challa | 9,600,000 | 8,400,000 | - | - | - | - | - | - | - | - | - | 9,600,000 |

iii) Balances outstanding for related parties

| Particulars | Key Managerial Personnel | | Relatives of key managerial persons | | Subsidiaries | | Associates | | Enterprises owned or significantly influenced by key management personnel or their relatives | | | | |
|---|--------------------------|-------------|-------------------------------------|------------|--------------|---------|------------|------------|--|-------------|-------------|-------------|-------------|
| | 2017-18 | 2016-17 | 2017-18 | 2016-17 | 2017-18 | 2016-17 | 2017-18 | 2016-17 | 2017-18 | 2016-17 | 2017-18 | 2016-17 | Total |
| Unsecured loan Taken | | | | | | | | | | | | | |
| Sri Krishna Devaraya Hatcheries Private Limited | - | - | - | - | - | - | - | - | - | 46,789,501 | 42,059,750 | 46,789,501 | 42,059,750 |
| E. Bhaskar Rao | 95,800,088 | 86,116,066 | - | - | - | - | - | - | - | - | - | 95,800,088 | 86,116,066 |
| Srinivas Hatcheries Limited | - | - | - | - | - | - | - | - | - | 8,000,000 | - | - | 8,000,000 |
| SSPDL Ventures Private Limited | - | - | - | - | - | - | - | - | - | 30,000,000 | 30,000,000 | 30,000,000 | 30,000,000 |
| Investment in OCD's | | | | | | | | | | | | | |
| Northwood Properties India Private Limited | - | - | - | - | - | - | - | 95,542,471 | 117,042,471 | - | - | 95,542,471 | 117,042,471 |
| Interest Accrued on Unsecured loan | | | | | | | | | | | | | |
| SSPDL Ventures Private Limited | - | - | - | - | - | - | - | - | - | 14,127,289 | 9,267,289 | 14,127,289 | 9,267,289 |
| Trade receivables | | | | | | | | | | | | | |
| Alpha City Chennai IT Park Projects Private Limited | - | - | - | - | - | - | - | - | - | 202,547,358 | 210,122,788 | 202,547,358 | 210,122,788 |
| Loans and advance recoverable | | | | | | | | | | | | | |
| SSPDL Infrastructure Developers Private Limited | - | - | - | - | - | - | - | - | - | 763,348 | 763,348 | 763,348 | 763,348 |
| Sri Satya Sai Constructions | - | - | - | - | - | - | - | - | - | 15,000,000 | 15,000,000 | 15,000,000 | 15,000,000 |
| Loans and advance payable | | | | | | | | | | | | | |
| E. Bhaskar Rao | 152,562,507 | 152,562,507 | - | - | - | - | - | - | - | - | - | 152,562,507 | 152,562,507 |
| Padmaja Eadala | - | - | 20,000,000 | 20,000,000 | - | - | - | - | - | - | - | 20,000,000 | 20,000,000 |
| SSPDL Ventures Private Limited | - | - | - | - | - | - | - | - | - | 900,000 | 900,000 | 900,000 | 900,000 |
| Rent deposits | | | | | | | | | | | | | |
| Suresh Challa | - | - | 90,000 | 90,000 | - | - | - | - | - | - | - | 90,000 | 90,000 |

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

As per our attached report of even date

For A. Madhusudana & Co.,
Chartered Accountants
Firm Registration No. : 007405S

For and on behalf of the Board of Directors

G.V.S. Prasad
Partner
Membership No. : 020653

Prakash Challa
Chairman and Managing Director
(DIN:02257638)

E.Bhaskar Rao
Director
(DIN: 00003608)

Place : Hyderabad
Date : 30-05-2018

U S S Ramanjaneyulu N
Chief Financial Officer

A.Shailendra Babu
Company Secretary

FORM AOC-1

(Pursuant to first proviso to sub section (3) of section 129 read with rule 5 of companies (accounts) rules, 2014)
STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES / ASSOCIATE COMPANIES / JOINT VENTURES

PART A: SUBSIDIARIES

| Sl No. | Name of the Subsidiary | Reporting Period | Reporting Currency | Share Capital | Reserves & Surplus | Total Assets | Total Liabilities | Investments (other than investment in subsidiaries) | Turnover | Profit / (Loss) before Taxation | Provision for Taxation | Profit / (Loss) after Taxation | Proposed Dividend | % of Share holding |
|--------|--|----------------------|--------------------|---------------|--------------------|--------------|-------------------|---|-----------|---------------------------------|------------------------|--------------------------------|-------------------|--------------------|
| 1 | SSPDL Resorts Private Limited | April-17 to March-18 | INR | 100,000 | (9,799,462) | 73,869,120 | 83,568,582 | - | 1,192,411 | (1,145,979) | - | (1,145,979) | - | 100% |
| 2 | SSPDL Reality India Private Limited | April-17 to March-18 | INR | 100,000 | (21,317,004) | 72,338,565 | 93,555,569 | - | 6,833,783 | (2,849,634) | - | (2,849,634) | - | 100% |
| 3 | SSPDL Real Estates India Private Limited | April-17 to March-18 | INR | 100,000 | (40,282,270) | 120,306,166 | 160,488,436 | - | 9,444,362 | (6,826,860) | - | (6,826,860) | - | 100% |
| 4 | SSPDL Infra Projects India Private Limited | April-17 to March-18 | INR | 100,000 | (8,764,800) | 43,345,733 | 52,010,533 | - | 3,664,176 | (2,475,393) | - | (2,475,393) | - | 100% |
| 5 | SSPDL Infratech Private Limited | April-17 to March-18 | INR | 1,196,000 | 64,837,664 | 76,025,368 | 9,991,704 | - | 8,067,992 | 199,560 | - | 199,560 | - | 100% |

Note 1 Name of the subsidiaries which are yet to commence operations NIL

Note 2 Name of the subsidiaries which have been liquidated or sold during the year NIL

PART B: ASSOCIATES AND JOINT VENTURES

| Sl No. | Name of Associate / Joint Venture | Latest audited Balance Sheet Date | Shares of Associate / Joint Ventures held by the company on the year end | No of Equity Shares | Amount of Investment in Associates/Joint Venture | Extent of Holding % | Description of how there is significant influence | Reason why the associate/ joint venture is not consolidated | Networth attributable to shareholding as per latest audited Balance Sheet | Profit / (Loss) for the year | i. Considered in Consolidation | ii. Not Considered in Consolidation |
|--------|--|-----------------------------------|--|---------------------|--|---------------------|---|---|---|------------------------------|--------------------------------|-------------------------------------|
| 1 | Northwood Properties India Private Limited | 31.03.2018 | | | | | | | | | | |
| 2 | | | | 22,500 | 225,000 | 25% | Extent of Holding equals to 25% | NA | -23,291,321 | -9,313,208 | - | -9,313,208 |
| 3 | | | | | | | | | | | | |
| 4 | | | | | | | | | | | | |
| 5 | | | | | | | | | | | | |
| 6 | | | | | | | | | | | | |

Note 1 Name of the associates / joint Ventures which are yet to commence operations NIL

Note 2 Name of the associates / joint Ventures which have been liquidated or sold during the year NIL

For and on behalf of the Board of Directors

Prakash Challa
Chairman and Managing Director
(DIN :02257638)

E.Bhaskar Rao
Director
(DIN :00003608)

Place : Hyderabad
Date : 30-05-2018

U S S Ramanjaneyulu N
Chief Financial Officer

A.Shailendra Babu
Company Secretary

Additional Information as required by paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedul III to the Companies Act, 2013.

(Amount in ₹)

| Name of the entity | | Net Assets i.e. total assets minus total liabilities | | Share in Profit / (Losss) | |
|---------------------|--|--|-------------|---------------------------------------|-------------|
| | | As % of Consolidated Net Assets | Amount | As % of Consolidated Profit or (Loss) | Amount |
| Parent | SSPDL Limited | 105.83% | 631,014,748 | 86.49% | -83,637,490 |
| Subsidiaries | Indian | | | | |
| 1 | SSPDL Resorts Private Limited | -1.63% | -9,699,462 | 1.19% | -1,145,979 |
| 2 | SSPDL Reality India Private Limited | -3.56% | -21,217,004 | 2.95% | -2,849,634 |
| 3 | SSPDL Real Estates India Private Limited | -6.74% | -40,182,270 | 7.06% | -6,826,860 |
| 4 | SSPDL Infra Projects India Private Limited | -1.45% | -8,664,800 | 2.56% | -2,475,393 |
| 5 | SSPDL Infratech Private Limited | 11.07% | 66,033,664 | -0.21% | 199,560 |
| | Minority Interest in all Subsidiaries | - | - | - | - |
| Associates * | Indian | | | | |
| 1 | Northwood Properties India Private Limited | 0.00% | - | 0.00% | - |

* Investments as per equity method

PROXY FORM

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

Name of Member(s) : _____

Registered Address : _____

Email Id : _____

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

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

1. Name _____ Address _____

Email ID _____ Signature _____

or failing him

2. Name _____ Address _____

Email ID _____ Signature _____

or failing him

3. Name _____ Address _____

Email ID _____ Signature _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twenty Fourth Annual General Meeting of the Company, to be held on Saturday, the 29th day of September, 2018 at 12:00 P.M. at Qutub Shahi Hall, Country Club, 6-3-1219, Begumpet, Hyderabad - 500 016, Telangana and at any adjournment thereof in respect of such resolutions as are indicated below:

| S. No. | Resolutions | For | Against |
|--------|---|-----|---------|
| | Ordinary Business: | | |
| 1. | To receive, consider and adopt (a) the Audited Financial Statements of the Company for the financial year ended March 31, 2018, with the Reports of the Board of Directors and the Auditors thereon; and (b) the Auditor Consolidated Financial Statements of the Company for the financial year ended March 31, 2018, together with the Report of the Auditor thereon. | | |
| 2. | To appoint a Director in place of Sri E.Bhaskar Rao, who retires by rotation. | | |
| | Special Business: | | |
| 3. | To ratify the remuneration of the Cost Auditors for the financial year ending 31st March, 2019 | | |
| 4. | To Increase in the aggregate limit of investment by Non-Resident Indians (NRIs) and Overseas Citizens of India (OCIs) in Equity Share Capital of the Company, etc. | | |

Signed this _____ day of _____, 2018.

Signature of Shareholder: _____

Signature of Proxy holder(s) _____

Affix a
15 paise
Revenue
Stamp

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

Route Map To AGM Venue





SSPDL LIMITED

CIN: L70100TG1994PLC018540

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

Phone No.: 040 - 6663 7560, Fax No.: 040 - 6663 7969.

www.sspdl.com email: investors@sspdl.com

ATTENDANCE SLIP

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

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

1. I hereby record my presence at the **Twenty Fourth Annual General Meeting of the Company held on Saturday, the 29th day of September, 2018 at 12:00 P.M. at Qutub Shahi Hall, Country Club, 6-3-1219, Begumpet, Hyderabad - 500 016, Telangana.**
2. Signature of the Shareholder / Proxy Present _____
3. Shareholder / Proxy Holder wishing to attend the meeting must bring the duly signed Attendance Slip to the meeting.
4. Shareholder/Proxy Holder attending the meeting is requested to bring his / her copy of the Annual Report.



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Our Villa Project for BHEL Employees at Kollur/Osman Nagar, Hyderabad





Godrej SSPDL AZURE Residential Project at Kalipathur, OMR, Chennai



SSPDL
Group

Building the big picture

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

CIN: L70100TG1994PLC018540

www.sspdl.com