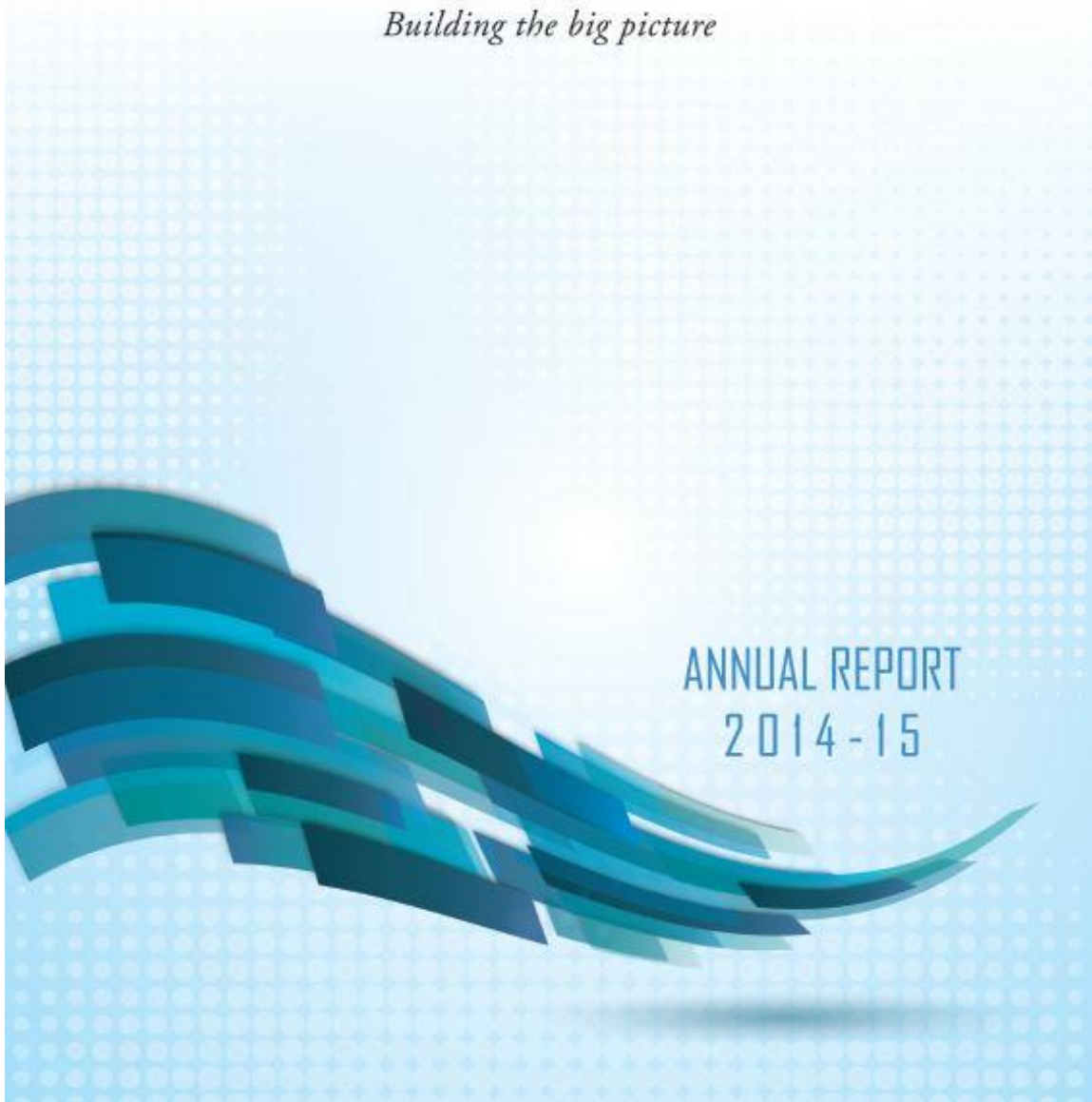




*Building the big picture*



ANNUAL REPORT  
2014-15

## Our Villa Project for BHEL Employees at Kollur/Osmanagar, Hyderabad



**Our  
Model  
Houses**



**Our  
New Ventures  
in Progress**



|  |  |  |
|--|--|--|
| 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  | Additional Director (w.e.f. 30.3.2015) |
|  | Dr. T.KRISHNA REDDY  | Additional Director (w.e.f. 20.8.2015) |
| AUDIT COMMITTEE                                    | Sri B.LOKANATH   | Chairman                               |
|  | Sri E.BHASKAR RAO  | 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                                 |
| CHIEF FINANCIAL OFFICER                            | Sri U.S.S. RAMANJANEYULU N.  |  |
| COMPANY SECRETARY                                  | Sri A.SHAILENDRA BABU  |  |
| AUDITORS   | M/s. KARVY & CO.,<br>CHARTERED ACCOUNTANTS,<br>No. 2, BHOOMA PLAZA,<br>St.No. 4, AVENUE 7, BANJARA HILLS,<br>HYDERABAD - 500 034.              |  |
| BANKERS  | STATE BANK OF INDIA - HYDERABAD & CHENNAI<br>& AXIS BANK LIMITED - HYDERABAD & CHENNAI   |  |
| REGISTERED OFFICE                                  | 8-2-595/3/6, 'EDEN GARDENS',<br>ROAD NO.10, BANJARA HILLS, HYDERABAD - 500 034, TELANGANA.   |  |
| CORPORATE OFFICE                                   | 'SSPDL HOUSE', NEW NO. #2, OLD NO. 15, VELLAIYAN STREET,<br>KOTTURPURAM, CHENNAI - 600 085, TAMIL NADU.  |  |
| SHARE TRANSFER AGENTS<br>AND ELECTRONIC REGISTRARS | KARVY COMPUTERSHARE PRIVATE LIMITED<br>KARVY SELENIUM TOWER B, PLOT 31-32,<br>GACHIBOWLI, FINANCIAL DISTRICT, NANAKRAMGUDA, HYDERABAD-500 032. |  |

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## NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWENTY FIRST 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 WEDNESDAY, THE 30TH DAY OF SEPTEMBER, 2015, TO TRANSACT THE FOLLOWING BUSINESS:

### ORDINARY BUSINESS:

#### Item No.1 - Adoption of Financial Statements

To receive, consider and adopt the Audited Financial Statements which includes the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss for the year ended as on that date, Cash Flow Statement together with the Statutory Auditor's Report and Directors' Report thereon.

#### Item No.2 - Appointment of Director

To appoint a Director in place of Sri Prakash Challa (DIN: 02257638), who retires by rotation and, being eligible, offers himself for re-appointment.

#### Item No.3 - Appointment of Auditors

To ratify the appointment of Auditors and fix their remuneration - 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 139 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, the Company hereby ratifies the appointment of M/s Karvy & Co., Chartered Accountants (ICAI Firm Registration No. 001757S), as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the twenty second AGM of the Company to be held in the year 2016 at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors."

### SPECIAL BUSINESS:

#### Item No.4 - Appointment of Smt. Sridevi Challa as Director of the Company

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

"RESOLVED THAT Smt. Sridevi Challa (DIN 01802477) who was appointed by the Board of Directors as an Additional Director of the Company on 30th March, 2015 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 ("Act") and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing her candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

#### Item No.5 - Appointment of Dr. T.Krishna Reddy as an Independent Director in terms of section 149 of the Companies Act, 2013

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 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Clause 49 of the Listing Agreement, Dr. T.Krishna Reddy (DIN 00003407) who was appointed as an Additional Director of the Company by the Board of Directors with effect from 20th August, 2015 and who holds office up to the date of this Annual General Meeting and who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the said Act from a member proposing his candidature for the office of Director, be and is hereby appointed as a Non-Executive Independent Director of the Company, not subject to retirement by rotation, to hold office for a term of 5 (five) consecutive years commencing from the date of his appointment as Additional Director i.e., 20th August, 2015 up to the conclusion of Annual General Meeting (AGM) to be held in the calendar year 2020 or 19th September, 2020, whichever is earlier."

#### Item No.6 - To approve the remuneration of the Cost Auditors for the financial year ending 31st March, 2016

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) 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 2015-16, be paid a remuneration of ₹ 75,000/- (Rupees Seventy Five Thousand Only) plus service tax as applicable and reimbursement of out of pocket expenses incurred in connection with the aforesaid audit."

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

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

**A. Shailendra Babu**  
Company Secretary

Date: 20.08.2015

#### 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.

THE PROXY IN ORDER TO BE EFFECTIVE, SHOULD BE DULY STAMPED, COMPLETED, SIGNED AND DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. 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 24.09.2015 to 30.09.2015 (both days inclusive).
3. Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted under Item Nos. 4 to 6 at the ensuing Annual General Meeting is annexed hereto and forms part of the Notice.
4. 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.

5. Members desirous of seeking any information/clarifications on the annual accounts are requested to write to the Company at least 7 (seven) working days before the date of Annual General Meeting so that the required information can be made available at the meeting.
6. Members/Proxies are requested to bring their copies of Annual Report and the attendance slip duly filled in for attending the meeting.
7. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID Nos. and those who hold shares in physical form are requested to write their Folio number in the attendance slip for attending the meeting.
8. Corporate Members intending to send their Authorized Representatives to attend the meeting are requested to send a duly certified copy of the Board Resolution or other governing body, authorizing their representatives to attend and vote at the Annual General Meeting.
9. In case of Joint holders attending the meeting only such Joint Holder who is higher in the order of names will be entitled to vote.
10. Members are requested to note that, as per Section 205A and 205C of the Companies Act, 1956, as amended, the unpaid or unclaimed dividend and application moneys received for allotment of securities and due for refund, etc., for a period of seven years shall be transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government.

Accordingly, during 2014-15, Company has transferred, the unpaid and unclaimed dividend declared for the year 2006-07 and unpaid and unclaimed share application money received in the rights issue made by the Company in 2007, to the Investor Education and Protection Fund (IEPF). The details are provided in the Directors Report. Please note that no claim shall lie in respect of unclaimed and unpaid dividend and share application money that is transferred to the IEPF.

11. The Company's equity shares are listed on Bombay Stock Exchange (BSE). The Company has promptly paid annual listing fees to the BSE for the year 2015-16.
12. **Appointment/Re-appointment of Directors:** The Information to be provided in terms of Clause 49 of the Listing Agreement relating to Appointment/Re-appointment of Directors in the enclosed annexure.
13. *To promote green initiative, members are requested to register their e-mail addresses through their Depository Participants for sending the future communications by e-mail. Members holding the shares in physical form may register their e-mail addresses through the RTA, giving reference of their Folio Number.*

14. 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 21st 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.
15. Members may also note that the Annual Report for the financial year 2014-15 will also be available on the Company's website [www.sspdl.com](http://www.sspdl.com) for their download. Members may also note that the notice of the 21st Annual General Meeting of the Company along with attendance slip and proxy form will also be available on the Company's website [www.sspdl.com](http://www.sspdl.com) and also on the Karvy's website <https://evoting.karvy.com>.
16. All documents referred to in the accompanying Notice and the Statement (pursuant to Schedule IV and section 102 of the Companies Act, 2013) shall be open for inspection by the members at the Registered Office of the Company during normal business hours on all working days, up to and including the date of the Annual General Meeting of the Company.
17. Route map of the venue of the Meeting (including prominent land mark) is annexed.

#### 18. 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 and clause 35B of the listing agreement, the Company is pleased to provide e-voting facility to the members to exercise their right to vote electronically on all the resolutions set forth in the 21st Annual General Meeting (AGM) of the Company.

The Company has 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.
- v) On successful login, the system will prompt you to select the "EVENT" i.e., SSPDL Limited.
- vi) 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.
- vii) Shareholders holding multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.
- viii) Voting has to be done for each item of the Notice separately.
- ix) You may then cast your vote by selecting an appropriate option and click on "Submit".
- x) 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).
- xi) 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](mailto:savitajyoti@yahoo.com) with a copy marked to [evoting@karvy.com](mailto:evoting@karvy.com). The scanned image of the above mentioned documents should be in the naming format "Corporate Name\_ EVENT NO."
- xii) 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. 23rd September, 2015, may write to Karvy on the email Id: [varghese1@karvy.com](mailto:varghese1@karvy.com) or to Mr P. A. Varghese,

Contact No. 040-33215424, at [Unit: SSPDL Limited] Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032, 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 Saturday, the 26th September, 2015 at 10.00 A.M. and ends on Tuesday, 29th September, 2015 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 Wednesday, 23rd September, 2015, 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 Wednesday, 23rd September, 2015. 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 Jyothi, 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 3 days 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.
- H. The Results on resolutions shall be declared on or 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](http://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**

**A. Shailendra Babu**  
Company Secretary

Date: 20.08.2015

**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](http://www.sspdl.com)

e-mail: [investors@sspdl.com](mailto: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(s) 4 to 6 of the Notice of the Meeting.

### Item No.4 - Appointment of Smt. Sridevi Challa as Director of the Company

Smt. Sridevi Challa was appointed as an Additional Director of the Company in terms of Section 161 read with Section 149 of the Companies Act, 2013 ("the Act"), at the Board meeting held on 30th March, 2015.

In terms of Section 161 of the Act, she will vacate office at this Annual General Meeting ("AGM") and be eligible to be appointed at the AGM, as recommended by the Nomination and Remuneration Committee and by the Board.

The Company has received notice under Section 160 of the Companies Act, 2013 from a member along with a deposit of ₹ 1 lakh signifying his intention to propose the candidature of Smt. Sridevi Challa for the office of Director of the Company. Her brief resume, the nature of her expertise in specific functional areas, names of companies in which she hold Directorship, Committee Memberships/ Chairmanships, her shareholding etc., are separately annexed hereto.

She is not related to any of the Directors or Key Managerial Personnel (including relatives of the Directors and Key Managerial Personnel) of the Company in terms of Section 2(77) of the Companies Act, 2013.

None of the Directors or Key Managerial Personnel of the Company (including relatives of the Directors and Key Managerial Personnel) other than Smt. Sridevi Challa herself, is concerned or interested, financially or otherwise, in this resolution.

The Board, therefore, recommends the ordinary resolution, as set out in item No.4, for approval by the shareholders of the Company.

### Item No.5 - Appointment of Dr. T.Krishna Reddy as an Independent Director in terms of section 149 of the Companies Act, 2013

Dr. T.Krishna Reddy who has been appointed as an Additional Director in the category of non-executive Independent Director of the Company under Section 161 (1) of the Companies Act, 2013 with effect from 20th August, 2015 holds office upto the date of this Annual General Meeting and is eligible for appointment as Director.

The Company has received notice under Section 160 of the Companies Act, 2013 from a member along with a deposit of ₹ 1 lakh signifying his intention to propose the candidature of Dr. T.Krishna Reddy for the office of Independent Director of the Company.

The Company has received declaration from Dr. T.Krishna Reddy that he meets the criteria of independence as prescribed under Section 149 (6) of the Companies Act, 2013 and also under Clause 49 of the Listing Agreement with the Stock Exchanges. Further, he has also confirmed that he is not disqualified from being appointed as Director under Section 164 of the said Act and has given her consent to act as a Director of the Company.

The Nomination and Remuneration Committee of the Company has recommended his appointment. The Board of Directors are of the opinion that Dr. T.Krishna Reddy, is a person of integrity and possesses relevant expertise and experience and is eligible for the position of an Independent Director of the Company and fulfils the

conditions specified by the Companies Act, 2013 and the Listing Agreement and that he is independent of the management of the Company. The Board considers that his association as Director will be beneficial and in the best interest of the Company.

His brief resume, the nature of his expertise in specific functional areas, names of companies in which he hold Directorship, Committee Memberships/ Chairmanships, his shareholding etc., are separately annexed hereto. A copy of draft letter of appointment of Dr. T.Krishna Reddy as Non-Executive Independent Director setting out the terms and conditions of his appointment is available for inspection by members at the Registered Office of the Company.

He is not related to any of the Directors or Key Managerial Personnel (including relatives of the Directors and Key Managerial Personnel) of the Company in terms of Section 2(77) of the Companies Act, 2013.

None of the Directors or Key Managerial Personnel of the Company (including relatives of the Directors and Key Managerial Personnel) other than Dr. T.Krishna Reddy himself, is concerned or interested, financially or otherwise, in this resolution.

The Board, therefore, recommends the ordinary resolution, as set out in item No.5, for approval by the shareholders of the Company.

### Item No.6 - To approve the remuneration of the Cost Auditors for the financial year ending 31st March, 2016

The Board, on the recommendation of the Audit Committee at its meeting held on 7th August, 2015, 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 2015-16, 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.6 of this Notice.

The Board, therefore, recommends the ordinary resolution, as set out in item No.6, for ratification of the remuneration payable to the Cost Auditor by the shareholders of the Company.

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

**A. Shailendra Babu**  
Company Secretary

Date: 20.08.2015

**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**

**1) PRAKASH CHALLA**

**Brief profile of Sri Prakash Challa (DIN 02257638):**

Sri Prakash Challa, aged about 62 Years, is a Graduate in MSc., CAIIB and having vast experience of over 37 years in the construction, banking, aquaculture and pisciculture Industry. Before turning as an entrepreneur, Sri Prakash Challa was a banker for over 13+ years, holding senior positions in Andhra Bank and Punjab National Bank. He has started Construction activities since July 1993 for property development in Chennai, Hyderabad and Bangalore. He has the ability to force successful alliances and he is the person behind the Company's growth and instrumental in Company's success. He was the Past Vice President of CREDAI National and he is the Chairman of Taxation Committee, CREDAI National, New Delhi

He is also a director in, SSPDL Infratech Private Limited (formerly SSPDL Interserve Private Limited), SSPDL Real Estates India Private Limited, SSPDL Realty India Private Limited, SSPDL Resorts Private Limited, SSPDL Infra Projects India Private Limited, Alpha City Chennai IT Park Projects Private Limited, SSPDL Infrastructure Developers Private Limited, Northwood Properties India Private Limited, Intelligent Software Solutions Private Limited, Indo-Australian Chamber of Commerce, CBA Hotels and Resorts Private Limited, SSPDL Green Acres LLP (Designated Partner).

He is not a member in any Committee of the Board of any other Company.

None of the directors of the Company are relatives of Sri Prakash Challa, as per the provisions of 2(77) of the Companies Act, 2013.

No. of Share held by him: 23,59,390.

**2) SMT. SRIDEVI CHALLA (DIN 01802477)**

She is a graduate in commerce from Osmania University, India. She has experience of administrating educational trust and more than a decade's experience in the field of real estate.

She is a director in M/s. Neotrax Software Private Limited and M/s. Serenity Homes Private Limited. And, she is not a member in any Committee of the Board of any other Company.

None of the directors of the Company are relatives of Smt. Sridevi Challa, as per the provisions of 2(77) of the Companies Act, 2013.

No. of Share held: 102,500.

**3) DR.T.KRISHNA REDDY (DIN 00003407)**

Dr. Tetali Krishna Reddy aged about 69 years holds Masters Degree in Veterinary Science from A.P.Agricultural University and a Ph.D from Kansas State University, USA in Feed Science and Nutrition.

He holds directorships in Srinivasa Hatcheries Limited, Varuna Hatcheries Private Limited, Sri Krishnadevaraya Hatcheries Private Limited, Kansas Feeds Private Limited, Sri Srinivasa Aqua Feeds Private Limited, Srinivasa Agri Tech Private Limited, Maa Mahalakshmi Layer Gold Private Limited, Paramesu Biotech Private Limited and Speedfast Tracom Private Limited apart from Srinivasa Farms Private Limited.

None of the directors of the Company are relatives of Dr. T. Krishna Reddy, as per the provisions of 2(77) of the Companies Act, 2013.

No. of Share held: NIL.

## DIRECTORS' REPORT

To,  
The Members

Your Directors have pleasure in presenting the Twenty-First Annual Report on the business and operations of the Company together with the Audited Financial Accounts for the year ended 31st March, 2015.

### FINANCIAL RESULTS

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

#### A) STANDALONE:

(₹ in Lakhs)

| PARTICULARS  | 2014-2015 | 2013-2014 |
|--|-----------|-----------|
| Total Income   | 150,08.51 | 1,041.41  |
| Less: Operating Expenses   | 144,35.28 | 1,470.77  |
| Gross Profit/(Loss) before Depreciation and Interest                 | 573.23    | (429.36)  |
| Less: Finance Costs  | 219.13    | 347.73    |
| Depreciation   | 22.27     | 14.05     |
| Profit/(Loss) before Tax Before exceptional and extra-ordinary items | 331.83    | (791.14)  |
| Exceptional and Extra-ordinary Item                                  | 0.00      | 0.00      |
| Profit/(Loss) before Tax after exceptional and extra-ordinary items  | 331.83    | (791.14)  |
| Less: Tax Expense (Net)  | 16.85     | (4.93)    |
| Profit/(Loss) After Tax  | 314.98    | (796.07)  |
| Balance of Profit brought forward                                    | 586.88    | 1,382.95  |
| Profit available for appropriation                                   | 881.85    | 586.88    |
| <b>APPROPRIATIONS</b>  |           |           |
| Proposed Dividend  | -         | -         |
| Tax on proposed dividend   | -         | -         |
| Transfer to General Reserve  | -         | -         |
| Balance carried to Balance Sheet                                     | 881.85    | 586.88    |

#### B) CONSOLIDATED:

(₹ in Lakhs)

| PARTICULARS  | 2014-2015  | 2013-2014 |
|--|------------|-----------|
| Total Income   | 155,37.86  | 42,04.97  |
| Less: Operating Expenses   | 158,44.23  | 41,92.32  |
| Gross Profit/(Loss) before Depreciation and Interest                 | (306.37)   | 12.65     |
| Less: Finance Costs  | 299.99     | 398.05    |
| Depreciation   | 520.55     | 333.70    |
| Profit/(Loss) before Tax Before exceptional and extra-ordinary items | (11,26.91) | (719.10)  |
| Exceptional and Extra-ordinary Item                                  | 0.00       | 0.00      |
| Profit/(Loss) before Tax after exceptional and extra-ordinary items  | (11,26.91) | (719.10)  |
| Less: Tax Expense (Net)  | 16.85      | 4.93      |
| Profit/(Loss) After Tax  |            |           |
| (Before Minority Interest and Share of Results of Associates)        | (11,43.76) | 724.03    |
| Less: Share of Profit /(Loss) of Minority Interest and Associates    | 0.00       | 139.66    |
| Profit/(Loss) After Tax for the year                                 | (11,43.76) | (717.12)  |

## STATE OF THE COMPANY'S AFFAIRS

The total income of your Company for the year under review is ₹ 150,08.51 lakhs as compared to ₹ 1,041.41 lakhs for the previous year ended 31st March, 2014. Profit/(Loss) after tax is ₹ 314.98 lakhs as against ₹ (796.07) 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., 2015-16 is expected to be in accordance with Company's plans.

## PROPERTY DEVELOPMENT PROJECTS

### CHENNAI

#### Alpha City Project

The construction of 4,77,000 Sft IT Park has been completed in 2007 and software majors like IBM were Tenants in this building. Company is yet to receive ₹ 23.34 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 1,40,000 Sft. IT Park is almost completed. Due to slump in IT space the state of the project has not changed and Company is exploring the market for sale/lease of the balance unsold space of about 8,500 Sft. with the recent revival in occupancy.

#### Green Acres

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

Considering the market scenario the Company has renegotiated with the Land Owners for enhanced sharing ratio for us. Also, Company has identified an investor for doing the project jointly. For this purpose Company incorporated a new SPV on 10.06.2011 in the name of "SSPDL Green Acres LLP" with sharing of 36:64 respectively by the Company and the investor.

As the residential Markets in Chennai have undergone a downward slump we negotiated with the land owners into a profit sharing model from area sharing.

SSPDL Green Acres LLP has entered into partnership with M/s. Godrej Properties Limited to develop a residential project in Padur, OMR, Chennai on profit sharing model on 27.03.2014.

Most of the approvals have been received and construction is proposed be launched in October, 2015.

#### 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 (IGBS) and we are developing Lakewood/Mayfair as Gold rated Green Building.

We have already sold our share about 13 Villas and 30 apartments in the two projects. The Mayfair project is completed and handing

over is taking place. Construction of Villas in Lakewood is in progress and because of slowdown in project sales in Chennai, the balance villas will be completed by September, 2016.

The total construction work value is ₹ 28 Crores for an area of about 1,57,000 sft. This project is for SSPDL Limited. The structure comprises of Stilt plus four floors an area of about 1,05,000 sft. The construction work was done earlier by SSPDL Infratech Private Limited (formerly SSPDL Interserve Pvt. Ltd.) and now it is done by the Company itself.

### 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 1262 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.

We have since commenced the construction work by sub-contracting to six contractors. CB Richard Ellis (CBRE) has been appointed as the Project Management Consultant for overseeing the project execution. It is expected to conclude the construction activity within 24 months.

Company is also negotiating for the bulk sale of EWS and LIG apartments as also the balance of the 110 homes so that the entire project will be completed in about approx. three 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. The Honorable High Court has sanctioned the scheme of amalgamation, for merging 9 SPVs incorporated for Northwood Project into one operating company, from the appointed date i.e., 01.04.2013, vide its order dated 09.07.2014.

Since, the micro market is not supporting for villa development, during the previous year, Company and the Investor (i.e., Indiareit) has decided to do a layout development for selling the developed plots instead of doing original villa development. The HMDA has issued the draft approval for the layout and work has been commenced. Initial bookings to the extent of 30% of the project have been taken. The project is expected to be completed by December, 2016.

**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 (formerly SSPDL Interserve Private Limited) ("SIPL") for carrying on the Construction Business. Consequent to Interserve's exit and sale of its stake to our company SIPL has become a wholly owned subsidiary of our company with effect from 16.05.2014. The details of construction contracts executed by SIPL are provided below:

**Lakewood Enclave & Mayfair Apartments, Chennai**

Instead of SIPL, now the work is being done by the SSPDL Limited itself. The details of the project are mentioned above.

**Fairfield & Marriot Hotel**

Originally the value of the Project is ₹ 30.24 Crores from M/s. SAMHI, this is scaled down to ₹ 21 crores. The Project Management Consultant is M/s Archetype. Construction work is under progress and after completion of 95% of the work, the project has been handed over and final claim is settled and waiting for receiving retention money in October, 2015 with the completion of defect liability period.

**Projects completed during the year 2014-15:** - (1). Frangipani, Pudupakkam, and (2). Meeting House/Service Centre, Bangalore.

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

**DIVIDEND**

Your Directors do not recommend any dividend for the Financial Year ended March 31, 2015.

**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, 2015.

**COMMITTEES OF THE BOARD**

Pursuant to requirement under the Companies Act, 2013 and Listing Agreement, the Board of Directors has constituted Committees of the Board i.e., Audit Committee, Nomination and Remuneration Committee, and Stakeholders Relationship Committee.

**Audit Committee:** As on the date of this report, the Audit Committee comprises Sri B.Lokanath (Chairman), Sri E.Bhaskar Rao (Member), and Sri K.Akmaluddin Sheriff (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 and other details of these Committees are provided in the Corporate Governance Report which is enclosed to this report.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP) APPOINTMENT OR RESIGNATION**

During the year under review, following changes occurred in the position of Directors / KMPs of the Company:

- In pursuance of provisions of the Companies Act, 2013 and the Rules made there under and the Listing Agreement, in the 20th Annual General Meeting (AGM) of the Company held on 30.09.2014 Sri S.Suryanarayana, Sri K.Akmaluddin Sheriff and Sri B.Lokanath were appointed as Independent Directors,
- Sri E.Bhaskar Rao was re-appointed in the 20th AGM of the Company held on 30.09.2014,
- The appointment of Sri Prakash Challa as the Chairman and Managing Director of the Company was approved by the shareholders of the Company (vide resolution passed through postal ballot) on September 27, 2014,
- On March 30, 2015, Sri Suresh Challa resigned as Director,
- On March 30, 2015, Smt. Sridevi Challa is appointed as an additional director of the Company,
- On December 24, 2014, Sri P.Muthyam Reddy resigned as Chief Financial Officer and Sri U.S.S. Ramanjaneyulu .N joined the Company on 02.01.2015 as Chief Financial Officer of the Company.

After, financial year ended 31.03.2015:

- Sri S.Suryanarayana, resigned as an Independent Director of the Company on 30.05.2015,
- Dr. T.Krishna Reddy is appointed, as an additional director (non-executive independent director) of the Company, subject to approval of the shareholders, for a period of five years with effect from 20.08.2015.

The Board placed on record its appreciation for the services and guidance provided during their tenure to the Board and Company by Sri Suresh Challa and Sri S.Suryanarayana.

In accordance with provisions of section 152 of the Companies Act, 2013, Sri Prakash Challa (DIN 02257638), retire by rotation as Director at the ensuing annual general meeting and being eligible, offers himself for reappointment.

As per section 149(13) of the Companies Act, 2013, the provisions of section 152(6) and (7) in respect of retirement of directors by rotation are not applicable to appointment of independent directors.

Smt. Sridevi Challa being appointed as an additional director hold office up to the date of ensuing AGM and being eligible offered herself for re-appointment.

Dr. T.Krishna Reddy is appointed as an Additional Director with effect from 20th August, 2015. In accordance with the provisions of Section 161 of the Companies Act, 2013, Dr. T.Krishna Reddy holds office upto the date of the forthcoming Annual General Meeting and is eligible for appointment as a Director. Notice under Section

160 of the Act has been received from a member proposing his appointment as Director of the Company. Dr. T.Krishna Reddy was also appointed as Independent Director for a term of 5 years upto 19th August, 2020, subject to approval of Shareholders at the forthcoming AGM. Dr. T.Krishna Reddy meets the criteria of independence as stipulated under Section 149(6) of the Act and clause 49 of the Listing Agreement. The Resolution seeking approval of the members for appointment of Dr. T.Krishna Reddy as a Director and as Independent Director forms part of the Notice of AGM of the Company.

The brief profiles of directors proposed to be appointed/re-appointed are provided as an annexure to the Notice convening the Annual General Meeting.

Your Directors recommend the re-appointment of Sri Prakash Challa as Director, Smt. Sridevi Challa as Director and Dr. T.Krishna Reddy, as an Independent Director of the Company at the ensuing Annual General Meeting.

#### NUMBER OF MEETINGS OF THE BOARD

During the year, 7 meetings of the Board of Directors were held. The details of the meetings 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 the Company have given a declaration that they meet the criteria of Independence as provided in Section 149(6) of the Companies Act, 2013.

#### SHARES PLEDGED BY THE PROMOTERS/DIRECTORS

On 13.06.2011 Sri E.Bhaskar Rao, Director of the Company has created pledge on the shares of the company held by him in favour of State Bank of India, Hospet, Karnataka for availing loan for business purposes. And, pledge on 150,000 shares is released on 12.01.2015.

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. As informed in the previous annual report, M/s. SSPDL Infratech Private Limited (formerly SSPDL Interserve Private Limited) with effect from 16.05.2015 become a wholly owned subsidiary of the company.

Pursuant to the Scheme of Amalgamation approved by the Hon'ble High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh on July 9, 2014, with effective from August 15, 2014 eight associate companies (transferor companies) i.e., (1) Northwood Infratech Private Limited, (2) Northwood Constructions India Private Limited, (3) Northwood Realty India Private Limited, (4) Northwood Residential Ventures India Private Limited, (5) Northwood Township Projects Private Limited, (6) SSPDL Northwood Homes Private Limited, (7) SSPDL

Northwood Residence Private Limited, (8) SSPDL Northwood Villas Private Limited, have amalgamated with another associate company (Transferee Company) i.e., Northwood Properties India Private Limited.

#### Report on the performance and financial position of each of the subsidiaries, associates and joint venture companies:

- SSPDL Resorts Pvt Ltd, a wholly owned subsidiary of the Company, recorded turnover of ₹ 12.38 lakhs and loss after tax of ₹ 14.11 lakhs for the year ended 31st March, 2015 as compared to turnover of ₹ 0.01 lakhs and loss after tax of ₹ 8.75 lakhs in the previous year.
- SSPDL Realty India Pvt Ltd, a wholly owned subsidiary of the Company, recorded turnover of ₹ 7.54 lakhs and loss after tax of ₹ 44.77 lakhs for the year ended 31st March, 2015 as compared to turnover of ₹ 27.61 lakhs and loss after tax of ₹ 10.67 lakhs in the previous year.
- SSPDL Real Estates India Pvt Ltd, a wholly owned subsidiary of the Company, recorded turnover of ₹ 29.30 lakhs and loss after tax of ₹ 87.71 lakhs for the year ended 31st March, 2015 as compared to turnover of ₹ 27.12 lakhs and loss after tax of ₹ 44.60 lakhs in the previous year.
- SSPDL Infra Projects India Pvt Ltd, a wholly owned subsidiary of the Company, recorded turnover of ₹ 19.08 lakhs and loss after tax of ₹ 12.38 lakhs for the year ended 31st March, 2015 as compared to turnover of ₹ 19.31 lakhs and profit after tax of ₹ 0.60 lakhs in the previous year.
- SSPDL Infratech Pvt Ltd (formerly SSPDL Interserve Pvt Ltd), a wholly owned subsidiary of the Company, recorded turnover of ₹ 818.08 lakhs and loss after tax of ₹ 1300.22 lakhs for the year ended 31st March, 2015 as compared to turnover of ₹ 4069.54 lakhs and profit after tax of ₹ 135.46 lakhs in the previous year.
- Northwood Properties India Pvt Ltd, an associate of the Company, recorded total revenue of ₹ NIL and profit/(loss) after tax of ₹ NIL for the year ended 31st March, 2015 as compared to total revenue of ₹ NIL and profit/(loss) after tax of ₹ NIL in the previous year. As on 31.03.2015, Paid-up Share Capital is ₹ 27.00 lakhs, Total Liabilities is ₹ 67.74 crores, and Total Assets is ₹ 68.00 crores.

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.

#### 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 Statements presented by the Company are prepared in accordance with the Accounting Standard 21 on Consolidated Financial Statements read with Accounting Standard 23 on Accounting for Investments in Associates, Listing Agreement as prescribed by the Securities and Exchange Board of India.

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](http://www.sspdl.com).

#### **CORPORATE GOVERNANCE REPORT**

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

#### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

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

#### **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 Agreement Company has formulated Whistle Blower Policy (Vizil 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 behaviour, 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/](http://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, 2015 is attached as ANNEXURE - 1 to this Report.

#### **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**

M/s. Karvy & Co., Chartered Accountants, Hyderabad, (Registration No. 001757S), who had been re-appointed, at the 20th Annual General Meeting (AGM) held on 30th September, 2014, as Statutory Auditors of your Company, to hold office from the conclusion of the 20th AGM till the conclusion of the twenty-third AGM to be held in the year 2017, subject to ratification of their appointment at every AGM.

The Company received a letter from M/s. Karvy & Co., confirming that they are eligible for re-appointment as auditors of the Company under section 139 of the Companies Act, 2013 and meet the criteria for appointment specified in section 141 of the Companies Act, 2013.

Based on the recommendations of the Audit Committee and as per the provisions of section 139(1) of the Companies Act, 2013 the Board of Directors of your Company proposes to ratify the appointment of M/s. Karvy & Co., Chartered Accountants, as the Statutory Auditors of the Company.

#### **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 for the financial year 2015-16.

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 2015-16. In terms of Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors for the financial year 2015-16 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 thereunder, the Board has appointed Smt. Banduvula Krishnaveni, Practising Company Secretary, Hyderabad as the Secretarial Auditors of the Company to carry out the secretarial audit for the year ending 31st March, 2015.

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, 2015, does not contain any qualification, reservation, adverse remark or disclaimer which require explanations or comments by the Board.

#### **DEMATERIALIZATION OF SHARES:**

Of the total shares, 1.68% shares have been held in physical form as of now. 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.

#### **TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)**

During the year under review, in pursuance of provisions of the Companies Act, 2013 and applicable rules, your Company has transferred ₹ 6,030/- un-claimed and un-paid share application money received in the rights issue made by the Company in 2007 to the Investor Education and Protection Fund ("IEPF"). Also, transferred ₹ 96,694/- un-claimed and un-paid dividend amount which was declared for the year 2006-07 to the IEPF.

#### **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 employees can 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, 2015 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, 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 at the end of the financial year and of the profit and loss of the company for that period;
- (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, 2015 of the Company and the date of this Report.

#### **CORPORATE SOCIAL RESPONSIBILITY**

In pursuance of provisions of section 135 of the Companies Act, 2013, at present our company is not falling into the categories of companies specified in section 135. In view of the same, the Board decided that Company will comply with the applicable provisions with regard to the Corporate Social Responsibility as and when section 135 is applicable to the Company.

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

During the year under review Company given loan of ₹ 2.80 crore bearing 18% interest per annum to M/s. BHEL Employees Model Mutually Aided Co-operative House Building Society Limited for meeting the shortfall of amount in paying stamp duty for registering plots in Society's Name. Other 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, there were no material contracts or arrangements or transactions entered by the Company at arm's length basis with the related parties during the financial year 2014-15 which were in conflict with the interest of the Company. Suitable disclosures as required under AS-18 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://www.sspdl.com/investors/policy/>.

#### **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:

|  |  |  |
|--|--|--|
| <b>(A) Conservation of energy-</b>   |  |  |
| (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>(B) Technology absorption-</b>  |  |  |
| (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  |
| <b>(C) Foreign exchange earnings and Outgo-</b>  |  |  |
| 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: |  | For the year ended   |
|  |  | <b>31.03.2015</b>  |
|  |  | 31.03.2014   |
| -  | Foreign Exchange Earnings  | NIL  |
| -  | Foreign exchange Outgo   | NIL  |

## 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.

## 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.

## THE DISCLOSURE OF REMUNERATION DETAILS AND PARTICULARS OF EMPLOYEES

In pursuance of provisions of Section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

- (i) Rule 5(1) - The information required is provided in ANNEXURE - 3, and

- (ii) Rule 5(2) and (3) - NIL, since, during the year under review, no employee of your company drawn the remuneration in excess of the prescribed limits as laid down in the rule i.e., Employees who (i) was employed throughout the financial year and received remuneration in the aggregate, not less than rupees sixty lakhs, (ii) employed for a part of the financial year and received remuneration, in the aggregate, not less than rupees five lakhs per month, and (iii) was employed throughout the financial year or part thereof and received remuneration which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.

## 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 : 20.08.2015



**ANNEXURE-1**

Form No.MGT-9

**EXTRACT OF ANNUAL RETURN**

as on the financial year ended on March 31, 2015

[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,<br>Banjara Hills, Hyderabad - 500 034,<br>Telangana.<br>Phone No.: 040 - 6663 7560<br>Fax No.: 040 - 6663 7969<br>Email: einward.ris@karvy.com and<br>investors@sspdl.com<br>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,<br>Gachibowli, Financial District,<br>Nanakramguda, Hyderabad - 500 032<br>Phone Nos : 040 6716 1500<br>Fax Nos : 040 2300 1153.<br>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 (Consolidated) 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,<br>(Formerly SSPDL Interserve Private Limited)<br>8-2-595/3/6, Eden Gardens, Road No. 10,<br>Banjara Hills, Hyderabad, 500 034,<br>Telangana, India. | U45209TG2010PTC068608           | Subsidiary<br>Company          | 100.00           | 2 (87)             |
| 2       | SSPDL Infra Projects India Private Limited<br>8-2-595/3/6, Eden Gardens, Road No. 10,<br>Banjara Hills, Hyderabad, 500 034,<br>Telangana, India.                                      | U45200TG2007PTC052739           | Subsidiary<br>Company          | 100.00           | 2 (87)             |
| 3       | SSPDL Resorts Private Limited<br>8-2-595/3/6, Eden Gardens, Road No. 10,<br>Banjara Hills, Hyderabad, 500 034,<br>Telangana, India.   | U45200TG2007PTC052761           | Subsidiary<br>Company          | 100.00           | 2 (87)             |
| 4       | SSPDL Realty India Private Limited<br>8-2-595/3/6, Eden Gardens, Road No. 10,<br>Banjara Hills, Hyderabad, 500 034,<br>Telangana, India.  | U45200TG2007PTC052816           | Subsidiary<br>Company          | 100.00           | 2 (87)             |
| 5       | SSPDL Real Estates India Private Limited<br>8-2-595/3/6, Eden Gardens, Road No. 10,<br>Banjara Hills, Hyderabad, 500 034,<br>Telangana, India.  | U70102TG2007PTC052818           | Subsidiary<br>Company          | 100.00           | 2 (87)             |
| 6       | Northwood Properties India Private Limited<br>8-2-595/3/6, Eden Gardens, Road No. 10,<br>Banjara Hills, Hyderabad, 500 034,<br>Telangana, India.                                      | U70102AP2008PTC057756           | Associate<br>Company           | 41.67            | 2(6)               |

## VI. 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 31-03-2014) |                 |                    |                   | No. of Shares held at the end of the year (As on 31-03-2015) |                 |                    |                   | % Change during the year |
|--|--|-----------------|--------------------|-------------------|--|-----------------|--------------------|-------------------|--------------------------|
|  | Demat  | Physical        | Total              | % of Total Shares | Demat  | Physical        | Total              | % of Total Shares |                          |
| <b>A. Promoters</b>  |  |                 |                    |                   |  |                 |                    |                   |                          |
| <b>(1) Indian</b>  |  |                 |                    |                   |  |                 |                    |                   |                          |
| a) Individual/HUF  | 45,79,702  | 0               | 45,79,702          | 35.42             | 45,79,702  | 0               | 45,79,702          | 35.42             | 0.00                     |
| 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                     |
| <b>Sub-total (A) (1):-</b>   | <b>70,07,454</b>   | <b>0</b>        | <b>70,07,454</b>   | <b>54.20</b>      | <b>70,07,454</b>   | <b>0</b>        | <b>70,07,454</b>   | <b>54.20</b>      | <b>0.00</b>              |
| <b>(2) Foreign</b>   |  |                 |                    |                   |  |                 |                    |                   |                          |
| a) NRIs - Individuals  | 0  | 0               | 0                  | 0                 | 0  | 0               | 0                  | 0.00              | 0.00                     |
| b) Other – Individuals   | 0  | 0               | 0                  | 0                 | 0  | 0               | 0                  | 0.00              | 0.00                     |
| c) Bodies Corp.  | 0  | 0               | 0                  | 0                 | 0  | 0               | 0                  | 0.00              | 0.00                     |
| d) Banks/FI  | 0  | 0               | 0                  | 0                 | 0  | 0               | 0                  | 0.00              | 0.00                     |
| e) Any Other....   | 0  | 0               | 0                  | 0                 | 0  | 0               | 0                  | 0.00              | 0.00                     |
| <b>Sub-total (A) (2):-</b>   | <b>0</b>   | <b>0</b>        | <b>0</b>           | <b>0</b>          | <b>0</b>   | <b>0</b>        | <b>0</b>           | <b>0.00</b>       | <b>0.00</b>              |
| <b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>                      | <b>70,07,454</b>   | <b>0</b>        | <b>70,07,454</b>   | <b>54.20</b>      | <b>70,07,454</b>   | <b>0</b>        | <b>70,07,454</b>   | <b>54.20</b>      | <b>0.00</b>              |
| <b>B. Public Shareholding</b>  |  |                 |                    |                   |  |                 |                    |                   |                          |
| <b>(1) Institutions</b>  |  |                 |                    |                   |  |                 |                    |                   |                          |
| a) Mutual Funds  | 0  | 0               | 0                  | 0                 | 0  | 0               | 0                  | 0.00              | 0.00                     |
| b) Banks /FI   | 0  | 0               | 0                  | 0                 | 0  | 0               | 0                  | 0.00              | 0.00                     |
| c) Central Govt  | 0  | 0               | 0                  | 0                 | 0  | 0               | 0                  | 0.00              | 0.00                     |
| d) State Govt(s)   | 0  | 0               | 0                  | 0                 | 0  | 0               | 0                  | 0.00              | 0.00                     |
| e) Venture Capital Funds   | 0  | 0               | 0                  | 0                 | 0  | 0               | 0                  | 0.00              | 0.00                     |
| f) Insurance Companies   | 0  | 0               | 0                  | 0                 | 0  | 0               | 0                  | 0.00              | 0.00                     |
| g) FII's   | 0  | 0               | 0                  | 0                 | 0  | 0               | 0                  | 0.00              | 0.00                     |
| h) Foreign Venture Capital Funds   | 0  | 0               | 0                  | 0                 | 0  | 0               | 0                  | 0.00              | 0.00                     |
| i) Others (specify)  | 0  | 0               | 0                  | 0                 | 0  | 0               | 0                  | 0.00              | 0.00                     |
| <b>Sub-total (B)(1):-</b>  | <b>0</b>   | <b>0</b>        | <b>0</b>           | <b>0</b>          | <b>0</b>   | <b>0</b>        | <b>0</b>           | <b>0.00</b>       | <b>0.00</b>              |
| <b>(2) Non-Institutions</b>  |  |                 |                    |                   |  |                 |                    |                   |                          |
| a) Bodies Corp.  |  |                 |                    |                   |  |                 |                    |                   |                          |
| i) Indian  | 4,21,758   | 11,200          | 4,32,958           | 3.35              | 5,09,747   | 11,200          | 5,20,947           | 4.03              | 0.68                     |
| ii) Overseas   | 0  | 0               | 0                  | 0                 | 0  | 0               | 0                  | 0.00              | 0.00                     |
| b) Individuals   |  |                 |                    |                   |  |                 |                    |                   |                          |
| i) Individual shareholders holding nominal share capital upto ₹ 1 lakh         | 19,02,209  | 56,470          | 19,58,679          | 15.15             | 17,42,104  | 56,254          | 17,98,358          | 13.91             | -1.24                    |
| ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh | 21,36,143  | 30,000          | 21,66,143          | 16.75             | 22,99,302  | 30,000          | 23,29,302          | 18.02             | 1.26                     |
| c) Others (specify)  |  |                 |                    |                   |  |                 |                    |                   |                          |
| Clearing Members   | 1,079  | 0               | 1,079              | 0.01              | 8,310  | 0               | 8,310              | 0.06              | 0.06                     |
| HUF  | 1,95,742   | 0               | 1,95,742           | 1.51              | 2,01,555   | 0               | 2,01,555           | 1.56              | 0.04                     |
| Non-Resident Indians   | 10,47,195  | 1,20,000        | 11,67,195          | 9.03              | 9,43,324   | 1,20,000        | 10,63,324          | 8.22              | -0.80                    |
| <b>Sub-total (B)(2)</b>  | <b>57,04,126</b>   | <b>2,17,670</b> | <b>59,21,796</b>   | <b>45.80</b>      | <b>57,04,342</b>   | <b>2,17,454</b> | <b>59,21,796</b>   | <b>45.80</b>      | <b>0.00</b>              |
| <b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>                             | <b>57,04,126</b>   | <b>2,17,670</b> | <b>59,21,796</b>   | <b>45.80</b>      | <b>57,04,342</b>   | <b>2,17,454</b> | <b>59,21,796</b>   | <b>45.80</b>      | <b>0</b>                 |
| <b>C. Shares held by Custodian for GDRs &amp; ADRs</b>                         | <b>0</b>   | <b>0</b>        | <b>0</b>           | <b>0</b>          | <b>0</b>   | <b>0</b>        | <b>0</b>           | <b>0</b>          | <b>0</b>                 |
| <b>Grand Total (A+B+C)</b>   | <b>1,27,11,580</b>   | <b>2,17,670</b> | <b>1,29,29,250</b> | <b>100.00</b>     | <b>1,27,11,796</b>   | <b>2,17,454</b> | <b>1,29,29,250</b> | <b>100.00</b>     | <b>-</b>                 |

## (ii) Shareholding of Promoters

| Sl. No. | Shareholder's Name                     | Shareholding at the beginning of the year |                                  |  | Shareholding at the end of the year |                                  |  | % change in shareholding 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       | SRIKRISHNA DEVARAYA HATCHERIES PVT LTD | 11,70,152                                 | 9.05                             | 0.00   | 24,02,652                           | 18.58                            | 0.00   | 9.53                                     |
| 2       | PRAKASH CHALLA                         | 23,59,390                                 | 18.25                            | 0.00   | 23,59,390                           | 18.25                            | 0.00   | 0.00                                     |
| 3       | EADALA PADMAJA                         | 1,50,000                                  | 1.16                             | 0.00   | 8,95,000                            | 6.92                             | 0.00   | 5.76                                     |
| 4       | SURESH CHALLA                          | 8,87,600                                  | 6.87                             | 0.00   | 8,87,600                            | 6.87                             | 0.00   | 0.00                                     |
| 5       | EDALA BHASKAR RAO                      | 21,27,500                                 | 16.45                            | 1.16   | 1,50,000                            | 1.16                             | 0.00   | -15.29                                   |
| 6       | VALLABHANENI GOPAL KRISHNA             | 1,24,267                                  | 0.96                             | 0.00   | 1,24,267                            | 0.96                             | 0.00   | 0.00                                     |
| 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                    | 15,000                                    | 0.12                             | 0.00   | 15,000                              | 0.12                             | 0.00   | 0.00                                     |
| 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   | 1,100                               | 0.01                             | 0.00   | 0.00                                     |
| 15      | SRINIVASA RAO EADALA                   | 1,045                                     | 0.01                             | 0.00   | 1,045                               | 0.01                             | 0.00   | 0.00                                     |
| 16      | CHALLA RAJENDRA PRASAD                 | 100                                       | 0.00                             | 0.00   | 100                                 | 0.00                             | 0.00   | 0.00                                     |
|         | <b>Total</b>                           | <b>70,07,454</b>                          | <b>54.20</b>                     | <b>1.16</b>                                    | <b>70,07,454</b>                    | <b>54.20</b>                     | <b>0.00</b>                                    | <b>0.00</b>                              |

## (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 |                                  | Cumulative Shareholding during the year |                                  |
|---------|---|---|----------------------------------|---|----------------------------------|
|         |   | No. of Shares                             | % of total Shares of the company | No. of Shares                           | % of total Shares of the company |
| (1)     | <b>EdalaBhaskar Rao</b>   |   |                                  |   |                                  |
|         | At the beginning of theyear on 01.04.2014   | 21,27,500                                 | 16.45                            |   |                                  |
|         | 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 01-01-2015  | (19,77,500)                               | (15.29)                          | 1,50,000                                | 1.16                             |
|         | At the End of the year on 31.03.2015  | 1,50,000                                  | 1.16                             |   |                                  |
| (2)     | <b>Sri Krishna Devaraya Hatcheries Pvt Ltd</b>  |   |                                  |   |                                  |
|         | At the beginning of the year on 01.04.2014  | 11,70,152                                 | 9.05                             |   |                                  |
|         | Date wise increase/ Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc.): |   |                                  |   |                                  |
|         | Purchased on 01.01.2015   | 12,32,500                                 | 9.53                             | 24,02,652                               | 18.58                            |
|         | At the End of the year on 31.03.2015  | 24,02,652                                 | 18.58                            |   |                                  |
| (3)     | <b>EdalaPadmaja</b>   |   |                                  |   |                                  |
|         | At the beginning of the year on 01.04.2014  | 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.): |   |                                  |   |                                  |
|         | Purchased on 01.01.2015   | 7,45,000                                  | 5.76                             | 8,95,000                                | 6.92                             |
|         | At the End of the year on 31.03.2015  | 8,95,000                                  | 6.92                             |   |                                  |

**Note:** Except the above there is no change in shareholding of other promoters on 01.04.2014 and 31.03.2015. Total shares of all promoters on 01.04.2014 and 31.03.2015 are provided above.  
(Transfer = sold/purchase)

## (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 |                                  | Cumulative Shareholding during the year |                                  |
|---------|--|---|----------------------------------|---|----------------------------------|
|         |  | No. of Shares                             | % of total Shares of the company | No. of Shares                           | % of total Shares of the company |
| 1       | <b>Gautam Prakash</b>  |   |                                  |   |                                  |
|         | At the beginning of the year on 01.04.2014   | 3,54,000                                  | 2.74                             |   |                                  |
|         | 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                                | 3,54,000                                | 2.74                             |
|         | At the End of the year on 31.03.2015   | 3,54,000                                  | 2.74                             |   |                                  |
| 2       | <b>Cherukuri Rama Krishna</b>  |   |                                  |   |                                  |
|         | At the beginning of the year on 01.04.2014   | 2,13,973                                  | 1.65                             |   |                                  |
|         | 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                                | 2,13,973                                | 1.65                             |
|         | At the End of the year on 31.03.2015   | 2,13,973                                  | 1.65                             |   |                                  |

(Contd.)

## (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 |                                  | Cumulative Shareholding during the year |                                  |
|-----------------------------------|---|---|----------------------------------|---|----------------------------------|
|                                   |   | No. of Shares                             | % of total Shares of the company | No. of Shares                           | % of total Shares of the company |
| 3                                 | <b>GVS Raju</b>   |   |                                  |   |                                  |
|                                   | At the beginning of the year on 01.04.2014  | 2,09,295                                  | 1.62                             |   |                                  |
|                                   | 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 19.12.2014  | 4,850                                     | 0.04                             | 2,04,445                                | 1.58                             |
|                                   | Sold on 31.12.2014  | 25,000                                    | 0.19                             | 1,79,445                                | 1.39                             |
|                                   | At the End of the year on 31.03.2015  | 1,79,445                                  | 1.39                             |   |                                  |
| 4                                 | <b>Ashish N Mehta</b>   |   |                                  |   |                                  |
|                                   | At the beginning of the year on 01.04.2014  | 1,56,914                                  | 1.21                             |   |                                  |
|                                   | 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 30.09.2014  | 8,549                                     | 0.07                             | 1,48,365                                | 1.15                             |
|                                   | Sold on 03.10.2014  | 1,050                                     | 0.01                             | 1,47,315                                | 1.14                             |
|                                   | Sold on 17.10.2014  | 6,385                                     | 0.05                             | 1,40,930                                | 1.09                             |
|                                   | Sold on 31.10.2014  | 3,920                                     | 0.03                             | 1,37,010                                | 1.06                             |
|                                   | Sold on 07.11.2014  | 7,010                                     | 0.05                             | 1,30,000                                | 1.01                             |
|                                   | Sold on 14.11.2014  | 990                                       | 0.01                             | 1,29,010                                | 1.00                             |
|                                   | Sold on 12.12.2014  | 3,495                                     | 0.03                             | 1,25,515                                | 0.97                             |
|                                   | Sold on 27.03.2015  | 25,515                                    | 0.20                             | 1,00,000                                | 0.77                             |
| At the End of the year 31.03.2015 | 1,00,000  | 0.77                                      |                                  |   |                                  |
| 5                                 | <b>Amit Bhartia</b>   |   |                                  |   |                                  |
|                                   | At the beginning of the year on 01.04.2014  | 1,32,505                                  | 1.02                             |   |                                  |
|                                   | 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                                | 1,32,505                                | 1.02                             |
|                                   | At the End of the year on 31.03.2015  | 1,32,505                                  | 1.02                             |   |                                  |
| 6                                 | <b>Vinod Prakash</b>  |   |                                  |   |                                  |
|                                   | At the beginning of the year on 01.04.2014  | 1,20,000                                  | 0.92                             |   |                                  |
|                                   | 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                                | 1,20,000                                | 0.92                             |
|                                   | At the End of the year on 31.03.2015  | 1,20,000                                  | 0.92                             |   |                                  |
| 7                                 | <b>V.Sidda Reddy</b>  |   |                                  |   |                                  |
|                                   | At the beginning of the year on 01.04.2014  | 1,17,482                                  | 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.): | 0   | 0                                | 1,17,482                                | 0.91                             |
|                                   | At the End of the year on 31.03.2015  | 1,17,482                                  | 0.91                             |   |                                  |

(Contd.)

## Shareholding Pattern of top ten Shareholders (Contd.)

| Sl. No.                              | Name of the Shareholder  | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|--------------------------------------|--|---|----------------------------------|---|----------------------------------|
|                                      |  | No. of Shares                             | % of total Shares of the company | No. of Shares                           | % of total Shares of the company |
| 8                                    | <b>Mahendra Giridharilal</b>   |   |                                  |   |                                  |
|                                      | At the beginning of the year on 01.04.2014   | 1,07,307                                  | 0.83                             |   |                                  |
|                                      | 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                                | 1,07,307                                | 0.83                             |
|                                      | At the End of the year on 31.03.2015   | 1,07,307                                  | 0.83                             |   |                                  |
| 9                                    | <b>PadmavathiNoothalapati</b>  |   |                                  |   |                                  |
|                                      | At the beginning of the year on 01.04.2014   | 85,952                                    | 0.66                             |   |                                  |
|                                      | Date wise increase/ Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.): |   |                                  |   |                                  |
|                                      | 1 Purchased on 01.08.2014  | 500                                       | 0.00                             | 86,452                                  | 0.67                             |
|                                      | 2 Purchased on 05.09.2014  | 150                                       | 0.00                             | 86,602                                  | 0.67                             |
|                                      | 3 Purchased on 03.10.2014  | 1,000                                     | 0.01                             | 87,602                                  | 0.68                             |
|                                      | 4 Purchased on 10.10.2014  | 900                                       | 0.01                             | 88,502                                  | 0.68                             |
|                                      | 5 Purchased on 21.11.2014  | 400                                       | 0.00                             | 88,902                                  | 0.69                             |
|                                      | 6 Purchased on 28.11.2014  | 100                                       | 0.00                             | 89,002                                  | 0.69                             |
|                                      | 7 Purchased on 05.12.2014  | 5,938                                     | 0.05                             | 94,940                                  | 0.73                             |
|                                      | 8 Purchased on 12.12.2014  | 9,350                                     | 0.07                             | 1,04,290                                | 0.81                             |
|                                      | 9 Purchased on 31.12.2014  | 400                                       | 0.00                             | 1,04,690                                | 0.81                             |
|                                      | 10 Purchased on 23.01.2015   | 4000                                      | 0.00                             | 1,08,690                                | 0.84                             |
|                                      | 11 Purchased on 30.01.2015   | 210                                       | 0.00                             | 1,08,900                                | 0.84                             |
| 12 Purchased to 13.02.2015           | 2,900  | 0.02                                      | 1,11,800                         | 0.86                                    |                                  |
| At the End of the year on 31.03.2015 | 1,11,800   | 0.86                                      |                                  |   |                                  |
| 10                                   | <b>Bapi Raju Champati</b>  |   |                                  |   |                                  |
|                                      | At the beginning of the year on 01.04.2014   | 614                                       | 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.):  |   |                                  |   |                                  |
|                                      | 1 Purchased on 11.04.2014  | 102                                       | 0.00                             | 716                                     | 0.01                             |
|                                      | 2 Purchased on 18.04.2014  | 796                                       | 0.01                             | 1,512                                   | 0.01                             |
|                                      | 3 Purchased on 25.04.2014  | 3760                                      | 0.03                             | 5,272                                   | 0.04                             |
|                                      | 4 Purchased on 02.05.2014  | 3546                                      | 0.03                             | 8,818                                   | 0.07                             |
|                                      | 5 Purchased on 09.05.2014  | 2364                                      | 0.02                             | 11,182                                  | 0.09                             |
|                                      | 6 Purchased on 16.05.2014  | 2415                                      | 0.02                             | 13,597                                  | 0.11                             |
|                                      | 7 Purchased on 23.05.2014  | 3798                                      | 0.03                             | 17,395                                  | 0.13                             |
|                                      | 8 Purchased on 30.05.2014  | 8   | 0.00                             | 17,403                                  | 0.13                             |
| 9 Purchased on 06.06.2014            | 1600   | 0.01                                      | 19,003                           | 0.15                                    |                                  |
| 10 Purchased on 13.06.2014           | 2592   | 0.02                                      | 21,595                           | 0.17                                    |                                  |

(Contd.)

## Shareholding Pattern of top ten Shareholders (Contd.)

| Sl. No. | Name of the Shareholder              | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|---------|--------------------------------------|---|----------------------------------|---|----------------------------------|
|         |                                      | No. of Shares                             | % of total Shares of the company | No. of Shares                           | % of total Shares of the company |
| 11      | Purchased on 04.07.2014              | 606                                       | 0.00                             | 22,201                                  | 0.17                             |
| 12      | Purchased on 25.07.2014              | 1983                                      | 0.02                             | 24,184                                  | 0.19                             |
| 13      | Purchased on 01.08.2014              | 1109                                      | 0.01                             | 25,293                                  | 0.20                             |
| 14      | Purchased on 08.08.2014              | 970                                       | 0.01                             | 26,263                                  | 0.20                             |
| 15      | Purchased on 15.08.2014              | 2849                                      | 0.02                             | 29,112                                  | 0.23                             |
| 16      | Purchased on 22.08.2014              | 1   | 0.00                             | 29,113                                  | 0.23                             |
| 17      | Purchased on 19.09.2014              | 1500                                      | 0.01                             | 30,613                                  | 0.24                             |
| 18      | Purchased on 03.10.2014              | 1581                                      | 0.01                             | 32,194                                  | 0.25                             |
| 19      | Purchased on 10.10.2014              | 2236                                      | 0.02                             | 34,430                                  | 0.27                             |
| 20      | Purchased on 17.10.2014              | 1569                                      | 0.01                             | 35,999                                  | 0.28                             |
| 21      | Purchased on 24.10.2014              | 313                                       | 0.00                             | 36,312                                  | 0.28                             |
| 22      | Purchased on 07.11.2014              | 7887                                      | 0.06                             | 44,199                                  | 0.34                             |
| 23      | Purchased on 14.11.2014              | 294                                       | 0.00                             | 44,493                                  | 0.34                             |
| 24      | Purchased on 21.11.2014              | 1000                                      | 0.01                             | 45,493                                  | 0.35                             |
| 25      | Purchased on 28.11.2014              | 471                                       | 0.00                             | 45,964                                  | 0.36                             |
| 26      | Purchased on 12.12.2014              | 1402                                      | 0.01                             | 47,366                                  | 0.37                             |
| 27      | Purchased on 19.12.2014              | 877                                       | 0.01                             | 48,243                                  | 0.37                             |
| 28      | Purchased on 31.12.2014              | 2707                                      | 0.02                             | 50,950                                  | 0.39                             |
| 29      | Purchased on 02.01.2015              | 1862                                      | 0.01                             | 52,812                                  | 0.41                             |
| 30      | Purchased on 09.01.2015              | 7155                                      | 0.06                             | 59,967                                  | 0.46                             |
| 31      | Purchased on 16.01.2015              | 6160                                      | 0.05                             | 66,127                                  | 0.51                             |
| 32      | Purchased on 23.01.2015              | 9940                                      | 0.08                             | 76,067                                  | 0.59                             |
| 33      | Purchased on 30.01.2015              | 9801                                      | 0.08                             | 85,868                                  | 0.66                             |
| 34      | Purchased on 06.02.2015              | 9137                                      | 0.07                             | 95,005                                  | 0.73                             |
| 35      | Purchased on 13.02.2015              | 1768                                      | 0.01                             | 96,773                                  | 0.75                             |
| 36      | Purchased on 20.02.2015              | 690                                       | 0.01                             | 97,463                                  | 0.75                             |
| 37      | Purchased on 27.02.2015              | 1949                                      | 0.02                             | 99,412                                  | 0.77                             |
| 38      | Purchased on 13.03.2015              | 804                                       | 0.01                             | 100,216                                 | 0.78                             |
| 39      | Sold on 27.03.2015                   | -55                                       | -0.00                            | 100,161                                 | 0.77                             |
|         | At the End of the year on 31.03.2015 | 1,00,161                                  | 0.77                             |   |                                  |



## V. Shareholding of Directors and Key Managerial Personnel (KMP):

| Sl. No.                              | Name of the Director  | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|--------------------------------------|---|---|----------------------------------|---|----------------------------------|
|                                      |   | No. of Shares                             | % of total Shares of the company | No. of Shares                           | % of total Shares of the company |
| 1.                                   | <b>Prakash Challa</b>   |   |                                  |   |                                  |
|                                      | At the beginning of the year on 01.04.2014  | 23,59,390                                 | 18.25                            |   |                                  |
|                                      | 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                                | 23,59,390                               | 18.25                            |
|                                      | At the End of the year on 31.03.2015  | 23,59,390                                 | 18.25                            |   |                                  |
| 2.                                   | <b>E. Bhaskar Rao</b>   |   |                                  |   |                                  |
|                                      | At the beginning of the year on 01.04.2014  | 21,27,500                                 | 16.45                            |   |                                  |
|                                      | 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 01.01.2015  | (19,77,500)                               | (15.29)                          | 1,50,000                                | 1.16                             |
| At the End of the year on 31.03.2015 | 1,50,000  | 1.16                                      |                                  |   |                                  |
| 3.                                   | <b>Suresh Challa</b>  |   |                                  |   |                                  |
|                                      | At the beginning of the year on 01.04.2014  | 8,87,600                                  | 6.87                             |   |                                  |
|                                      | 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                                | 8,87,600                                | 6.87                             |
| 4.                                   | <b>S. Suryanarana</b>   |   |                                  |   |                                  |
|                                      | At the beginning of the year on 01.04.2014  | 300                                       | 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                                | 300                                     | 0.00                             |
| 5.                                   | <b>K.Akmaluddin Sheriff</b>   |   |                                  |   |                                  |
|                                      | At the beginning of the year on 01.04.2014  | 6,634                                     | 0.05                             |   |                                  |
|                                      | 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                                | 6,634                                   | 0.05                             |
| 6.                                   | <b>B. Lokanath</b>  |   |                                  |   |                                  |
|                                      | At the beginning of the year on 01.04.2014  | 0   | 0                                | 0                                       | 0                                |
|                                      | 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                                | 0                                       | 0                                |
|                                      | At the End of the year on 31.03.2015  | 0   | 0                                | 0                                       | 0                                |

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

| Sl. No. | Name of the Key Managerial Personnel  | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|---------|---|---|----------------------------------|---|----------------------------------|
|         |   | No. of Shares                             | % of total Shares of the company | No. of Shares                           | % of total Shares of the company |
| 1.      | <b>A. ShailendraBabu</b>  |   |                                  |   |                                  |
|         | At the beginning of the year on 01.04.2014  | 0   | 0                                |   |                                  |
|         | 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                                | 0                                       | 0                                |
|         | At the End of the year on 31.03.2015  | 0   | 0                                |   |                                  |
| 2.      | <b>P. Muthyam Reddy</b>   |   |                                  |   |                                  |
|         | At the beginning of the year on 01.04.2014  | 0   | 0                                |   |                                  |
|         | 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                                | 0                                       | 0                                |
|         | At the End of the year on 31.03.2015  | 0   | 0                                |   |                                  |
| 3.      | <b>USS Ramanjaneyulu N</b>  |   |                                  |   |                                  |
|         | At the beginning of the year on 01.04.2014  | 0   | 0                                |   |                                  |
|         | 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                                | 0                                       | 0                                |
|         | At the End of the year on 31.03.2015  | 0   | 0                                |   |                                  |

Note: Mr. P. Muthyam Reddy, C.F.O resigned on 31.12.2014 and Mr USS Ramanjaneyulu N, C.F.O, joined on 02.01.2015.

## V. INDEBTEDNESS

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

(Amount in ₹)

|  | Secured Loans excluding deposits | Unsecured Loans     | Deposits | Total Indebtedness  |
|--|----------------------------------|---------------------|----------|---------------------|
| <b>Indebtedness at the beginning of the financial year</b> |                                  |                     |          |                     |
| i) Principal Amount  | 8,09,34,197                      | 8,35,97,036         | -        | 16,45,31,233        |
| ii) Interest due but not paid                              | 83,37,451                        | -                   | -        | 83,37,451           |
| iii) Interest accrued but not due                          | -                                | 94,22,330           | -        | 94,22,330           |
| <b>Total (i+ii+iii)</b>                                    | <b>8,92,71,648</b>               | <b>9,30,19,366</b>  | <b>-</b> | <b>18,22,91,014</b> |
| <b>Change in Indebtedness during the financial year</b>    |                                  |                     |          |                     |
| Addition   | 1,47,72,874                      | 3,05,42,903         | -        | 4,53,15,777         |
| Reduction  | 10,40,44,522                     | 2,00,00,000         | -        | 12,40,44,522        |
| <b>Net Change</b>  | <b>8,92,71,648</b>               | <b>1,05,42,903</b>  | <b>-</b> | <b>9,98,14,551</b>  |
| <b>Indebtedness at the end of the financial year</b>       |                                  |                     |          |                     |
| i) Principal Amount  | -                                | 9,30,19,366         | -        | 9,30,19,366         |
| ii) Interest due but not paid                              | -                                | -                   | -        | -                   |
| iii) Interest accrued but not due                          | -                                | 1,05,42,903         | -        | 1,05,42,903         |
| <b>Total (i+ii+iii)</b>                                    | <b>-</b>                         | <b>10,35,62,269</b> | <b>-</b> | <b>10,35,62,269</b> |

## 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<br>Mr. Prakash Challa<br>(In ₹) | Total<br>Amount<br>(In ₹) |
|---------|--|--|---------------------------|
| 1       | Gross salary   |  |                           |
|         | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961                                      | 59,87,748                                  | 59,87,748                 |
|         | (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                                       |                           |
|         | - as % of profit   | 0.00                                       | 0.00                      |
|         | - others, specify...   | 0.00                                       | 0.00                      |
| 5       | Others, (Provident Fund)   | 16,500                                     | 16,500                    |
|         | <b>Total (A)</b>   | <b>60,04,248</b>                           | <b>60,04,248</b>          |
|         | Ceiling as per the Act: Rs. 60,00,000 lakhs (fixed) and contribution to Provident Fund, Gratuity, Earn Leave encasement. |  |                           |

## B. Remuneration to other directors:

| Sl. No. | Particulars of Remuneration  | Name of Directors    |                          |                        | Total<br>Amount ₹ |
|---------|--|----------------------|--------------------------|------------------------|-------------------|
|         |  | S. SURYANARAYANA     | K. AKMALUDDIN<br>SHERIFF | B. LOKANATH            |                   |
| 1       | <b>Independent Directors</b>   |                      |                          |                        |                   |
|         | Fee for attending board/<br>committee meetings   | 2,15,000             | 67,500                   | 2,00,000               |                   |
|         | Commission   | 0                    | 0                        | 0                      |                   |
|         | Others, please specify   | 0                    | 0                        | 0                      |                   |
|         | <b>Total (1)</b>   | <b>2,15,000</b>      | <b>67,500</b>            | <b>2,00,000</b>        | <b>4,82,500</b>   |
| 2       | <b>Other Non-Executive Directors</b>   | <b>E.BHASKAR RAO</b> | <b>SURESH CHALLA</b>     | <b>SRIDEVI CHALLA*</b> |                   |
|         | Fee for attending board/<br>committee meetings   | 2,05,000             | 1,35,000                 | 0                      |                   |
|         | Commission   | 0                    | 0                        | 0                      |                   |
|         | Others, please specify   | 0                    | 0                        | 0                      |                   |
|         | <b>Total (2)</b>   | <b>2,05,000</b>      | <b>1,35,000</b>          | <b>0</b>               | <b>3,40,000</b>   |
|         | <b>Total (B)=(1+2)</b>   | <b>4,20,000</b>      | <b>2,02,500</b>          | <b>2,00,000</b>        | <b>8,22,500</b>   |
|         | <b>Total Managerial Remuneration</b>   |                      |                          |                        | <b>60,04,248</b>  |
|         | Ceiling as per the Act: Rs. 60,00,000 lakhs (fixed) and contribution to Provident Fund, Gratuity, Earn Leave encasement. |                      |                          |                        |                   |

\*Sridevi Challa joined in the board on 30.03.2015

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

| Sl. No. | Particulars of Remuneration   | Key Managerial Personnel |                   |                 |                       | Total<br>₹ In Lakhs |
|---------|---|--------------------------|-------------------|-----------------|-----------------------|---------------------|
|         |   | CEO                      | Company Secretary | CFO             |                       |                     |
|         |   | -                        | A.Shailendra Babu | P.Muthyam Reddy | U S S Ramanjaneuylu N |                     |
| 1       | Gross salary  | -                        |                   |                 |                       |                     |
|         | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | -                        | 17.11             | 5.81            | 1.99                  | 24.91               |
|         | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | -                        | 0.00              | 0.00            | 0.00                  | 0.00                |
|         | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961              | -                        | 0.00              | 0.00            | 0.00                  | 0.00                |
| 2       | Stock Option  | -                        | 0.00              | 0.00            | 0.00                  | 0.00                |
| 3       | Sweat Equity  | -                        | 0.00              | 0.00            | 0.00                  | 0.00                |
| 4       | Commission  | -                        |                   | 0.00            | 0.00                  | 0.00                |
|         | - as % of profit  | -                        | 0.00              | 0.00            | 0.00                  | 0.00                |
|         | - others, specify...  | -                        | 0.00              | 0.00            | 0.00                  | 0.00                |
| 5       | Others, please specify  | -                        | 0.17              | 0.04            | 0.00                  | 0.21                |
|         | <b>Total</b>  | -                        | <b>17.28</b>      | <b>5.85</b>     | <b>1.99</b>           | <b>25.12</b>        |

## 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) |
|-------------------------------------|------------------------------|-------------------|--|----------------------------|------------------------------------|
| <b>A. COMPANY</b>                   |                              |                   |  |                            |                                    |
| Penalty                             | NIL                          | NIL               | NIL  | NIL                        | NIL                                |
| Punishment                          | NIL                          | NIL               | NIL  | NIL                        | NIL                                |
| Compounding                         | NIL                          | NIL               | NIL  | NIL                        | NIL                                |
| <b>B. DIRECTORS</b>                 |                              |                   |  |                            |                                    |
| Penalty                             | NIL                          | NIL               | NIL  | NIL                        | NIL                                |
| Punishment                          | NIL                          | NIL               | NIL  | NIL                        | NIL                                |
| Compounding                         | NIL                          | NIL               | NIL  | NIL                        | NIL                                |
| <b>C. OTHER OFFICERS IN DEFAULT</b> |                              |                   |  |                            |                                    |
| 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

Place : Hyderabad  
Date : 20.08.2015**PRAKASH 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 31<sup>ST</sup> MARCH 2015*[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 31<sup>st</sup> March 2015 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 31<sup>st</sup> March, 2015 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 are 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

I have also examined compliance with the Listing Agreements entered into by the Company with BSE Limited. The Secretarial Standards issued by The Institute of Company Secretaries of India are not applicable during the audit period.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.

**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.

Majority decisions are carried through while the dissenting members' views are captured and recorded as part of the minutes.

**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**Place : Hyderabad  
Date : 20.08.2015ACS No: 9686  
C P No.: 4286

## ANNEXURE - 3

## 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       | 16.06   |
| 2       | Sri E.Bhaskar Rao        | NIL   |
| 3       | Sri Suresh Challa        | NIL   |
| 4       | Sri S.Suryanarayana      | NIL   |
| 5       | Sri K.Akmaluddin Sheriff | NIL   |
| 6       | Sri B.Lokanath           | NIL   |
| 7       | Smt. Sridevi Challa      | N.A. **   |

Directors (other than Sri Prakash Challa) were paid sitting fees for attending the Meetings.

\* Sri Prakash Challa was re-appointed and the remuneration was increased w.e.f. 01.10.2014.

\*\* Details not given as Smt. Sridevi Challa was a Director only for part of the Financial Year 2014-15 i.e., w.e.f. 30.03.2015.

- (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 | 133.33#                             |
| 2       | Sri E.Bhaskar Rao           | Director                       | NIL                                 |
| 3       | Sri Suresh Challa           | Director                       | NIL                                 |
| 4       | Sri S.Suryanarayana         | Director                       | NIL                                 |
| 5       | Sri K.Akmaluddin Sheriff    | Director                       | NIL                                 |
| 6       | Sri B.Lokanath              | Director                       | NIL                                 |
| 7       | Smt. Sridevi Challa         | Director                       | NIL                                 |
| 8       | Sri U.S.S. Ramanjaneyulu .N | Chief Financial Officer        | Not Applicable*                     |
| 9       | Sri A.Shailendra Babu       | Company Secretary              | 9.03                                |

# The remuneration increased w.e.f. 01.10.2014 only.

\* Details not given as Sri U.S.S. Ramanjaneyulu .N was a Chief Financial Officer only for part of the Financial Year 2014-15 i.e., joined the company on 02.01.2015.

- (iii) The percentage increase in the median remuneration of employees in the financial year: 6.55%.

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

As on 31.03.2015, there are 26 permanent employees on the rolls of the Company.

- (v) The explanation on the relationship between average increase in remuneration and Company performance

| Average increase in remuneration | Company performance   |
|----------------------------------|---|
| 10.50%                           | Profit/(Loss) before tax:<br>2014-15: ₹3.32 crores<br>2013-14: ₹(7.91) crores |

- (vi) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company

| Aggregate Remuneration of Key Managerial Personnel | Performance of the Company for the year ended 31 <sup>st</sup> March, 2015 |
|--|--|
| ₹ 85,15,533  | ₹ 3,31,82,985 (Profit Before Tax)  |

- (vii) Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer.

| Sl. No. | Particular            | As at As at March 31, 2015 |                | As at As at March 31, 2014 |                |
|---------|-----------------------|----------------------------|----------------|----------------------------|----------------|
|         |                       | BSE                        | ₹ 30.00 crores | BSE                        | ₹ 12.23 crores |
| 1       | Market Capitalisation | BSE                        | ₹ 30.00 crores | BSE                        | ₹ 12.23 crores |
| 2       | Price Earnings Ratio  | BSE                        | 9.51           | BSE                        | -1.54          |

Price Earnings Ratio=Market Price / Earnings per share.

**Market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:**

The Company came with an Initial Public Offer in 1995 at the price of ₹ 10/- per equity share. Further, the company increased the capital by Rights issue in the year 2007 at the price of ₹ 18/- per share.

As on 31<sup>st</sup> March, 2015 the Market Quotation of the Company Share Price (Closing Price) at BSE Limited is: ₹ 23.20/-. Market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer (₹ 18/-) increased by 28.89%.

- (viii) 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., 2014-15 was 10.50% where as the increase in the managerial remuneration for the same financial year was 133.33%. In difficult times of down turn in real estate/construction markets and political issues prevailed in the Hyderabad for several years, the Managing Director was persistent in finding opportunities to execute the projects of company. In pursuit of the same Company is able to do the project for the BHEL employees. Considering the same, the remuneration of the Managing Director has been increased within the limits prescribed in the Companies Act, 2013.

- (ix) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company.

| Sl.No. | Name   | Remuneration of Key Managerial Personnel | Performance of the Company for the year ended 31st March, 2015 |
|--------|--|--|--|
| 1      | Sri Prakash Challa<br>(Chairman and Managing Director)                       | ₹ 60.04 lakhs                            | ₹ 3.32 crores (Profit before tax)                              |
| 2      | Sri P.Muthyam Reddy<br>(Resigned on 24.12.2014)                              | ₹ 5.89 lakhs                             | ₹ 3.32 crores (Profit before tax)                              |
| 3      | Sri U S S Ramanjaneyulu .N<br>Chief Financial Officer (Joined on 02.01.2015) | ₹ 1.99 lakhs                             | ₹ 3.32 crores (Profit before tax)                              |
| 4      | Sri A.Shailendra Babu<br>Company Secretary                                   | ₹ 17.28 lakhs                            | ₹ 3.32 crores (Profit before tax)                              |

- (x) The key parameters for any variable component of remuneration availed by the directors.

No commission is paid to any director of the company as percentage of profits of the company. The entire remuneration paid to the Managing Director is fixed remuneration.

- (xi) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: None.

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

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT 2014-15

### 1. ECONOMY OVERVIEW:

**The Global Economy:** The global economy continued to show some improvement through 2014-15, with the US evidently in revival mode, as seen from the various data points. However, Europe has not picked up its pace, and remains in peril of continued recession. China too seems to be losing momentum after multiple years of steady growth.

Global oil prices have fallen sharply during the previous year and the decline in oil prices is expected to have significant macroeconomic, financial and policy implications across countries.

The Federal Reserve Board has maintained its stance on monetary policy during the previous year and it is expected that it would start the tightening phase sometime soon. India being one of the larger financial markets and a large recipient of capital flows, could be adversely affected by a rebalancing triggered by the tightening of the Fed's monetary policy. The preventive measures taken by the Reserve Bank of India, hopefully, reduce external vulnerability. However, the risk remains, warranting vigilance.

#### **The Indian Economy:**

The economy has been on an upturn in the last few quarters, growth has accelerated, inflation has declined, current account deficit has narrowed, and external buffers have been replenished. GDP growth is projected to accelerate, compared to the previous year.

The Government of India has initiated various measures to increase the economic activity in the country, also it launched the Make in India campaign in this pursuit to make India a manufacturing hub and accelerate the growth in the manufacturing sector of India, and increase its share in GDP to 25 percent.

According to an update of its World Economic Outlook by International Monetary Fund (IMF), India is set to become the world's fastest-growing major economy ahead of China, in the next couple of years. India is expected to grow at 7.5% in 2015 and 2016 as per recent updates issued by IMF.

Also, the Economic Outlook Survey puts across a GDP growth (at market prices) estimate of 7.8% for the fiscal year 2015-16, with a range of 7.5% to 8.0%. In the current fiscal year, GDP growth is likely to be supported by an uptake in industry and services sector performance. However, the agriculture sector performance, might come under strain with the meteorological department predicting sub-par monsoons this year.

#### **OUTLOOK:**

While the set of exogenous risk factors both on the domestic and global front remain, the Government has to maintain the momentum on structural reforms. This is important for supporting growth and taking it towards a higher and sustainable level. The economists are feeling that India is well placed to handle the anticipated increase in interest rates by United States Federal Reserve. The Reserve Bank of India has been watchful of the situation and has put in place a healthy chest of foreign exchange reserves. Also, the overall macro-economic situation remains by and large stable.

So far the risks emanating from inflation have moderated, the current account position is range bound and the government is strictly adhering to the path of fiscal consolidation, it is expected that the economic outlook is positive.

### 2. INDUSTRY STRUCTURE AND DEVELOPMENTS:

It comprises four sub-sectors - housing, retail, hospitality, and commercial. While housing contributes to about six percent of India's gross domestic product (GDP), the remaining three sub-sectors are also increasing at a fast pace. 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 financial crisis of 2008-09 played an important role in enhancing the maturity of all stakeholders in the Indian real estate space. During the crisis, when poorly designed and planned projects failed en masse, investors and developers realised the importance of adhering to basic market principles and fundamentals that help sustain growth. Today, investors are using metrics such as financial leverage position, transparency level and corporate governance to evaluate developer performance.

Real estate developers are now becoming quite serious about right-sizing and right-pricing their products to make them attractive to a larger cross-section of customers. In fact, smaller, better-designed and more efficient homes are very much in evidence when we study the project launches in 2015. And, townships are becoming a lot more prevalent, since this is becoming the residential option of choice for many city dwellers looking for a better lifestyle for their families. The supply pipeline for luxury home projects is now slowing down in reaction to the slow demand dynamics for these offerings.

The opening of REITs as a possible route for investing in real estate will help decrease the pressure on cash-starved developers. However, the listing of new REITs will be slow and steady. REITs would likely succeed over the medium term, but they need to successfully pass through a challenging phase of adaptation over the next two years. And, REITs bring you an opportunity to invest in real estate even with small amounts. You could consider the instrument to diversify your portfolio, and it could provide regular income as well as capital appreciation over a period.

The Union Budget 2015 may have disappointed most stakeholders in the real estate sector as the finance minister did not announce any measure to benefit either demand or supply in the sector. Moreover, the proposed increase in service tax will also affect the market. The only positive thing that came out of the budget for real estate was the tax clarification on real estate investment trusts (REITs). However, the ruling government's action in addressing concerns of stakeholders through reforms (in the Land Acquisition Act, the Real Estate Regulatory bill, relaxation of FDI rules, etc.) is helping sentiments in the realty space.



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

#### Opportunities:

The structural developments as stated above and the recent reforms announced by the Government, Housing for all by 2022 and development of Smart Cities, will have positive impact on real estate sector. Typically, there are five broad factors that influence real estate markets and these include the country's GDP and employment scene, credit availability, interest rates, housing supply dynamics and consumer confidence.

The oversupply of commercial space continues in some markets. However, the demand for office space is likely to improve as the IT/ITeS sector, the major driver of office spaces in India seen improving.

In contrast to the housing sales rate, India's GDP has been rising consistently over the last two years from 6.9% y-o-y growth in fiscal year 2013-14 to 7.3% in 2014-15 and is expected to be over 7.5% in 2015-16. This will create demand for commercial properties also. Due to in GDP growth employment hiring activity has picked up, particularly in the last year and which will result in demand for houses in future.

#### Threats/Risks and Concerns:

Despite India's acute need for housing spaces as well as other commercial workspace needs, the residential segment continues to witness a challenging environment amidst policy uncertainties, delay in project approval cycle and tepid demand scenario.

Being the real estate a cyclical industry and projects have a long gestation project i.e., it spans into multiple years, gets impacted more by the changes in macroeconomic variables like global and country's economy, changes in the market dynamics, interest rate, GDP Growth, employment, purchasing power, inflation, etc., and the same directly impacts the project sales and profitability of the Company.

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. SEGEMENT WISE PERFORMANCE:

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

During the under review, your company commenced the housing project in Hyderabad and reduced its exposure to construction projects.

The projects under taken by the Company are under various stages of execution and the details of status of projects undertaken by the company are mentioned in the Directors Report.

### 5. FUTURE OUTLOOK

CPI inflation has declined sharply in the last two years and the same is well within the comfort zone defined by the reserve bank. Consequently, the RBI has responded with three rate cuts since the start of 2015 with a possibility of more rate cuts in the near-term. The RBI data states that there is growth in home loans as well as the growth in credit to the construction sector which reveal healthy credit offtake.

Considering the past experiences, your Company primarily focusing on the development of land, plotted lands, mid-size houses, etc. and reduce the construction contracts work. However, on finding better opportunities it will take up and execute the construction contracts either directly by your company or through its wholly owned subsidiary i.e., SSPDL Infratech Private Limited (formerly SSPDL Interserve Private Limited).

The on-going transition within the real estate sector offers us a foretaste of what the near future beholds. The above said economy conditions and broad factors that influence real estate markets portraying a positive picture for the real estate sector. In view of the projects of the Company under execution and in pipe line, the management is expecting better prospects in future for the company.

### 6. INTERNAL CONTROL SYSTEMS:

The Company has reasonably sound system of controls in the operational areas. Internal controls are in line with the size of the operations and organizational requirements. 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 ₹ 15537.86 lakhs, against ₹ 4204.97 lakhs in 2013-14.

Total Expenses: Total expenses for the year are ₹ 16664.77 lakhs, as against ₹ 4924.07 lakhs for 2013-14.

Loss Before Tax: Loss before Tax for the year is ₹ 1126.91 lakhs, as against loss of ₹ 719.10 lakhs in 2013-14.

Loss After Tax: The Loss after Tax and minority interest and Share of Results of Associates is ₹ 1143.76 lakhs as against loss of ₹ 717.12 lakhs in 2013-14.

### 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, 2015 your company has 26 employees on its payroll.

#### CAUTIONARY STATEMENT:

Statements in the Management Discussions and Analysis describing the Company's objectives, projections, estimates, expectations are "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors/developments that could affect the company's operations include a downward trend in the real estate sector, includes political and economic conditions of the country, in which the Company operates, and the changes in the Government regulations, tax laws, corporate and other laws, interest and other costs and other incidental factors.

## REPORT ON CORPORATE GOVERNANCE - 2014-15

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company continues to adhere to the good corporate practices established by it, in all its business activities. The Company aims at achieving transparency, accountability and equity, in its operations, interactions with stakeholders, including shareholders, lenders and the Government through good governance and best business practices. The Company will continue to focus on maximizing its stakeholders' wealth, adopt best business practices and ensure fairness, transparency and ethical governance in its affairs. The Company adopts a Code of Conduct for its employees including the Board of Directors, Insider Trading Policy and Whistle Blower Policy to ensure compliances and fairness in all its operations and dealings. The Code of Conduct is available on the Company's website at [www.sspdl.com](http://www.sspdl.com). The Company is in compliance of requirements of Corporate Governance guidelines stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges.

### 2. BOARD OF DIRECTORS

#### Composition and Meetings of the Board:

The Board of Directors ("Board") of the Company has an optimum combination of Executive, Non-Executive and Independent Directors.

As on 31st March, 2015, the Board comprised of six members. The Board consists of both promoter and external Directors.

During the year 2014-15 Seven Meetings of the Board of Directors were held on 10th May, 2014, 02nd August, 2014, 28th October, 2014, 24th December, 2014, 4th February, 2015, 06th February, 2015 and 30th March, 2015. 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 |
|-----------------------|-----------------------------|---------------------------|
| 10.05.2014            | 6                           | 6                         |
| 02.08.2014            | 6                           | 4                         |
| 28.10.2014            | 6                           | 6                         |
| 24.12.2014            | 6                           | 4                         |
| 04.02.2015            | 6                           | 5                         |
| 06.02.2015            | 6                           | 5                         |
| 30.03.2015            | 6                           | 6                         |

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 | Shareholding of the Directors |
|---------|--|--|--------------------------------|---------------------------|--|---------|---|-------------------------------|
|         |  |  |                                |                           | Public   | Private |   |                               |
| 1       | Sri Prakash Challa<br>(DIN:02257638)       | Chairman and Managing Director;<br>Executive Promoter Director | 6                              | Yes                       | Nil  | 12*     | Nil   | 23,59,390                     |
| 2       | Sri E.Bhaskar Rao<br>(DIN:00003608)        | Non-Executive Promoter Director                                | 7                              | Yes                       | Nil  | 19#     | Nil   | 1,50,000                      |
| 3       | Sri Suresh Challa®<br>(DIN:01473171)       | Non-Executive Promoter Director                                | 6                              | Yes                       | Nil  | 8       | Nil   | 8,87,600                      |
| 4       | Sri S Suryanarayana<br>(DIN:01951750)      | Independent Non-Executive Director                             | 7                              | Yes                       | Nil  | 5       | Nil   | 300                           |
| 5       | Sri K.Akmaluddin Sheriff<br>(DIN:01121372) | Independent Non-Executive Director                             | 3                              | No                        | Nil  | 4       | Nil   | 6,634                         |
| 6       | Sri B. Lokanath<br>(DIN:00037303)          | Independent Non-Executive Director                             | 7                              | Yes                       | Nil  | 2       | Nil   | 0                             |
| 7       | Smt. Sridevi Challa§<br>(DIN:01802477)     | Non-Executive Promoter Director                                | Nil                            | N.A.                      | Nil  | 2       | Nil   | 1,02,500                      |

\* Including one Limited Liability Partnership Firm.

# Including Companies under liquidation and under process of striking off.

® Sri Suresh Challa, resigned as director of the Company on 30th March, 2015.

§ Smt. Sridevi Challa was appointed as an Additional Director (Woman Director) of the Company on 30th March, 2015.

The details of peculiarly transaction with Non-Executive Directors' are provided in financial statement.

No Director is related to any other Director on the Board in terms of the definition of 'relative' given under the Companies Act, 2013, except Sri Prakash Challa and Sri Suresh Challa, who are related to each other as brothers and Sri Suresh Challa and Smt. Sridevi Challa as husband and wife.

### 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 for the company and its operating divisions or business segments.
- Minutes of meetings of audit committee and other committees of the board.
- The information on recruitment and remuneration of senior officers just below the board level, 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 material nature, of investments, subsidiaries, assets, which is 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 31.03.2015, the Board has three Committees viz., Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee. The Board Committee and Borrowing Committee were dissolved as per the decision taken by the Board in their Meeting held on 30.03.2015. 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 of contemplated under clause 49 of the listing agreement and section 177 of the Companies Act, 2013.

#### **Composition:**

The Audit Committee comprises of Sri S Suryanarayana, non-executive Independent Director as the Chairman and Sri B.Lokanath, Sri K. Akmaluddin Sheriff, non-executive Independent Directors and Sri E.Bhaskar Rao, non-executive Director as the members and Mr.Shailendra Babu Ande, Company Secretary is the Secretary to the Audit Committee. All the members 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 Clause 49 of the Listing Agreement and Section 177 of the Companies Act, 2013.

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 five times, i.e., on 10th May, 2014, 02nd August, 2014, 28th October, 2014, 24th December, 2014 and 6th February, 2015. The attendance records of the members at these meetings are given below:

| Name                | Designation | Meetings held during the year | Meetings attended during the year |
|---------------------|-------------|-------------------------------|-----------------------------------|
| Sri S.Suryanarayana | Chairman    | 5                             | 5                                 |
| Sri E.Bhaskar Rao   | Member      | 5                             | 5                                 |
| Sri B.Lokanath      | Member      | 5                             | 5                                 |

As per the Clause 49 of the Listing Agreement 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 (iii) as may be necessary or appropriate for the performance of its duties.

#### **(B) STAKEHOLDERS RELATIONSHIP COMMITTEE**

##### **Composition**

A Stakeholders Relationship Committee (formerly known as Shareholders and Investor Grievances and Redressal Committee) was re-constituted on 30.03.2015 due to resignation of Sri Suresh Challa. The Committee reconstituted with Sri S.Suryanarayana 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 (iii) as may be necessary or appropriate for the performance of its duties.

During the year under review, the Committee met Six times, i.e., on 25th April, 2014, 10th May, 2014, 02nd August, 2014, 28th October, 2014, 06th February, 2015 and 19th February, 2015. The attendance records of the members at these meetings are given below:

| Name                | Designation | Meetings held during the year | Meetings attended during the year |
|---------------------|-------------|-------------------------------|-----------------------------------|
| Sri Suresh Challa   | Chairman    | 6                             | 6                                 |
| Sri E.Bhaskar Rao   | Member      | 6                             | 6                                 |
| Sri S.Suryanarayana | Member      | 6                             | 6                                 |

During the year the Company has received 3 complaints from the investors and all the complaints were resolved. There were no complaints and no shares pending transfer as on 31st March, 2015.

The status of shareholder's complaints during the financial year 2014-15 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        |
|        | <b>Total</b>   | <b>3</b> | <b>3</b> | <b>0</b> |

SEBI Complaints Redress System (SCORES): During the financial year 2014-15, 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 (Formerly Remuneration Committee) as per the provisions of the Companies Act, 2013 and Listing Agreement. As on 31st March, 2015 the Remuneration Committee comprises of Sri S.Suryanarayana as the Chairman, Sri K.Akmaluddin Sheriff and Sri B.Lokanath as the 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 02nd August, 2014, 28th October, 2014, 24th December, 2014, and 30th March, 2015. 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 |
|---------------------------|---------------------------------|-------------------------|
| 02.08.2014                | 3                               | 3                       |
| 28.10.2014                | 3                               | 3                       |
| 24.12.2014                | 3                               | 2                       |
| 30.03.2015                | 3                               | 3                       |

| Name                     | Designation | Meetings held during the year | Meetings attended during the year |
|--------------------------|-------------|-------------------------------|-----------------------------------|
| Sri S.Suryanarayana      | Chairman    | 4                             | 4                                 |
| Sri K.Akmaluddin Sheriff | Member      | 4                             | 3                                 |
| Sri B.Lokanath           | Member      | 4                             | 4                                 |

#### Remuneration paid/payable to the Directors:

Currently the Non-Executive Directors do not receive any remuneration from the Company apart from sitting fee or attending Board and Committee meetings as decided by the Board. The details of remuneration paid/payable to the Directors of the Company during the year 2014-15 are given below:

| Name of the Director      | Sitting Fee (In ₹) |                          |  |  | Remuneration (In ₹) | Commission (In ₹) |
|---------------------------|--------------------|--------------------------|--|--|---------------------|-------------------|
|                           | Board Meetings     | Audit Committee Meetings | Stakeholders Relationship Committee Meetings | Nomination and Remuneration Committee Meetings |                     |                   |
| Sri Prakash Challa        | Nil                | Nil                      | Nil  | Nil  | 60,04,248*          | Nil               |
| Sri E.Bhaskar Rao         | 1,40,000           | 50,000                   | 15,000                                       | Nil  | Nil                 | Nil               |
| Sri Suresh Challa         | 1,20,000           | Nil                      | 15,000                                       | Nil  | Nil                 | Nil               |
| Sri S Suryanarayana       | 1,40,000           | 50,000                   | 15,000                                       | 10,000   | Nil                 | Nil               |
| Sri K. Akmaluddin Sheriff | 60,000             | Nil                      | Nil  | 7,500  | Nil                 | Nil               |
| Sri B. Lokanath           | 1,40,000           | 50,000                   | Nil  | 10,000   | Nil                 | Nil               |

\* Includes, Salary of ₹ 59,87,748/- and Contribution to Provident Fund of ₹ 16,500/-.

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

#### Director's Familiarization Programme:

The details of Director's Familiarization Programme are provided on Companies website: [www.sspdl.com/investors/policy/](http://www.sspdl.com/investors/policy/).

#### Criteria on payment of remuneration to Non-Executive Director:

The details provided below. Presently company is paying sitting fees only to Non-Executive Director for attending to 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 Clause 49 of the Listing Agreement,
- 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 behavior (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.

**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) BORROWING COMMITTEE**

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

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

**Terms of reference**

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

- authorise any two directors jointly to execute and sign the loan, security and other documents and to affix the Common Seal of the Company in presence of any two directors of the Company.

Borrowing Committee did not met during the year under review and the Board in its meeting held on 30.03.2015 dissolved this committee w.e.f. 30.03.2015.

#### (E) BOARD COMMITTEE

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

The Board in its meeting held on 30.03.2015 dissolved this committee w.e.f. 30.03.2015.

#### 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 |
|-----------|-----------------------------------|-------------------------|----------------------|------------|-----------------------------------|
| 2013-2014 | Country Club, Begumpet, Hyderabad | AGM                     | 30th September, 2014 | 12.00 P.M. | 1 Special Resolution was passed*  |
| 2012-2013 | Country Club, Begumpet, Hyderabad | AGM                     | 27th September, 2013 | 12.00 P.M. | 1 Special Resolution was passed** |
| 2011-2012 | Country Club, Begumpet, Hyderabad | AGM                     | 14th September, 2012 | 3.30 P.M.  | No Special Resolution was passed  |

\* A Special Resolution was passed by the shareholders with requisite majority, with regard to amendment of Articles of Association i.e., article 166 was substituted with new article.

\*\* A Special Resolution was passed by the shareholders with requisite majority, considering the no profits or inadequacy of profits during year 2012-13, for revising the remuneration payable to Sri Prakash Challa, Managing Director of the Company. ₹ 3,00,000/- (Rupees Three Lakhs Only) and other perquisites per month has been fixed as the remuneration for a period of two years i.e., from 01.10.2012 to 30.09.2014.

#### Special resolution passed last year through postal ballot

During the year four Special Resolutions were passed through postal Ballot. Mrs. B. Krishnaveni, Practicing Company Secretary was appointed as the Scrutinizer for overseeing the Postal Ballot voting process. The details are as follows:

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

The details of voting pattern for postal ballot are given below:

#### Item No. 1. Increasing borrowing powers.

| Promoter/Public               | No. of Equity shares held | No. of votes polled | % of Votes Polled on Outstanding shares | No. of Votes in favour | No. of Votes against | % of votes in favour on votes polled | % of votes in against on votes polled |
|-------------------------------|---------------------------|---------------------|---|------------------------|----------------------|--------------------------------------|---------------------------------------|
|                               | (1)                       | (2)                 | (3) = [(2)/(1)]* 100                    | (4)                    | (5)                  | (6) = [(4)/(2)]* 100                 | (7) = [(5)/(2)]* 100                  |
| Promoter and Promoter Group   | 7007454                   | 6688742             | 95.45                                   | 6688742                | 0                    | 100%                                 | 0                                     |
| Public -Institutional Holders | 0                         | 0                   | 0                                       | 0                      | 0                    | 0                                    | 0                                     |
| Public - Others               | 5921796                   | 23364               | 0.39                                    | 23049                  | 315                  | 98.65                                | 1.35                                  |
| <b>Total</b>                  | <b>12929250</b>           | <b>6712106</b>      | <b>51.91</b>                            | <b>6711791</b>         | <b>315</b>           | <b>99.995</b>                        | <b>0.005</b>                          |

Item No. 2. Creation of security on the properties of the company in favour of the lenders and sell, lease or otherwise dispose of the Asset/undertakings of the company when company given security.

| Promoter/Public               | No. of Equity shares held | No. of votes polled | % of Votes Polled on Outstanding shares | No. of Votes in favour | No. of Votes against | % of votes in favour on votes polled | % of votes in against on votes polled |
|-------------------------------|---------------------------|---------------------|---|------------------------|----------------------|--------------------------------------|---------------------------------------|
|                               | (1)                       | (2)                 | (3) = [(2)/(1)]* 100                    | (4)                    | (5)                  | (6) = [(4)/(2)]* 100                 | (7) = [(5)/(2)]* 100                  |
| Promoter and Promoter Group   | 7007454                   | 6688742             | 95.45                                   | 6688742                | 0                    | 100%                                 | 0                                     |
| Public -Institutional Holders | 0                         | 0                   | 0                                       | 0                      | 0                    | 0                                    | 0                                     |
| Public - Others               | 5921796                   | 23364               | 0.39                                    | 23149                  | 215                  | 99.08                                | 0.92                                  |
| <b>Total</b>                  | <b>12929250</b>           | <b>6712106</b>      | <b>51.91</b>                            | <b>6711891</b>         | <b>215</b>           | <b>99.997</b>                        | <b>0.003</b>                          |

Item No. 3. Giving loans/guarantees, providing security and making investments insecurities.

| Promoter/Public               | No. of Equity shares held | No. of votes polled | % of Votes Polled on Outstanding shares | No. of Votes in favour | No. of Votes against | % of votes in favour on votes polled | % of votes in against on votes polled |
|-------------------------------|---------------------------|---------------------|---|------------------------|----------------------|--------------------------------------|---------------------------------------|
|                               | (1)                       | (2)                 | (3) = [(2)/(1)]* 100                    | (4)                    | (5)                  | (6) = [(4)/(2)]* 100                 | (7) = [(5)/(2)]* 100                  |
| Promoter and Promoter Group   | 7007454                   | 6688742             | 95.45                                   | 6688742                | 0                    | 100%                                 | 0                                     |
| Public -Institutional Holders | 0                         | 0                   | 0                                       | 0                      | 0                    | 0                                    | 0                                     |
| Public - Others               | 5921796                   | 23364               | 0.39                                    | 23149                  | 215                  | 99.08                                | 0.92                                  |
| <b>Total</b>                  | <b>12929250</b>           | <b>6712106</b>      | <b>51.91</b>                            | <b>6711891</b>         | <b>215</b>           | <b>99.997</b>                        | <b>0.003</b>                          |

Item No. 4. Re-appointment of Sri Prakash Challa, as the managing director and fixing the remuneration.

| Promoter/Public               | No. of Equity shares held | No. of votes polled | % of Votes Polled on Outstanding shares | No. of Votes in favour | No. of Votes against | % of votes in favour on votes polled | % of votes in against on votes polled |
|-------------------------------|---------------------------|---------------------|---|------------------------|----------------------|--------------------------------------|---------------------------------------|
|                               | (1)                       | (2)                 | (3) = [(2)/(1)]* 100                    | (4)                    | (5)                  | (6) = [(4)/(2)]* 100                 | (7) = [(5)/(2)]* 100                  |
| Promoter and Promoter Group   | 7007454                   | 6688742             | 95.45                                   | 6688742                | 0                    | 100%                                 | 0                                     |
| Public -Institutional Holders | 0                         | 0                   | 0                                       | 0                      | 0                    | 0                                    | 0                                     |
| Public - Others               | 5921796                   | 23364               | 0.39                                    | 23149                  | 215                  | 99.08                                | 0.92                                  |
| <b>Total</b>                  | <b>12929250</b>           | <b>6712106</b>      | <b>51.91</b>                            | <b>6711891</b>         | <b>215</b>           | <b>99.997</b>                        | <b>0.003</b>                          |

The Board had appointed Mrs. B.Krishnaveni, Practicing Company Secretary as Scrutinizer to conduct the Postal Ballot voting process in a fair and transparent manner.

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

## 5. DISCLOSURES

i) The Company has entered into certain related party transactions as set out in the notes to accounts, but they do not have any potential conflict with the interests of the Company at large.

In terms of Clause 49 of the Listing Agreement, the Board of Directors has formulated a Policy on Related Party Transactions which can accessed from the website of the Company at <http://www.sspdl.com/investors/policy/>. The disclosure of related party transactions is part of the Notes to Accounts section of the Annual Report.

In terms of Clause 49 of the Listing Agreement, 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://www.sspdl.com/investors/policy/>.

ii) There were no non-compliances by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three financial years.

iii) Whistle Blower Policy: The Company established a vizil mechanism to report concerns about unethical behavior, 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 has been denied access to the Audit Committee. Policy is available on the website of the Company at <http://www.sspdl.com/investors/policy/>.

iv) Details of Compliance with mandatory requirements and non-mandatory requirements:

The Company has complied with all the mandatory requirements of the Clause 49 of the Listing Agreement. With regard to compliances of mandatory requirements the Corporate Governance Report certificate issued by the auditors for the year 31.03.2015.

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. Audit qualifications

There are no qualification in the Auditor's Report on the financial statements to the shareholders of the Company.

#### 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.

### 6. SUBSIDIARY COMPANIES

As per the provisions of Clause 49 of the Listing Agreement no subsidiary of the Company is a material non-listed Indian subsidiary to the company as per the provisions of the Listing Agreement.

### 7. MEANS OF COMMUNICATION

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

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

### 8. GENERAL SHAREHOLDER'S INFORMATION

| Sl. No. | Item   | Details   |
|---------|--|---|
| 1.      | AGM Date, Time and Venue                             | On 30th September, 2015 the Wednesday, at 12.00 P.M. At Qutub Shahi Hall, Country Club, 6-3-1219, Begumpet, Hyderabad - 500 016, Telangana.   |
| 2.      | Financial Year                                       | 1st April, 2015 to 31st March, 2016   |
| 3.      | Financial Calendar (tentative and subject to change) | <p>For the Quarter ending :</p> <ul style="list-style-type: none"> <li>● 30th June, 2015 : by 08.08.2015</li> <li>● 30th September, 2015 : by 14.11.2015</li> <li>● 31st December, 2015 : by 14.02.2016</li> <li>● 31st March, 2016 : by 30.05.2016, Audited Results.</li> </ul> <p>Annual General Meeting for the year ending 31st March, 2016 : by 30.09.2016</p> |

|    |                           |  |
|----|---------------------------|--|
| 4. | Dates of Book Closure     | From 24th September, 2015 to 30th September, 2015 (Both days inclusive).   |
| 5. | Dividend Payment Date     | Not Applicable   |
| 6. | Listing on Stock Exchange | <ul style="list-style-type: none"> <li>- The Company's Shares are listed on BSE Limited. The Address of the Exchange is as given below:</li> <li>- Bombay Stock Exchange Limited, 25th Floor, Phiroze Jee jeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001.</li> <li>- The Company has duly paid the Listing fees for the year 2015-16.</li> </ul> |
| 7. | Stock Code                | (BSE) 530821 SCRIP ID OF BOLT SYSTEM SSPDL   |

#### Green Initiative by Ministry of Corporate Affairs

The Ministry of Corporate Affairs vide Circular No. 17/2011 dated 21.04.2011 and Circular No. 18/2011 dated 29.04.2011, has permitted Companies to deliver annual reports to investors through electronic mode. In furtherance to the same, SEBI vide its circular CIR/CFD/DIL/7/2011 dated October 05, 2011 has made consequential amendments to Clause 32 of the Listing Agreement directing listed companies to send soft copies of the annual report to shareholders who have registered their e-mail address.

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

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

| Month and Year  | High (In ₹) | Low (In ₹) |
|-----------------|-------------|------------|
| April, 2014     | 15.90       | 8.56       |
| May, 2014       | 16.50       | 12.35      |
| June, 2014      | 18.35       | 13.65      |
| July, 2014      | 18.00       | 12.95      |
| August, 2014    | 17.70       | 11.39      |
| September, 2014 | 17.99       | 13.11      |
| October, 2014   | 19.00       | 12.17      |
| November, 2014  | 17.25       | 12.00      |
| December, 2014  | 17.40       | 11.07      |
| January, 2015   | 29.85       | 11.51      |
| February, 2015  | 24.25       | 18.80      |
| March, 2015     | 25.00       | 18.75      |

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

##### Historic Graphs



**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 1500  
Fax Nos : 040 2300 1153.  
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 31.03.2015:

| Sl. No. | Category<br>(No. of Shares) | No. of<br>Shareholders | % of<br>Shareholders | Amount<br>(₹)       | % of<br>Shareholding |
|---------|-----------------------------|------------------------|----------------------|---------------------|----------------------|
| 1       | Upto 500                    | 2719                   | 75.74                | 40,98,150           | 3.17                 |
| 2       | 501 - 1000                  | 337                    | 9.39                 | 27,02,390           | 2.09                 |
| 3       | 1001 - 2000                 | 199                    | 5.54                 | 30,22,680           | 2.34                 |
| 4       | 2001 - 3000                 | 77                     | 2.14                 | 19,49,180           | 1.51                 |
| 5       | 3001 - 4000                 | 53                     | 1.48                 | 18,47,770           | 1.43                 |
| 6       | 4001 - 5000                 | 32                     | 0.89                 | 14,98,710           | 1.16                 |
| 7       | 5001 - 10000                | 67                     | 1.87                 | 49,19,560           | 3.80                 |
| 8       | 10001 - and above           | 106                    | 2.95                 | 10,92,54,060        | 84.50                |
|         | <b>Total</b>                | <b>3590</b>            | <b>100.00</b>        | <b>12,92,92,500</b> | <b>100.00</b>        |

ii) Shareholding Pattern as on 31.03.2015:

| Sl. No. | Category             | No. of Shareholders | Total Shares       | % to Equity   |
|---------|----------------------|---------------------|--------------------|---------------|
| 1       | PROMOTERS            | 16                  | 70,07,454          | 54.20         |
| 2       | RESIDENT INDIVIDUALS | 3349                | 41,27,660          | 31.92         |
| 3       | BODIES CORPORATE     | 84                  | 5,20,947           | 4.03          |
| 4       | NON-RESIDENT INDIANS | 35                  | 10,63,324          | 8.22          |
| 5       | HUF                  | 95                  | 2,01,555           | 1.56          |
| 6       | CLEARING MEMBERS     | 11                  | 8,310              | 0.06          |
|         | <b>Total</b>         | <b>3,590</b>        | <b>1,29,29,250</b> | <b>100.00</b> |

**14. Dematerialisation of  
Shares and Liquidity**

The Company's equity shares are compulsorily traded in dematerialized form for all investors. Investors are therefore advised to open a Demat account with the Depository Participant of their choice to trade in Demat form. The list of depository participants is available with NSDL and CDSL. The ISIN allotted to the Company's Scrip is INE838C01011. 98.32% of Company's shares are now held in Electronic form. The Company's shares are currently traded in B Group on the BSE, Mumbai.

**Shareholding Summary**

As of 31st March, 2015 the shareholding summary is as under:

| Category     | No. of Holders | Total Shares       | % to Equity   |
|--------------|----------------|--------------------|---------------|
| Physical     | 221            | 2,17,454           | 1.68          |
| NSDL         | 2,062          | 89,64,887          | 69.34         |
| CDSL         | 1,307          | 37,46,909          | 28.98         |
| <b>Total</b> | <b>3,590</b>   | <b>1,29,29,250</b> | <b>100.00</b> |

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 30.06.2014, 30.09.2014, 31.12.2014 and 31.03.2015.

**15. Outstanding ADRs/GDRs** As on March 31, 2015, 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 1500  
Fax Nos : 040 2300 1153.  
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 - sspdlcs@karvy.com



## DECLARATION ON CODE OF CONDUCT

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

ended on 31st March, 2015 as envisaged in Clause 49 of the Listing Agreement.

Place : Hyderabad  
Date : 20.08.2015

**PRAKASH CHALLA**  
CHAIRMAN AND MANAGING DIRECTOR

## MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER CERTIFICATION

We, Prakash Challa, Chairman and Managing Director and U S S Ramanjaneyulu N, Chief Financial Officer of SSPDL Ltd certify that:

- a. We have reviewed the financial statements and the cash flow statements for the year ended 31st March, 2015 and that to the best of our knowledge and belief.
  - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading
  - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year that are fraudulent, illegal or violative of Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee,

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

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

**PRAKASH CHALLA**  
CHAIRMAN AND  
MANAGING DIRECTOR

**U S S RAMANJANEYULU N**  
CHIEF FINANCIAL OFFICER

Place : Hyderabad  
Date : 20.08.2015

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

To the Members of  
**SSPDL LIMITED**

We have examined the compliance of conditions of Corporate Governance by **SSPDL Limited** ('the Company'), for the year ended 31st March, 2015 as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchange in India and amendments thereof.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of the corporate governance as stipulated in the above mentioned listing agreement.

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

For **KARVY & CO.**  
Chartered Accountants  
ICAI Firm Registration No: 017575

Place : Hyderabad  
Date : 20.08.2015

**K.AJAY KUMAR**  
PARTNER  
Membership No. 021989

## INDEPENDENT AUDITORS' REPORT

To the Members of SSPDL Limited

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **SSPDL Limited** ('the Company') which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility 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 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 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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 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 financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 state of affairs of the Company as at 31st March, 2015, its **PROFIT** and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

### 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 and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
- f) 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 financial statements- Refer Note 25 to the financial statements.
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts - Refer Note 8 to financial statements.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **KARVY & CO.**,  
Chartered Accountants  
Firm Registration Number: 001757S

**K.AJAY KUMAR**  
PARTNER

Membership No. 021989

Place : Hyderabad  
Date : 30.05.2015

## Annexure to the Independent Auditors' Report

Annexure 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) The Company has a phased program of physical verification of its fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, substantial fixed assets were physically verified by management during the year and no material discrepancies were identified during such verification.
- ii. In respect of its inventories:
  - (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for inventory represented by development rights. For inventory represented by development rights at the year-end, written confirmations have been obtained by the management.
  - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of inventory, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to the books of account were not material and have been properly dealt with in the books of accounts.
- iii. According to the information and explanations given to us, the Company has granted loans, unsecured to wholly owned subsidiary companies, 1 associate and other company covered in the register maintained under section 189 of the Act. In respect of such loans:
  - (a) The said loans are interest free and repayable on demand and hence there is no repayment schedule.
  - (b) Since the loans are repayable on demand, the question of overdue amount does not arise.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and nature of its business with regard to the purchase of inventory and fixed assets and also for the sale of services. The activities of the Company do not involve sale of goods. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- 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 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, wealth tax, service tax, value added tax, cess and other material statutory dues applicable to it. Having regard to the nature of the Company's business/activities/results, statutory dues in respect of customs duty and duty of excise 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, wealth tax, service tax, customs duty, value added tax and cess on account of dispute, in the Company are as follows:

| Name of the Statute               | Nature of Due                     | Amount<br>(₹ In Crores) | Period to which<br>amount relates to | Forum where dispute<br>is pending |
|-----------------------------------|-----------------------------------|-------------------------|--------------------------------------|-----------------------------------|
| Tamil Nadu General Sales Tax Act. | Disallowances of Input Tax Credit | 0.33                    | 2006-2007                            | Supreme Court                     |
| Tamil Nadu General Sales Tax Act. | Disallowances of Input Tax Credit | 1.25                    | 2007-2008                            | Supreme Court                     |
| Finance Act 1994                  | Service Tax demand                | 7.53                    | 2006-2011                            | CESTAT, Chennai                   |
| Finance Act 1994                  | Service Tax demand                | 0.19                    | 2010-2012                            | CESTAT, Chennai                   |

- (c) According to the information and explanations given to us, the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.
- viii. The Company does not have any accumulated losses at the end of the financial year. The Company has not incurred cash losses during the current financial year covered by the audit. However, the Company has incurred cash losses amounting to ₹ 7.77 crores in the immediately preceding financial year.
- ix. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loans from financial institutions and has not issued debentures during the year.
- x. According to the information and explanations given to us, the Company has given guarantee for loans taken by its wholly owned subsidiary companies from banks, the terms and conditions whereof, in our opinion, are not prima-facie prejudicial to the interest of the Company.
- xi. The Company did not have any term loans outstanding during the year.
- xii. In our opinion and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year. 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 fraud on or by the Company has been noticed or reported during the year.

For **KARVY & CO.**,  
Chartered Accountants  
Firm Registration Number: 001757S

**K.AJAY KUMAR**  
PARTNER  
Membership No. 021989

Place : Hyderabad  
Date : 30.05.2015

**BALANCE SHEET AS AT MARCH 31, 2015**

(Amount in ₹)

| Particulars  | Note No. | As at March 31, 2015 | As at March 31, 2014 |
|--|----------|----------------------|----------------------|
| <b>I. EQUITY AND LIABILITIES</b>                       |          |                      |                      |
| <b>1. Shareholders' Funds</b>                          |          |                      |                      |
| (a) Share Capital                                      | 2        | 12,92,92,500         | 12,92,92,500         |
| (b) Reserves and Surplus                               | 3        | 32,73,13,736         | 29,78,16,733         |
| <b>2. Non-current Liabilities</b>                      |          |                      |                      |
| (a) Other Long-term Liabilities                        | 4        | 1,00,000             | 1,00,000             |
| <b>3. Current Liabilities</b>                          |          |                      |                      |
| (a) Short-term Borrowings                              | 5        | 10,35,62,269         | 17,39,53,563         |
| (b) Trade Payables                                     | 6        | 11,53,85,858         | 8,42,23,643          |
| (c) Other Current Liabilities                          | 7        | 21,56,77,370         | 57,19,53,494         |
| (d) Short-term Provisions                              | 8        | 42,70,13,191         | 16,87,320            |
| <b>TOTAL</b>   |          | <b>131,83,44,924</b> | <b>125,90,27,253</b> |
| <b>II. ASSETS</b>                                      |          |                      |                      |
| <b>1. Non-current Assets</b>                           |          |                      |                      |
| (a) Fixed Assets                                       |          |                      |                      |
| Tangible Assets  | 9        | 36,76,898            | 77,66,993            |
| Capital Work in Progress                               |          | 1,88,925             | -                    |
| (b) Non-current Investments                            | 10       | 26,12,74,564         | 27,21,32,877         |
| (c) Deferred Tax Assets (Net)                          | 11       | 3,43,92,048          | 3,43,92,048          |
| (d) Long-term Loans and Advances                       | 12       | 2,85,74,688          | 2,83,63,472          |
| <b>2. Current Assets</b>                               |          |                      |                      |
| (a) Inventories  | 13       | 32,46,26,130         | 42,12,53,245         |
| (b) Trade Receivables                                  | 14       | 24,25,43,216         | 24,12,46,941         |
| (c) Cash and Bank Balances                             | 15       | 7,81,12,392          | 1,24,29,259          |
| (d) Short-term Loans and Advances                      | 16       | 29,13,68,175         | 24,05,58,716         |
| (e) Other Current Assets                               | 17       | 5,35,87,888          | 8,83,702             |
| <b>TOTAL</b>   |          | <b>131,83,44,924</b> | <b>125,90,27,253</b> |
| <b>III. Summary of significant accounting policies</b> | <b>1</b> |                      |                      |

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

As per our attached report of even date  
For **KARVY & CO.**,  
Chartered Accountants  
Firm Registration No. : 001757S

For and on behalf of the Board of Directors

**K.AJAY KUMAR**  
PARTNER  
Membership No. : 021989

**PRAKASH CHALLA**  
CHAIRMAN AND MANAGING DIRECTOR

**E. BHASKAR RAO**  
DIRECTOR

Place : Hyderabad  
Date : 30.05.2015

**U S S RAMANJANEYULU N**  
CHIEF FINANCIAL OFFICER

**A. SHAIENDRA BABU**  
COMPANY SECRETARY

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

(Amount in ₹)

| Particulars   | Note No. | For the year ended March 31, 2015 | For the year ended March 31, 2014 |
|---|----------|-----------------------------------|-----------------------------------|
| <b>Revenue:</b>   |          |                                   |                                   |
| 1. Revenue from Operations  | 18       | 149,35,56,497                     | 7,60,92,476                       |
| 2. Other Income   | 19       | 72,94,727                         | 2,80,48,689                       |
| <b>Total Revenue (1+2)</b>  |          | <b>150,08,51,224</b>              | <b>10,41,41,165</b>               |
| <b>3. Expenses:</b>   |          |                                   |                                   |
| a) Construction Expenses  | 20.a     | 138,55,73,426                     | 11,17,53,022                      |
| b) Employee Benefits Expense  | 21       | 2,26,10,597                       | 2,21,91,926                       |
| c) Finance Costs  | 22       | 2,19,13,228                       | 3,47,73,195                       |
| d) Depreciation and Amortization Expense                                    | 9        | 22,26,647                         | 14,05,153                         |
| e) Other Expenses   | 23       | 3,53,44,341                       | 1,31,31,972                       |
| <b>Total Expenses</b>   |          | <b>146,76,68,239</b>              | <b>18,32,55,268</b>               |
| 4. Profit/(Loss) before Exceptional and Extraordinary Items and Tax (1+2-3) |          | 3,31,82,985                       | (7,91,14,103)                     |
| 5. Exceptional Items  |          | -                                 | -                                 |
| 6. Profit/(Loss) before Extraordinary Items and Tax (4-5)                   |          | 3,31,82,985                       | (7,91,14,103)                     |
| 7. Extra Ordinary Items   |          | -                                 | -                                 |
| 8. Profit/(Loss) before Tax (5-6)   |          | 3,31,82,985                       | (7,91,14,103)                     |
| 9. Tax Expense:   |          |                                   |                                   |
| (a) Current Tax   |          | 68,41,000                         | -                                 |
| (b) Tax Provision for earlier years   |          | -                                 | 4,93,156                          |
| (c) Deferred Tax  |          | -                                 | -                                 |
| (d) MAT Credit  |          | (51,56,017)                       | -                                 |
| 10. Profit/(Loss) for the Period/Year                                       |          | 3,14,98,002                       | (7,96,07,259)                     |
| 11. Earnings Per Share (Face value of ₹ 10 each)                            |          |                                   |                                   |
| - Basic and Diluted   | 24       | 2.44                              | (6.16)                            |
| <b>Summary of significant accounting policies</b>                           | <b>1</b> |                                   |                                   |

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

As per our attached report of even date  
For **KARVY & CO.**,  
Chartered Accountants  
Firm Registration No. : 001757S

For and on behalf of the Board of Directors

**K.AJAY KUMAR**  
PARTNER  
Membership No. : 021989

**PRAKASH CHALLA**  
CHAIRMAN AND MANAGING DIRECTOR

**E. BHASKAR RAO**  
DIRECTOR

Place : Hyderabad  
Date : 30.05.2015

**U S S RAMANJANEYULU N**  
CHIEF FINANCIAL OFFICER

**A. SHAILENDRA BABU**  
COMPANY SECRETARY

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015**

(Amount in ₹)

| Particulars  | For the year ended<br>March 31, 2015 | For the year ended<br>March 31, 2014 |
|--|--------------------------------------|--------------------------------------|
| <b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>                                     |                                      |                                      |
| Net Profit before Tax and Extraordinary Items                                      | 3,31,82,985                          | (7,91,14,103)                        |
| Adjustments for:   |                                      |                                      |
| Depreciation   | 22,26,647                            | 14,05,153                            |
| Interest income  | (67,61,985)                          | (59,90,559)                          |
| Interest on borrowings   | 2,19,13,228                          | 3,47,73,195                          |
| Liabilities no longer required written back  | (39,712)                             | (76,994)                             |
| Advance written off  | -                                    | 16,000                               |
| Bad debts writtne off  | 1,98,88,692                          | 15,23,863                            |
| Provision for estimated future contract losses                                     | 33,25,56,299                         | 14,37,402                            |
| Profit/loss on sale of investments   | -                                    | (2,15,40,834)                        |
| Profit/loss on sale of fixed assets  | (4,218)                              | (10,312)                             |
|  | <u>36,97,78,951</u>                  | <u>(10,312)</u>                      |
|  | <u>40,29,61,936</u>                  | <u>(6,75,77,189)</u>                 |
| <b>Operating Profit before Working Capital Changes</b>                             |                                      |                                      |
| Adjustments for:   |                                      |                                      |
| Decrease/(increase) in inventories   | 9,66,27,115                          | (15,36,94,561)                       |
| Decrease/(increase) in trade receivables   | (2,11,84,967)                        | 2,72,81,221                          |
| Decrease/(increase) in other current and non-current assets                        | (5,09,20,281)                        | -                                    |
| Decrease/(increase) in loans and advances  | (5,49,28,425)                        | 10,26,71,987                         |
| Increase/(decrease) in trade payables,<br>provisions and other current liabilities | (23,24,93,551)                       | 9,85,75,367                          |
| <b>Increase/(Decrease) in Net Current Assets</b>                                   | <u>(26,29,00,109)</u>                | <u>7,48,34,014</u>                   |
| Cash Generated from Operation  | 14,00,61,827                         | 72,56,825                            |
| Adjustments for income tax (paid)/refund   | 22,22,766                            | 2,22,30,442                          |
| <b>Net Cash from Operating Activities</b> A  | <u>14,22,84,593</u>                  | <u>2,94,87,267</u>                   |
| <b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>                                     |                                      |                                      |
| Disposal of investment in associates   | -                                    | 6,58,34,124                          |
| Disposal of investment in subsidiaries   | 2,04,00,000                          | -                                    |
| Purchase of investments in subsidiaries  | (1,90,65,287)                        | -                                    |
| Changes in Investment in LLP   | 95,23,600                            | (6,60,61,625)                        |
| Purchase of fixed assets   | (1,46,452)                           | (1,07,173)                           |
| Proceeds from sale of fixed assets   | 13,119                               | 52,170                               |
| Interest received  | 49,78,082                            | 83,12,416                            |
| Bank balances not considered as cash equivalents                                   | (3,34,623)                           | 7,420                                |
| <b>Net Cash from Investing Activities</b> B  | <u>1,53,68,439</u>                   | <u>80,37,332</u>                     |
| <b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>                                     |                                      |                                      |
| Interest paid on borrowings  | (2,19,13,228)                        | (4,21,28,877)                        |
| Proceeds/(repayment) of borrowings   | (7,03,91,294)                        | (10,12,03,872)                       |
| <b>Net Cash used in Financing Activities</b> C                                     | <u>(9,23,04,522)</u>                 | <u>(14,33,32,749)</u>                |
| Net Increase/(Decrease) in Cash and Cash Equivalent A+B+C                          | 6,53,48,510                          | (10,58,08,150)                       |
| Cash and cash equivalents at the beginning of the year                             | 62,84,608                            | 11,20,92,758                         |
| Cash and cash equivalents at the end of the year                                   | <u>7,16,33,118</u>                   | <u>62,84,608</u>                     |

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

As per our attached report of even date

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

For and on behalf of the Board of Directors

**K.AJAY KUMAR**  
PARTNER  
Membership No. : 021989

**PRAKASH CHALLA**  
CHAIRMAN AND MANAGING DIRECTOR

**E. BHASKAR RAO**  
DIRECTOR

Place : Hyderabad  
Date : 30.05.2015

**U S S RAMANJANEYULU N**  
CHIEF FINANCIAL OFFICER

**A. SHAIENDRA BABU**  
COMPANY SECRETARY

## NOTES TO THE FINANCIAL STATEMENTS

### 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).

#### 1.1 Significant Accounting Policies

##### a. Basis of Accounting and Preparation of Financial Statements:

The financial statements of the company have been prepared on accrual basis under the historical cost convention and going concern basis in accordance with generally accepted accounting principles in India (Indian GAAP) to comply with the Accounting Standards specified under section 133 of the companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

##### b. Use of Estimates:

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

##### c. Tangible Fixed Assets

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the year during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

##### d. Depreciation on Tangible Fixed Assets

Depreciation on fixed assets is computed on the straight line method over their estimated useful lives as prescribed under Schedule II of the Companies Act, 2013 of India. Depreciation is charged on pro-rata basis for the assets purchased during the year.

The basis for the estimated useful life of the fixed assets given below:

- |                              |  |
|------------------------------|--|
| (a) Computers                | - based on obsolescence and technological changes  |
| (b) Office equipment         | - based on wear and tear                           |
| (c) Furniture & fixtures     | - based on wear and tear                           |
| (d) Vehicles                 | - based on wear and tear and technological changes |
| (e) Construction Equipment's | - based on wear and tear and technological changes |

The estimated useful lives of fixed assets are as follows:

- |                            |            |
|----------------------------|------------|
| (a) Computers              | - 3 years  |
| (b) Office equipment       | - 5 years  |
| (c) Furniture & fixtures   | - 10 years |
| (d) Vehicles -Mopeds       | - 10 years |
| (e) Vehicles -Motor Car    | - 8 years  |
| (f) Construction Equipment | - 15 years |

##### e. Capital work-in-progress

Assets under installation or under construction as at the Balance sheet date are shown as Capital work-in-progress.

##### f. Borrowing costs

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.



## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### g. Impairment of tangible and intangible fixed assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

### h. Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly

attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of Profit & Loss

### i. Inventories:

- i. Land and plots other than area transferred to constructed properties at the commencement of construction are valued at lower of cost/approximate average cost/ as revalued on conversion to stock and net realisable value. Cost includes land (including development rights and land under agreements to purchase) acquisition cost, estimated internal development costs and external development charges.
- ii. Construction/development material is valued at lower of cost and net realizable value.
- iii. Work-in-progress with respect to construction contracts is valued at the contract rates and with respect to development projects is valued at cost.

### j. Revenue Recognition:

#### 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

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

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 Accounting Standard (AS) 9 on Revenue Recognition, read with Guidance Note on "Recognition of Revenue by Real Estate Developers". 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 (Revised 2012)."

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 are 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.

### k. Unbilled Revenue

Unbilled Revenue disclosed under Note No.17 - "Other Current Assets" represents revenue recognized based on percentage of completion method (as per para no. j (i) and j (ii) above), over and above the amount due as per the payment plans agreed with the customers.

### l. Employee benefits

- (a) **Provident Fund:** The Company has defined contribution plan for its employees' retirement benefits comprising of Provident Fund. The company contributes to State plans namely Employees pension Scheme, 1995.
- (b) **Gratuity:** The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the payment of gratuity act 1972. The company contributes to Gratuity Fund administrated by LIC. The gratuity plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the projected unit credit method) at the end of each year. Actuarial losses/gains are recognized in the statement of profit & loss in the year in which they arise.

### m. Income Taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period

### n. Earnings per Share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of

equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### o. Provisions:

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

### P. Contingent liabilities:

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

### q. Cash and Cash equivalents:

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and cash in hand and short-term investments with an original maturity of three months or less.

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

(Amount in ₹)

| Particulars   | As at<br>March 31, 2015 | As at<br>March 31, 2014 |
|---|-------------------------|-------------------------|
| <b>2) SHARE CAPITAL</b>   |                         |                         |
| <b>Authorised Capital</b>   |                         |                         |
| 2,50,00,000 (Previous Year: 2,50,00,000) equity shares of ₹ 10 each               | <u>25,00,00,000</u>     | <u>25,00,00,000</u>     |
| <b>Issued, Subscribed and Paid up</b>   |                         |                         |
| 1,29,29,250 (Previous Year: 1,29,29,250) equity shares of ₹ 10 each fully paid up | <u>12,92,92,500</u>     | <u>12,92,92,500</u>     |
|   | <u>12,92,92,500</u>     | <u>12,92,92,500</u>     |

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

| Equity shares                        | As at March 31, 2015 |                     | As at March 31, 2014 |                     |
|--------------------------------------|----------------------|---------------------|----------------------|---------------------|
|                                      | Number of shares     | Value               | Number of shares     | Value               |
| At the beginning of the period       | 1,29,29,250          | 12,92,92,500        | 1,29,29,250          | 12,92,92,500        |
| Issued during the period             | -                    | -                   | -                    | -                   |
| Outstanding at the end of the period | <u>1,29,29,250</u>   | <u>12,92,92,500</u> | <u>1,29,29,250</u>   | <u>12,92,92,500</u> |

## (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

| Equity shares                                   | As at March 31, 2015 |              | As at March 31, 2014 |              |
|---|----------------------|--------------|----------------------|--------------|
|   | Number of shares     | % of Holding | Number of shares     | % of Holding |
| Prakash Challa                                  | 23,59,390            | 18.25        | 23,59,390            | 18.25        |
| Edala Padmaja                                   | 8,95,000             | 6.92         | 1,50,000             | 0.01         |
| Edala Baskar Rao                                | 1,50,000             | 1.16         | 21,27,500            | 16.45        |
| Sri Krishna Devaraya Hatcheries Private Limited | 24,02,652            | 18.58        | 11,70,152            | 9.05         |
| Suresh Challa                                   | 8,87,600             | 6.87         | 8,87,600             | 6.87         |

| Particulars   | As at<br>March 31, 2015 | As at<br>March 31, 2014 |
|---|-------------------------|-------------------------|
| <b>3) RESERVES AND SURPLUS</b>  |                         |                         |
| <b>(a) General Reserve</b>  |                         |                         |
| Opening balance   | 1,82,41,459             | 1,82,41,459             |
| Addition during the year  | -                       | -                       |
|   | <u>(A) 1,82,41,459</u>  | <u>1,82,41,459</u>      |
| <b>(b) Securities Premium Account</b>                                     |                         |                         |
| Opening balance   | 22,08,87,000            | 22,08,87,000            |
| Addition during the year  | -                       | -                       |
|   | <u>(B) 22,08,87,000</u> | <u>22,08,87,000</u>     |
| <b>(c) Surplus in Statement of Profit and Loss</b>                        |                         |                         |
| Opening balance   | 5,86,88,274             | 13,82,95,533            |
| Less: Adjustment of depreciation as per Schedule II of Companies Act 2013 | (20,00,999)             | -                       |
| Less: Profit/(loss) for the year  | 3,14,98,002             | (7,96,07,259)           |
|   | <u>(C) 8,81,85,277</u>  | <u>5,86,88,274</u>      |
| <b>Total (A)+(B)+(C)</b>  | <u>32,73,13,736</u>     | <u>29,78,16,733</u>     |

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

(Amount in ₹)

| Particulars  | As at<br>March 31, 2015 | As at<br>March 31, 2014 |
|--|-------------------------|-------------------------|
| <b>4) OTHER LONG-TERM LIABILITIES</b>  |                         |                         |
| Security deposits received   | 1,00,000                | 1,00,000                |
|  | <u>1,00,000</u>         | <u>1,00,000</u>         |
| <b>5) SHORT-TERM BORROWINGS</b>  |                         |                         |
| <b>Secured</b>   |                         |                         |
| Loans repayable on demand from bank*   | -                       | 8,09,34,197             |
| <b>Unsecured</b>   |                         |                         |
| Loans and advances from related parties and others   | 10,35,62,269            | 9,30,19,366             |
|  | <u>10,35,62,269</u>     | <u>17,39,53,563</u>     |
| <b>*Cash credit from SBI is secured by;</b>  |                         |                         |
| <b>As primary security</b>   |                         |                         |
| a. The first charge on all the current assets of the Company including hypothecation on construction materials, work in progress, receivables.   |                         |                         |
| b. First charge (equitable mortgage) of Company's share of 70% of the proposed built-up space together with undivided share of land to an extent of 75,865 Sq.ft at Navallur Village, Old Mahabalipuram Road, Kanchipuram District, Chennai.   |                         |                         |
| <b>As collateral security</b>  |                         |                         |
| a. Equitable mortgage of residential property at Hakimpet village, Jubilee Hills, Hyderabad.   |                         |                         |
| b. Equitable mortgage of vacant land at Kollur village, Medak, Telangana..   |                         |                         |
| <b>Personal guarantee of directors</b>   |                         |                         |
| Sri Prakash Challa   |                         |                         |
| Sri Suresh Challa  |                         |                         |
| <b>6) Trade Payables</b>   |                         |                         |
| - Dues to micro and small enterprises (*See below)   | -                       | -                       |
| - Others   | 11,53,85,858            | 8,42,23,643             |
|  | <u>11,53,85,858</u>     | <u>8,42,23,643</u>      |
| *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. |                         |                         |
| <b>7) Other Current Liabilities</b>  |                         |                         |
| Advance received from clients**  | 20,88,05,385            | 56,60,26,009            |
| Statutory liabilities  | 20,56,937               | 15,63,203               |
| Unclaimed dividends  | -                       | 1,01,732                |
| Outstanding expenses and others  | 48,15,048               | 42,62,550               |
|  | <u>21,56,77,370</u>     | <u>57,19,53,494</u>     |
| **Advance received from client includes ₹ 13.76 crores from directors and ₹ 8.71 crores form others for sale of land.  |                         |                         |
| <b>8) Short-term Provisions</b>  |                         |                         |
| <b>Provision for employee benefits</b>   |                         |                         |
| Gratuity   | -                       | 2,49,918                |
| <b>Other provisions</b>  |                         |                         |
| Provision for Future contract losses   | 33,39,93,701            | 14,37,402               |
| Provision for Service tax Demand   | 7,71,79,286             | -                       |
| Provision for Sales tax Demand   | 1,58,40,204             | -                       |
|  | <u>42,70,13,191</u>     | <u>16,87,320</u>        |

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

## 9) TANGIBLE ASSETS:

(Amount in ₹)

| Description                        | Construction Equipments | Furniture and Fixtures | Computers        | Office Equipments | Vehicles          | Total              |
|------------------------------------|-------------------------|------------------------|------------------|-------------------|-------------------|--------------------|
| Cost or Valuation at April 1, 2013 | 9,77,274                | 40,37,105              | 33,26,255        | 29,14,477         | 67,31,482         | 1,79,86,593        |
| Additions                          | -                       | 57,173                 | 50,000           | -                 | -                 | 1,07,173           |
| Disposals                          | -                       | -                      | -                | -                 | 52,170            | 52,170             |
| At March 31, 2014                  | 9,77,274                | 40,94,278              | 33,76,255        | 29,14,477         | 66,79,312         | 1,80,41,596        |
| Additions                          | -                       | 4,800                  | -                | 1,04,895          | 36,757            | 1,46,452           |
| Disposals                          | -                       | -                      | 1,07,650         | -                 | 25,536            | 1,33,186           |
| <b>At March 31, 2015</b>           | <b>9,77,274</b>         | <b>40,99,078</b>       | <b>32,68,605</b> | <b>30,19,372</b>  | <b>66,90,533</b>  | <b>1,80,54,862</b> |
| Depreciation at April 1, 2013      | 1,26,097                | 19,30,297              | 23,65,949        | 9,73,636          | 34,83,783         | 88,79,762          |
| Charge for the year                | 46,421                  | 2,57,046               | 3,30,333         | 1,22,534          | 6,48,819          | 14,05,153          |
| Disposals                          | -                       | -                      | -                | -                 | 10,312            | 10,312             |
| At March 31, 2014                  | 1,72,518                | 21,87,343              | 26,96,282        | 10,96,170         | 41,22,290         | 1,02,74,603        |
| Charge for the year                | 67,759                  | 5,99,072               | 1,67,983         | 3,68,402          | 10,23,431         | 22,26,647          |
| Adjustments                        | -                       | -                      | 4,45,358         | 13,69,817         | 1,85,824          | 20,00,999          |
| Disposals                          | -                       | -                      | 1,07,650         | -                 | 16,635            | 1,24,285           |
| <b>At March 31, 2015</b>           | <b>2,40,277</b>         | <b>27,86,415</b>       | <b>32,01,973</b> | <b>28,34,389</b>  | <b>53,14,910</b>  | <b>1,43,77,964</b> |
| Net block                          |                         |                        |                  |                   |                   |                    |
| As at March 31, 2014               | 8,04,756                | 19,06,935              | 6,79,973         | 18,18,307         | 25,57,022         | 77,66,993          |
| <b>As at March 31, 2015</b>        | <b>7,36,997</b>         | <b>13,12,663</b>       | <b>66,632</b>    | <b>1,84,983</b>   | <b>1,37,5,623</b> | <b>36,76,898</b>   |

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

(Amount in ₹)

| Particulars  | As at<br>March 31, 2015 | As at<br>March 31, 2014 |
|--|-------------------------|-------------------------|
| <b>10) Non-current Investments</b>   |                         |                         |
| <b>Trade Investments</b>   |                         |                         |
| <b>A. In Equity shares of Subsidiary Companies - Unquoted, Fully Paid-up</b> |                         |                         |
| SSPDL Resorts Private Limited  | 1,00,000                | 1,00,000                |
| - 10,000 (Previous Year: 10,000) Equity shares of ₹ 10 each                  |                         |                         |
| SSPDL Realty India Private Limited   | 1,00,000                | 1,00,000                |
| - 10,000 (Previous Year: 10,000) Equity shares of ₹ 10 each                  |                         |                         |
| SSPDL Real Estates India Private Limited                                     | 1,00,000                | 1,00,000                |
| - 10,000 (Previous Year: 10,000) Equity shares of ₹ 10 each                  |                         |                         |
| SSPDL Infra Projects India Private Limited                                   | 1,00,000                | 1,00,000                |
| - 10,000 (Previous Year: 10,000) Equity shares of ₹ 10 each                  |                         |                         |
| SSPDL Infratech Private Limited (Formerly SSPDL Interserve Private Limited)  | 1,95,75,287             | 5,10,000                |
| - 11,96,000 (Previous Year: 5,10,000) Equity shares of ₹ 1 each              |                         |                         |
| <b>B. In Equity shares of Associates - Unquoted, Fully Paid-up</b>           |                         |                         |
| Northwood Constructions India Private Limited :                              |                         |                         |
| 0 (Previous Year: 2,500) Equity shares of ₹ 10 each                          | -                       | 25,000                  |
| 0 (Previous Year: 10,000) Class B equity shares of ₹ 10 each                 | -                       | 1,00,000                |
| Share application money  | -                       | 24,50,684               |
| Northwood Properties India Private Limited :                                 |                         |                         |
| 22,500 (Previous Year: 2,500) Equity shares of ₹ 10 each                     | 2,25,000                | 25,000                  |
| 90,000 (Previous Year: 10,000) Class B equity shares of ₹ 10 each            | 9,00,000                | 1,00,000                |
| Share application money  | 2,14,75,772             | 35,30,849               |
| Northwood Realty India Private Limited :                                     |                         |                         |
| 0 (Previous Year: 2,500) Equity shares of ₹ 10 each                          | -                       | 25,000                  |
| 0 (Previous Year: 10,000) Class B equity shares of ₹ 10 each                 | -                       | 1,00,000                |
| Share application money  | -                       | 22,50,849               |
| Northwood Residential Ventures Private Limited                               |                         |                         |
| 0 (Previous Year: 2,500) Equity shares of ₹ 10 each                          | -                       | 25,000                  |
| 0 (Previous Year: 10,000) Class B equity shares of ₹ 10 each                 | -                       | 1,00,000                |
| Share application money  | -                       | 18,58,622               |
| Northwood Township Project Private Limited                                   |                         |                         |
| 0 (Previous Year: 2,500) Equity shares of ₹ 10 each                          | -                       | 25,000                  |
| 0 (Previous Year: 10,000) Class B equity shares of ₹ 10 each                 | -                       | 1,00,000                |
| Share application money  | -                       | 25,63,622               |
| SSPDL Northwood Homes Private Limited  |                         |                         |
| 0 (Previous Year: 2,500) Equity shares of ₹ 10 each                          | -                       | 25,000                  |
| 0 (Previous Year: 10,000) Class B equity shares of ₹ 10 each                 | -                       | 1,00,000                |
| Share application money  | -                       | 28,90,845               |
| SSPDL Northwood Residence Private Limited                                    |                         |                         |
| 0 (Previous Year: 2,500) Equity shares of ₹ 10 each                          | -                       | 25,000                  |
| 0 (Previous Year: 10,000) Class B equity shares of ₹ 10 each                 | -                       | 1,00,000                |
| Share application money  | -                       | 22,70,849               |
| SSPDL Northwood Villas Private Limited                                       |                         |                         |
| 0 (Previous Year: 2,500) Equity shares of ₹ 10 each                          | -                       | 25,000                  |
| 0 (Previous Year: 10,000) Class B equity shares of ₹ 10 each                 | -                       | 1,00,000                |
| Share application money  | -                       | 26,30,849               |
| Northwood Infratech Private Limited  |                         |                         |
| 0 (Previous Year: 2,500) Equity shares of ₹ 10 each                          | -                       | 25,000                  |
| 0 (Previous Year: 10,000) Class B equity shares of ₹ 10 each                 | -                       | 1,00,000                |
| Share application money  | -                       | 10,28,603               |

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

(Amount in ₹)

| Particulars  | As at<br>March 31, 2015 | As at<br>March 31, 2014 |
|--|-------------------------|-------------------------|
| <b>C. Investments in Limited Liability Partnership</b>                           |                         |                         |
| SSPDL Green Acres LLP  | 5,67,88,025             | 6,63,11,625             |
| <b>D. In Equity shares of Other Enterprises - Unquoted, Fully Paid-up</b>        |                         |                         |
| Alphacity Chennai IT Park Projects Private Limited                               |                         |                         |
| 9,980 (Previous Year: 9,980) Equity shares of ₹ 10 each                          | 99,800                  | 99,800                  |
| SSPDL Infrastructure Developers Private Limited                                  |                         |                         |
| 36,422 (Previous Year: 36,422) Class A equity shares of ₹ 10 each                | 1,09,56,710             | 1,09,56,710             |
| 1 (Previous Year: 1) Class B Equity shares of ₹ 10 each                          | 10                      | 10                      |
| SSPDL Properties Private Limited   |                         |                         |
| 1,68,796 (Previous Year: 1,68,796) Equity shares of ₹ 10 each                    | 16,87,960               | 16,87,960               |
| <b>E. In Debentures of Subsidiary Company - Unquoted, Fully Paid-up</b>          |                         |                         |
| SSPDL Infratech Private Ltd (Formerly known as SSPDL Interserve Private Limited) | -                       | 2,04,00,000             |
| 0 (Previous Year: 20,400) 12% Compulsorily Convertible Debentures of ₹ 1000 each |                         |                         |
| <b>F. Debentures of Associate Company - Unquoted, Fully Paid-up</b>              |                         |                         |
| <b>Optionally Convertible 15% Debentures (Series B) ("OCD's");</b>               |                         |                         |
| - Northwood Constructions India Private Limited                                  | -                       | 1,78,68,300             |
| 0 (Previous Year: 17,86,830) OCD's of ₹ 10 each                                  |                         |                         |
| - Northwood Properties India Private Limited                                     | 14,88,66,000            | 1,82,40,600             |
| 1,48,86,600 (Previous Year: 18,24,060) OCD's of ₹ 10 each                        |                         |                         |
| - Northwood Realty India Private Limited   | -                       | 1,78,68,300             |
| 0 (Previous Year: 17,86,830) OCD's of ₹ 10 each                                  |                         |                         |
| - Northwood Residential Ventures India Private Limited                           | -                       | 1,22,83,900             |
| 0 (Previous Year: 12,28,390) OCD's of ₹ 10 each                                  |                         |                         |
| - Northwood Township Project Private Limited                                     | -                       | 1,90,20,700             |
| 0 (Previous Year: 19,02,070) OCD's of ₹ 10 each                                  |                         |                         |
| - SSPDL Northwood Homes Private Limited  | -                       | 1,76,91,000             |
| 0 (Previous Year: 17,69,100) OCD's of ₹ 10 each                                  |                         |                         |
| - SSPDL Northwood Residence Private Limited                                      | -                       | 1,76,91,000             |
| 0 (Previous Year: 17,69,100) OCD's of ₹ 10 each                                  |                         |                         |
| - SSPDL Northwood Villas Private Limited   | -                       | 1,86,66,100             |
| 0 (Previous Year: 18,66,610) OCD's of ₹ 10 each                                  |                         |                         |
| - Northwood Infratech Private Limited  | -                       | 95,36,100               |
| 0 (Previous Year: 9,53,610) OCD's of ₹ 10 each                                   |                         |                         |
| <b>Non-trade Investments</b>   |                         |                         |
| <b>G. In Government Securities-Unquoted</b>                                      |                         |                         |
| National Savings Certificate   | 3,00,000                | 3,00,000                |
| <b>Total</b>   | <u>26,12,74,564</u>     | <u>27,21,32,877</u>     |
| <b>Aggregate Value of</b>  |                         |                         |
| - Quoted Investments   | -                       | -                       |
| - Unquoted Investments   | 26,12,74,564            | 27,21,32,877            |



## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

(Amount in ₹)

| Particulars  | As at<br>March 31, 2015 | As at<br>March 31, 2014 |
|--|-------------------------|-------------------------|
| <b>11) DEFERRED TAX ASSETS (NET)</b>   |                         |                         |
| <b>a) Deferred Tax Asset</b>   |                         |                         |
| On account of  |                         |                         |
| Unabsorbed depreciation losses carry forward   | -                       | 7,10,774                |
| Brought forward business losses  | 5,51,53,850             | 9,45,47,226             |
| Gratuity u/s 43 B  | -                       | 81,086                  |
| <b>Total (a)</b>   | <u>5,51,53,850</u>      | <u>9,53,39,086</u>      |
| <b>b) Deferred Tax Liability</b>   |                         |                         |
| On account of;   |                         |                         |
| Depreciation   | 2,47,668                | 14,19,278               |
| <b>Total (b)</b>   | <u>2,47,668</u>         | <u>14,19,278</u>        |
| <b>c) Net Deferred Tax Asset/(Liability) (a-b)*</b>  | <u>5,49,06,182</u>      | <u>9,39,19,808</u>      |
| * In accordance with the Accounting Standard 22 - "Accounting for Taxes on Income "(AS-22), the Deferred tax assets arising from timing differences are recognized and carried forwarded only if there is virtual certainty that they will be realized in future and reviewed for the appropriateness of their respective carrying value at each balance sheet date. In view of this, deferred tax asset (net) to the extent of ₹ 2,05,14,134/- (Previous Year: ₹ 59,52,73,760/-) is not recognized. |                         |                         |
| <b>12) LONG-TERM LOANS AND ADVANCES</b>  |                         |                         |
| Advance to suppliers/contractors   | 79,43,697               | 66,41,496               |
| Security deposits  | 26,17,321               | 42,08,306               |
| Others   | 1,80,13,670             | 1,75,13,670             |
|  | <u>2,85,74,688</u>      | <u>2,83,63,472</u>      |
| <b>13) INVENTORIES</b>   |                         |                         |
| Work-in-progress   | 12,44,21,075            | 20,41,48,230            |
| Cost of land under development   | 20,02,05,055            | 21,71,05,015            |
|  | <u>32,46,26,130</u>     | <u>42,12,53,245</u>     |
| <b>14) TRADE RECEIVABLES</b>   |                         |                         |
| <b>Trade Receivables outstanding for a period exceeding six months from the day they became due for payment</b>  |                         |                         |
| - Unsecured, considered good   |                         |                         |
| Due by private companies in which directors are interested   | 23,34,44,158            | 21,48,70,382            |
| Others   | 90,99,059               | 2,63,76,560             |
|  | <u>24,25,43,216</u>     | <u>24,12,46,941</u>     |
| <b>15) CASH AND BANK BALANCES</b>  |                         |                         |
| <b>Cash and cash equivalents</b>   |                         |                         |
| Cash on hand   | 1,95,056                | 53,391                  |
| Balances with banks  |                         |                         |
| - In current account   | 1,02,38,062             | 62,31,217               |
| - In deposits accounts (Original maturity of 3 months or less)   | 6,12,00,000             | -                       |
|  | <u>7,16,33,118</u>      | <u>62,84,608</u>        |
| <b>Other banks balances</b>  |                         |                         |
| - In margin money account  | 37,48,202               | 38,42,919               |
| - In unpaid dividend   | -                       | 1,01,732                |
| - In deposits accounts (Original maturity more than 3 months)  | 27,31,072               | 22,00,000               |
|  | <u>64,79,274</u>        | <u>61,44,651</u>        |
|  | <u>7,81,12,392</u>      | <u>1,24,29,259</u>      |

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

(Amount in ₹)

| Particulars   | As at<br>March 31, 2015 | As at<br>March 31, 2014 |
|---|-------------------------|-------------------------|
| <b>16) SHORT-TERM LOANS AND ADVANCES</b>                  |                         |                         |
| <b>Unsecured, considered good</b>                         |                         |                         |
| Loans and advances to employees                           | 1,38,254                | 46,945                  |
| Loans and advances to related parties [Refer note 16 (1)] | 13,22,46,388            | 13,96,73,571            |
| Advance to suppliers and contractors                      | 2,85,46,194             | 99,84,208               |
| Other loans and advances;                                 | 2,80,00,000             | -                       |
| Balance with statutory/government authorities             | 10,19,56,532            | 8,99,05,037             |
| Prepaid expenses  | 4,80,807                | 9,48,954                |
|   | <u>29,13,68,175</u>     | <u>24,05,58,716</u>     |

## 16) (1) Loans and Advances Include

| Particulars   | Maximum Amount Outstanding<br>at any time during the year |                     | As At<br>March 31, 2015 | As At<br>March 31, 2014 |
|---|---|---------------------|-------------------------|-------------------------|
|   | 2014-2015   | 2013-2014           |                         |                         |
| <b>a) Advances to subsidiaries :</b>                      |   |                     |                         |                         |
| SSPDL Realty India Private Limited                        | 5,13,13,325   | 5,13,13,325         | 4,08,79,058             | 5,13,13,325             |
| SSPDL Real Estates India Private Limited                  | 5,51,01,814   | 5,51,01,814         | 3,41,08,898             | 5,51,01,814             |
| SSPDL Infra Projects India Private Limited                | 3,29,80,132   | 3,29,80,132         | 3,09,80,132             | 3,29,80,132             |
| SSPDL Resorts Private Limited                             | 1,10,10,276   | 10,276              | 1,10,10,276             | 10,276                  |
| <b>b) Advances to Others</b>                              |   |                     |                         |                         |
| Sri Krishna Devaraya<br>Hatcheries Private Limited        | 1,50,00,000   | -                   | 1,50,00,000             | -                       |
| <b>c) Payments on behalf of<br/>  associate companies</b> | 2,68,025  | 2,68,025            | 2,68,025                | 2,68,025                |
| <b>Total</b>  | <b>16,56,73,571</b>                                       | <b>13,96,73,571</b> | <b>13,22,46,388</b>     | <b>13,96,73,571</b>     |

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

| Particulars                     | As at<br>March 31, 2015 | As at<br>March 31, 2014 |
|---------------------------------|-------------------------|-------------------------|
| <b>17) OTHER CURRENT ASSETS</b> |                         |                         |
| Interest accrued on deposits    | 26,67,605               | 8,83,702                |
| Unbilled Revenue                | 5,09,20,281             | -                       |
| <b>Total</b>                    | <u>5,35,87,886</u>      | <u>8,83,702</u>         |

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

(Amount in ₹)

| Particulars  | For the year ended<br>March 31, 2015 | For the year ended<br>March 31, 2014 |
|--|--------------------------------------|--------------------------------------|
| <b>18) REVENUE FROM OPERATIONS</b>   |                                      |                                      |
| Sale of flats  | 4,78,90,719                          | 5,52,66,170                          |
| Sale of Plots  | 139,47,45,497                        | 36,30,000                            |
| Contract revenue   | 5,09,20,281                          | -                                    |
| Other operating revenues   | -                                    | 1,71,96,306                          |
|  | <u>149,35,56,497</u>                 | <u>7,60,92,476</u>                   |
| <b>19) OTHER INCOME</b>  |                                      |                                      |
| <b>a) Interest Income</b>  |                                      |                                      |
| Interest on deposits with banks  | 56,68,892                            | 8,55,722                             |
| Interest on non current investments  | 7,45,644                             | 27,61,962                            |
| Interest on income tax refund  | 3,47,449                             | 23,72,875                            |
| <b>b) Other Non Operative Income</b>   |                                      |                                      |
| Maintenance charges  | 32,342                               | -                                    |
| Liabilities no longer required written back                                  | 39,712                               | 76,994                               |
| Profit on sale of investments  | -                                    | 2,15,40,834                          |
| Profit on sale of fixed assets   | 7,619                                | 10,312                               |
| Other income   | 4,53,069                             | 4,29,990                             |
|  | <u>72,94,727</u>                     | <u>2,80,48,689</u>                   |
| <b>20) CONSTRUCTION EXPENSES</b>   |                                      |                                      |
| Works contract including contractor's bills                                  | 53,20,13,522                         | 11,40,16,899                         |
| Masonry and other works  | 9,10,705                             | 10,51,116                            |
| Power and fuel charges   | 62,692                               | -                                    |
| Rates and taxes  | 86,700                               | -                                    |
| Project consultancy charges  | 1,25,43,250                          | 23,34,199                            |
| Land cost and development charges  | 74,33,29,442                         | 14,80,45,368                         |
|  | <u>128,89,46,311</u>                 | <u>26,54,47,582</u>                  |
| <b>20) (a) Changes in Inventories of Work-in-progress and Stock-in-trade</b> |                                      |                                      |
| Inventories at the end of the year   |                                      |                                      |
| - Work-in-progress   | 12,44,21,075                         | 20,41,48,230                         |
| - Cost of land under development   | 20,02,05,055                         | 21,71,05,015                         |
| (A)  | <u>32,46,26,130</u>                  | <u>42,12,53,245</u>                  |
| Inventories at the beginning of the year                                     |                                      |                                      |
| - Work-in-progress   | 20,41,48,230                         | 17,76,59,370                         |
| - Cost of land under development   | 21,71,05,015                         | 8,98,99,315                          |
| (B)  | <u>42,12,53,245</u>                  | <u>26,75,58,685</u>                  |
| <b>Net (increase)/decrease in inventories</b>                                | (B) - (A)                            | <u>9,66,27,115</u>                   |
| <b>Construction expenses</b>   | <u>138,55,73,426</u>                 | <u>11,17,53,022</u>                  |
| <b>21) EMPLOYEE BENEFITS EXPENSE</b>   |                                      |                                      |
| Salaries and wages   | 2,14,74,881                          | 2,11,17,246                          |
| Contribution to provident and other funds                                    | 7,30,884                             | 8,44,653                             |
| Staff welfare expenses   | 4,04,832                             | 2,30,027                             |
|  | <u>2,26,10,597</u>                   | <u>2,21,91,926</u>                   |

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

(Amount in ₹)

| Particulars  | For the year ended<br>March 31, 2015 | For the year ended<br>March 31, 2014 |
|--|--------------------------------------|--------------------------------------|
| <b>22) FINANCE COSTS</b>   |                                      |                                      |
| a) Interest expense :  |                                      |                                      |
| i) Borrowings  | 2,17,63,028                          | 3,32,26,935                          |
| ii) Others   |                                      |                                      |
| - Interest on deferred payment of income tax   | 1,24,500                             | 15,46,260                            |
| b) Other borrowing costs   | 25,700                               | -                                    |
|  | <b>2,19,13,228</b>                   | <b>3,47,73,195</b>                   |
| <b>23) OTHER EXPENSES</b>  |                                      |                                      |
| Rent   | 11,40,000                            | 18,10,250                            |
| Electricity charges  | 3,85,556                             | 5,60,964                             |
| Repairs and maintenance - others   | 3,69,474                             | 2,24,755                             |
| Insurance  | 14,30,791                            | 1,97,582                             |
| Rates and taxes  | 3,80,086                             | 1,14,529                             |
| Communication expenses   | 5,48,266                             | 6,39,412                             |
| Travelling and conveyance  | 29,04,344                            | 23,46,307                            |
| Printing and stationery  | 2,66,794                             | 2,39,624                             |
| Business promotion   | 2,14,164                             | 1,36,826                             |
| Security charges   | 14,95,481                            | 3,15,014                             |
| Director sitting fees  | 6,00,000                             | 5,40,000                             |
| Legal and professional   | 12,27,368                            | 12,27,346                            |
| Payments to auditors:  |                                      |                                      |
| As auditor - Statutory audit fee   | 5,00,000                             | 4,00,000                             |
| - Tax audit fee  | 1,00,000                             | 1,00,000                             |
| for Other services   | 80,000                               | 80,000                               |
| for Reimbursement of expenses  | 84,980                               | 92,490                               |
| Vehicle running and maintenance  | 14,08,481                            | 9,43,708                             |
| Loss on sale of Fixed Assets   | 3,401                                | -                                    |
| Advances written off   | -                                    | 16,000                               |
| Bad debts written off  | 1,98,88,692                          | 15,23,863                            |
| Bank charges   | 7,46,460                             | 2,79,070                             |
| Miscellaneous expenses   | 15,70,003                            | 13,44,231                            |
| <b>Total</b>   | <b>3,53,44,341</b>                   | <b>1,31,31,972</b>                   |
| <b>24) EARNINGS PER SHARE ("EPS")</b>  |                                      |                                      |
| Net profit/(loss) for the year after tax   | (a) 3,14,98,002                      | (7,96,07,259)                        |
| Weighted average number of equity shares<br>outstanding during the year used for calculating EPS | (b) 1,29,29,250                      | 1,29,29,250                          |
| Basic and diluted EPS (Face value ₹ 10 each)   | (a)/(b) 2.44                         | (6.16)                               |

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

## 25) Contingent liabilities:

- i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ Nil (Previous Year ₹ Nil).
- ii) Company has given a corporate guarantee in favour of Federal Bank Limited towards the working capital loans taken by SSPDL Infra Projects Private Limited, SSPDL Real Estates India Private Limited and SSPDL Realty India Private Limited (the wholly owned subsidiaries) for ₹ 40.00 Lakhs, ₹ 120.00 Lakhs and ₹ 140.00 Lakhs respectively.
- iii) Company has given a corporate guarantee in favour of Federal Bank Limited towards the term loans taken by SSPDL Infra Projects Private Limited, SSPDL Real Estates India Private Limited, SSPDL Realty India Private Limited and SSPDL Resorts Private Limited (the wholly owned subsidiaries) for ₹ 0.25 Lakhs, ₹ 1.85 Lakhs, ₹ 1.30 Lakhs and ₹ 1.60 Lakhs respectively.

## 26) EXPENDITURE IN FOREIGN CURRENCY:

(Amounts in ₹)

| Particulars          | Year ended<br>March 31, 2015 | Year ended<br>March 31, 2014 |
|----------------------|------------------------------|------------------------------|
| On account of Travel | -                            | -                            |
| Others               | -                            | -                            |

## 27) DISCLOSURE IN ACCORDANCE WITH ACCOUNTING STANDARD - 7 (REVISED):

(Amounts in ₹)

| Particulars  | Year ended<br>March 31, 2015 | Year ended<br>March 31, 2014 |
|--|------------------------------|------------------------------|
| Contract Revenue recognized as revenue in the period                     | 5,09,20,281                  | -                            |
| Cost incurred and Recognized Profit or Losses up to the reporting period | (28,26,62,953)               | -                            |
| Advances received  | 10,00,000                    | -                            |
| Retention Money  | -                            | -                            |
| Gross amount due from customers for contract work as asset               | -                            | -                            |
| Gross amount due to customers for contract work as liability             | 28,26,62,953                 | -                            |

## 28) AS PER ACCOUNTING STANDARD 15 "EMPLOYEES BENEFITS", THE DISCLOSURES OF EMPLOYEES BENEFITS AS DEFINED IN THE ACCOUNTING STANDARD ARE GIVEN BELOW

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

(Amounts in ₹)

| Particulars                               | Year ended<br>March 31, 2015 | Year ended<br>March 31, 2014 |
|---|------------------------------|------------------------------|
| Employer's Contribution to Provident Fund | 3,34,150                     | 5,47,224                     |

**NOTES TO THE FINANCIAL STATEMENTS (Contd...)**

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

(Amounts in ₹)

| Particulars   | Year ended<br>March 31, 2015 | Year ended<br>March 31, 2014 |
|---|------------------------------|------------------------------|
| <b>A. Change in present value of obligation</b>                           |                              |                              |
| Present value of obligation at the beginning of the year                  | 17,25,378                    | 13,76,060                    |
| Current service cost  | 1,99,267                     | 1,74,869                     |
| Interest cost   | 1,38,030                     | 1,10,085                     |
| Benefits paid   | (1,04,726)                   | (9,197)                      |
| Net actuarial (gain) /loss recognized during the year                     | (70,678)                     | 73,561                       |
| Present value of obligation at the end of the year                        | 18,87,271                    | 17,25,378                    |
| <b>B. Changes in the fair value of plan assets</b>                        |                              |                              |
| Present value of plan assets at the beginning of the year                 | 15,55,281                    | 14,39,107                    |
| Expected return on plan assets  | 1,51,263                     | 1,25,371                     |
| Actuarial gain/(loss) on plan assets                                      | -                            | -                            |
| Contributions   | 4,47,995                     | -                            |
| Benefits paid   | (1,04,726)                   | (9,197)                      |
| Fair value of plan assets at the end of the year                          | 20,49,813                    | 15,55,281                    |
| <b>C. Net (asset)/liability recognized in the Balance Sheet</b>           |                              |                              |
| Present value of obligation at the end of the year                        | 18,87,271                    | 17,25,378                    |
| Fair value of plan assets at the end of the year                          | 20,49,813                    | 15,55,281                    |
| Funded status surplus/ (deficit)  | 1,62,542                     | (1,70,097)                   |
| Net asset/(liability) recognized in the Balance Sheet                     | 1,62,542                     | 1,70,097                     |
| <b>D. Expenses recognized in the Statement of Profit and Loss</b>         |                              |                              |
| Service cost  | 1,99,267                     | 1,74,869                     |
| Interest cost   | 1,38,030                     | 1,10,085                     |
| Expected return on plan assets  | (1,51,263)                   | (1,25,371)                   |
| Net actuarial (gain)/loss recognized during the year                      | (70,678)                     | 73,561                       |
| <b>Total expenses/(income) recognized in Statement of Profit and Loss</b> | 1,15,356                     | 2,33,144                     |
| <b>E. Actuarial assumptions :</b>   |                              |                              |
| Discount rate   | 8%                           | 8%                           |
| Salary escalation - over a long term                                      | 5%                           | 5%                           |
| Attrition Rate  | 5%                           | 5%                           |
| Expected return of the planned assets                                     | 8%                           | 8%                           |

**29) SEGMENT INFORMATION:**

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

**30) RELATED PARTY DISCLOSURES:**

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

The management has identified the following as related parties

| Relationship   | Name of Related Party   |
|--|---|
| Subsidiaries   | SSPDL Resorts Private Limited<br>SSPDL Realty India Private Limited<br>SSPDL Real Estates India Private Limited<br>SSPDL Infra Projects India Private Limited<br>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<br>Sri Satya Sai Constructions (Partnership Firm)<br>Sri Satya Sai Constructions (Sole Proprietary Concern)<br>Sri Krishna Devaraya Hatcheries Private Limited<br>SSPDL Ventures Private Limited<br>Edala Estates Private Limited<br>SSPDL Infrastructure Developers Private Limited<br>SSPDL Green Acres LLP |
| Key Managerial Personnel   | Mr. Challa Prakash, Managing Director<br>Mr. Suresh Challa, Director (up to 30.03.2015)<br>Mrs. Sridevi Challa, Director(from 30.03.2015)<br>Mr. E. BhaskarRao, Director  |

a. Transactions with related parties are as follows:

(Amounts in ₹)

| Particulars   | Year Ended<br>March 31, 2015 | Year Ended<br>March 31, 2014        |
|---|------------------------------|-------------------------------------|
| <b>Construction services received</b><br>SSPDL Infratech Private Limited<br>(Formerly known as SSPDL Interserve Private Limited)  | 3,71,38,902                  | 9,73,95,554                         |
| <b>Purchase of Land</b><br>SSPDL Ventures Private Limited<br>Edala Estate Private Limited   | 17,30,62,500<br>50,00,000    |                                     |
| <b>Compensation paid for buy back of right to land purchase</b><br>SSPDL Ventures Private Limited   | 2,21,87,500                  |                                     |
| <b>Investments made in /(recovered from) LLP</b><br>SSPDL Green Acres LLP   | (95,23,600)                  | 1,65,56,000                         |
| <b>Investments in Equity share capital</b><br>SSPDL Infratech Private Limited<br>(Formerly known as SSPDL Interserve Private Limited)                                   | 1,90,65,287                  | -                                   |
| <b>Interest accrued on unsecured loans</b><br>Sri Krishna Devaraya Hatcheries Private Limited<br>E. Bhaskar Rao<br>SSPDL Infrastructure Developers Private Limited      | 38,43,212<br>78,71,126<br>-  | 34,34,727<br>70,34,529<br>59,39,070 |
| <b>Interest received</b><br>SSPDL Infrastructure Developers Private Limited<br>SSPDL Interserve Private Limited<br>(Formerly known as SSPDL Interserve Private Limited) | -<br>-<br>-                  | 21,51,639<br>6,10,323               |
| <b>Project consultancy service provided</b><br>SSPDL Green Acres LLP  | -                            | 1,00,00,000                         |
| <b>Advance given/(recovered)</b><br>SSPDL Real Estates India Private Limited  | (2,09,92,916)                | (4,63,56,338)                       |

|  |               |               |
|--|---------------|---------------|
| SSPDL Infra Projects India Private Limited             | (20,00,000)   | (49,34,000)   |
| SSPDL Realty India Private Limited                     | (1,04,34,267) | (1,20,39,500) |
| SSPDL Resorts Private Limited                          | 1,10,00,000   | -             |
| SSPDL Infrastructure Developers Private Limited        | -             | (5,92,285)    |
| Sri Krishna Devaraya Hatcheries Private Limited        | 1,50,00,000   | -             |
| <b>Advance received/(repaid) towards sale of land</b>  |               |               |
| Sri Satya Sai Constructions (Sole Proprietary Concern) | (1,55,00,000) | 1,55,00,000   |
| Sri Satya Sai Constructions (Partnership Firm)         | (2,92,00,000) | -             |
| SSPDL Ventures Private Limited                         | (6,00,00,000) | -             |
| <b>Rent paid</b>                                       |               |               |
| Suresh Challa  | 11,40,000     | 11,40,000     |
| Prakash Challa   | -             | 6,70,250      |
| <b>Remuneration</b>                                    |               |               |
| Prakash Challa   | 59,87,748     | 37,19,580     |

## (b) Year end balances

(Amounts in ₹)

| Particulars   | Year Ended<br>March 31, 2015 | Year Ended<br>March 31, 2014 |
|---|------------------------------|------------------------------|
| <b>Trade payables</b>   |                              |                              |
| SSPDL Infratech Private Limited<br>(Formerly known as SSPDL Interserve Private Limited) | 6,27,61,504                  | 6,17,12,644                  |
| <b>Unsecured loan</b>   |                              |                              |
| Sri Krishna Devaraya Hatcheries Private Limited   | 3,39,76,457                  | 3,05,17,567                  |
| E. Bhaskar Rao  | 6,95,85,812                  | 6,25,01,799                  |
| <b>Trade receivables</b>  |                              |                              |
| Alpha City Chennai IT Park Projects Private Limited                                     | 23,34,43,508                 | 21,48,70,382                 |
| Sri Satya Sai Constructions (Partnership Firm)  | 4,80,843                     | 4,80,843                     |
| <b>Loans and advance recoverable</b>  |                              |                              |
| SSPDL Realty India Private Limited  | 4,08,68,838                  | 5,13,13,325                  |
| SSPDL Resorts Private Limited   | 1,10,00,000                  | 10,276                       |
| SSPDL Real Estates India Private Limited  | 3,41,06,778                  | 5,51,01,814                  |
| SSPDL Infra Projects India Private Limited  | 3,09,69,912                  | 3,29,80,132                  |
| Northwood Properties India Private Limited  | -                            | 2,68,029                     |
| Sri Krishna Devaraya Hatcheries Private Limited   | 1,50,00,000                  | -                            |
| <b>Loans and advance payable</b>  |                              |                              |
| E. Bhaskar Rao  | 13,75,62,478                 | 13,75,62,478                 |
| SSPDL Ventures Private Limited  | 9,00,000                     | 6,90,00,000                  |
| Sri Satya Sai Constructions (Sole Proprietary Concern)                                  | -                            | 1,55,00,000                  |
| Sri Satya Sai Constructions (Partnership Firm)  | -                            | 2,92,00,000                  |
| <b>Rent deposits</b>  |                              |                              |
| Suresh Challa   | 90,000                       | 90,000                       |
| Prakash Challa  | -                            | 9,10,000                     |

## 31) Comparatives

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

As per our attached report of even date

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

**K.AJAY KUMAR**  
PARTNER  
Membership No. : 021989

Place : Hyderabad  
Date : 30.05.2015

For and on behalf of the Board of Directors

**PRAKASH CHALLA**  
CHAIRMAN AND MANAGING DIRECTOR

**E. BHASKAR RAO**  
DIRECTOR

**U S S RAMANJANEYULU N**  
CHIEF FINANCIAL OFFICER

**A. SHAIENDRA BABU**  
COMPANY SECRETARY



# SSPDL LIMITED

## CONSOLIDATED FINANCIAL STATEMENTS

AS ON

31<sup>ST</sup> MARCH, 2015

## INDEPENDENT AUDITORS' REPORT

### To the Board of Directors of SSPDL Limited

We have audited the accompanying consolidated financial statements of SSPDL Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiary together referred to as the Group), and its associate, comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information ('the consolidated financial statements').

### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated 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 and consolidated cash flows of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 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 financial statements by the Directors of the Holding Company, as aforesaid.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 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 financial

statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 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 consolidated financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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, 2015, their consolidated LOSS and their consolidated cash flows for the year ended on that date.

### Other Matters

We did not audit the financial statements of 4 subsidiaries whose financial statements reflect total assets of ₹ 28.64crores as at March 31, 2015, total revenues of ₹ 0.68crores and net cash flows amounting to ₹ 0.02crores (outflow) for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ Nil for the year ended March 31, 2015, as considered in the consolidated financial statements, in respect of 1 associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors, whose reports have been furnished to us and our opinion on the consolidated 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, insofar as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors.

Our opinion on the consolidated 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 other auditors and the financial statements certified by the Management.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, based on the comments in the auditors' reports of the Holding Company, subsidiary companies and associate company incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143 (3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law, relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c) The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of written representations received from the directors of the Holding Company and one of its subsidiary as on 31st March, 2015, taken on record by the Board of Directors of the Holding Company and the reports of the

statutory auditors of its 4 subsidiary companies and 1 associate company, none of the directors of the Group company and its associate company incorporated in India is disqualified as on 31st March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.

- f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate - Refer Note 30 to the financial statements.
  - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts - Refer (a) Note 11 to the consolidated financial statements in respect of such items as it relates to the Group and its associate and (b) the Group's share of net profit in respect of its associate.
  - 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.

For **KARVY & CO.,**  
Chartered Accountants  
Firm Registration Number: 0017575

Place : Hyderabad  
Date : 30.05.2015

**K.AJAY KUMAR**  
PARTNER  
Membership No. 021989

## Annexure to the Independent Auditors' Report

Annexure referred to in paragraph 1 of report on other legal and regulatory requirements section of our report of even date

Our reporting on the Order includes subsidiary companies and associate incorporated in India on which the auditors have reported on in accordance with the Order. Our report in respect of these subsidiaries and associate is based solely on the reports of their auditors.

- i. In respect of the fixed assets of the Holding Company, its subsidiaries and associate:
  - (a) The respective entities have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) As explained to us, the management of the respective entities have physically verified a substantial portion of the fixed assets during the year, which in our opinion and based on the auditor's reports issued in accordance with the Order on the aforesaid subsidiaries and associate, frequency of verification is reasonable having regard to the size of the Holding Company, subsidiary companies and associate and the nature of their 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.
- ii. In respect of the inventories of the Holding Company, its subsidiaries and associate:
  - (a) The inventories have been physically verified during the year by the management of the respective entities. In our opinion, the frequency of verification is reasonable.
  - (b) In our opinion and according to the information and explanations given to us and based on the auditor's reports issued in accordance with the Order on the aforesaid subsidiaries and associate, the procedures of physical verification of inventory followed by the management of the respective entities are reasonable and adequate in relation to the size of the Holding Company, its subsidiaries, associate and the nature of their business.
  - (c) In our opinion and according to the information and explanations given to us, on the basis of our examination of the records of inventory and based on the auditor's reports issued in accordance with the Order on the aforesaid subsidiaries and associate, the Holding Company, its subsidiaries and associate are maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to the books of account were not material and have been properly dealt with in the books of accounts.
- iii. In respect of the loans granted by the Holding Company, its subsidiaries and associate:
  - (a) According to the information and explanations given to us, the Holding Company has granted unsecured interest free loans to 4 wholly owned subsidiary companies, 1 associate and other company covered in the register maintained under section 189 of the Act.
 

Three subsidiary companies incorporated in India have granted unsecured interest free loans to companies covered in the registers maintained under section 189 of the Act by the respective entities. The remaining two subsidiary companies and associate incorporated in India have not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act by the respective entities.
  - (b) In case of the aforesaid loans granted by the respective entities, the loans are interest free and repayable on demand and hence there is no repayment schedule.
  - (c) Since the aforesaid loans granted by the respective entities are repayable on demand, the question of overdue amounts does not arise.
- iv. In our opinion and according to the information and explanations given to us and based on the auditor's reports issued in accordance with the Order on the aforesaid subsidiaries and associate, there are adequate internal control systems commensurate with the size of the respective entities and nature of their business with regard to the purchase of inventory and fixed assets and also for the sale of good and services. The activities of the Holding Company do not involve sale of goods. With regard to the associate, since the company does not have any fixed assets, the activities of the company do not involve purchase of fixed assets and sale of goods and services. During the course of our audit and based on the auditor's reports issued in accordance with the Order on the aforesaid subsidiaries and associate, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of any of these companies in respect of these areas.
- v. According to the information and explanations given to us and based on the auditor's reports issued in accordance with the Order on the aforesaid subsidiaries and associate, the Holding Company, its subsidiaries and associate incorporated in India have 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 Holding Company, one of its subsidiary and based on the auditor's reports issued in accordance with the Order on the remaining subsidiaries and associate, 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 activities of the respective entities 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 Holding Company, its subsidiaries and associate are regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, value added tax, cess and other material statutory dues applicable to it. Having regard to the nature of the respective entities business/activities/results,

statutory dues in respect of customs duty and duty of excise are not applicable to the Companies. According to the information and explanations given to us based on the auditor's reports issued in accordance with the Order on the aforesaid subsidiaries and associate, no undisputed amounts payable in respect of such statutory dues of the respective entities 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, wealth tax, service tax, customs duty, value added tax and cess on account of dispute, in the Holding Company are as follows:

| Name of the Statute               | Nature of Due                     | Amount<br>(₹ In Crores) | Period to which<br>amount relates to | Forum where dispute<br>is pending |
|-----------------------------------|-----------------------------------|-------------------------|--------------------------------------|-----------------------------------|
| Tamil Nadu General Sales Tax Act. | Disallowances of Input Tax Credit | 0.33                    | 2006-2007                            | Supreme Court                     |
| Tamil Nadu General Sales Tax Act. | Disallowances of Input Tax Credit | 1.25                    | 2007-2008                            | Supreme Court                     |
| Finance Act 1994                  | Service Tax demand                | 7.53                    | 2006-2011                            | CESTAT, Chennai                   |
| Finance Act 1994                  | Service Tax demand                | 0.19                    | 2010-2012                            | CESTAT, Chennai                   |

According to the information and explanations given to us regarding one subsidiary and based on the auditor's reports issued in accordance with the Order on the remaining subsidiaries and associate, the respective entities did not have any dues outstanding of income-tax, sales-tax, wealth tax, service tax, customs duty, value added tax and cess on account of dispute.

- c. According to the information and explanations given to us and based on the auditor's reports issued in accordance with the Order on the aforesaid subsidiaries and associate, the amount required to be transferred by the respective entities to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time. The subsidiary companies and associate incorporated in India did not have any dues on account of Investor Education and Protection Fund.
- viii. According to the information and explanations given to us and based on the auditor's reports issued in accordance with the Order on the aforesaid subsidiaries and associate, the subsidiary companies have accumulated losses exceeding fifty percent of its net worth at the end of the financial year on a standalone basis and have incurred cash losses on a standalone basis during the current financial year covered by the audit and in the immediately preceding financial year. The associate company does not have any accumulated losses at the end of the financial year on a standalone basis and has not incurred cash losses on a standalone basis, during the current financial year covered by the audit, but has incurred cash losses in the immediately preceding financial year. On a consolidated basis, the Holding Company and its subsidiary company do not have any accumulated losses at the end of the financial year, and have incurred cash losses during the current financial year covered by the audit and in the immediately preceding financial year.
- ix. Based on our audit procedures and as per the information and explanations given to us and based on the auditor's reports issued in accordance with the Order on the aforesaid subsidiaries and associate, we are of the opinion that the subsidiary companies have not defaulted in the repayment of dues to banks and financial institutions. The Holding Company and its associate did not have dues to banks and financial institutions during the year. In respective of these entities there were no debentures outstanding as at the year end.
- x. According to the information and explanations given to us and based on the auditor's reports issued in accordance with the Order on the aforesaid subsidiaries and associate, the Holding Company and one of the subsidiary company has given guarantee for loans taken by its wholly owned subsidiary companies from banks, the terms and conditions whereof, in our opinion, are not prima-facie prejudicial to the interest of the Company.
- xi. Based on the information and explanations given to us and based on the auditor's reports issued in accordance with the Order on the aforesaid subsidiaries and associate incorporated in India, the term loans availed by the aforesaid subsidiaries were applied for the purposes for which the loans were obtained. The Holding Company and its associate did not have any term loans outstanding during the year.
- xii. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements, the auditor's reports issued in accordance with the Order on the aforesaid subsidiaries and associate and as per the information and explanations given by the management of the respective entities, we report that no fraud on or by each of the companies has been noticed or reported during the year.

For **KARVY & CO.,**  
Chartered Accountants  
Firm Registration Number: 001757S

**K.AJAY KUMAR**  
PARTNER

Membership No. 021989

Place : Hyderabad  
Date : 30.05.2015

## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2015

(Amount in ₹)

| Particulars  | Note No. | As at<br>March 31, 2015 | As at<br>March 31, 2014 |
|--|----------|-------------------------|-------------------------|
| <b>I. EQUITY AND LIABILITIES</b>                       |          |                         |                         |
| <b>1. Shareholders' Funds</b>                          |          |                         |                         |
| (a) Share Capital                                      | 2        | 12,92,92,500            | 12,92,92,500            |
| (b) Reserves and Surplus                               | 3        | 37,03,23,390            | 37,55,72,700            |
| (c) Minority Interest                                  | 4        | -                       | 8,12,90,236             |
| <b>2. Non-current Liabilities</b>                      |          |                         |                         |
| (a) Long-term Borrowings                               | 5        | 4,80,74,784             | 7,97,01,999             |
| (b) Other Long-term Liabilities                        | 6        | 1,00,000                | 1,00,000                |
| (c) Long-term Provisions                               | 7        | 4,07,117                | 3,04,320                |
| <b>3. Current Liabilities</b>                          |          |                         |                         |
| (a) Short-term Borrowings                              | 8        | 13,69,40,718            | 20,38,10,603            |
| (b) Trade Payables                                     | 9        | 7,65,58,387             | 6,62,01,882             |
| (c) Other Current Liabilities                          | 10       | 28,97,88,697            | 66,62,27,863            |
| (d) Short-term Provisions                              | 11       | 42,70,13,191            | 19,37,899               |
| <b>TOTAL</b>   |          | <b>147,84,98,784</b>    | <b>160,44,40,002</b>    |
| <b>II. ASSETS</b>                                      |          |                         |                         |
| <b>1. Non-current Assets</b>                           |          |                         |                         |
| (a) Fixed Assets                                       |          |                         |                         |
| Tangible Assets  | 12.a     | 1,83,74,893             | 5,88,99,347             |
| Intangible Assets                                      | 12.b     | 15,04,382               | 3,85,28,704             |
| (b) Non-current Investments                            | 13       | 24,12,99,277            | 25,08,22,877            |
| (c) Deferred Tax Assets (Net)                          | 14       | 3,43,92,048             | 3,43,92,048             |
| (d) Long-term Loans and Advances                       | 15       | 7,67,84,307             | 4,96,46,623             |
| (e) Other Non-current assets                           | 16       | 12,44,899               | 1,38,02,291             |
| <b>2. Current Assets</b>                               |          |                         |                         |
| (a) Inventories  | 17       | 55,50,44,210            | 65,16,71,325            |
| (b) Trade Receivables                                  | 18       | 24,47,39,193            | 27,81,19,628            |
| (c) Cash and Bank Balances                             | 19       | 8,76,70,644             | 1,78,03,808             |
| (d) Short-term Loans and Advances                      | 20       | 16,17,27,485            | 15,04,20,148            |
| (e) Other Current Assets                               | 21       | 5,57,17,446             | 6,03,33,203             |
| <b>TOTAL</b>   |          | <b>147,84,98,784</b>    | <b>160,44,40,002</b>    |
| <b>III. Summary of significant accounting policies</b> | 1        |                         |                         |

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

As per our attached report of even date  
For **KARVY & CO.**,  
Chartered Accountants  
Firm Registration No. : 001757S

For and on behalf of the Board of Directors

**K.AJAY KUMAR**  
PARTNER  
Membership No. : 021989

**PRAKASH CHALLA**  
CHAIRMAN AND MANAGING DIRECTOR

**E. BHASKAR RAO**  
DIRECTOR

Place : Hyderabad  
Date : 30.05.2015

**U S S RAMANJANEYULU N**  
CHIEF FINANCIAL OFFICER

**A. SHAIENDRA BABU**  
COMPANY SECRETARY

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015**  
(Amount in ₹)

| Particulars  | Note No. | For the year ended<br>March 31, 2015 | For the year ended<br>March 31, 2014 |
|--|----------|--------------------------------------|--------------------------------------|
| <b>Revenue:</b>  |          |                                      |                                      |
| 1. Revenue from operations   | 22       | 154,13,44,517                        | 38,56,32,002                         |
| 2. Other Incomes   | 23       | 1,24,41,158                          | 3,48,65,092                          |
| 3. <b>Total Revenue (1 + 2)</b>  |          | <u>155,37,85,675</u>                 | <u>42,04,97,094</u>                  |
| <b>4. Expenses:</b>  |          |                                      |                                      |
| a) Construction Expenses   | 24.a     | 147,11,40,533                        | 31,67,13,704                         |
| b) Employee Benefits Expense   | 25       | 4,51,63,325                          | 6,59,31,970                          |
| c) Finance Costs   | 26       | 2,99,98,562                          | 3,98,05,137                          |
| d) Depreciation and Amortization Expense   | 27       | 5,20,55,254                          | 3,33,70,425                          |
| e) Other Expenses  | 28       | 6,81,19,064                          | 3,65,86,198                          |
| <b>Total Expenses</b>  |          | <u>166,64,76,738</u>                 | <u>49,24,07,434</u>                  |
| 5. Profit/(Loss) before Exceptional and Extraordinary Items and Tax                        | (3-4)    | (11,26,91,063)                       | (7,19,10,340)                        |
| 6. Exceptional Items   |          | -                                    | -                                    |
| 7. Profit/(Loss) before Extraordinary Items and Tax  | (5 -6)   | (11,26,91,063)                       | (7,19,10,340)                        |
| 8. Extra Ordinary Items  |          | -                                    | -                                    |
| 9. Profit/(Loss) before Tax  | (7-8)    | (11,26,91,063)                       | (7,19,10,340)                        |
| <b>10. Tax Expense:</b>  |          |                                      |                                      |
| (a) Current Tax  |          | 68,41,000                            | -                                    |
| (b) Tax Provision for earlier years  |          | -                                    | 4,93,156                             |
| (c) Deferred tax   |          | -                                    | -                                    |
| (d) MAT Credit   |          | (51,56,017)                          | -                                    |
| 11. Profit/(Loss) for the year before Minority Interest and Share of Results of Associates | (9-10)   | (11,43,76,046)                       | (7,24,03,496)                        |
| 12. Less : Share of Profit/(Loss) of Minority Interest                                     |          | -                                    | 66,37,541                            |
| 13. Share of Net Profit/(Loss) of Associates   |          | -                                    | 73,28,592                            |
| 14. <b>Profit/(Loss) for the year (11 +12+13)</b>  |          | <u>(11,43,76,046)</u>                | <u>(7,17,12,445)</u>                 |
| <b>15. Earnings Per Share (Face value of ₹ 10 each)</b>                                    |          |                                      |                                      |
| - Basic and Diluted  | 29       | (8.85)                               | (5.55)                               |
| <b>16. Summary of significant accounting policies</b>                                      |          |                                      |                                      |
|  | 1        |                                      |                                      |

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

As per our attached report of even date  
For **KARVY & CO.,**  
Chartered Accountants  
Firm Registration No. : 001757S

For and on behalf of the Board of Directors

**K.AJAY KUMAR**  
PARTNER  
Membership No. : 021989

**PRAKASH CHALLA**  
CHAIRMAN AND MANAGING DIRECTOR

**E. BHASKAR RAO**  
DIRECTOR

Place : Hyderabad  
Date : 30.05.2015

**U S S RAMANJANEYULU N**  
CHIEF FINANCIAL OFFICER

**A. SHAILENDRA BABU**  
COMPANY SECRETARY

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015** (Amount in ₹)

| Particulars  | For the year ended<br>March 31, 2015 | For the year ended<br>March 31, 2014 |
|--|--------------------------------------|--------------------------------------|
| <b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>                                   |                                      |                                      |
| Net Profit before Tax and Extraordinary Items                                    | (11,26,91,063)                       | (7,19,10,340)                        |
| Adjustments for:   |                                      |                                      |
| Depreciation   | 5,20,55,254                          | 3,33,70,425                          |
| Interest income  | (56,91,234)                          | (19,47,880)                          |
| Interest on borrowings   | 2,99,98,562                          | 3,98,05,137                          |
| Fixed asset written off  | -                                    | -                                    |
| Advances written off   | 1,92,94,638                          | 2,41,764                             |
| Bad debts written off  | 1,98,88,692                          | 15,23,863                            |
| Liabilities no longer required written back                                      | -                                    | (48,11,746)                          |
| (Profit)/loss on sale of investments   | -                                    | (2,15,40,834)                        |
| (Profit)/loss on sale of fixed assets (net)                                      | 3,30,270                             | 4,09,794                             |
| Provision for future losses  | 33,25,56,299                         | 14,37,402                            |
|  | <u>44,84,32,481</u>                  | <u>4,84,87,925</u>                   |
|  | 33,57,41,418                         | (2,34,22,415)                        |
| <b>Operating Profit before Working Capital Changes</b>                           |                                      |                                      |
| Adjustments for:   |                                      |                                      |
| Decrease/(increase) in inventories   | 9,66,27,115                          | (14,56,02,388)                       |
| Decrease/(increase) in trade receivables   | 90,49,363                            | 6,71,88,052                          |
| Decrease/(increase) in other current and non-current assets                      | 1,89,57,052                          | 3,39,03,673                          |
| Decrease/(increase) in loans and advances  | (7,35,14,909)                        | 6,47,99,008                          |
| Increase/(decrease) in trade payables, provisions and other current liabilities" | <u>(27,58,48,945)</u>                | <u>(5,41,70,852)</u>                 |
| <b>Increase/(Decrease) in Net current Assets</b>                                 | <u>(22,47,30,324)</u>                | <u>(3,38,82,507)</u>                 |
| <b>Cash Generated from Operation</b>   | <u>11,10,11,094</u>                  | <u>(5,73,04,922)</u>                 |
| Adjustments for income tax (paid)/refund   | 2,09,31,267                          | 2,60,66,042                          |
| <b>Net Cash from Operating Activities</b>  | <b>A</b> <u>13,19,42,361</u>         | <u>(3,12,38,880)</u>                 |
| <b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>                                   |                                      |                                      |
| Disposal of investments  | 95,23,600                            | (2,27,502)                           |
| Purchase of fixed assets   | (1,63,521)                           | (1,43,913)                           |
| Proceeds from sale of fixed assets   | 2,35,14,698                          | 8,75,146                             |
| Purchase of investments  | (1,90,65,287)                        | -                                    |
| Interest received  | 39,07,331                            | 40,14,645                            |
| Bank balances not considered as cash equivalents                                 | (3,34,623)                           | 7,420                                |
| <b>Net Cash from Investing Activities</b>  | <b>B</b> <u>1,73,82,198</u>          | <u>45,25,796</u>                     |
| <b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>                                   |                                      |                                      |
| Interest paid on borrowings  | (2,99,98,562)                        | (5,06,45,700)                        |
| Proceeds from issue of/(redemption) of debentures                                | (3,06,00,000)                        | -                                    |
| Proceeds/(repayment) of borrowings   | (1,91,93,784)                        | (2,76,21,079)                        |
| <b>Net Cash used in Financing Activities</b>                                     | <b>C</b> <u>(7,97,92,346)</u>        | <u>(7,82,66,779)</u>                 |
| <b>Net Increase/(Decrease) in Cash and Cash Equivalent</b>                       | <b>A+B+C</b> <u>6,95,32,213</u>      | <u>(10,49,79,863)</u>                |
| Cash and Cash Equivalents at the beginning of the Year                           | <u>1,16,59,157</u>                   | <u>11,66,39,020</u>                  |
| Cash and Cash Equivalents at the end of the Year                                 | <u>8,11,91,370</u>                   | <u>1,16,59,157</u>                   |

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

As per our attached report of even date

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

For and on behalf of the Board of Directors

**K.AJAY KUMAR**  
PARTNER  
Membership No. : 021989  
Place : Hyderabad  
Date : 30.05.2015

**PRAKASH CHALLA**  
CHAIRMAN AND MANAGING DIRECTOR

**E. BHASKAR RAO**  
DIRECTOR

**U S S RAMANJANEYULU N**  
CHIEF FINANCIAL OFFICER

**A. SHAILENDRA BABU**  
COMPANY SECRETARY



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS:

### 1. Corporate Information

SSPDL Limited ("the Company") including its subsidiaries and associates collectively referred to as ("the Group") is 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).

#### 1.1 Significant Accounting Policies

##### a. Basis of Accounting and Preparation of Financial Statements:

The financial statements of the Group have been prepared on accrual basis under the historical cost convention and going concern basis in accordance with generally accepted accounting principles in India (Indian GAAP) to comply with the Accounting Standards specified under section 133 of the companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

##### b. Principles of Consolidation:

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

- i. The financial statements of the company and its subsidiary are combined on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses, after fully eliminating intra group balances and intra group transactions, except wherever otherwise stated in accordance with accounting standard (AS-21) "Consolidated Financial Statements" notified under the Companies (Accounting Standards), Rules 2014 ("the rules").
- ii. The difference between the costs of investments in the subsidiaries, over the net assets at the time of acquisition of the shares in the subsidiaries is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.
- iii. Minority Interest in the net assets of consolidated subsidiaries is identified and presented in consolidated balancesheet separately from liabilities and equity of company's shareholders.
- iv. Minority Interest in the net assets of consolidated subsidiaries consists of:
  - a) The amount of equity attributable to minority at the date on which investment in subsidiaries is made; and
  - b) The minority share of movements in equity since the date parent subsidiary relationship came into existence.
- v. Minority Interest's share of net profit for the year of consolidated subsidiaries is identified and against the profit after tax of the group. Investment in equity method as per (AS 23) - "Accounting for Investments in Associates in Consolidation Financial Statements".
- vi. The company accounts for its share in the change in net assets of the associates, post-acquisition, after eliminating unrealized profits and losses resulting from transactions between the company and its associates to the extent of its share, through its Statement of Profit and Loss to the extent such change is attributable to the associates' Statement of Profit and Loss and through its reserves for the balance, based on available information.
- vii. The difference between the costs of investments in the associates and the share of net assets at the time of acquisition of the shares in the associates is identified in the financial statements as Goodwill or Capital Reserve as the case may be.
- viii. The Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar and are presented in the same manner as the Company's separate financial statements.

##### c. The Subsidiary Companies considered in the consolidated financial statements are:

| Name of the Subsidiary                     | Country of Incorporation | Proportion of Ownership Interest |
|--|--------------------------|----------------------------------|
| SSPDL Resorts Private Limited              | India                    | 100%                             |
| SSPDL Realty India Private Limited         | India                    | 100%                             |
| SSPDL Real Estate India Private Limited    | India                    | 100%                             |
| SSPDL Infra Projects India Private Limited | India                    | 100%                             |
| SSPDL Infratech Private Limited            | India                    | 100%                             |

**d. The significant Associates considered in the consolidated financial statements are:**

| Name of the Associate                      | Country of Incorporation | Proportion of Ownership Interest |
|--|--------------------------|----------------------------------|
| Northwood Properties India Private Limited | India                    | 25.00%                           |

**e. Use of Estimates:**

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

**f. Tangible Fixed Assets**

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the year during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

**g. Depreciation on Tangible Fixed Assets**

Depreciation on fixed assets is computed on the straight line method over their estimated useful lives as prescribed under Schedule II of the Companies Act, 2013 of India. Depreciation is charged on pro-rata basis for the assets purchased during the year.

The basis for the estimated useful life of the fixed assets given below:

- (a) Computers - based on obsolescence and technological changes
- (b) Office equipment - based on wear and tear
- (c) Furniture & fixtures - based on wear and tear
- (d) Vehicles - based on wear and tear and technological changes
- (e) Construction Equipment's - based on wear and tear and technological changes

**h. Intangible Assets and Amortization:**

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are amortized over their economic useful lives. Management's estimate of useful life of intangible assets-

| Assets Category | Amortization period |
|-----------------|---------------------|
| Software        | 5 Years             |

**i. Capital work-in-progress**

Assets under installation or under construction as at the Balance sheet date are shown as Capital work-in-progress

**j. Borrowing costs**

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

**k. Impairment of tangible and intangible fixed assets**

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely

independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

#### **I. Investments**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of Profit & Loss.

#### **m. Inventories:**

- i. Land and plots other than area transferred to constructed properties at the commencement of construction are valued at lower of cost/approximate average cost/ as revalued on conversion to stock and net realizable value. Cost includes land (including development rights and land under agreements to purchase) acquisition cost, estimated internal development costs and external development charges.
- ii. Construction/development material is valued at lower of cost and net realizable value.
- iii. Work-in-progress with respect to construction contracts is valued at the contract rates and with respect to development projects is valued at cost

#### **n. Revenue Recognition:**

##### **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 Accounting Standard (AS) 9 on Revenue Recognition, read with Guidance Note on "Recognition of Revenue by Real Estate Developers". 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 (Revised 2012)."

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 are 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.

### o. Unbilled Revenue

Unbilled Revenue disclosed under Note No. 21 - "Other Current Assets" represents revenue recognized based on percentage of completion method (as per para no. n (i) and n (ii) above), over and above the amount due as per the payment plans agreed with the customers.

### p. Employee benefits

- (a) **Provident Fund:** The Company has defined contribution plan for its employees' retirement benefits comprising of Provident Fund. The company contributes to State plans namely Employees pension Scheme, 1995.
- (b) **Gratuity:** The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the payment of gratuity act 1972. The company contributes to Gratuity Fund administrated by LIC. The gratuity plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the projected unit credit method) at the end of each year. Actuarial losses/gains are recognized in the statement of profit & loss in the year in which they arise.

### q. Income Taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward.

In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period

**r. Lease:**

Assets acquired under leases where substantially all the risks and rewards of ownership are retained by the company are classified as fiancé leases. Assets acquired on leases where a significant portion of the risks and rewards of the ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the profit and loss account on straight line basis over the lease term.

**s. Earnings per Share:**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**t. Provisions:**

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

**u. Contingent liabilities:**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

**v. Cash and Cash equivalents:**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and cash in hand and short-term investments with an original maturity of three months or less.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

(Amount in ₹)

| Particulars  | As at<br>March 31, 2015 | As at<br>March 31, 2014 |
|--|-------------------------|-------------------------|
| <b>2) SHARE CAPITAL</b>  |                         |                         |
| <b>Authorised Capital</b>  | <u>25,00,00,000</u>     | <u>25,00,00,000</u>     |
| 2,50,00,000 (Previous Year: 2,50,00,000) equity shares of ₹ 10 each                  |                         |                         |
| <b>Issued, Subscribed and Paid up</b>  |                         |                         |
| 1,29,29,250 (Previous Year: 1,29,29,250)<br>equity shares of ₹ 10 each fully paid up | <u>12,92,92,500</u>     | <u>12,92,92,500</u>     |
|  | <u>12,92,92,500</u>     | <u>12,92,92,500</u>     |

**(a) Reconciliation of number of shares**

| Equity shares                 | As at March 31, 2015 |                     | As at March 31, 2014 |                     |
|-------------------------------|----------------------|---------------------|----------------------|---------------------|
|                               | Number of<br>shares  | Value               | Number of<br>shares  | Value               |
| At the beginning of the year  | 1,29,29,250          | 12,92,92,500        | 1,29,29,250          | 12,92,92,500        |
| Issued during the year        | -                    | -                   | -                    | -                   |
| <b>At the end of the year</b> | <b>1,29,29,250</b>   | <b>12,92,92,500</b> | <b>1,29,29,250</b>   | <b>12,92,92,500</b> |

**(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**

| Equity shares                                   | As at March 31, 2015 |           | As at March 31, 2014 |           |
|---|----------------------|-----------|----------------------|-----------|
|   | Number of<br>shares  | % holding | Number of<br>shares  | % holding |
| Prakash Challa                                  | 23,59,390            | 18.25     | 23,59,390            | 18.25     |
| Edala Padmaja                                   | 8,95,000             | 6.92      | 1,50,000             | 0.01      |
| Edala Baskar Rao                                | 1,50,000             | 1.16      | 21,27,500            | 16.45     |
| Sri Krishna Devaraya Hatcheries Private Limited | 24,02,652            | 18.58     | 11,70,152            | 9.05      |
| Suresh Challa                                   | 8,87,600             | 6.87      | 8,87,600             | 6.87      |

| Particulars   | As at<br>March 31, 2015 | As at<br>March 31, 2014 |
|---|-------------------------|-------------------------|
| <b>3) RESERVES AND SURPLUS</b>  |                         |                         |
| <b>a) Capital Reserve on Consolidation</b>  |                         |                         |
| Opening balance   | 17,46,80,100            | 17,46,80,100            |
| Addition during the period/year on account of acquisition of shares in subsidiary | <u>6,24,20,953</u>      | -                       |
|   | <b>A</b>                | <u>17,46,80,100</u>     |
| <b>(b) Share Premium Account</b>  |                         |                         |
| Opening balance   | 22,08,87,000            | 22,08,87,000            |
| Addition during the period/year   | <u>4,88,04,000</u>      | -                       |
|   | <b>B</b>                | <u>22,08,87,000</u>     |
| <b>c) General Reserve</b>   |                         |                         |
| Opening balance   | 1,82,41,459             | 1,82,41,459             |
| Addition during the period/year   | -                       | -                       |
|   | <b>C</b>                | <u>1,82,41,459</u>      |
| <b>d) Surplus in Statement of Profit and Loss</b>                                 |                         |                         |
| Opening balance   | (3,82,35,859)           | 5,57,47,536             |
| Elimination of profits of associate upon it ceasing to be an associate            | -                       | (2,22,70,950)           |
| Less: Adjustment of depreciation as per Schedule II of Companies Act 2013         | (20,98,217)             | -                       |
| Less: Profit/(loss) for the period/year   | <u>(11,43,76,046)</u>   | <u>(7,17,12,445)</u>    |
|   | <b>D</b>                | <u>(3,82,35,859)</u>    |
| <b>Total (A+B+C+D)</b>  | <u>37,03,23,390</u>     | <u>37,55,72,700</u>     |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

(Amount in ₹)

| Particulars   | As at<br>March 31, 2015 | As at<br>March 31, 2014 |
|---|-------------------------|-------------------------|
| <b>4) MINORITY INTEREST</b>   |                         |                         |
| Share capital   | -                       | 4,90,000                |
| Share premium   | -                       | 16,78,29,900            |
| Share of profits  | -                       | (8,70,29,664)           |
| <b>Total</b>  | <u>-</u>                | <u>8,12,90,236</u>      |
| <b>5) LONG-TERM BORROWINGS</b>  |                         |                         |
| <b>Secured</b>  |                         |                         |
| Term Loans from Federal bank  | <b>4,80,74,784</b>      | -                       |
| Vehicle loans*  | -                       | 1,01,999                |
| <b>Unsecured</b>  |                         |                         |
| 12% Compulsorily convertible debentures of ₹ 1,000 each fully paid up** | -                       | 7,96,00,000             |
|   | <b>4,80,74,784</b>      | <u>7,97,01,999</u>      |
| <b>6) OTHER LONG-TERM LIABILITIES</b>                                   |                         |                         |
| Security deposits received  | <b>1,00,000</b>         | 1,00,000                |
| <b>Total</b>  | <u>1,00,000</u>         | <u>1,00,000</u>         |
| <b>7) LONG-TERM PROVISIONS</b>  |                         |                         |
| <b>Provision for employee benefits</b>                                  |                         |                         |
| Compensated absences  | <b>4,07,117</b>         | 3,04,320                |
| <b>Other Provisions</b>   |                         |                         |
| Provision for Contract Losses   | -                       | -                       |
|   | <u>4,07,117</u>         | <u>3,04,320</u>         |
| <b>8) SHORT-TERM BORROWINGS</b>   |                         |                         |
| <b>Secured</b>  |                         |                         |
| Loans repayable on demand from bank*                                    | <b>3,33,78,449</b>      | 11,07,91,237            |
| <b>Unsecured</b>  |                         |                         |
| Loans and advances from related parties                                 | <b>10,35,62,269</b>     | 9,30,19,366             |
|   | <u>13,69,40,718</u>     | <u>20,38,10,603</u>     |

\*Cash credit from SBI is secured by;

**As primary security**

- a. The first charge on all the current assets of the company including hypothecation on construction materials, work in progress, receivables.
- b. First charge (equitable mortgage) of Company's share of 70% of the proposed built-up space together with undivided share of land to an extent of 75,865 Sq.ft at Navallur Village, Old Mahabalipuram Road, Kanchipuram District, Chennai.

**As collateral security**

- a. Equitable mortgage of residential property at Hakimpet village, Jubilee Hills, Hyderabad.
- b. Equitable mortgage of vacant land at Kollur village, Medak, Andhra Pradesh.

**Personal guarantee of directors**

- Sri Prakash Challa
- Sri Suresh Challa

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

(Amount in ₹)

| Particulars  | As at<br>March 31, 2015 | As at<br>March 31, 2014 |
|--|-------------------------|-------------------------|
| <b>9) TRADE PAYABLES</b>   |                         |                         |
| - Dues to micro and small enterprises  | -                       | -                       |
| - Others   | 7,65,58,387             | 6,62,01,882             |
| <b>Total</b>   | <u>7,65,58,387</u>      | <u>6,62,01,882</u>      |
| <b>10) OTHER CURRENT LIABILITIES</b>   |                         |                         |
| Current maturities of long-term debts*   | -                       | 2,96,684                |
| Interest accrued but not due on borrowings   | -                       | 22,71,074               |
| Advance received from clients**  | 26,27,25,920            | 63,40,09,869            |
| Statutory liabilities  | 26,04,879               | 23,58,829               |
| Unclaimed dividends  | -                       | 1,01,732                |
| Outstanding expenses and others  | 61,24,043               | 57,47,468               |
| Retention money to suppliers   | 1,72,63,810             | 1,80,17,900             |
| Billing excess revenue   | -                       | 16,64,196               |
| Employee benefit payable   | 10,70,045               | 17,60,111               |
|  | <u>28,97,88,697</u>     | <u>66,62,27,863</u>     |
| * Current maturities of long-term debts represents vehicle loan taken from Axis bank, and Kotak Mahendra Prime limited are secured by the respective vehicles. |                         |                         |
| ** Advance received from client includes ₹ 13.76 crores from directors and ₹ 5.00 crores form others for sale of land.   |                         |                         |
| <b>11) SHORT-TERM PROVISIONS</b>   |                         |                         |
| <b>Provision for employee benefits</b>   |                         |                         |
| - Gratuity   | -                       | 2,49,918                |
| - Compensated absences   | -                       | 1,02,797                |
| <b>Other provisions</b>  |                         |                         |
| Provision for Estimated Future contract losses   | 33,39,93,701            | 15,85,184               |
| Provision for Service tax Demand   | 7,71,79,286             | -                       |
| Provision for Sales tax Demand   | 1,58,40,204             | -                       |
|  | <u>42,70,13,191</u>     | <u>19,37,899</u>        |



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

## 12(a) FIXED ASSETS

| PARTICULARS                    | GROSS BLOCK          |                 |                    | DEPRECIATION         |                     |                           | NET BLOCK        |                    |                     |                      |                      |
|--------------------------------|----------------------|-----------------|--------------------|----------------------|---------------------|---------------------------|------------------|--------------------|---------------------|----------------------|----------------------|
|                                | As at April 01, 2014 | Additions       | Deletions          | As at March 31, 2015 | Upto March 31, 2014 | Depreciation for the year | Adjustments      | Deletions          | Upto March 31, 2015 | As at March 31, 2015 | As at March 31, 2014 |
| <b>12(a) Tangible Assets</b>   |                      |                 |                    |                      |                     |                           |                  |                    |                     |                      |                      |
| Construction equipments        | 11,33,30,485         | 16,000          | 6,14,25,672        | 5,19,20,813          | 7,19,02,956         | 1,11,60,802               | -                | 3,87,83,958        | 4,42,79,800         | 76,41,013            | 4,14,27,529          |
| Furniture and fixtures         | 1,12,08,052          | 4,800           | 5,95,464           | 1,06,17,388          | 38,04,134           | 12,23,167                 | -                | 1,75,062           | 48,52,239           | 57,65,149            | 74,03,918            |
| Computers                      | 67,80,258            | -               | 2,90,669           | 64,89,589            | 45,17,452           | 7,09,808                  | 4,73,956         | 2,38,222           | 54,63,230           | 10,26,359            | 22,62,570            |
| Office equipments              | 48,41,100            | 1,05,964        | -                  | 49,47,064            | 18,83,181           | 6,93,478                  | 14,38,437        | -                  | 40,14,860           | 9,32,204             | 29,58,155            |
| Vehicles                       | 1,06,48,146          | 36,757          | 14,58,077          | 92,26,826            | 58,00,966           | 12,98,553                 | 1,85,824         | 7,27,672           | 65,57,671           | 26,69,155            | 48,47,180            |
| Leasehold improvements         | 59,39,662            | -               | -                  | 59,39,662            | 59,39,662           | -                         | -                | -                  | 59,39,662           | -                    | -                    |
| <b>Total</b>                   | <b>15,27,47,703</b>  | <b>1,63,521</b> | <b>6,37,69,882</b> | <b>8,91,41,342</b>   | <b>9,38,48,351</b>  | <b>1,50,85,808</b>        | <b>20,98,217</b> | <b>3,99,24,914</b> | <b>7,11,07,462</b>  | <b>1,80,33,880</b>   | <b>5,88,99,352</b>   |
| <b>Previous Year</b>           | 15,46,60,612         | 1,43,913        | 20,56,822          | 15,27,47,703         | 6,76,95,461         | 2,69,24,772               | -                | 7,71,882           | 9,38,48,351         | 5,88,99,352          | 8,69,65,151          |
| <b>12(b) Intangible Assets</b> |                      |                 |                    |                      |                     |                           |                  |                    |                     |                      |                      |
| Non-compete fee                | 5,82,45,045          | -               | 5,82,45,045        | -                    | 2,18,41,876         | 3,64,03,169               | -                | 5,82,45,045        | -                   | -                    | 3,64,03,169          |
| Software                       | 31,05,765            | -               | -                  | 31,05,765            | 9,80,230            | 6,21,153                  | -                | -                  | 16,01,383           | 15,04,382            | 21,25,535            |
| <b>Total</b>                   | <b>6,13,50,810</b>   | <b>-</b>        | <b>5,82,45,045</b> | <b>31,05,765</b>     | <b>2,28,22,106</b>  | <b>3,70,24,322</b>        | <b>-</b>         | <b>5,82,45,045</b> | <b>16,01,383</b>    | <b>15,04,382</b>     | <b>3,85,28,704</b>   |
| <b>Previous Year</b>           | 6,13,50,810          | -               | -                  | 6,13,50,810          | 1,63,76,453         | 64,45,653                 | -                | -                  | 2,28,22,106         | 3,85,28,704          | 4,49,74,357          |

Notes: Adjustments represents the differential depreciation on account of computation of depreciation based on useful life as prescribed in the schedule II of the Companies act 2013. This difference relating to the past period as computed under the said schedule amounting to ₹ 20.98 lakhs is adjusted against the opening reserves of the company. On account of application of the Schedule II of the Companies Act, 2013 depreciation for the year is higher by around 8.43 lakhs.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

(Amount in ₹)

| Particulars  | As at<br>March 31, 2015 | As at<br>March 31, 2014 |
|--|-------------------------|-------------------------|
| <b>13) NON-CURRENT INVESTMENTS</b>                                 |                         |                         |
| <b>Trade Investments</b>   |                         |                         |
| <b>A. In Equity shares of Associates - Unquoted, Fully Paid-up</b> |                         |                         |
| Northwood Constructions India Private Limited :                    |                         |                         |
| 0 (Previous Year: 2,500) Equity shares of ₹ 10 each                | -                       | 25,000                  |
| 0 (Previous Year: 10,000) Class B equity shares of ₹ 10 each       | -                       | 1,00,000                |
| Share application money  | -                       | 24,50,684               |
| Northwood Properties India Private Limited :                       |                         |                         |
| 22,500 (Previous Year: 2,500) Equity shares of ₹ 10 each           | 2,25,000                | 25,000                  |
| 90,000 (Previous Year: 10,000) Class B equity shares of ₹ 10 each  | 9,00,000                | 1,00,000                |
| Share application money  | 2,14,75,772             | 35,30,849               |
| Northwood Realty India Private Limited :                           |                         |                         |
| 0 (Previous Year: 2,500) Equity shares of ₹ 10 each                | -                       | 25,000                  |
| 0 (Previous Year: 10,000) Class B equity shares of ₹ 10 each       | -                       | 1,00,000                |
| Share application money  | -                       | 22,50,849               |
| Northwood Residential Ventures Private Limited                     |                         |                         |
| 0 (Previous Year: 2,500) Equity shares of ₹ 10 each                | -                       | 25,000                  |
| 0 (Previous Year: 10,000) Class B equity shares of ₹ 10 each       | -                       | 1,00,000                |
| Share application money  | -                       | 18,58,622               |
| Northwood Township Project Private Limited                         |                         |                         |
| 0 (Previous Year: 2,500) Equity shares of ₹ 10 each                | -                       | 25,000                  |
| 0 (Previous Year: 10,000) Class B equity shares of ₹ 10 each       | -                       | 1,00,000                |
| Share application money  | -                       | 25,63,622               |
| SSPDL Northwood Homes Private Limited                              |                         |                         |
| 0 (Previous Year: 2,500) Equity shares of ₹ 10 each                | -                       | 25,000                  |
| 0 (Previous Year: 10,000) Class B equity shares of ₹ 10 each       | -                       | 1,00,000                |
| Share application money  | -                       | 28,90,845               |
| SSPDL Northwood Residence Private Limited                          |                         |                         |
| 0 (Previous Year: 2,500) Equity shares of ₹ 10 each                | -                       | 25,000                  |
| 0 (Previous Year: 10,000) Class B equity shares of ₹ 10 each       | -                       | 1,00,000                |
| Share application money  | -                       | 22,70,849               |
| SSPDL Northwood Villas Private Limited                             |                         |                         |
| 0 (Previous Year: 2,500) Equity shares of ₹ 10 each                | -                       | 25,000                  |
| 0 (Previous Year: 10,000) Class B equity shares of ₹ 10 each       | -                       | 1,00,000                |
| Share application money  | -                       | 26,30,849               |
| Northwood Infratech Private Limited                                |                         |                         |
| 0 (Previous Year: 2,500) Equity shares of ₹ 10 each                | -                       | 25,000                  |
| 0 (Previous Year: 10,000) Class B equity shares of ₹ 10 each       | -                       | 1,00,000                |
| Share application money  | -                       | 10,28,603               |
| <b>B. Investments in Limited Liability Partnership</b>             |                         |                         |
| SSPDL Green Acres LLP  | 5,67,88,025             | 6,63,11,625             |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

(Amount in ₹)

| Particulars   | As at<br>March 31, 2015 | As at<br>March 31, 2014 |
|---|-------------------------|-------------------------|
| <b>NON-CURRENT INVESTMENTS (Contd.)</b>   |                         |                         |
| <b>C. In Equity shares in Other Enterprises - Unquoted, Fully Paid-up</b>   |                         |                         |
| Alphacity Chennai IT Park Projects Private Limited<br>9,980 (Previous Year: 9,980) Equity shares of ₹ 10 each   | 99,800                  | 99,800                  |
| SSPDL Infrastructure Developers Private Limited<br>36,422 (Previous Year: 36,422) Class A equity shares of ₹ 10 each<br>1 (Previous Year: 1) Class B Equity shares of ₹ 10 each | 1,09,56,710             | 10956,710               |
| SSPDL Properties Private Limited<br>1,68,796 (Previous Year: 1,68,796) Equity shares of ₹ 10 each   | 16,87,960               | 1687,960                |
| <b>D. Debentures of Associate Company - Unquoted, Fully Paid-up<br/>Optionally Convertible 15% Debentures (Series B);</b>   |                         |                         |
| - Northwood Constructions India Private Limited<br>0 (Previous Year: 1,7,86,830) OCD's of ₹ 10 each   | -                       | 17868,300               |
| - Northwood Properties India Private Limited<br>1,48,86,600 (Previous Year: 18,24,060) OCD's of ₹ 10 each   | 14,88,66,000            | 18240,600               |
| - Northwood Realty India Private Limited<br>0 (Previous Year: 17,86,830) OCD's of ₹ 10 each   | -                       | 17868,300               |
| - Northwood Residential Ventures India Private Limited<br>0 (Previous Year: 12,28,390) OCD's of ₹ 10 each   | -                       | 1,22,83,900             |
| - Northwood Township Project Private Limited<br>0 (Previous Year: 19,02,070) OCD's of ₹ 10 each   | -                       | 1,90,20,700             |
| - SSPDL Northwood Homes Private Limited<br>0 (Previous Year: 17,69,100) OCD's of ₹ 10 each  | -                       | 1,76,91,000             |
| - SSPDL Northwood Residence Private Limited<br>0 (Previous Year: 17,69,100) OCD's of ₹ 10 each  | -                       | 1,76,91,000             |
| - SSPDL Northwood Villas Private Limited<br>0 (Previous Year: 18,66,610) OCD's of ₹ 10 each   | -                       | 1,86,66,100             |
| - Northwood Infratech Private Limited<br>0 (Previous Year: 9,53,610) OCD's of ₹ 10 each   | -                       | 95,36,100               |
| <b>E. Non-trade Investments</b>   |                         |                         |
| <b>In Government Securities-Unquoted</b>  |                         |                         |
| National Savings Certificate  | 3,00,000                | 3,00,000                |
| <b>Total</b>  | <b>24,12,99,277</b>     | <b>25,08,22,877</b>     |
| Aggregate Value of  |                         |                         |
| - Quoted Investments  | -                       | -                       |
| - Unquoted Investments  | 24,12,99,277            | 25,08,22,877            |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

(Amount in ₹)

| Particulars   | As at<br>March 31, 2015 | As at<br>March 31, 2014 |
|---|-------------------------|-------------------------|
| <b>14) DEFERRED TAX ASSETS (NET)</b>  |                         |                         |
| a) <b>Deferred Tax Asset</b>  |                         |                         |
| <b>On account of;</b>   |                         |                         |
| Unabsorbed depreciation losses carry forward  | -                       | 7,10,774                |
| Brought forward business losses   | <u>5,51,53,850</u>      | <u>9,45,47,226</u>      |
| <b>Total (a)</b>  | <u>5,51,53,850</u>      | <u>9,52,58,000</u>      |
| b) <b>Deferred Tax Liability</b>  |                         |                         |
| <b>On account of;</b>   |                         |                         |
| Depreciation  | <u>2,47,668</u>         | <u>14,19,278</u>        |
| <b>Total (b)</b>  | <u>2,47,668</u>         | <u>14,19,278</u>        |
| c) <b>Net Deferred Tax Asset/(Liability) (a-b)*</b>   | <u>5,49,06,182</u>      | <u>9,38,38,722</u>      |
| * In accordance with the Accounting Standard 22 - "Accounting for Taxes on Income"(AS-22), the Deferred tax assets arising from timing differences are recognized and carried forwarded only if there is virtual certainty that they will be realized in future and reviewed for the appropriateness of their respective carrying value at each balance sheet date. In view of this, deferred tax asset (net) to the extent of ₹ 2,05,14,134/- (Previous Year: ₹ 59,52,73,760/-) is not recognized. |                         |                         |
| <b>15) LONG-TERM LOANS AND ADVANCES</b>   |                         |                         |
| <b>Unsecured, considered good</b>   |                         |                         |
| Advance to suppliers/contractors  | 2,21,59,598             | 66,70,296               |
| Security deposits   | 64,11,563               | 62,39,663               |
| Tax deducted at source  | 21,99,476               | 1,92,22,994             |
| Others  | <u>4,60,13,670</u>      | <u>1,75,13,670</u>      |
| <b>Total</b>  | <u>7,67,84,307</u>      | <u>4,96,46,623</u>      |
| <b>16) OTHER NON-CURRENT ASSETS</b>   |                         |                         |
| <b>Unsecured, considered good</b>   |                         |                         |
| Pre-operative expenses  | 12,33,830               | 11,98,509               |
| Deposits with banks maturing after 12 months from the reporting date  | -                       | 1,19,00,000             |
| Interest accrued on fixed deposits  | <u>11,069</u>           | <u>7,03,782</u>         |
| <b>Total</b>  | <u>12,44,899</u>        | <u>1,38,02,291</u>      |
| <b>17) INVENTORIES</b>  |                         |                         |
| Work-in-progress  | 35,48,39,155            | 43,45,66,310            |
| Cost of land under development  | <u>20,02,05,055</u>     | <u>21,71,05,015</u>     |
|   | <u>55,50,44,210</u>     | <u>65,16,71,325</u>     |
| <b>18) TRADE RECEIVABLES</b>  |                         |                         |
| <b>Trade receivables outstanding for a period exceeding six months from the day they became due for payment</b>   |                         |                         |
| - Unsecured considered good   |                         |                         |
| i) Due by private companies in which directors are interested   | 23,34,44,158            | 21,49,42,522            |
| ii) Others  | <u>1,12,95,035</u>      | <u>6,31,77,106</u>      |
| - Doubtful  | -                       | 44,42,380               |
| Less: Provision for doubtful debts  | -                       | (44,42,380)             |
|   | <u>24,47,39,193</u>     | <u>27,81,19,628</u>     |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

(Amount in ₹)

| Particulars  | As at<br>March 31, 2015 | As at<br>March 31, 2014 |
|--|-------------------------|-------------------------|
| <b>19) CASH AND BANK BALANCES</b>  |                         |                         |
| <b>Cash and Cash equivalents</b>   |                         |                         |
| Cash on hand   | 4,76,730                | 2,15,077                |
| Balances with banks  |                         |                         |
| - In current account   | 1,95,14,640             | 1,14,44,080             |
| - In deposits accounts (Original maturity of 3 months or less)             | <u>6,12,00,000</u>      | -                       |
|  | <u>8,11,91,370</u>      | <u>1,16,59,157</u>      |
| <b>Other banks balances</b>  |                         |                         |
| - In margin money account  | 37,48,202               | 38,42,919               |
| - In dividend account  | -                       | 1,01,732                |
| - In deposits accounts (Original maturity more than 3 months)              | <u>27,31,072</u>        | <u>22,00,000</u>        |
|  | <u>64,79,274</u>        | <u>61,44,651</u>        |
|  | <u>8,76,70,644</u>      | <u>1,78,03,808</u>      |
| <b>20) SHORT-TERM LOANS AND ADVANCES</b>                                   |                         |                         |
| <b>Unsecured, considered good</b>  |                         |                         |
| Current portion of long-term loans and advances other than related parties | -                       | 31,43,685               |
| Loans and advances to employees  | 27,13,268               | 2,03,312                |
| Advance to suppliers and contractors                                       | 2,31,55,978             | 1,68,26,793             |
| Balance with statutory/government authorities                              | 10,20,04,474            | 9,21,27,262             |
| Loans and advances related parties (see 20(a) note below)                  | 1,54,24,525             | 2,68,025                |
| Retention money  | 1,59,25,577             | 3,45,37,085             |
| Prepaid expenses   | 18,25,625               | 26,35,947               |
| <b>Doubtful</b>  |                         |                         |
| Advances to suppliers  | 38,17,470               | 38,17,470               |
| Retention money  | 34,84,791               | 34,84,791               |
| Less: Provision for doubtful advance                                       | <u>(66,24,222)</u>      | <u>(66,24,222)</u>      |
|  | <u>16,17,27,485</u>     | <u>15,04,20,148</u>     |

## 20(a) Loans and Advances include :

| Particulars                                  | Maximum Amount Outstanding<br>at any time during the year |           | As At<br>March 31, 2015 | As At<br>March 31, 2014 |
|--|---|-----------|-------------------------|-------------------------|
|  | 2014-2015   | 2013-2014 |                         |                         |
| a) Payments on behalf of associate companies | 4,24,525  | 2,68,025  | 4,24,525                | 2,68,025                |
| b) Advances to others                        |   |           |                         |                         |
| Sri Krishna Devaraya                         |   |           |                         |                         |
| Hatcheries Private Limited                   | 1,50,00,000   |           | 1,50,00,000             |                         |
|  | <u>1,54,24,525</u>  | 2,68,025  | <u>1,54,24,525</u>      | 2,68,025                |

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

| Particulars                        | As at<br>March 31, 2015 | As at<br>March 31, 2014 |
|------------------------------------|-------------------------|-------------------------|
| <b>21) OTHER CURRENT ASSETS</b>    |                         |                         |
| <b>Unsecured, considered good</b>  |                         |                         |
| Preliminary expenses               | 83,688                  | 62,766                  |
| Interest accrued on fixed deposits | 26,67,605               | 8,83,702                |
| Unbilled revenue                   | 5,29,66,153             | 5,93,86,735             |
|                                    | <u>5,57,17,446</u>      | <u>6,03,33,203</u>      |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

(Amount in ₹)

| Particulars   | For the year ended<br>March 31, 2015 | For the year ended<br>March 31, 2014 |
|---|--------------------------------------|--------------------------------------|
| <b>22) REVENUE FROM OPERATIONS</b>  |                                      |                                      |
| Contract revenue  | 8,92,40,162                          | 30,05,98,704                         |
| Sale of flats   | 144,26,36,216                        | 5,88,96,170                          |
| Other operating revenue   | 94,68,139                            | 2,61,37,128                          |
|   | <u>154,13,44,517</u>                 | <u>38,56,32,002</u>                  |
| <b>23) OTHER INCOME</b>   |                                      |                                      |
| <b>a) Interest Income</b>   |                                      |                                      |
| Interest on deposits with banks   | 56,91,234                            | 19,47,880                            |
| Interest on non-current investments   | 7,45,644                             | 21,51,639                            |
| Interest on income tax refund   | 14,26,195                            | 23,72,875                            |
| <b>b) Other Non-operating Income</b>  |                                      |                                      |
| Maintenance charges   | 41,18,397                            | 15,98,066                            |
| Liabilities no longer required written back   | -                                    | 48,11,746                            |
| Profit on sale of investments   | -                                    | 2,15,40,834                          |
| Profit on sale of fixed assets  | 7,619                                | 10,312                               |
| Other income  | 4,52,069                             | 4,31,740                             |
|   | <u>1,24,41,158</u>                   | <u>3,48,65,092</u>                   |
| <b>24) CONSTRUCTION EXPENSES</b>  |                                      |                                      |
| Work cost including contractor's bills  | 61,76,14,771                         | 32,24,57,754                         |
| Masonry and other works   | 5,96,166                             | 10,51,116                            |
| Power and fuel charges  | 63,539                               | -                                    |
| Rates and taxes   | 86,700                               | -                                    |
| Project consultancy fee   | 1,28,22,800                          | 23,34,199                            |
| Land cost and development charges   | 74,33,29,442                         | 14,80,45,368                         |
|   | <u>137,45,13,418</u>                 | <u>47,38,88,437</u>                  |
| <b>24) a. Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-trade</b> |                                      |                                      |
| Inventories at the end of the year  |                                      |                                      |
| - Work-in-progress  | 35,48,39,155                         | 43,45,66,310                         |
| - Cost of land under development  | 20,02,05,055                         | 21,71,05,015                         |
|   | <u>(A) 55,50,44,210</u>              | <u>65,16,71,325</u>                  |
| Inventories at the beginning of the year  |                                      |                                      |
| - Work-in-progress  | 43,45,66,310                         | 40,45,97,277                         |
| - Cost of land under development  | 21,71,05,015                         | 8,98,99,315                          |
|   | <u>(B) 65,16,71,325</u>              | <u>49,44,96,592</u>                  |
| Net (increase)/decrease in inventories  | <u>(B) - (A) 9,66,27,115</u>         | <u>(15,71,74,733)</u>                |
| <b>Construction expenses</b>  | <u>147,11,40,533</u>                 | <u>31,67,13,704</u>                  |
| <b>25) EMPLOYEE BENEFITS EXPENSE</b>  |                                      |                                      |
| Salaries and wages  | 4,24,15,463                          | 6,11,36,948                          |
| Contribution to provident and other funds   | 10,17,778                            | 13,88,783                            |
| Staff welfare expenses  | 17,30,084                            | 34,06,239                            |
|   | <u>4,51,63,325</u>                   | <u>6,59,31,970</u>                   |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

(Amount in ₹)

| Particulars   | For the year ended<br>March 31, 2015 | For the year ended<br>March 31, 2014 |
|---|--------------------------------------|--------------------------------------|
| <b>26) FINANCE COSTS</b>  |                                      |                                      |
| a) Interest expense :   |                                      |                                      |
| i) Borrowings   | 2,96,99,072                          | 3,79,97,903                          |
| ii) Others  |                                      |                                      |
| - Interest on deferred payment of income tax  | 24,500                               | 15,46,260                            |
| b) Other borrowing costs  | 2,74,990                             | 2,60,974                             |
|   | <b>2,99,98,562</b>                   | <b>3,98,05,137</b>                   |
| <b>27) DEPRECIATION AND AMORTISATION EXPENSE</b>  | <b>5,20,55,254</b>                   | <b>3,33,70,425</b>                   |
| <b>28) OTHER EXPENSES</b>   |                                      |                                      |
| Rent  | 64,13,973                            | 89,18,046                            |
| Rates and taxes   | 5,15,435                             | 11,43,840                            |
| Electricity charges   | 12,39,538                            | 15,66,320                            |
| Repairs and maintenance   |                                      |                                      |
| - Machinery   | 2,00,640                             | 12,23,474                            |
| - Buildings   | 2,27,612                             | 1,54,746                             |
| - Others  | 7,43,718                             | 5,86,662                             |
| Insurance   | 22,63,389                            | 20,62,187                            |
| Advertisement charges   | -                                    | 1,70,770                             |
| Commission and brokerages   | 36,071                               | 59,798                               |
| Communication expenses  | 8,38,960                             | 13,82,347                            |
| Travelling and conveyance   | 40,55,608                            | 52,80,263                            |
| Printing and stationery   | 3,59,025                             | 5,42,280                             |
| Business promotion  | 1,64,164                             | 1,31,226                             |
| Director sitting fees   | 6,00,000                             | 5,40,000                             |
| Legal and professional  | 18,66,779                            | 26,77,701                            |
| Security charges  | 29,40,480                            | 30,02,883                            |
| Advances written off  | 1,92,94,638                          | 2,41,764                             |
| Bad debts written off   | 1,98,88,692                          | 15,23,863                            |
| Loss on sale of fixed assets  | 3,37,889                             | 4,20,106                             |
| Payment to Auditors;  |                                      |                                      |
| a) As auditors  |                                      |                                      |
| Statutory audit fee   | 5,56,250                             | 6,60,000                             |
| Tax audit fee   | 1,00,000                             | 1,50,000                             |
| b) Other services   | 80,000                               | 80,000                               |
| c) Reimbursement of expenses  | 84,980                               | 2,29,095                             |
| Vehicle running and maintenance   | 18,49,025                            | 9,87,263                             |
| Bank charges  | 10,59,888                            | 6,69,438                             |
| Miscellaneous expenses  | 24,00,360                            | 21,82,126                            |
|   | <b>6,81,19,064</b>                   | <b>3,65,86,198</b>                   |
| <b>29) EARNINGS PER SHARE ("EPS")</b>   |                                      |                                      |
| Net profit/(loss) for the year after tax  | (a) (11,43,76,046)                   | (7,17,12,445)                        |
| Weighted average number of equity shares outstanding during the year used for calculating EPS | (b) 1,29,29,250                      | 1,29,29,250                          |
| Basic and diluted EPS (Face value ₹ 10 each)  | (a)/(b) (8.85)                       | (5.55)                               |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

## 30) Contingent liabilities:

- i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ Nil (Previous Year ₹ Nil).
- ii) Company has given a corporate guarantee in favour of Federal Bank Limited towards the working capital loans taken by M/s SSPDL Infra Projects Private Limited, M/s SSPDL Real Estates India Private Limited and SSPDL Realty India Private Limited (the wholly owned subsidiaries) for ₹ 40.00Lakhs, ₹ 120.00Lakhs and ₹ 140.00Lakhs respectively.
- iii) Company has given a corporate guarantee in favour of Federal Bank Limited towards the term loans taken by SSPDL Infra Projects Private Limited, SSPDL Real Estates India Private Limited, SSPDL Realty India Private Limited and SSPDL Resorts Private Limited (the wholly owned subsidiaries) for ₹ 0.25 Lakhs, ₹ 1.85 Lakhs, ₹ 1.30 Lakhs and ₹ 1.60 Lakhs respectively.

## 31) EXPENDITURE IN FOREIGN CURRENCY (ON ACCRUAL BASIS):

(Amounts in ₹)

| Particulars          | Year ended<br>March 31, 2015 | Year ended<br>March 31, 2014 |
|----------------------|------------------------------|------------------------------|
| On account of Travel | -                            | -                            |
| Others               | -                            | -                            |

## 32) DISCLOSURE IN ACCORDANCE WITH ACCOUNTING STANDARD - 7 (REVISED):

(Amounts in ₹)

| Particulars  | Year ended<br>March 31, 2015 | Year ended<br>March 31, 2014 |
|--|------------------------------|------------------------------|
| Contract Revenue recognize as revenue in the period                      | 5,09,20,281                  | 30,05,98,704                 |
| Cost incurred and Recognized Profit or Losses up to the reporting period | (28,26,62,953)               | 39,49,47,999                 |
| Advances received  | 10,00,000                    | 30,73,477                    |
| Retention Money  | -                            | 3,06,43,845                  |
| Gross amount due from customers for contract work as asset               | -                            | 6,38,48,694                  |
| Gross amount due to customers for contract work as liability             | 28,26,62,953                 | -                            |

33) **Employee Benefits:** As per Accounting Standard 15 "Employees Benefits", the disclosures of Employee benefits as defined in the Accounting Standard are given below

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

(Amounts in ₹)

| Particulars                               | Year ended<br>March 31, 2015 | Year ended<br>March 31, 2014 |
|---|------------------------------|------------------------------|
| Employer's Contribution to Provident Fund | 7,31,427                     | 8,16,411                     |



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

(Amounts in ₹)

| Particulars   | Year ended<br>March 31, 2015 | Year ended<br>March 31, 2014 |
|---|------------------------------|------------------------------|
| <b>A. Change in present value of obligation</b>                           |                              |                              |
| Present value of obligation at the beginning of the year                  | 23,82,698                    | 28,43,758                    |
| Current service cost  | 3,67,065                     | 3,76,576                     |
| Interest cost   | 1,89,301                     | 2,37,775                     |
| Benefits paid   | (1,04,726)                   | (9,197)                      |
| Net actuarial (gain)/loss recognized during the year                      | (3,88,364)                   | (10,66,214)                  |
| Present value of obligation at the end of the year                        | 24,45,974                    | 23,82,698                    |
| <b>B. Changes in the fair value of plan assets</b>                        | -                            |                              |
| Present value of plan assets at the beginning of the year                 | 31,72,259                    | 29,36,309                    |
| Expected return on plan assets  | 2,80,621                     | 2,45,147                     |
| Actuarial gain/(loss) on plan assets                                      | (4,229)                      | -                            |
| Contributions   | 4,47,995                     | -                            |
| Benefits paid   | (1,04,726)                   | (9,197)                      |
| Fair Value of Plan Assets at the end of the year                          | 37,91,920                    | 31,72,259                    |
| <b>C. Net (asset)/liability recognized in the Balance Sheet</b>           | -                            |                              |
| Present value of obligation at the end of the year                        | 24,45,974                    | 23,82,698                    |
| Fair value of Plan Assets at the end of the year                          | 37,91,920                    | 31,72,259                    |
| Funded status (surplus)/deficit   | 13,45,946                    | (7,89,561)                   |
| Net (asset)/liability recognized in the Balance Sheet                     | 13,45,946                    | (7,89,561)                   |
| <b>D. Expenses recognized in the Statement of Profit and Loss</b>         | -                            |                              |
| Service cost  | 3,67,065                     | 3,76,576                     |
| Interest cost   | 1,89,301                     | 2,37,775                     |
| Expected return on plan assets  | (2,80,621)                   | (2,45,147)                   |
| Net actuarial (gain)/loss recognized during the year                      | (3,84,135)                   | (10,66,214)                  |
| <b>Total expenses/(income) recognized in Statement of Profit and Loss</b> | (1,08,390)                   | (6,97,010)                   |
| <b>E. Actuarial assumptions :</b>   |                              |                              |
| Discount rate   | 8%                           | 8%                           |
| Salary escalation - over a long term                                      | 5%                           | 5%                           |
| Attrition rate  | 5%                           | 5%                           |
| Expected return of the planned assets                                     | 8%                           | 8%                           |

### 34) Segment Information:

#### Primary Segments

The Group's business is organized into two main business segments mainly Property Development and Construction & Project Management services. Segments have been identified and reported taking into account the organization structure.

#### Segment Revenue and Results

All segment revenues and expenses that are directly attributable to the segments are reported under the respective segment. The revenues and expenses that are not directly attributable to any segments are shown as unallocated expenses.

#### Segment Assets and Liabilities

Segment assets include all operating assets used by the business segment and consists principally Fixed Assets, Debtors and Inventories. Segment liabilities primarily include creditors and other liabilities. Assets and Liabilities that cannot be allocated between the segments are shown as a part of unallocated assets and liabilities respectively.

#### Secondary Segments

The Group operates solely in one geographic segment i.e. India and hence no separate information for geographic segment wise disclosure is not required.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

## Primary Segment:

| Particulars  | (Amount in ₹)         |                    |  |                     |              |              |                       |                       |
|--|-----------------------|--------------------|--|---------------------|--------------|--------------|-----------------------|-----------------------|
|  | Property Development  |                    | Construction & Project Management services |                     | Unallocated  |              | Total                 |                       |
|  | 2014-15               | 2013-14            | 2014-15                                    | 2013-14             | 2014-15      | 2013-14      | 2014-15               | 2013-14               |
| External sales   | 1,49,35,56,497        | 7,60,75,805        | 8,34,92,944                                | 40,69,35,080        | -            | -            | 1,57,70,49,441        | 48,30,27,556          |
| Inter segment sales  | -                     | -                  | (3,57,04,924)                              | (9,73,95,554)       | -            | -            | (3,57,04,924)         | (9,73,95,554)         |
| <b>Total Revenue</b>   | <b>1,49,35,56,497</b> | <b>7,60,75,805</b> | <b>4,77,88,020</b>                         | <b>30,95,39,526</b> | -            | -            | <b>1,54,13,44,517</b> | <b>38,56,32,002</b>   |
| Segment results before other income, Finance cost, exceptional items and tax | 4,78,01,486           | (7,21,89,081)      | (14,29,35,145)                             | 54,75,553           | -            | -            | (9,51,33,659)         | (6,69,70,295)         |
| Less : Unallocable expenses (net)  |                       |                    |  |                     |              |              |                       |                       |
| Finance cost   |                       |                    |  |                     | 2,99,98,562  | 3,98,05,137  | 2,99,98,562           | 3,98,05,137           |
| Exceptional items  |                       |                    |  |                     | -            | -            | -                     | -                     |
| <b>Total Unallocable Expenses (net)</b>                                      |                       |                    |  |                     | -            | -            | <b>2,99,98,562</b>    | <b>3,98,05,137</b>    |
| <b>Profit before tax and extraordinary items</b>                             |                       |                    |  |                     |              |              | <b>(12,51,32,221)</b> | <b>(10,67,75,432)</b> |
| Add : Other income (net)   |                       |                    |  |                     | 1,24,41,158  | 3,48,65,092  | 1,24,41,158           | 3,48,65,092           |
| Add : Extraordinary item (net)   |                       |                    |  |                     |              |              | -                     | -                     |
| <b>Net Profit before taxes</b>   |                       |                    |  |                     |              |              | <b>(11,26,91,063)</b> | <b>(7,19,10,340)</b>  |
| Less : Provision for taxation  |                       |                    |  |                     |              |              |                       |                       |
| Current tax  |                       |                    |  |                     |              |              |                       |                       |
| Tax Provision for earlier years  |                       |                    |  |                     |              | 4,93,156     |                       | 4,93,156              |
| Deferred tax   |                       |                    |  |                     |              |              |                       |                       |
| MAT Credit   |                       |                    |  |                     |              |              |                       |                       |
| <b>Net profit for the year</b>   |                       |                    |  |                     |              |              | <b>(11,26,91,063)</b> | <b>(7,14,17,184)</b>  |
| <b>Other Information</b>   |                       |                    |  |                     |              |              |                       |                       |
| Segment assets   | 82,58,70,256          | 78,89,39,838       | 34,83,62,515                               | 56,78,81,661        | 30,42,66,013 | 24,76,18,504 | 1,47,84,98,784        | 1,60,44,40,002        |
| Segment liabilities  | 78,83,27,184          | 77,00,52,648       | 9,76,95,360                                | 13,82,66,827        | 9,28,60,350  | 10,99,65,091 | 97,88,82,894          | 1,01,82,84,566        |
| Depreciation and amortization  | 22,26,647             | 14,05,153          | 4,98,28,607                                | 3,19,65,272         | -            | -            | 5,20,55,254           | 3,33,70,425           |
| Capital expenditure  | 1,46,452              | 1,07,173           | 17,069                                     | 36,740              | -            | -            | 1,63,521              | 1,43,913              |

**35) Related Party Disclosure:**

As required under Accounting Standard 18 "Related party Disclosures" (AS-18), following are details of transactions related parties during the year:

The management has identified the following as related parties:

| Relationship   | Name of Related Party  |
|--|--|
| <b>Associates</b><br><b>Enterprises owned/significantly influenced by Key Management Personnel</b><br><b>Sri SatyaSai Constructions (Partnership Firm)</b> | Northwood Properties India Private Limited<br>Alpha City Chennai IT Park Projects Private Limited<br>Sri SatyaSai Constructions (Sole Proprietary Concern)<br>Sri Krishna Devaraya Hatcheries Private Limited<br>SSPDL Ventures Private Limited<br>Edala Estates Private Limited<br>SSPDL Infrastructure Developers Private Limited<br>SPPDL Green Acres LLP |
| <b>Key Managerial Personnel</b>  | Mr. Challa Prakash, Managing Director<br>Mr. Suresh Challa, Director (up to 30.03.2015)<br>Mrs. Sridevi Challa, Director (from 30.03.2015)<br>Mr. E. BhaskarRao, Director  |

**a. Transactions with related parties are as follows:**

| Particulars  | Year Ended<br>March 31, 2015                    | Year Ended<br>March 31, 2014        |
|--|---|-------------------------------------|
| <b>Investments made in/(recovered from) LLP</b><br>SPPDL Green Acres LLP   | (95,23,600)                                     | 1,65,56,000                         |
| <b>Purchase of Land</b><br>SSPDL Ventures Private Limited<br>Edala Estate Private Limited  | 17,30,62,500<br>50,00,000                       | -<br>-                              |
| <b>Compensation paid for buy back of right to land purchase</b><br>SSPDL Ventures Private Limited  | 2,21,87,500                                     | -                                   |
| <b>Interest paid on unsecured loans</b><br>Sri Krishna Devaraya Hatcheries Private Limited<br>E. Bhaskar Rao<br>SSPDL Infrastructure Developers Private Limited                            | 38,43,212<br>78,71,126<br>-                     | 34,34,727<br>70,34,529<br>59,39,070 |
| <b>Interest received</b><br>SSPDL Infrastructure Developers Private Limited  | -   | 21,51,639                           |
| <b>Project consultancy service provided</b><br>SPPDL Green Acres LLP   | -   | 1,00,00,000                         |
| <b>Advance received towards sale of land</b><br>Sri Satya Sai Constructions (Sole Proprietary Concern)<br>Sri Satya Sai Constructions (Partnership Firm)<br>SSPDL Ventures Private Limited | (1,55,00,000)<br>(2,92,00,000)<br>(6,00,00,000) | 1,55,00,000<br>-<br>-               |
| <b>Advance given/(recovered)</b><br>SSPDL Infrastructure Developers Private Limited<br>Sri Krishna Devaraya Hatcheries Private Limited   | -<br>1,50,00,000                                | (5,92,285)<br>-                     |
| <b>Rent paid</b><br>Suresh Challa<br>Prakash Challa  | 11,40,000<br>-                                  | 11,40,000<br>6,70,250               |
| <b>Remuneration</b><br>Prakash Challa  | 59,87,748                                       | 37,19,580                           |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

## b. Year end balances

| Particulars  | Year Ended<br>March 31, 2015 | Year Ended<br>March 31, 2014 |
|--|------------------------------|------------------------------|
| <b>Unsecured loan</b>                                  |                              |                              |
| Sri Krishna Devaraya Hatcheries Private Limited        | 3,39,76,457                  | 3,05,17,567                  |
| E. Bhaskar Rao   | 6,95,85,812                  | 6,25,01,799                  |
| <b>Trade receivables</b>                               |                              |                              |
| Alpha City Chennai IT Park Projects Private Limited    | 23,34,43,508                 | 21,49,42,521                 |
| Sri SatyaSai Constructions (Partnership Firm)          | 4,80,843                     | 4,80,843                     |
| <b>Loans and advance recoverable</b>                   |                              |                              |
| Northwood Properties India Private Limited             |                              | 2,68,029                     |
| Sri Krishna Devaraya Hatcheries Private Limited        | 1,50,00,000                  | -                            |
| <b>Loans and advance payable</b>                       |                              |                              |
| E. Bhaskar Rao   | 13,75,62,478                 | 13,75,62,478                 |
| SSPDL Ventures Private Limited                         | 9,00,000                     | 6,90,00,000                  |
| Sri Satya Sai Constructions (Sole Proprietary Concern) | -                            | 1,55,00,000                  |
| Sri Satya Sai Constructions (Partnership Firm)         | -                            | 2,92,00,000                  |
| <b>Rent deposits</b>                                   |                              |                              |
| Suresh Challa  | 90,000                       | 90,000                       |
| Prakash Challa   | -                            | 9,10,000                     |

## 36) LEASE OBLIGATIONS:

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

## Future minimum lease payments

| Particulars                                       | As at<br>March 31, 2015 | As at<br>March 31, 2014 |
|---|-------------------------|-------------------------|
| Not later than one year                           | -                       | 2,96,687                |
| Later than one year and not later than five years | -                       | 1,01,999                |
| <b>Total</b>                                      | -                       | 3,98,686                |

## 37) Comparatives

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

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

As per our attached report of even date  
For **KARVY & CO.,**  
Chartered Accountants  
Firm Registration No. : 001757S

For and on behalf of the Board of Directors

**K.AJAY KUMAR**  
PARTNER  
Membership No. : 021989

**PRAKASH CHALLA**  
CHAIRMAN AND MANAGING DIRECTOR

**E. BHASKAR RAO**  
DIRECTOR

Place : Hyderabad  
Date : 30.05.2015

**U S S RAMANJANEYULU N**  
CHIEF FINANCIAL OFFICER

**A. SHAILENDRA BABU**  
COMPANY SECRETARY

**FORM AOC-1**  
(PURSUANT TO FIRST PROVISOR 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**

| (Amount in ₹) |  |                      |               |                    |              |                   |  |             |                               |                        |                              |                   |                    |
|---------------|--|----------------------|---------------|--------------------|--------------|-------------------|--|-------------|-------------------------------|------------------------|------------------------------|-------------------|--------------------|
| Sl. No.       | Name of the Subsidiary                     | Reporting Period     | Share Capital | Reserves & Surplus | Total Assets | Total Liabilities | Investments (except in case of investment in subsidiaries) | Turnover    | Profit/(Loss) before Taxation | Provision for Taxation | Profit (Loss) after Taxation | Proposed Dividend | % of Share holding |
| 1             | SSPDL Resorts Private Limited              | April-14 to March-15 | 1,00,000      | (23,84,016)        | 6,82,60,661  | 7,05,44,677       | -  | 12,37,946   | (14,11,308)                   | -                      | (14,11,308)                  | -                 | 100%               |
| 2             | SSPDL Realty India Private Limited         | April-14 to March-15 | 1,00,000      | (55,44,036)        | 7,19,21,128  | 7,73,65,164       | -  | 7,54,310    | (44,77,001)                   | -                      | (44,77,001)                  | -                 | 100%               |
| 3             | SSPDL Real Estates India Private Limited   | April-14 to March-15 | 1,00,000      | (1,32,31,325)      | 10,39,60,825 | 11,70,92,150      | -  | 29,30,482   | (87,71,209)                   | -                      | (87,71,209)                  | -                 | 100%               |
| 4             | SSPDL Infra Projects India Private Limited | April-14 to March-15 | 1,00,000      | (11,77,971)        | 4,22,98,407  | 4,33,76,377       | -  | 19,08,452   | (12,38,381)                   | -                      | (12,38,381)                  | -                 | 100%               |
| 5             | SSPDL Infitech Private Limited             | April-14 to March-15 | 11,96,000     | 8,36,80,937        | 11,61,07,953 | 3,12,31,016       | -  | 8,18,08,185 | (13,00,21,502)                | -                      | (13,00,21,502)               | -                 | 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   | (Amount in ₹)                              |
|--------|---|--|
| 1      | Latest audited Balance Sheet Date   | Northwood Properties India Private Limited |
| 2      | Shares of Associate/Joint Ventures held by the company on the year end    | 31.03.2015                                 |
|        | No.   | 22,500                                     |
|        | Amount of Investment in Associates/Joint Venture                          | 2,25,000                                   |
|        | Extent of Holding %   | 25%  |
| 3      | Description of how there is significant influence                         | Extent of Holding equals to 25%            |
| 4      | Reason why the associate/ joint venture is not consolidated               | -  |
| 5      | Networth attributable to shareholding as per latest audited Balance Sheet | 27,00,000                                  |
| 6      | Profit/(Loss) for the year  | -  |
|        | i. Considered in Consolidation  | -  |
|        | i. Not Considered in Consolidation  | -  |

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

E. BHASKAR RAO  
DIRECTOR

U S S RAMANIANEYULU N  
CHIEF FINANCIAL OFFICER

A. SHAILENDRA BABU  
COMPANY SECRETARY

Place : Hyderabad  
Date : 30.05.2015

**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/(Loss)                |               |
|--|--|--------------|---------------------------------------|---------------|
|  | As % of Consolidated Net Assets                      | Amount       | As % of Consolidated Profit or (Loss) | Amount        |
| <b>Parent</b> SSPDL Limited                  | 91.39%   | 45,66,06,236 | 27.54%                                | 3,14,98,002   |
| <b>Subsidiaries Indian</b>                   |  |              |                                       |               |
| 1 SSPDL Resorts Private Limited              | -0.46%   | -22,84,016   | -1.23%                                | -14,11,308    |
| 2 SSPDL Realty India Private Limited         | -1.09%   | -54,44,036   | -3.91%                                | -44,77,001    |
| 3 SSPDL Real Estates India Private Limited   | -2.63%   | -1,31,31,325 | -7.67%                                | -87,71,209    |
| 4 SSPDL Infra Projects India Private Limited | -0.22%   | -10,77,971   | -1.08%                                | -12,38,381    |
| 5 SSPDL Infratech Private Limited            | 16.99%   | 8,48,76,937  | -113.68%                              | -13,00,21,502 |
| Minority Interest in all Subsidiaries        | -  | -            | -                                     | -             |
| <b>Associates* Indian</b>                    |  |              |                                       |               |
| 1 Northwood Properties India Private Limited | 0.23%  | 1,125,000    | 0.00%                                 | -             |

\* Investments as per equity method

# SSPDL LIMITED

CIN: L70100TG1994PLC018540

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

## 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 First Annual General Meeting of the Company, to be held on Wednesday, the 30th day of September, 2015 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 |
|-------|---|-----|---------|
|       | <b>Ordinary Business:</b>   |     |         |
| 1.    | To receive, consider and adopt the standalone and consolidated financial statements of the Company for the financial year ended March 31, 2015. |     |         |
| 2.    | To appoint a Director in place of Sri Prakash Challa, who retires by rotation.  |     |         |
| 3.    | To appoint Statutory Auditors and fix their remuneration.   |     |         |
|       | <b>Special Business:</b>  |     |         |
| 4.    | To Appointment of Smt. Sridevi Challa as Director.  |     |         |
| 5.    | To Appointment of Sri T. Krishna Reddy as an Independent Director.  |     |         |
| 6.    | To Approve the remuneration of Cost Auditors for the financial year ending 31st March, 2016.  |     |         |

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2015.

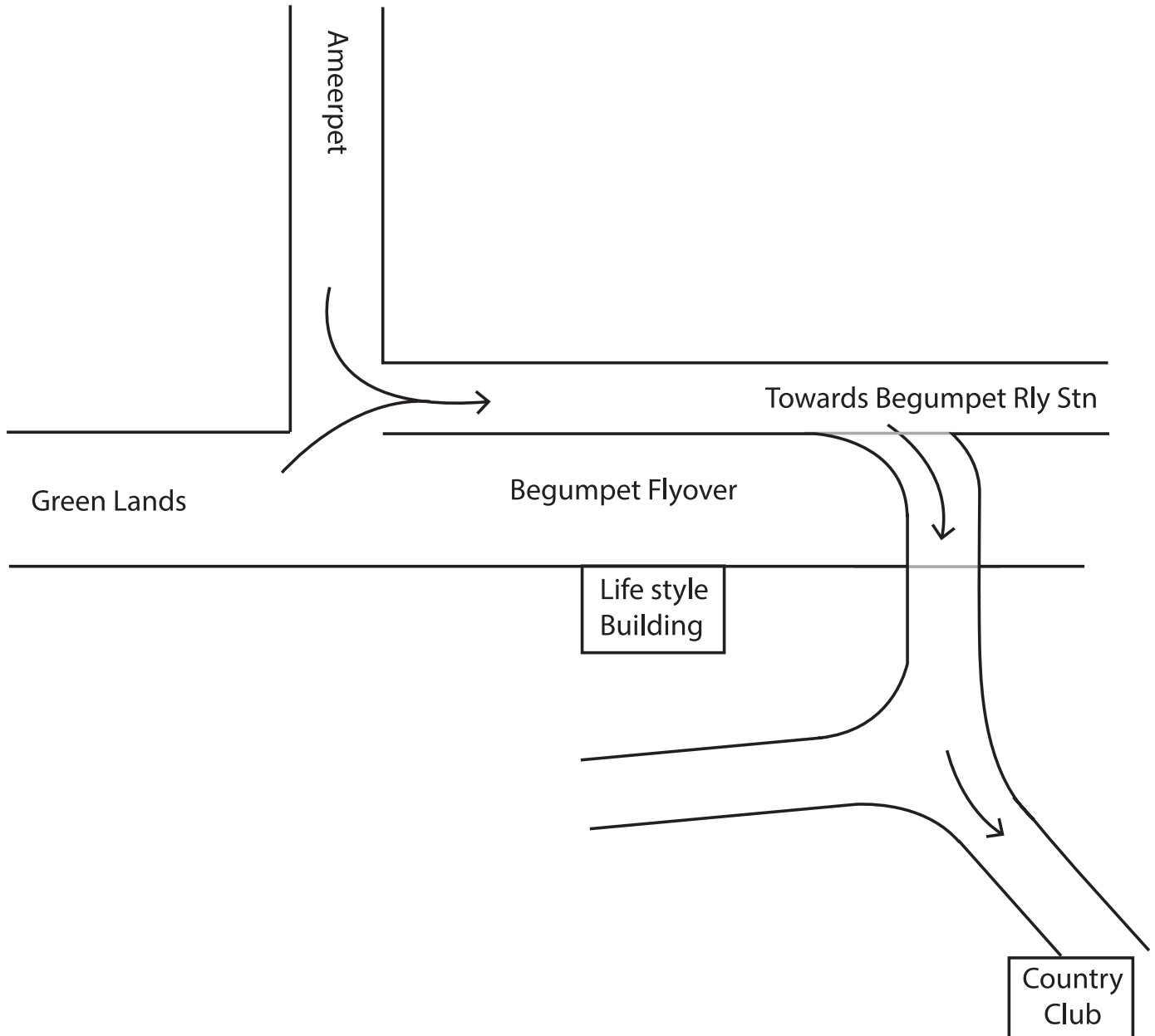
Signature of Shareholder

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

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

**ATTENDANCE SLIP**

|   |  |
|---|--|
| Registered Folio / DP ID & Client ID                      |  |
| Number of Shares held                                     |  |
| Name and address of the Shareholder<br>(In block letters) |  |

1. I hereby record my presence at the Twenty First Annual General Meeting of the Company held on Wednesday, 30th September, 2015 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.



-----

PLEASE CUT HERE AND BRING THE ABOVE ATTENDANCE SLIP TO THE MEETING



**ELECTRONIC VOTING PARTICULARS**

| EVS<br>(Electronic Voting Sequence Number) | USER ID PASSWORD | USER ID PASSWORD |
|--|------------------|------------------|
|  |                  |                  |

**Note:** Please read the instructions given in the Notes to the Twenty First Annual General Meeting dated September, 30, 2015. The E-Voting period starts on 26th September, 2015 at 10:00 A.M. and ends on 29th September, 2015 at 5:00 P.M. The e-voting module shall be disabled by Karvy for voting thereafter.





# Godrej SSPDL AZURE Residential Project at Kalipathur, OMR, Chennai




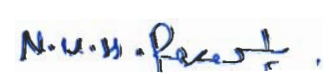




Godrej SSPDL AZURE Residential Project at Kalipathur, OMR, Chennai



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](http://www.sspdl.com)

**FORM A**

|   |  |  |
|---|--|--|
| 1 | Name of the company  | SSPDL Limited  |
| 2 | Annual financial statements for the year ended   | 31 <sup>st</sup> March, 2015   |
| 3 | Type of Audit observation  | Un-qualified   |
| 4 | Frequency of observation   | Not Applicable   |
| 5 | <p>To be signed by-</p> <ul style="list-style-type: none"> <li>• CEO/Managing Director</li> <br/> <li>• CFO</li> <br/> <li>• Auditor of the company</li> <br/> <li>• Audit Committee Chairman</li> </ul> | <br><b>PRAKASH CHALLA</b><br>Chairman and<br>Managing Director<br><br><br><b>U.S.S. RAMANJANEYULU .N</b><br>Chief Financial Officer<br><br><br><b>K.AJAY KUMAR</b><br>Partner, Karvy & Co.,<br><br><br><b>B.LOKANATH</b><br>Chairman of the<br>Audit Committee |