

# INTERVIEW

SSPDL

## SSPDL: On Firm Ground

*Building with a difference and believing in the fact that it is important to keep pace with changing technologies and systems, SSPDL has easily enough emerged as a front-runner when it comes to huge projects with loads of value additions*



Prakash Challa  
MD,  
SSPDL

*Through prudent financial planning and management, we have taken up projects with low land cost and high profitability.”*



Srinivasa Shipping & Property Development and Sri Satya Sai Constructions have been builders and developers of commercial and residential buildings since 1990. Their first major project was Park Centre in T Nagar, Chennai. During the execution of the project they put into place several of the quality standards and construction management systems which continue to be the cornerstones of their projects. Today, two of their buildings, Challa Mall and Capital Towers, are landmarks in Chennai. **Prakash Challa, MD, SSPDL**, chalks out his growth and expansion plans:

### **What factors helped you to register an excellent performance in the last financial year?**

The real estate development industry in India witnessed a massive surge during the last financial year due to interests evinced by both, investors and consumers of the industry. At SSPDL, during the said year, we completed major part of the projects that were under implementation during the previous years and achieved revenue of Rs 98 crore.

### **Financial roadmap prepared for this financial year...**

We are hopeful that we will be achieving

revenue of Rs 140 crore during the current financial year from the projects being implemented by the flagship company and also through SPVs.

### **Update us about your various projects in hand and in the pipeline.**

SSPDL has delivered a number of projects and is planning multiple projects in South India, especially in Bangalore, Chennai, Hyderabad and Kerala. Some of the current and ongoing projects include:

**Alpha City:** A sprawling 6,60,000 sq ft IT park at Navalur in Chennai featuring state-of-the-art facilities.

**Matrix Towers:** An IT Park in the heart

Work in progress in NH4 Site



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of Chennai's IT corridor at Perungudi, with a stunning façade and 2,00,000 sq ft of well-planned space.

**The Retreat:** This is at Bangalore, a premium residential project with 200 villas spread over nearly 50 acre with extensive landscaping and modern infrastructure being executed as a turnkey contract.

**The Retreat:** A premium township project with mixed development spread over nearly 120 acre containing a nine-hole golf course, gated residential community, office and commercial complexes at Hyderabad.

**The Retreat:** This is at Munnar, Kerala; a hill resort spread over 320 acre of cardamom plantation featuring eco resort and jungle holiday homes.

**Chennai Central:** A shopping mall spread over 1,40,000 sq ft in Chennai being executed as a contract including project management.

**Crescent:** Well-designed premium apartments in a one acre layout located off Old Mahabalipuram Road (OMR), Chennai.

**The Promenade:** A commercial development of about 1.1 million sq ft coming up on 9.5 acre, housing a shopping mall, 5-star hotel and service apartments, offices at Egatur, Chennai.

**Avion:** At Hyderabad, this is a plotted residential township spread over 30 acre of Shamshabad (near the new international airport).

**Lakewood Villas:** Mix of villas, row houses and apartments at Thalambur, off Old Mahabalipuram Road (OMR) Chennai.

**Green Acres:** Well designed luxury apartments of about 1 million sq ft coming up on 8 acre layout located off Old Mahabalipuram Road (OMR), Chennai overlooking a picturesque lake



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MD,  
SSPDL

### A Vision Called SSPDL

In 2005, we recognized the need for strengthening our construction contracting division, and accordingly we have taken steps to execute all our projects in-house. Having achieved quality levels of ISO 9001: 2000, we are geared up technically to take up construction contracting from third parties. Due to the huge requirement of diversified business segments our vision is to have separate verticals for construction contracting, infrastructure, facilities management, hospitality and logistics besides the real estate division.

and appointed with all the trappings of luxurious living. That apart, there are several other contracts for buildings and infrastructure works like:

**TCG IT Park, Chennai:** The contract is for construction of 5,00,000 sq ft IT Park including a car park block. The total value is Rs 36.20 crore and expected date of completion is March 2009.

**Ferns – Regaliaa Reality Ltd, Chennai:** The contract is for construction of 50 villas for a value of about Rs 9 crore. Expected date of completion is September 2009.

**SAIL Warehouse, Vizag:** The contract is for infrastructure and other works for SAIL. Value is about Rs 8 crore and expected date of completion is March 2009.

**NBCC Office Building, Hyderabad:** The contract is for the construction of a 1,50,000 sq ft building. Value is about Rs 25 crore and expected date of completion is December 2009.

### How are you aligning funds for the same?

We are presently undertaking civil contracts for PSUs and major corporate entities. These projects will be funded by the employers. As regards our own development projects that will be implemented dur-

ing the year by the flagship company and SPVs, the alignment of funds is underway by sales and bank/institutional borrowings.

### Inflation and rising interest rates have become major concerns for the reality market. How are you coping with these problems?

As we have very low borrowings, the rising interest rates have not impacted us as we are working on PE funds. Our real concern is for increase in home loan interest rates. Even for this we are coming up with innovative schemes like absorption of pre-construction EMI's.

### Is there any plan to diversify into SEZ or infrastructure segment?

We are proposing a SEZ in Hyderabad and our application has been recommended by the state of Andhra Pradesh.

### How are you creating value for the investors?

Through prudent financial planning and management, we have taken up projects with low land cost and high profitability. Most of the major projects have already been tied up in SPV with private equity funds thereby de-risking ourselves. Our primary aim is to protect the investor's wealth.



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