

## Annual Report 2012-13



Graduating to a  
new level

# Recognition

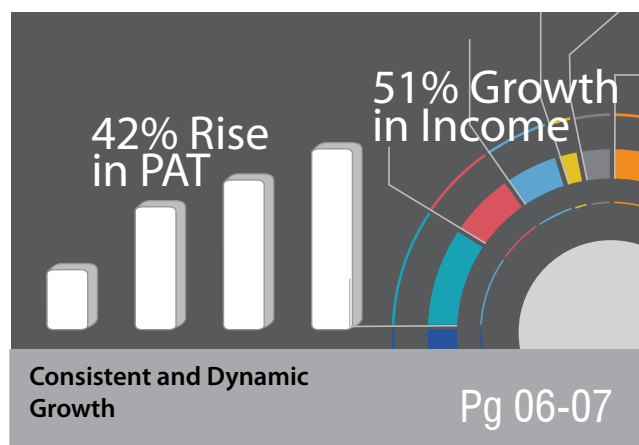
- Ranked 5<sup>th</sup> among the 30 Fastest Growing Companies by Outlook Business.
- Listed among Fortune India's 500 largest corporations.
- Ranked as the Fastest Growing Construction Company (Mid size - 1<sup>st</sup> Rank) at the 10<sup>th</sup> Construction World Annual Awards 2012.
- Won Industry Honour for Outstanding Contribution in Specialised Construction (EPC Category) at the 3<sup>rd</sup> EPC World Awards 2012.
- Listed by Economic Times' ET 500 as one of the Top 500 Companies in India.
- Ranked 4<sup>th</sup> amongst the Top 10 companies with Highest Enterprise Value (EV) Growth by Economic Times.
- Ranked as the Fastest Growing Construction Company (Small Category - 2<sup>nd</sup> Rank) at the 9<sup>th</sup> Construction World Annual Awards 2011.
- Ranked as the Fastest Growing Construction Company (Small Category - 2<sup>nd</sup> Rank) at the 8<sup>th</sup> Construction World Annual Awards 2010.
- Mr. Vikram Sharma, Managing Director, won the Young Entrepreneur of the Year Award 2010 by EPC World Awards, December 2010.
- Won Certificate of Recognition in Essar Steel's Infrastructure Excellence Awards 2010.
- Ranked as the Most Admired Corporate in Infrastructure Development from Infrastructure Excellence Awards 2010.



We have a track record of executing our projects within time and budgets. It is this credential which gives confidence to our stakeholders.

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## OPERATIONAL & FINANCIAL HIGHLIGHTS



## LETTER TO SHAREHOLDERS

"We have graduated to a new intensity of reckoning and feel increasingly confident of undertaking large-scale and challenging projects across multiple business verticals and geographies."



**Shri Bhawanishankar H. Sharma**  
Executive Chairman

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## OUR PILLARS OF STRENGTH

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## OUR BUSINESS VERTICALS



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**Water Infrastructure**

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WE ARE A DIVERSIFIED EPC PLAYER AND AN INTEGRATED INFRASTRUCTURE ENTERPRISE.

WITH ACCUMULATED EXPERIENCE IN DESIGN, PROJECT EXECUTION AND MANAGEMENT, WE ADDED SIGNIFICANT CAPABILITIES TO OUR ENGINEERING TEAM.

OUR COMPANY HAS DEVELOPED SOLID COMPETENCIES, OPERATIONAL ABILITIES AND SKILL-SETS TO EXECUTE LARGE-SCALE PROJECTS ACROSS DIFFERENT VERTICALS IN THE EPC SEGMENT.

A PASSION FOR PROGRESS AND ZEST FOR EVOLUTION MAKES US LEVERAGE FURTHER OPPORTUNITIES AND SET NEW BENCHMARKS OF EXCELLENCE WITH EVERY NEW PROJECT.

# Graduating to a New Level

Thirty years ago, we started off as an aggregate supplier and a Company engaged in quarrying and asphaltting. Over the years, we met the most formidable challenges to evolve into a growing infrastructure Company. Our operational capabilities, inculcated processes and evolved skill-sets enabled us to expand our verticals and add new geographies to emerge as a full-fledged infrastructure player.

FY2013 has been a year of reckoning. We graduated to a new level, achieved size and scale and crossed several milestones. Execution is our key strength. We have solid competencies to execute large-scale projects and leverage technological experience and project management expertise to build a growth-oriented DNA. Today, our Company stands transformed into an integrated infrastructure enterprise.

Driven by passion and inspired by perfection, we are at the fulcrum of a growth curve, reiterated by the immense infrastructure opportunity that India presents. Our focus is to capitalise on the emerging opportunities and expand our horizons – vertically and horizontally. Our inherent strengths help us transcend boundaries and execute our projects with conviction. Our endeavour is to build value for the nation by creating modern infrastructure that evolves cities, fuels economic growth and benefits humanity.

Our best is yet to come.

Financial Summary		
₹ in Mn.	FY2013	FY2012
Income	<b>19,869.5</b>	15,059.1
Expenditure	<b>16,784.7</b>	12,624.4
EBITDA	<b>3,084.7</b>	2,434.8
EBITDA (%)	<b>15.52 %</b>	16.17 %
Other Income	<b>40.6</b>	28.1
Depreciation	<b>335.8</b>	283.7
PBIT	<b>2,789.4</b>	2,179.2
Interest	<b>1,191.8</b>	915.4
PBT	<b>1,597.6</b>	1,263.8
Tax	<b>501.2</b>	345.8
PAT	<b>1,096.3</b>	918.0
PAT (%)	<b>5.52 %</b>	6.10 %
Equity (Mn. Shares)	<b>16.7</b>	16.7
EPS	<b>65.5</b>	54.8



## Company at a Glance

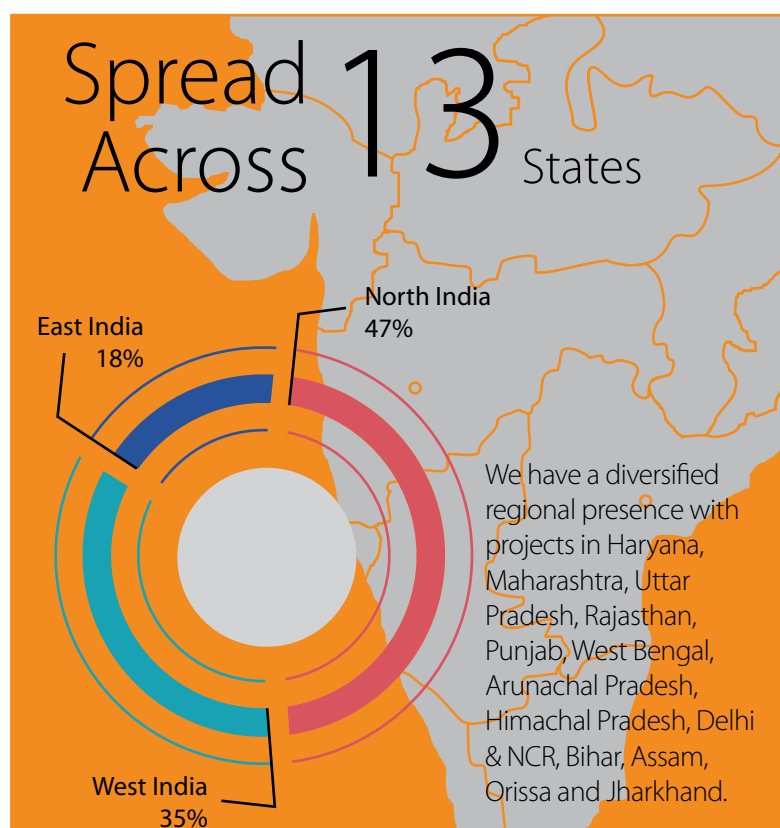


6 EPC  
Segments

We are a diversified EPC player with presence across multiple segments - Roads, Bridges, Buildings, Railways, Power and Water Infrastructure.

₹ 60<sup>bn</sup>  
Order Book

Our current order book exceeds ₹ 60 billion, which is 3 times our FY2013 revenues.



We have achieved diverse execution capabilities across all the EPC segments through our backward integrated model.



2,700  
Head Count

₹ 3,354 mn  
Market Capitalisation

As on 31<sup>st</sup> March, 2013

We aim to achieve long-term growth in shareholder value, built on sound principles of consistently delivering returns and creating wealth.



10 BOT  
Projects



6 In Progress      4 Operational

Our fundamental approach is to create new standards in our BOT segment to achieve higher value creation for our stakeholders.

## Operational Highlights

### A TURNING POINT

We have promoted a large portfolio of projects across multiple segments. We significantly expanded our BOT segment to drive further growth. We are squarely focused on playing a meaningful role in the great story of India's infrastructural progress and to create structures par excellence.

In FY2013, we built diverse execution capabilities across multiple verticals spanning roads, bridges, buildings, railways, power and water infrastructure. We also optimised on the captive raw material feeder model to reduce concentration, geographic and execution risks. We aim to capitalise on our reputation of timely delivery of projects within budgeted costs through better engineering and use of technology to realise our business aspirations.

### KEY ACHIEVEMENTS OF FY2013

Current order book at ₹ 60,445 million, including L1 orders worth ₹ 11,236 million

Manor Wada Bhiwandi Toll became operational

Patiala Nabha Malerkotla Toll commenced operations

On course to commence operations in 6 under-construction Road BOT projects

Added Kotkapura-Muktsar (KM) project as our 10<sup>th</sup> BOT project for a contract value of ₹ 1,080 Million, in JV with SPML Infra

Added 31 new orders worth ₹ 31,335 Million across roads, buildings, bridges, railways, power and water infrastructure

Entered the international arena by incorporating Supreme Infrastructure Overseas LLC, Oman (SIOL)

## Financial Highlights

Supreme Infrastructure continued to demonstrate its strong execution capabilities during FY2013, resulting in 32% growth in revenues to ₹ 19,869.5 mn., 27% growth in EBITDA to ₹ 2,434.8 mn. and 19% growth in PAT to ₹ 1,096.3 mn. Despite difficult macroeconomic conditions since 2008 global financial crisis, the Company has displayed strong growth with a CAGR growth of 51% in revenues, 46% in EBITDA, and 42% in PAT between FY2009 to FY2013.

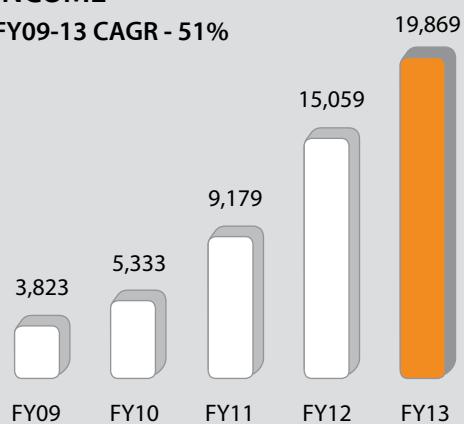
The Company continued to maintain above-industry EBIDTA margin at around 15-16%, driven by its backward integrated EPC model coupled with cluster-led execution through owned quarries, crusher plants, RMC and wet mix plants. Further, the Company has consistently maintained strong return metrics with ROE of 26% and ROCE of 21% during FY2013.

With a current order book of ₹ 60+ billion at March, 2013, having grown by more than 10 times from ₹ 5.7 billion in FY2009, the Company maintains a healthy Order Book to FY2013 Sales Ratio of 3X, providing a strong revenue visibility for the next 2-3 years.

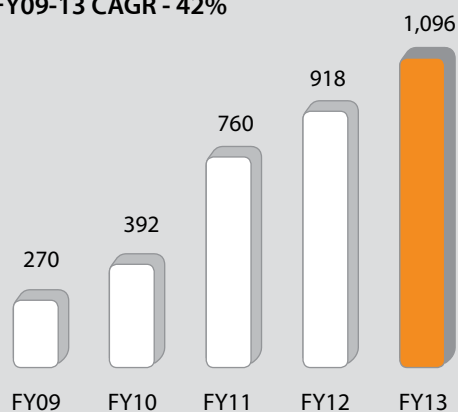


**INCOME**

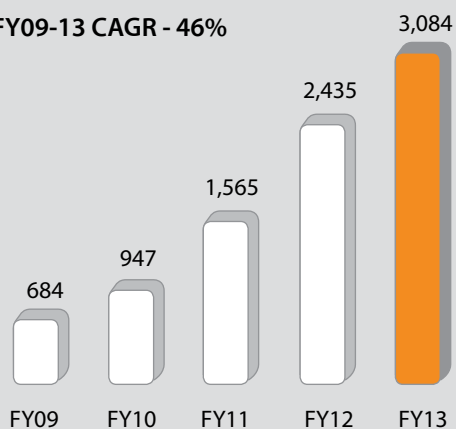
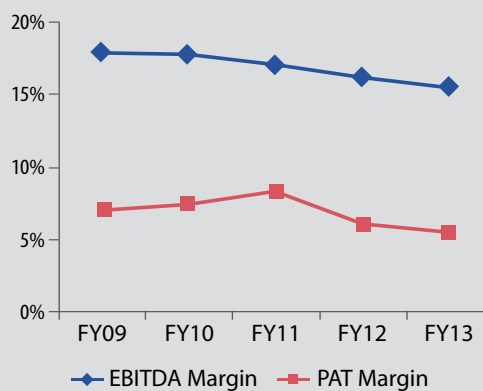
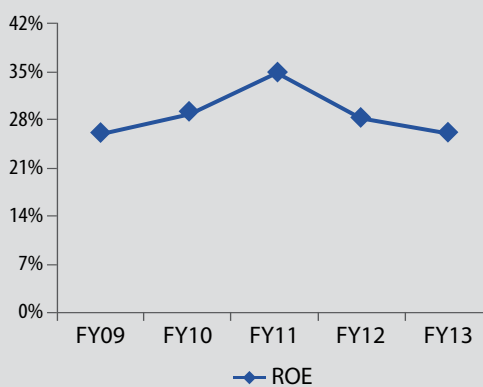
FY09-13 CAGR - 51%

**PAT**

FY09-13 CAGR - 42%

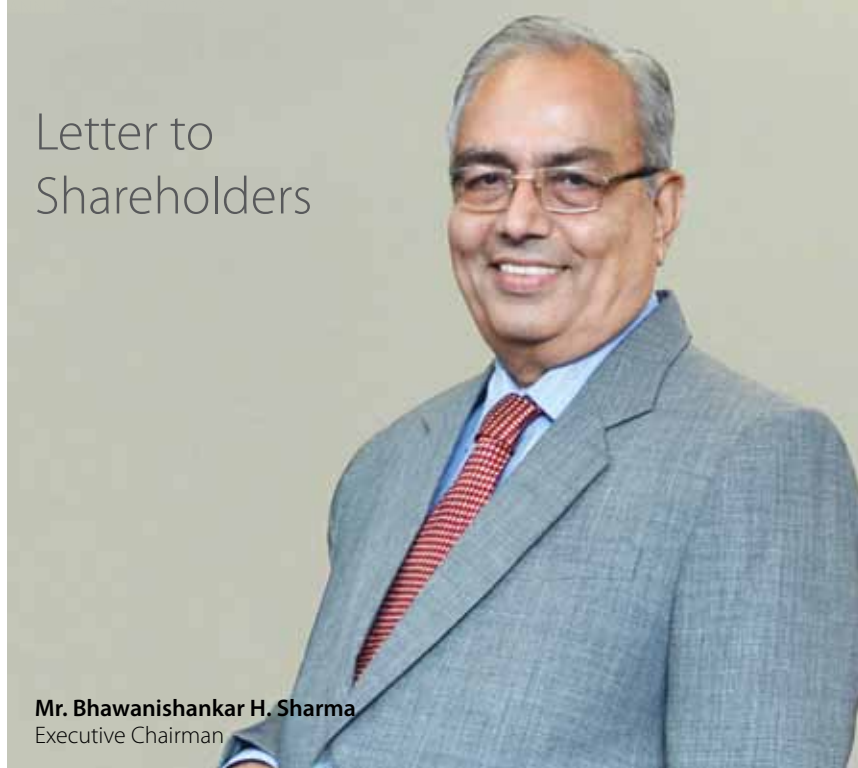
**EBITDA** (Excluding Other Income)

FY09-13 CAGR - 46%

**MARGIN ANALYSIS (%)****ROCE RETURN METRICS (%)<sup>^^</sup>**<sup>^^</sup> Based on Capital Employed**ROE RETURN METRICS (%)<sup>++</sup>**<sup>++</sup> Based on Average Net worth

Note: All Figures in ₹ Million, unless mentioned otherwise

## Letter to Shareholders



**Mr. Bhawanishankar H. Sharma**  
Executive Chairman

Dear Friends,

FY2013 has been a defining year that has validated Supreme Infrastructure India Limited's capabilities and capacity as an infrastructure company. We have concurrently delivered multiple big-ticket projects across sectors – within timelines. I am pleased to inform you that currently we have a very healthy order book position and our execution is well on track in each of them. Our strong and well-diversified order-book of ₹ 60,445 million executable over the next 2 to 3 years translates into a robust book-to-bill ratio of 3 times our FY2013 revenues. This provides us with a strong revenue visibility for the next three years.

### Year Passed By

We developed and operationalised two Road BOT projects during the year - Patiala Nabha Malerkotla and Manor Wada Bhiwandi. With these, a total of four Road BOT projects have so far been made operational over the last two years, including the Kasheli Bridge and Ahmednagar Kopergaon BOT projects. This helps us achieve a track record in keeping well within the defined parameters. These winning

results are testimony to our people's capabilities in meticulous planning, prudent budgeting and superior project execution. In fact, they have showcased us as a highly focused and a top-notch player in infrastructure. Indeed, I feel that we have graduated to a new level and we remain confident of undertaking large-scale and challenging projects across multiple business verticals and geographies.

### Our Report Card for FY2013

Our performance has been in the context of a challenging domestic economic environment. Yet, the Company has reported impressive numbers despite the economy being sluggish for a greater part of FY2013. Our revenues have increased by 32% YoY to ₹ 19,869.50 million in FY2013, whereas our EBITDA has increased by 27% YoY to ₹ 3,085 million. Net Profit After Tax too has increased by 19% YoY to ₹ 1,096 million in FY2013. Continuing with our tradition of rewarding our investors, the Board of Directors have approved a dividend of ₹ 2 per share for FY2013, increasing the payout from ₹ 1.25 per share in FY2012.

As a growing player within this industry, our leverage levels are within comfortable limits. Our projects have different timelines for completion, giving us the confidence of managing our equity and debt position. Further, we may even look to reduce our debt burden by securitising the operational Road BOT projects.

With a view to tap the potential of infrastructure development in the GCC countries, we forayed into Oman with capable and locally entrenched partners. Going forward, we are poised to execute infrastructural bids in this region, giving us new channels of growth beyond India.

### Infrastructure – A Key Priority

Our commitment to build India's infrastructure goes beyond business. What gives us great vigour is the Indian Government's increasing focus on infrastructure. India's 12<sup>th</sup> five-year plan (2012-17) envisages approximately US\$ 1 trillion worth of investment in the infrastructure sector. The Government has chalked out a massive plan to add 8,800 Kms. road network. The National Highway Authority of India (NHAI) has targeted to award orders for 16,406 Kms. to infrastructure players between FY2013 and FY2015. The Government is taking concerted action to meet its target of building 20 Kms. of highways per day through appropriate policy changes.

The magnitude of opportunity in the infrastructure sector cannot be underestimated. Despite temporary hiccups in India's growth rate, we remain composed to capitalise on the enormous opportunity in the sector. Over the next two decades,

With a robust order book, we are poised to emerge as one of the top infrastructure companies in India. Most importantly, we are well structured to sustainably build shareholder value over the long term.

we are confident that India will display substantial growth as an economy. We also expect that no matter what political hue our policy makers have, they will continue to place an unwavering focus on the development of roads, irrigation and urban infrastructure. By virtue of being present in various verticals, we hope to play a meaningful role in the modernisation programme of India.

### Benchmarks in Excellence

Our strong project development and execution capabilities have enabled us to secure significant orders. We made execution our key strength and combined our technological and intellectual assets to achieve size and scale and deliver end-to-end solutions in our EPC and BOT business segments. Significant improvement in our order intake demonstrates our inherent strengths in superior project execution. We will continue to add significantly to our execution capabilities across multiple verticals with a concerted goal to continue our culture of 'before time completion' in all projects.

Concurrently, our technical skills in the areas of structures, quality design and Operations & Maintenance will continue to drive business expansion and lend us the confidence to achieve sustained growth. With a high degree of automation, we have implemented the best QA methods for project management and control tools. We are proud to have maintained low operational costs, thanks to our backward integration and cluster-led approach, which provides us the capability for attaining healthy margins. Our backward integrated model allows us to optimally use our

resources for multiple projects. And our cluster-led approach enables us to bid competitively in many projects that are in close proximity to each other.

### Our Vision

Our determination to maintain the growth momentum has helped us emerge stronger and create a most diversified and multi-faceted infrastructure company. When reflecting on where we have reached in our journey so far, I believe we are well on track with our long-term goals, despite an extremely challenging business environment. By consistently delivering successful and innovative infrastructure projects, we are fast becoming the EPC Contractor, BOT Operator and Employer of Choice. Most importantly, we are able to build upon a sustainable business model that positively impacts individuals, corporates and the society at large. With a robust order book, we are poised to emerge as one of the top infrastructure companies in India. Most importantly, we are well structured to sustainably build shareholder value over the long term.

### A Promising Future

As we move forward, we aim to step into new business areas such as industrial infrastructure, ports, tunnels, renewable energy, airports, oil & gas and mining. Our overall strategy is based on the continuous improvement of processes, setting objectives, measuring results and providing feedback to facilitate further growth and progress.

Going ahead, our major challenge will be to find the right mix of people

with domain expertise and skill-sets appropriate for projects requiring high degree of technical skills. We aim to develop competencies of our people by training them in the latest developments in their respective domain.

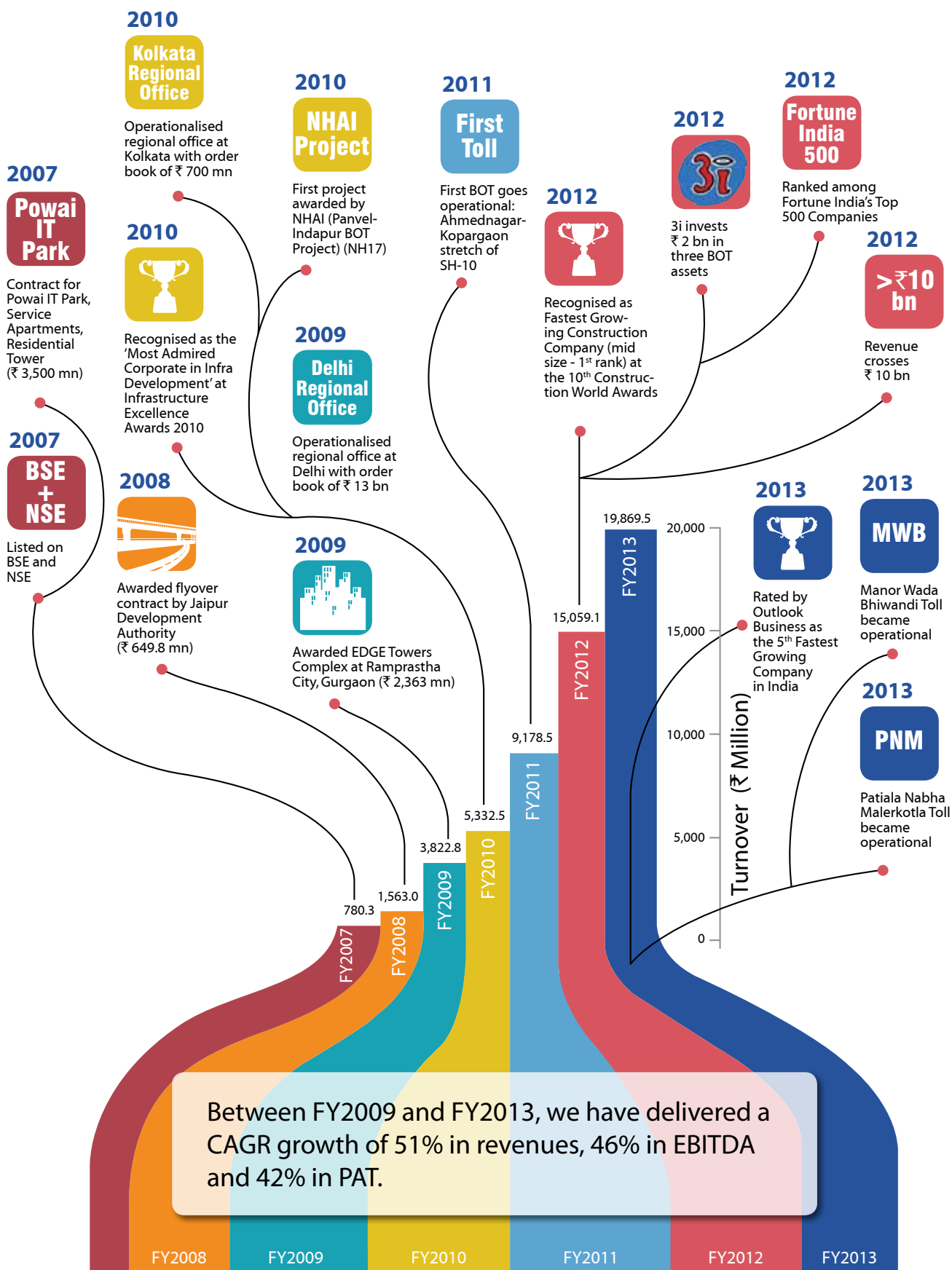
We believe that the weak market sentiments for the infrastructure sector will show signs of improvement. With opportunities aplenty, we will continue to leverage our inherent strengths and expand our horizons to capture a larger share of the infrastructure sector. We continue to remain focused on our goals and look forward to a promising growth curve during FY2014 as we provide a further impetus across a synergistic span of verticals. We endeavour to be seen as a potential player for specialised projects and a preferred infrastructure partner.

I would like to thank everyone at Supreme Infrastructure for their support and commitment over the past year. We also thank our business partners who have contributed to our excellent performance this year and our shareholders for their continuing faith in us. We are in a firm position to counter any challenges that lie ahead of us and I look forward to the years ahead with excitement and optimism.

Warm Regards,

**Mr. Bhawanishankar H. Sharma**  
Executive Chairman

## Milestones & Evolution



## How we sustain Value?

With a diversified service offering comprising roads, bridges, buildings, railways, power and water infrastructure, we broadened our horizon and spread ourselves into multiple geographies. We are an EPC Contractor and a BOT Operator known for consistently delivering successful and innovative infrastructure projects that positively impact individuals, corporates and the society.

Having evolved into a diversified and integrated infrastructure enterprise, we take pride in having contributed to India's progress in our own small way. Today, we are a multi-faceted EPC player capable of taking on the most challenging infrastructure projects.

To develop strengths and be amongst the leading construction and contracting company in India

To provide end-to-end construction solutions

To increase presence across various infrastructure sectors



To create world-class assets and infrastructure and provide a platform for faster growth

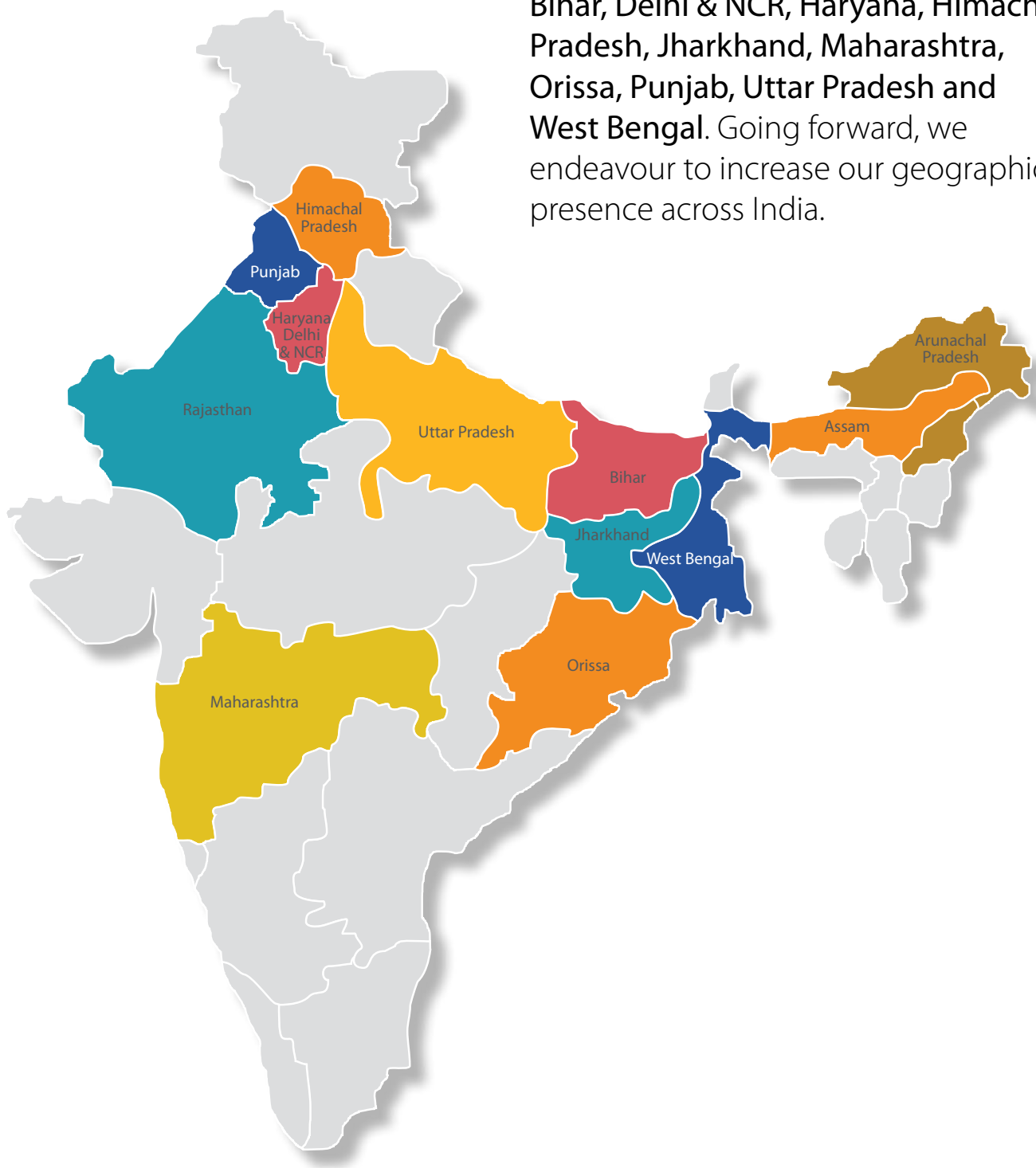
To proliferate and become a global player

To be the most preferred contractor



## India Presence

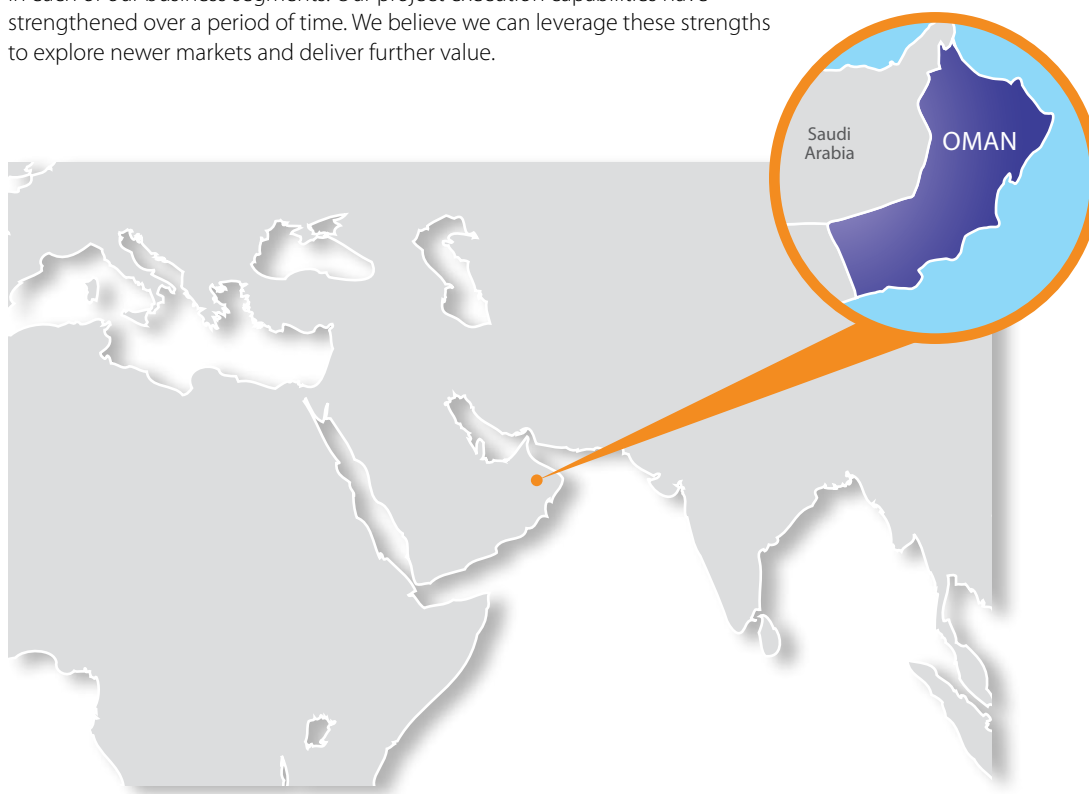
We have a pan-India strategy with projects in **Arunachal Pradesh, Assam, Bihar, Delhi & NCR, Haryana, Himachal Pradesh, Jharkhand, Maharashtra, Orissa, Punjab, Uttar Pradesh and West Bengal**. Going forward, we endeavour to increase our geographic presence across India.



## Our Beach-Head into the GCC Area

### BEYOND OUR BORDERS

While India presents vast opportunities for us and remains our primary market of interest, we are selectively looking to expand into other commercially feasible regions of the world. We are confident of our domain knowledge in each of our business segments. Our project execution capabilities have strengthened over a period of time. We believe we can leverage these strengths to explore newer markets and deliver further value.



Currently, we are surveying the growing infrastructural opportunities in the Middle East region comprising the GCC countries. As a beach-head entry into the region, we have established Supreme Infrastructure Overseas LLC (SIOL) in Oman. This is a joint venture in partnership with the Ajit Khimji Group LLC and Al Barami Investment LLC. We have invested ₹ 21.2 million in SIOL, constituting 60% of its share capital.

Surveying several opportunities in this region, we have commenced bidding for projects that fit our skill-sets and expertise and in areas where we can be competitive. In the coming years, we hope to see successes in contract wins and closures. Going forward, with able partners and our domain strengths in core infrastructure development, we are confident of succeeding in this fast developing region.

We are selectively expanding into commercially feasible regions of the world. We are confident we can leverage our strengths to explore newer markets and deliver value to our stakeholders.

## Our Pillars of Strength

### 1 PROGRESSIVE GROWTH TOWARDS A DIVERSIFIED EPC BUSINESS

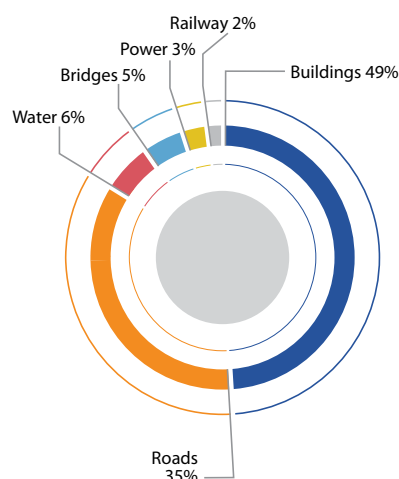
Our current order book has crossed ₹ 60 billion during FY2013, including L1 bids worth ₹ 11 billion. During the year, we added a total of 31 new orders valuing at ₹ 31 billion across verticals. We successfully completed 7 orders worth over ₹ 4,400 million in various segments, emerging as a full-fledged EPC player. Two of our Road BOT projects – Manor Wada Bhiwandi and Patiala Nabha Malerkotla – became operational during the year, taking the number of projects operational till date to four. Our current order book to sales ratio at 3.0X delivers strong revenue visibility over the next 2-3 years.

We de-risked our business model further by spreading across 13 states and 6 verticals.

We expanded our presence across EPC segments and built skill-sets in different verticals. Today, we are a pan-India player and our projects are spread across 13 states in India, with inherent potential for infrastructure development. Our superior and timely execution capabilities fetch us repeat orders from Government and non-Government clients. Besides Government agencies such as NHAI, CPWD, MMRDA, PWD, BMC and Indian Railways, our clientele also includes various private players.

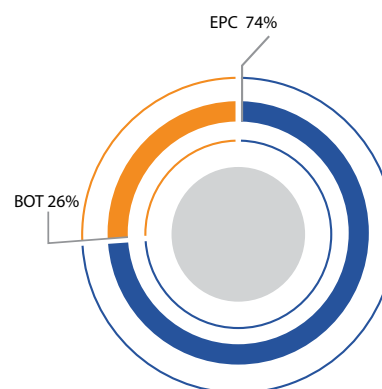
DIVERSIFICATION INTO HIGHER MARGIN, VALUE-ADDED EPC SEGMENTS

#### Segment-wise Order Book



LEVERAGING THE BOT SEGMENT TO DIVERSIFY REVENUE STREAM AND ENHANCE EPC GROWTH

#### EPC vs BOT Orders

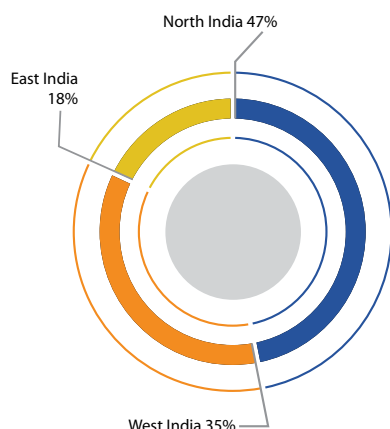


#### WE ARE WELL-RESOURCED WITH PRODUCTIVE ASSETS

- Air Compressors
- Back Hoe Loaders
- Bar Bending Machines
- Bar Cutting Machines
- Bitumen Sprayers
- Bitumen Tankers
- Boom Pumps
- Breakers
- Builder Hoists
- Bulkers
- Concrete Pumps
- Conventional Winch Machines
- Crawler Cranes
- Diesel Generators
- Dozers
- Excavators
- Gantry Cranes
- Hydras
- Hydraulic Rig Machines
- Hydraulic Rock Breakers
- Kerb Cutting Machines
- Kerb Laying Machines
- Mechanical Pavers
- Mobile Tower Cranes
- Motor Graders
- Passenger Lifts
- Pneumatic Tyred Rollers
- Reversible Drum Mixers
- Sensor Pavers
- Soil Compactors
- Static Rollers
- Tandem Rollers
- Tip Trailers
- Tippers
- Tough Riders
- Tower Cranes
- Tractors
- Transit Mixers
- Wheel Loaders

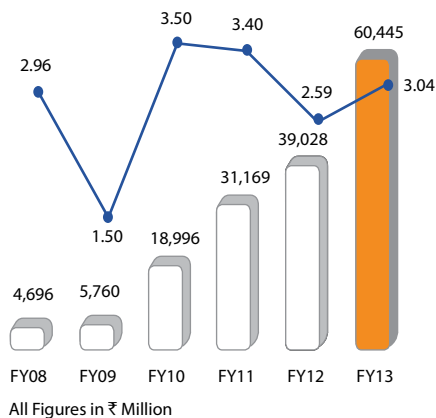
## KEEPING AN EYE ON THE BEST OPPORTUNITIES ACROSS INDIA

### Geographical Break-up



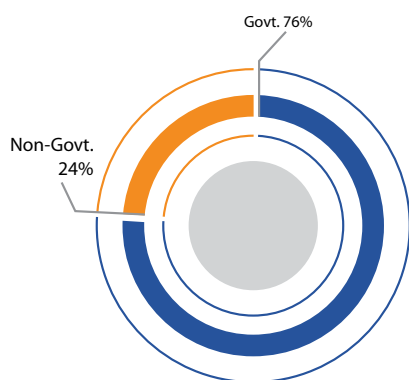
## ROBUST BOOK-TO-BILL RATIO AND MORE THAN SIX-FOLD GROWTH IN OUR ORDER BOOK

### Book-to-Bill Ratio and Order Book



## MITIGATING SLOWDOWN RISK IN ORDER INFLOW

### Govt. vs Non-Govt. Orders



Diversification into various EPC segments is a reflection of our inherent strengths and competitiveness. A growing order book and robust project portfolio depicts revenue visibility over the coming years. This also mitigates the risk of a slowdown in any particular vertical or geography.

## Our Pillars of Strength

### **2** DRAWING STRENGTHS FROM A BACKWARD INTEGRATED MODEL

Our business model is built around resource integration. We are completely backward integrated with sizeable supporting infrastructure of 7 quarries, 9 crusher units, 19 ready-mix concrete and wet-mix plants and 6 asphalt plants. This model of minimal outsourcing ensures all the raw material is supplied internally, resulting in operational efficiency and leading to timely project execution. This in turn enhances our ability to garner higher margins and be more competitive while bidding for other projects.

7

Quarry Sites

19

RMC Plants



Our focus on Backward Integration has led to the creation of sizeable supporting infrastructure. This model provides quick access to key raw material, assuring predictable supply.





## 9

## Crusher Plants

## 6

## Asphalt Plants



Our **Backward Integrated** model enables us to gain access to key raw material supplies. This results in timeliness in our project execution, helping us optimise our margins and build our order book further.

Our **Supporting Infrastructure** comprises 7 quarries, 9 crusher units, 19 ready-mix concrete and wet-mix plants and 6 asphalt plants. This gives us the logistics advantage and ensures optimal utilisation of our resources over multiple projects.

#### Resource Integration

provides insulation against price fluctuations and gives an assurance on quality of supplies. This cushions us against rising operating costs, resulting in stronger margins.

Having our own paver-block machine and fly-ash brick making machine helps us gain **Efficiencies of Scale**. This gives us better control over projects, making us less dependent on third-party equipment providers.

With a view to tap the potential of infrastructure development in the GCC countries, we established a beachhead in Oman with capable and locally entrenched partners.

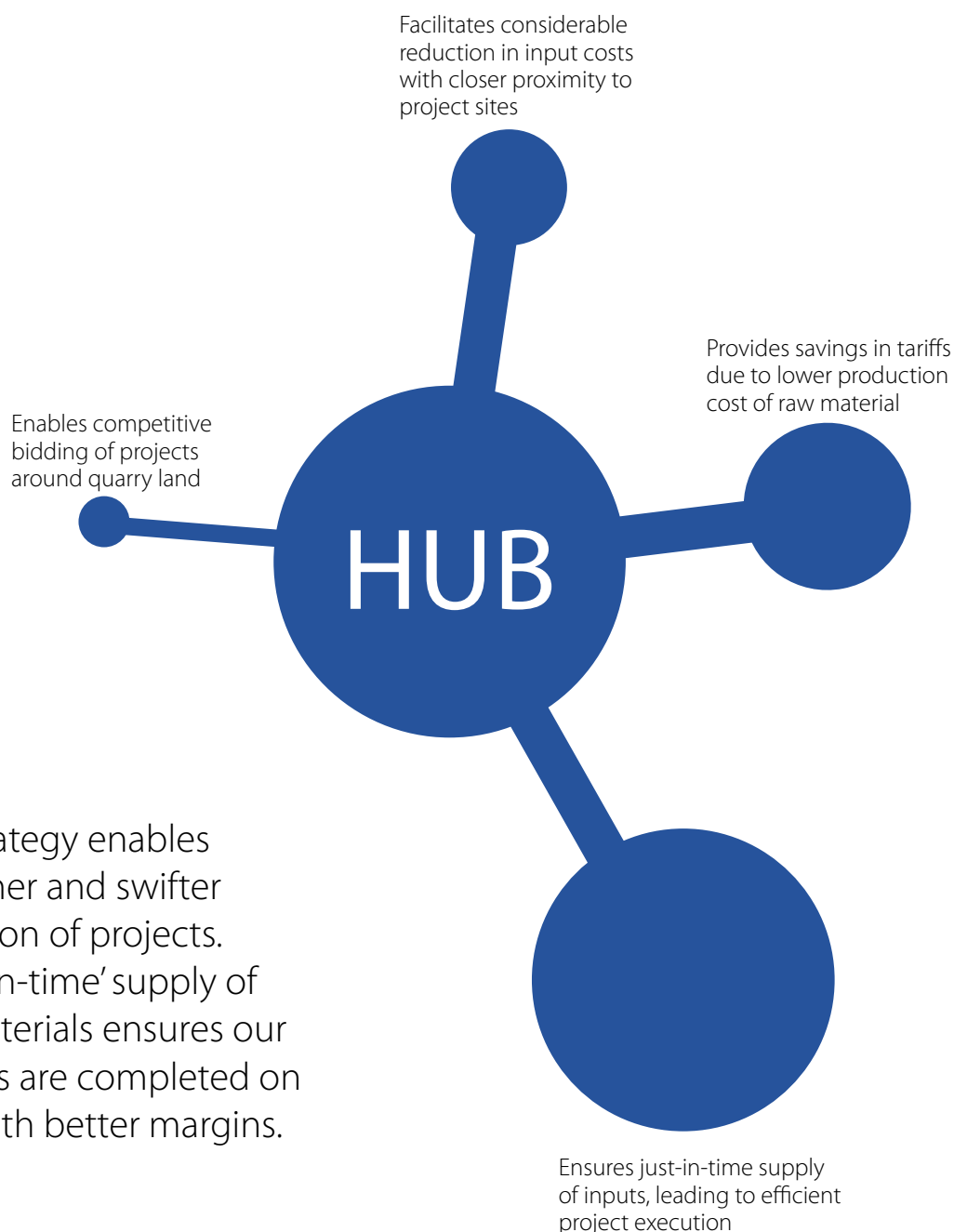
## Our Pillars of Strength

### **3** LEVERAGING THE LOGISTICS ADVANTAGE

We follow a cluster-based strategy in our business approach. Once a cluster is identified, we acquire quarries in the vicinity for captive use. We then bid aggressively in the same cluster, which helps us utilise our capex better across multiple projects. This reduces our transportation costs and offers us a logistics advantage. The approach enables us to grow our order book and make our bids competitive. It gives us a higher probability of securing newer projects in the vicinity, thus building a sizeable order book in the region. We gain by way of efficient management of logistics, resulting in swifter and efficient execution of our projects.

Our cluster-led execution enables optimum utilisation of our capex across multiple projects, resulting in minimal transportation costs and offering a logistics advantage.

### HUB-AND-SPOKE MODEL



Our strategy enables smoother and swifter execution of projects. A 'just-in-time' supply of raw materials ensures our projects are completed on time with better margins.

# 15.52%

EBITDA margin due to efficient execution through owned Quarries, Crushers, RMC Plants and Asphalt Plants

## BENEFITS OF OUR HUB-AND-SPOKE MODEL

- Logistics advantage
- Optimal utilisation of capex over multiple projects
- Minimal transportation costs
- Tax-efficient business model
- Timely and efficient project execution

## OUR CLUSTER-LED EXECUTION IN WEST MAHARASHTRA



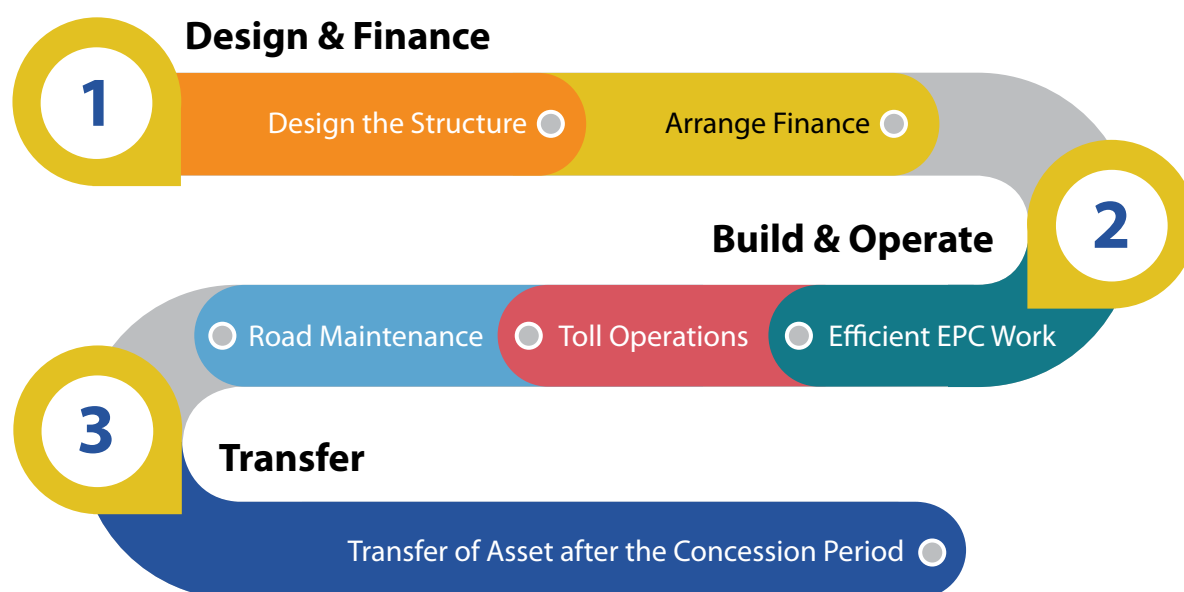
## Our Pillars of Strength

### 4 GROWING OUR BOT BUSINESS

We have an impressive portfolio of 10 BOT projects and a current order book of ₹ 15,462 million in the BOT segment. A total of 4 BOT projects have been successfully operationalised, of which we commenced toll collection in two projects in FY2013. Financial closure has been achieved for the remaining 6 BOT projects. With majority of the land acquisition already in place, we are well on our way towards an unfettered path of execution. Most of our project routes are in key commercial corridors and high industrial traffic density areas where there are few alternate routes available. This provides healthy visibility on our toll revenues and results in minimal toll collection risk.

We added our 10<sup>th</sup> BOT project, Kotkapura-Muktsar (Punjab) in FY2013, valued at ₹ 1,080 mn.

### OUR BOT MODEL



### OUR STRONG PORTFOLIO OF BOT PROJECTS

Project Name	Project Value
<b>Operational</b>	
Manor Wada Bhiwandi	4,300
Kasheli Bridge	3,014
Ahmednagar Kopargaon	2,340
Patiala Nabha Malerkotla	953
<b>Under Development</b>	
Panvel Indapur	12,060
Jaipur Ring Road	10,450
Ahmednagar Karmala Thembhurni	5,400
Sangli Shirol	3,300
Kotkapura-Muktsar	1,080
Haji Malang	800

\*All Figures in ₹ Million

## OUR BOT BUSINESS

# 25.58%

of Total Order Book

Four out of our ten BOT projects are already operational. An additional six BOT projects are also set to become operational over the next couple of years, adding further strength to our cash flows.

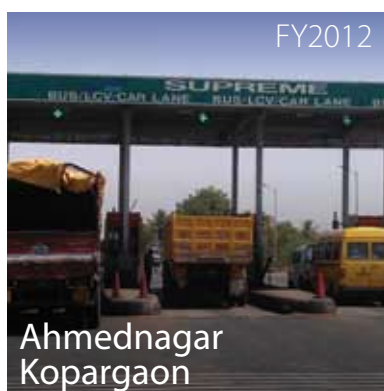
# 10

Number of BOT Projects

# 4

Operational BOT Projects

## ROAD BOT PROJECTS OPERATIONALISED





## Our Pillars of Strength

### **5** PRUDENT CAPITAL BUDGETING & PLANNING

We enjoy the faith of our lenders and investors. With our entire BOT funding well in place, we are in a highly comfortable position to execute on our growth agenda. Kotkapura-Muktsar is our 10<sup>th</sup> BOT project awarded during FY2013. Our six on-going BOT projects will become operational in a couple of years, giving us steady streams of cash flows thereon.

We focus on improving our cash flows in the short term and debt reduction over time. A key feature of our efficient planning is to assure that our projects are scheduled in a manner that provides sufficient intervals between each of them. This allows us to ensure manageable debt levels.

We are well structured to fund our remaining projects through internal accruals and strategic investments. We have the option of securitising our operational BOT portfolio, if required.

We adopt a highly prudent approach towards our leveraging strategy and plan our project scheduling in a manner that can ensure manageable peak debt levels.

Most of our BOT projects are in high growth regions and involve the widening of existing roads with existing traffic usage. This provides us with better visibility on our future cash flows.



## Our Pillars of Strength

### **6** MAXIMISING WEALTH BY STRADDLING THE VALUE CHAIN

From an aggregate supplier to being an infrastructure company, we have over the years moved up the value chain. We used resource integration to clock one of the highest industry margins. Our order book to FY2013 sales ratio is 3X, providing an indication of our revenue visibility for next 2-3 years. Our FY2013 ROE stood at 26% and ROCE at 21%. Our strategies on cluster-led execution, backward integration and project management gives us higher operating margins vis-à-vis the industry average.



By being vertically integrated, we are able to garner better-than-industry EBITDA margins. This allows us to be competitive and yet maintain attractive ROCE and ROE ratios.



## Our Pillars of Strength

### **7 PROJECT MANAGEMENT & PEOPLE**

We continue to leverage our technological competencies, value engineering and innovative design capabilities to maintain our leadership position in the infrastructure space.

With opportunities in the infrastructure segment growing phenomenally, we developed capabilities across the EPC value chain. We built skill-sets to execute large scale projects and create a solid foundation for the future, combining the best technology and greatest human effort.

We have established a diversified project portfolio. Our technical expertise has strengthened our bidding capacity and helped us expand our operations in multiple areas. We continue to leverage our technological competencies, value engineering and innovative design capabilities to enhance our performance in the infrastructure space. We are committed to provide technological excellence to challenging and complex projects.

Execution is our key strength and we strive to do even better as we enter the next phase of growth. Our superior and timely execution capabilities continue to be our most significant edge. Our endeavour is to deliver technological and engineering excellence, building on our strengths and competitiveness. We continue to enhance our safety levels for our teams and remain committed to project delivery within the budgeted cost through better engineering, project monitoring and use of better technology.

#### **Optimising Performance**

Our expertise in project development and execution, combined with technical skills in the areas of structures, design, operations and maintenance continues to drive business expansion. We gradually built on our human assets and strengths, creating a niche in the infrastructure and BOT space. We focus on maintaining high safety levels at our construction and operational sites. To achieve this, we conduct comprehensive and continuous safety audits to ensure accident-free working conditions. We also lay great emphasis on optimising performance and attracting good talent and focus on sustaining high motivation levels amidst our people.

#### **KEY STRENGTHS**

- Strong in-house engineering team conducting pre-bid estimates of project cost
- Expertise in design and ability to execute projects of varying technical know-how across geographies
- Capabilities in efficient planning and project monitoring, implying efficient quality control



Our endeavour is to deliver technological and engineering excellence within timelines, building on our strengths and competitiveness. We strive on project delivery through better engineering and efficient use of technology.

#### **WORLD-CLASS PROCESSES**

- Superior Techniques
- QA & QC Methods
- Project Management & Control Tools
- Safety Standards
- Disciplined Timelines
- Budget Control
- SAP-ECC EHP6
- ISO:9001-2000 Certification

## Our Contribution to Society

### 8 CORPORATE SOCIAL RESPONSIBILITY

#### EMPOWERING LIVES, ENABLING LIVELIHOODS.

We are committed towards economic and social development of local communities and the society's weaker and marginalised sections. We endeavour to function as a responsible corporate citizen, while discharging our social responsibilities towards stakeholders. We endeavour to do our best to touch as many lives as we can by contributing towards the society's betterment. We have a renewed determination to positively impact the lives of people.



#### SELF-DEFENCE FOR WOMEN

We organised a Self Defence Training Workshop for the girl students of Gyan Mandir Public School, along with the MIW Foundation. Conducted by the Delhi Police, the workshop endeavoured to train young girl students on various techniques of self-defence to enable them to fight the evil of eve-teasing and sexual harassment that our society faces. The workshop also deliberated on various methods of self-defence, such as Judo Karate and Taekwondo.



We endeavour to do our best to touch as many lives as we can by contributing towards the society's betterment. We are determined to positively impact and empower people.

#### EDUCATION

- Our key focus has been to provide stationery, uniforms, school bags and meals to students.
- We have introduced free educational programs for the under-privileged children.
- We will continue to provide free computer classes to empower students.
- Our aim is to gradually work towards improving the quality of education imparted in our schools.



#### HEALTHCARE

- We organised Mega Food Cams at Ramprastha City, Sector 37D, Gurgaon, for the welfare of poor and needy.
- Our projects under healthcare include working with primary healthcare centres to organise free medical camps.
- We organise drinking water supply facility and arrange distribution of food packets to the under-privileged.
- We organise free medical camps and provide free medicines to the lower sections of the society.
- Our agenda is to engage with several NGOs to execute our CSR activities.



## Our Business Verticals

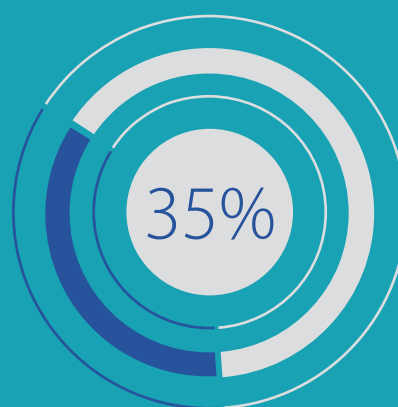
# Roads

Road transport is a critical infrastructural prerequisite for the economic development of a nation. India has the second largest road network in the world with a length of 4.24 million Kms. India's roads transport 90% of the total passenger traffic and about 65% of the total freight.

We as a Company are focused to play a meaningful role in this vast opportunity. Road segment contributes 35% to our total portfolio, with a current order book of ₹ 21,211 million. During FY2013, we received 9 new orders in this segment.

WE UNDERSTAND THE NEED FOR CONTINUOUS UPGRADATION IN THE ROAD SECTOR TO SATIATE THE PRESENT AND FUTURE TRAFFIC REQUIREMENTS. A BETTER DRIVING EXPERIENCE, LESS POLLUTION AND ENHANCED SAFETY ON ROADS IS THE NEED OF THE HOUR.

Contribution of Road Segment to Total Portfolio



# 21,211

₹ mn - Current Order Book  
As on March 31, 2013



Vashind - NH 3, Maharashtra

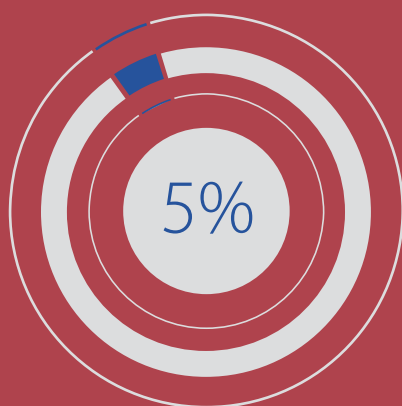


# Bridges

With a steady rise in vehicular traffic in India, it is imperative to build flyovers and bridges to reduce traffic congestion on our roads. Additionally, with numerous water bodies in the country, bridges also enable easier connectivity across rivers.

Bridges currently contribute 5% to our total project portfolio. During FY2013, we have received new Bridge orders worth ₹ 1,830 million.

Contribution of Bridges Segment to Total Portfolio



WE ENDEAVOUR TO UTILISE THE UNTAPPED POTENTIAL OF THE BRIDGES SECTOR BY POSITIONING OURSELVES AT THE FOREFRONT OF THE VAST OPPORTUNITY.

## 2,756

₹ mn Current Order Book  
As on March 31, 2013



Kasheli Bridge Thane, Maharashtra

## Our Business Verticals

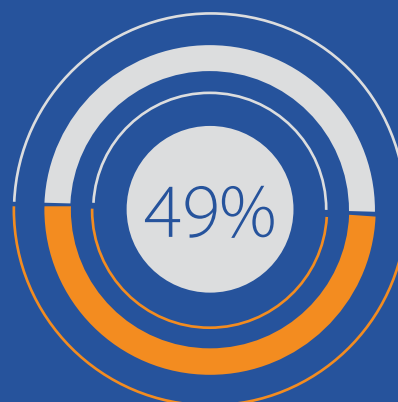
# Buildings

Due to increased urbanisation and a burgeoning focus on smart cities, the buildings sector (residential and commercial) demonstrates enhanced potential.

We have a strong portfolio of Building Projects which have changed skylines and are contributing about 49% to our total portfolio. In FY2013, we received 10 new orders in the Buildings segment worth ₹ 9,102 million.

WE BUILT DIVERSE EXPERIENCE  
IN CONSTRUCTING VARIOUS  
PREMIUM COMMERCIAL,  
RESIDENTIAL AND LOW-COST  
HOUSING PROJECTS ACROSS  
MULTIPLE STATES OVER  
THE YEARS.

### Contribution of Buildings Segment to Total Portfolio



# 29,642

₹ mn Current Order Book  
As on March 31, 2013



Supreme Business Park Powai, Mumbai

# Railways

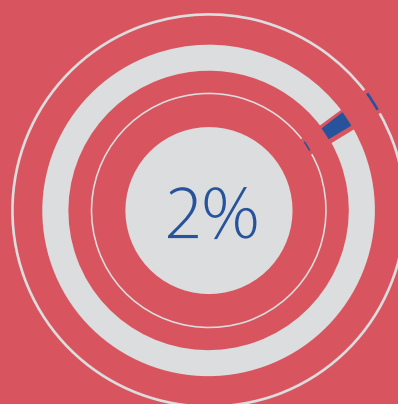
Indian Railways is the fourth-largest rail network in the world with a total route length of 64,460 Kms. The Railways transport 2.65 Million Tonne (MT) freight and 23 Million passengers every single day. It is a dominant means of transport carrying more than 95% of total traffic generated. India's total estimated spending on Railways segment during the 12<sup>th</sup> five-year plan is over ₹ 6,434 Million.

# 1,096

₹ mn Current Order Book  
As on March 31, 2013

OUR LARGE TECHNOLOGY  
BASE AND POOL OF  
EXPERIENCED PERSONNEL  
ENABLES US TO DELIVER  
MULTI-DISCIPLINARY  
PROJECTS IN THE RAILWAYS  
SEGMENT - FROM CONCEPT  
TO COMMISSIONING.

Contribution of Railways Segment to  
Total Portfolio



MRVC Creek Railway Over bridge Kalwa-Thane Maharashtra

## Our Business Verticals

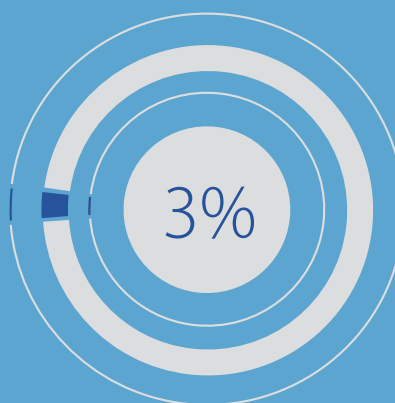
# Power

The average per capita consumption of electricity in India is a mere 478 kWh (2010), compared to the world average of 2,300 kWh. Against targeted capacity addition of 17,956 MW in FY2013, a total of 9,854 MW was added. During the 12<sup>th</sup> five-year plan which estimates total spending of ₹ 13,725.80 billion in power, India aims to add close to 75 GW of power generation capacities. The need for future power requirement and increase in its per capita availability is undeniable.

We take pride in supporting India's energy challenge through adoption and indigenisation of new technologies. In FY2013, we received 3 new orders in the power sector, increasing our total order book to ₹ 1,947 Million. A strong growth opportunity exists in India's power generation segment, led by rising economic growth, increasing propensity for electricity consumption and increasing urbanisation.

WE AIM TO UNLEASH  
THE FULL POTENTIAL  
OF OUR TECHNOLOGIES  
TO CAPITALISE ON THE  
GROWING OPPORTUNITIES  
IN THE POWER SEGMENT.

### Contribution of Power Segment to Total Portfolio



# 1,947

₹ mn Current Order Book  
As on March 31, 2013





# Water Infrastructure

While there is abundant water resource in India, distribution poses a commendable challenge. The annual revenue potential of India's water infrastructure industry is estimated to be ₹ 510 billion. With India's water infrastructure sector suffering from low investment, there is a need for a substantial increase in private sector participation. Private investment is imperative in order to share the risks, rope in financial investment, provide managerial experience and obtain access to world-class technical resources and scientific expertise.

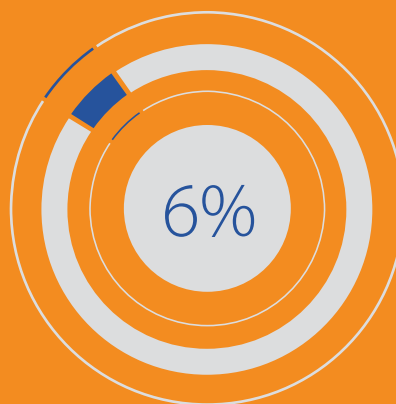
The demand-supply imbalance in the water infrastructure industry offers significant opportunity for developing higher capacities. With a current order book of ₹ 3,793 million in the water infrastructure industry, we remain poised to enable innovation and seek creative ways to increase our productivity.

WE FOCUS ON CAPACITY EXPANSION, DIVERSITY OF PRODUCT OFFERINGS, IMPROVING THEIR OPERATIONAL CHARACTERISTICS AND DEVELOPMENT OF BETTER TECHNOLOGIES.

## 3,793

₹ mn Current Order Book  
As on March 31, 2013

**Contribution of Water Infrastructure Segment to Total Portfolio**



## Corporate Information

### BOARD OF DIRECTORS

**Mr. B. H. Sharma**  
Executive Chairman

**Mr. Vikram Sharma**  
Managing Director

**Mr. Vikas Sharma**  
Whole Time Director

**Mr. V. P. Singh**  
Independent Director

**Mr. Vinod Agarwala**  
Independent Director

**Mr. Mukul Agrawal**  
Independent Director

**Mr. Pramod Kasat**  
Independent Director

**Mr. Dakshendra Agrawal**  
Non-Executive Director

### COMPANY SECRETARY

**Mr. Vijay Joshi**

### STATUTORY AUDITORS

**Walker, Chandiok & Co**  
Chartered Accountants  
**Shah & Kathariya**  
Chartered Accountants

### BANKERS & NBFC

State Bank of India  
State Bank of Patiala  
Union Bank of India  
Punjab National Bank  
Axis Bank Ltd.  
The Saraswat Co-operative Bank Ltd.  
SREI Equipment Finance Ltd.

### REGISTERED OFFICE

Supreme House,  
Plot No. 94/C Pratap Gad,  
Opp. I.I.T Main Gate, Powai,  
Mumbai – 400 076  
Tel: +91 22 6128 9700  
Fax: +91 22 6128 9711

### REGISTRAR AND TRANSFER AGENTS

Bigshare Services Pvt. Limited.  
E-2, Ansa Industrial Estate,  
Saki Vihar Road, Sakinaka,  
Andheri (E), Mumbai – 400 072.  
Tel: +91 22 2847 3747/3437  
Fax: +91 22 2847 5207





# Directors' Report

## To The Members of SUPREME INFRASTRUCTURE INDIA LIMITED

Your Directors have pleasure in presenting their 30th Annual Report and the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2013.

### FINANCIAL PERFORMANCE SUMMARY (₹ in Million)

Sr.No.	Particulars	31-03-2013	31-03-2012
1	<b>Income from operation</b>	<b>19869.5</b>	15059.1
2	<b>Profit before Interest, Depreciation &amp; Tax</b>	<b>3084.7</b>	2434.8
	Add: Other Income	40.6	28.1
	Less: Interest/ Finance Charges	1191.8	915.4
	Depreciation	335.9	283.6
3	<b>Profit before Tax</b>	<b>1597.6</b>	1263.8
	Less: Provision for Tax		
	Current Tax	480.0	325.8
	Deferred Tax	(3.1)	19.9
	Tax adjustment for earlier years	24.3	00.0
4	<b>Profit After Tax</b>	<b>1096.4</b>	918.0
	Add: Profit at the beginning of the year	2461.9	1593.6
5	<b>Profit available for appropriation</b>	<b>3558.3</b>	2511.6
	Appropriations		
6	<b>Proposed Dividend on :</b>		
	a. Equity Shares	33.5	20.9
	b. Preference Shares	0.3	0.3
7	Corporate Dividend Tax	5.7	3.4
8	<b>Transfer to General Reserve</b>	<b>110.0</b>	25.0
9	<b>Balance carried to Balance Sheet</b>	<b>3408.9</b>	2461.9

### OPERATION AND PERFORMANCE REVIEW

During the year under review, the Company's overall financial performance significantly improved on all fronts as compared to the previous year. Income from operations during the year was ₹ 19,869.5 Million as compared to ₹ 15,059.1 Million in the previous year, registering a growth of 32%. The Net Profit before Interest, Depreciation and Tax including other income during the year under review was ₹ 3,125.3 Million as compared to ₹ 2,462.9 Million in the previous year, registering a growth of 27%. The Net Profit after Tax was ₹ 1,096.4 Million as compared to ₹ 918.0 Million in the previous year registering a growth of 19%.

### DIVIDEND AND TRANSFER TO RESERVES

Your Directors are pleased to recommend for approval of the members, dividend at the rate of 20% on Equity Shares of ₹ 10/- i.e. ₹ 2/- per Equity Share on the Equity Capital of 1,67,42,087 Equity

Shares of ₹ 10/- each and at the rate of 1% on Preference Shares of ₹ 10/- i.e. ₹ 0.10 per Preference Share on the Preference Capital of 25,00,000 Preference Shares of ₹ 10/- each. The said Dividends, if approved by the members would involve a cash outflow of ₹ 39.5 Million including dividend distribution tax. The Company transferred ₹ 110.0 Million to General Reserves.

### CREDIT RATING

Your Company has been assigned FITCH Rating "BBB" for the long term facilities of the Company. The rating is applicable to facilities having tenure of more than one year. The "BBB" rating is considered to offer stable outlook for timely servicing of the debt obligations.

The Company has also been assigned Fitch Rating "A3" by Fitch for facilities of the Company having tenure up to one year. The "A3" rating would have moderate capacity for timely repayment of short term debt obligations.

### SUBSIDIARY COMPANIES

As on March 31, 2013, the Company has the following subsidiaries:

1. Supreme Infrastructure BOT Private Limited
2. Supreme Infrastructure BOT Holdings Private Limited
3. Supreme Panvel Indapur Tollways Private Limited
4. Rudranee Infrastructure Limited
5. Supreme Mega Structures Private Limited
6. Supreme Infrastructure Overseas LLC

As a part of the Company's strategy to diversify its activities and enormous opportunities being available in view of the Government initiative to develop roads and highway infrastructure in the Country, the Company is focusing on building up the BOT portfolio. The Company's two Subsidiary Companies viz. Supreme Infrastructure BOT Private Limited and Supreme Infrastructure BOT Holdings Private Limited undertake various BOT projects along with its holding Company. The BOT projects are executed in the Special Purpose Vehicle Company ('SPV Company') incorporated for the purpose.

### 1. SUPREME INFRASTRUCTURE BOT PRIVATE LIMITED (SIBPL)

SIBPL has the following operative subsidiary companies executing the BOT projects:

#### A) Supreme Manor Wada Bhiwandi Infrastructure Private Limited

Incorporated as SPV Company for execution of the Project of 'widening of Manor-Wada (24.25 Kms) and Wada Bhiwandi Road (40.07 Kms) on SH-34 and SH-35, respectively, in the State of Maharashtra and to convert it into a 4-lane highway on BOT basis'. The Company commenced tolling operations for this project on 4<sup>th</sup> March, 2013. The project cost was ₹ 4300 Million. The total length of the project aggregates to 64.32 Kms. The Concession Period of the project is 22 years and 10 months from the date of work order. EPC work is executed by Supreme Infrastructure India Ltd.

## Directors' Report

### B) Supreme Infra Projects Private Limited

Incorporated as the SPV Company for execution of 'Patiala Nabha Malerkotla (PNM) Road Project', this partially completed project was awarded by Punjab Industrial Development Board (PIDB), taken over from the earlier owner. The Company commenced tolling operations on 24<sup>th</sup> June, 2012. The cost of the project was ₹ 953.4 Million. The concession period is 13.5 years. The total length of the road is approximately 56 Kms. The EPC work is executed by Supreme Infrastructure India Ltd.

### C) Supreme Suyog Funicular Ropeways Private Limited

Incorporated as SPV Company in 2008 for execution of the Project for construction of funicular ropeway system at Haji Malang Gad, Ambarnath in Thane District, Maharashtra on Built, Operate and Transfer (BOT) basis. SIBPL is the majority stakeholder in the SPV Company. The LOI for the project was received on 21-6-2008. However, the project was delayed due to environmental clearance. The project has now received the required environmental clearance. The project envisages a funicular trolley system for transporting devotees and luggage from the foot of the hill to Haji Malang Durgah and return. The total cost of the project is ₹ 800 Million to be executed in 24 months. The concession period is 24 years and 5 months, including construction period of 24 months.

## 2. SUPREME INFRASTRUCTURE BOT HOLDINGS PRIVATE LIMITED (SIBHPL)

SIBHPL was incorporated during the year 2011-12 and is the subsidiary of Supreme Infrastructure India Ltd. 3i India Infrastructure Fund, an investment fund established by international investor 3i Group Plc, has through its affiliates viz. Strategic Road Investments Limited, invested ₹ 2000 Million for a minority stake in SIBHPL. SIBHPL has three road BOT portfolio housed in the following three subsidiary companies:

### A) Supreme Kopergaon Ahmednagar Tollways Private Limited.

This partially completed project was awarded by Maharashtra PWD, taken over from the earlier owner. The Company commenced tolling operations for this project on September 26, 2011. The project cost was ₹ 2340 Million. The project was completed 3 months before the estimated timeline. The concession period of the project is up to May 2019. EPC work is executed by Supreme Infrastructure India Ltd. This was the first road BOT project of the Company where toll operations were commenced.

### B) Supreme Best Value Kolhapur (Shiroli) Sangli Tollways Pvt. Ltd.

Incorporated as SPV Company for execution of the project of 'construction, operation, maintenance and augmentation of widening of 2-lane undivided carriage

way to 4 lanes between Shiroli and Baswankhind, Ankali to Miraj Phata on SH - 3, Miraj Phata to Sangli on SH -75 and strengthening of existing 2 lanes between Baswankhind and Ankali one way via Jainapur and the other way via Jaisingpur (SH-3) on Design, Build, Finance, Operate and Transfer (DBFOT) toll basis' in the State of Maharashtra. The estimated cost of project is ₹ 3300 Million. Total envisaged length for 4-laning is 25.66 Kms. & 2 laning is 26.95 Kms. The concession period of the project is 22 years and 9 months, including construction period of 24 months. The project is under implementation and is expected to be completed in the scheduled time.

### C) Supreme Ahmednagar Karmala Tembhurani Tollways Pvt. Ltd.

Incorporated as SPV Company for execution of the project of "Construction of Four Laning of 61.71 Kms. of roads at Ahmednagar-Karmala-Tembhurni ch.80/600 to ch.140/080 in the State of Maharashtra on Build, Operate and Transfer ( BOT ) basis. The cost of the project is ₹ 5400 Million. The concession period of the project is 22 years and 3 months, including construction period. The project is under implementation and is expected to be completed in scheduled time of completion.

## 3. SUPREME PANVEL INDAPUR TOLLWAYS PRIVATE LIMITED (SPITPL)

Incorporated as SPV Company for the execution of the Project of 'Panvel - Indapur section of NH-17 from Km.0.00 to Km.84.00' in the State of Maharashtra by widening the existing 2-lane dual carriageway to a 4-lane dual carriageway on BOT basis at an estimated cost of project of ₹ 12060 Million. Supreme Infrastructure India Limited (SIIL) holds 26% and its subsidiary SIBPL holds 38% equity in the SPITPL.

The concession period is 21 years, including the construction period of 910 days. The project is under implementation and is expected to be completed in scheduled time of completion.

## 4. RUDRANEE INFRASTRUCTURE LIMITED

Rudranee Infrastructure Limited ('Rudranee') is an Aurangabad based Construction & Infrastructure Company. It has wide experience in executing various infrastructure projects having specialisation in Pipeline and Power Transmission segment. As per the audited financials of the Company for year ended 31<sup>st</sup> March, 2013, the Company registered a turnover of ₹ 2809.2 Million and profit after tax of ₹ 42.8 Million.

## 5. SUPREME MEGA STRUCTURES PRIVATE LIMITED (SMSPL)

Supreme Infrastructure India Limited holds 60% Equity in SMSPL, which carries out the business of Rentals of staging, scaffolding, shuttering steel pipes and structural fabrication, steel fabrication work & job work. Substantial part of the Company's shuttering and fabrication job is undertaken by Supreme Mega Structures Private Limited.

## Directors' Report

### 6. SUPREME INFRASTRUCTURE OVERSEAS LLC

With a view to tap the potential of overseas opportunities, Supreme Infrastructure India Limited incorporated a subsidiary Company viz. Supreme Infrastructure Overseas LLC in Sultanate of Oman by investing ₹ 21.2 Million for a 60% Equity stake in the said Company. The rest 40% Equity is held by Ajit Khimji Group LLC & Al Barami Investment LLC. Through this subsidiary, the Company intends to make a foray into the Middle East region.

In terms of the general exemption granted by the Central Government vide their General Circular No.2/2011 dated 8th February 2011 under Section 212(8) of the Companies Act, 1956, the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. The Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary companies will also be kept open for inspection at the Registered Office of the Company and that of the respective subsidiary companies. The Consolidated Financial Statements presented by the Company include the financial results of its subsidiary companies.

### DIRECTORS

In accordance with the Articles of Association of the Company Mr. Vikram Sharma, Mr. Pramod Kasat and Mr. Dakshendra Agrawal, the Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

### MANAGEMENT DISCUSSION AND ANALYSIS

A detailed review of the operations, performance and future outlook of the Company and its business is given in the Management Discussion and Analysis appearing as Annexure to this Report.

### CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Accounting Standard AS-21 on Consolidated Financial Statements read with Accounting Standard AS-23 on Accounting for Investments in Associates and AS-27 on Financial Reporting of Interest in Joint Ventures, the audited Consolidated Financial Statements for the year ended 31st March, 2013 are provided in the Annual Report.

### AUDITORS AND THEIR REPORT

M/s Walker Chandok & Co., Chartered Accountants and M/s. Shah & Katharia, Chartered Accountants, the Statutory Auditors of the Company, will retire at the ensuing Annual General Meeting of the Company. The Company has received letter from both the Auditors to the effect that their appointment, if made, would be within the prescribed limits under Section 224 (1-B) of the Companies Act, 1956.

Members are requested to reappoint Joint Auditors and to authorize the Board of Directors to fix their remuneration.

Observations made by the Auditors in their report are self explanatory and do not call for any further comment.

### UTILISATION OF FUNDS

Out of the proceeds of the IPO, Utilisation of funds up to March 31, 2013 is as under:

Particulars	Proposed Amount (₹ in Million)	Utilized Amount (₹ in Million)
Purchase and / or up-gradation of Plant and Machinery	162.61	153.37
Long Term Working Capital Requirement	179.00	179.00
Initial Public Offering (IPO) Expenses	33.77	42.91
<b>Total</b>	<b>375.38</b>	<b>375.28</b>
Balance of unutilized funds have been temporarily invested in Bank Fixed Deposits/ IPO Bank Account		0.10

### PARTICULARS OF EMPLOYEES

Information as per Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, forms part of this Report. However, as per the provisions of Section 219(1)(b)(iv) of the Act, the Report and Accounts are being sent excluding the statement containing the particulars to be provided under Section 217(2A) of the Act. Any member interested in obtaining such particulars may inspect the same at the Registered Office of the Company or write to the Company Secretary for a copy thereof.

### FIXED DEPOSITS

During the year under review, the Company has not accepted any deposit under Section 58A of the Companies Act, 1956, read with Companies (Acceptance of Deposits) Rules, 1975. As such, no amount of Principal or Interest is outstanding as on the Balance Sheet date.

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Board of Directors reports that in preparation of Annual Accounts for the year ended 31st March, 2013:

- the applicable accounting standards have been followed and there are no material departures;
- The Accounting policies applied has been consistent and judgments and estimates made are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of financial year and of the profits of the Company for the year under review;
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The accounts for the financial year have been prepared on a going concern basis.

## Directors' Report

### CORPORATE GOVERNANCE

A separate section on Corporate Governance forming part of the Directors' Report and the certificate from the Practicing Company Secretary confirming the compliance of Corporate Governance norms stipulated in Clause 49 of Listing Agreement with the Stock Exchanges is included in the Annual Report.

### LISTING

Equity Shares of the Company are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange Limited (BSE). The Company has paid listing fees for the year 2013-2014.

### TRANSFER OF UNPAID / UNCLAIMED AMOUNTS TO INVESTOR EDUCATION PROTECTION FUND (IEPF)

During the year, there were no amounts which remained unpaid/unclaimed for a period of 7 years and which were required to be transferred by the Company to the Investor Education and Protection Fund established by the Central Government pursuant to Section 205C of the Companies Act, 1956.

### CONSERVATION OF ENERGY

The Company's main activity is of construction which does not require any utilities. However, Power is required for (a) running the crushing unit, (b) operating the ready mix concrete plant (c) operating the asphalt plant and (d) at the various project sites for operating the machinery/equipment and lighting. The power requirement of manufacturing units is met from local distribution sources and from generator sets. The power required at the project sites for operating the machinery/equipment and lighting are met from the regular distribution sources and is arranged by the clients who award the contracts. At the project sites where the power supply cannot be arranged, diesel generator sets are used to meet the requirement of power.

The conservation of energy in all possible areas is undertaken as an important means of achieving cost reduction. Savings in electricity, fuel and power consumption receive due attention of the management on a continuous basis.

### TECHNOLOGY ABSORPTION, ADAPTATION, RESEARCH & DEVELOPMENT AND INNOVATION

The Company has not acquired any technology for its manufacturing division. However, the technology adopted and applied is the latest technology available in the Industry and main thrust has always been put to adapt the latest technology.

In terms of Research and Development, it is the Company's constant endeavor to be more efficient and effective in planning of construction activities for achieving and maintaining the highest standard of quality.

### FOREIGN EXCHANGE EARNINGS AND OUT GO

During the year under review, there was foreign exchange outgo of ₹ 19.7 Million. There was no foreign exchange earnings by the Company during the year under review.

### ACKNOWLEDGEMENTS

Your Directors wish to place on record their sincere appreciation for the encouragement and co-operation by its stakeholders, including bankers and business associates, government authorities, local bodies, and also by its employees for their dedicated services and contribution to the Company during the year.

### ON BEHALF OF THE BOARD OF DIRECTORS

**(B. H. SHARMA)**  
**EXECUTIVE CHAIRMAN**

Place: Mumbai  
Date: May 28, 2013.

### Registered Office:

Supreme House, Plot. No. 94/C,  
Opp. I.I.T. Main Gate, Pratap Gad, Powai, Mumbai- 400 076

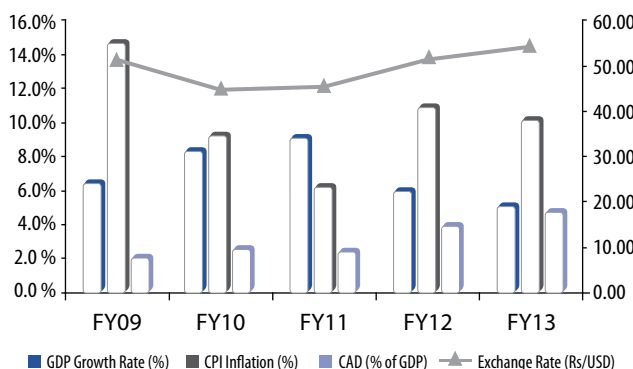
# Management Discussion & Analysis

## ECONOMIC OVERVIEW

FY2013 has been one of the most challenging years globally as well as for the Indian economy. Growth in FY2012 and FY2013 has been on the lower side vis-à-vis the decadal average of 7.9% achieved between FY2004 and FY2013. In FY2013, the Indian economy recorded at 5.0% economic growth, following a growth of 6.2% in the previous fiscal year.

The strong stimulus packages rolled out post-financial crisis led to stronger growth in FY2010 and FY2011. However, the boost to consumption, coupled with supply side constraints, resulted in higher inflation, with headline inflation crossing 10%. Monetary policy was tightened, even as external headwinds to growth increased. The consequent slowdown, especially in FY2013, has been across the board, with most of the sectors getting affected. Economic slowdown during FY2013 is mainly on account of a drastic slowdown in the industrial sector. It grew by 5.0% in FY2013, as against 3.5% in FY2012. The agricultural sector registered significantly lower growth of 1.9% on top of a 3.6% growth in FY2012.

### Key Economic Indicators



Falling savings, without a commensurate rise in Foreign Direct Investment, further widened the current account deficit (CAD). Widening of trade and current account deficits was accompanied by depreciation in the Indian Rupee since August 2011. After attaining an all-time low of ₹ 57.22 per US\$ on June 27, 2012, the Indian Rupee rebounded and moved upwards to touch the range of ₹ 53-55 per US\$ in January 2013. Though inflation eased in FY2013 vis-à-vis its FY2012 levels, the pace of decline has been slower than expected, denying requisite flexibility to the central bank to undertake sufficient reduction in the policy rates.

However, a growth revival is seen taking shape during FY2014 on the back of reform measures to improve investor sentiments and with the global economic scenario seen improving.

## INDUSTRY OVERVIEW

According to the Global Competitiveness Report, India ranked 84<sup>th</sup> in terms of basic Infrastructure out of a total of 142 countries. The report states that the country's supply of Transport, ICT (Information, Communications & Technology) and Energy

The total investment in the infrastructure sector during the Twelfth Five Year Plan is estimated at ₹ 56,300 billion (approx. US\$1 trillion), nearly double the investment made during the Eleventh Five Year Plan.

Infrastructure remains largely insufficient and ill-adapted to the needs of the economy. Indeed, the Indian business community repeatedly cites infrastructure as the single biggest hindrance to doing business in the country. However, the situation has been gradually improving since 2006. The total investment in the infrastructure sector during the Twelfth Five Year Plan is estimated at ₹ 56,300 billion (approx. US\$1 trillion), nearly double the investment made during the Eleventh Five Year Plan. The Twelfth Plan also lays special emphasis on the development of infrastructure as the availability and quality of infrastructure is important for enabling a sustainable and strong economic growth in the country.

### Roads

Road Transport is a critical infrastructural prerequisite for the economic development of a country. India has the second largest road network in the world with a road length of 4.24 million Kms. In India, Road Infrastructure is used to transport over 60% of the goods and 85% of total passenger traffic. Also, India's road density is among the highest in the world with 1.29 Kms. of roads per sq. km of area. India's national highways and expressways (currently at about 79,116 Kms.) constitute about 1.7% of the road length and carry 40% of the total traffic on Indian roads, while the percentage of paved roads is 49.3%. Moreover, India's road freight volumes are increasing at a compounded annual growth rate (CAGR) of 9.08%, coupled with a boost in the population of vehicles (all types) at a CAGR of 10.76%. To cater to such burgeoning needs, road length is increasing at a CAGR of 4.01%.

### The National Highway Development Project

India's National Highways Development Project (NHDP) is the world's largest road development program based on Public Private Partnership (PPP) model. The Government of India has entrusted the National Highway Authority of India (NHAI) with the responsibility of implementing the NHDP program spread over 55,000 Kms. (seven phases) with an estimated expenditure of ₹ 4,719.75 billion.

Currently, about 24% of the total length of National Highways (NHs) in India is single lane/intermediate lane, about 51% is two-lane standard, and the balance 25% is four-lane standard or more. In FY2013, the achievement under various phases of NHDP (up to December 2012) has been about 1,605 Kms. and projects have been awarded for a total length of about 878 km.



## Management Discussion & Analysis

### NHDP Projects: At a Glance (as in December 2012)

Sr. No.	NHDP components	Total Length (Kms.)	Completed 4/6 Lane (Kms.)	Under Implementation		Balance for Award of Civil Work (Kms.)
				Length (Kms.)	No. of Contracts	
1	Golden Quadrilateral	5,846	5,846	0	8	-
2	North-South and East-West Corridor	7,142	6,053	722	59	367
3	Port Connectivity	380	368	12	3	-
4	Other NHs	1,390	964	406	4	20
5	SARDP-NE	388	49	63	2	276
6	NHDP Phase III	12,109	4,602	5,734	90	1,773
7	NHDP Phase IV	20,000	62	4,300	31	15,638
8	NHDP Phase V	6,500	1,276	2,804	28	2,420
9	NHDP Phase VI	1,000	-	-	-	1,000
10	NHDP Phase VII	700	19	22	2	659
11	NH-34	5.5	-	5.5	1	-
	<b>Total</b>	<b>55,460.5</b>	<b>19,239</b>	<b>14,068.5</b>	<b>228</b>	<b>22,153</b>

Source: Ministry of Road Transport and Highways (MoRT&H).

Notes: SARDP-NE=Special Accelerated Road Development Programme in the North-Eastern Region.

The target under this project for FY2013 was originally aimed at 9,500 Kms. and was later scaled down to 5,000 Kms., with only 2,300 Kms. getting awarded during the year. The dismal performance during the year was preceded by a stellar performance in FY2012, when the NHAI and the Highways Ministry together awarded a record 8,000 Kms. of projects. The decelerating interest for road projects has been attributed to the inordinate delay in various clearances (such as environmental) and with banks shying away from the road sector.

However, the future outlook appears promising as the Ministry of Road Transport and Highways (MoRT&H), along with NHAI having planned to award 7,300 Kms. during FY2014. Further, 3,000 Kms. of road projects in Gujarat, Madhya Pradesh, Maharashtra, Rajasthan and Uttar Pradesh will be awarded in the first six months of FY2014. However, the appetite for public-private partnerships (PPPs via BOT toll mode) looks weak as the adverse macro-economic conditions point towards lower traffic growth. With high funding costs having dampened the economic viability of many projects, the MoRT&H is mulling the support of projects through budget allocation with an EPC (Engineering, Procurement and Construction) model for 50% of these works.

As a new initiative for promoting highway development, the mode of EPC contracts has been ushered in. Projects not viable under the BOT (toll) mode, such as those in far-flung areas, will have to be undertaken under the EPC mode. To overcome the economic slowdown in this sector, MoRT&H has finalised a

proposal to award projects under the modified turnkey EPC mode with 100% government funding for cases where there are no takers under BOT (toll) mode. This mode of delivery is also seen taking care of cost and time overruns. Further, a length of 8,500 Kms. under NHDP Phase IV is also proposed to have been undertaken directly under EPC mode for two laning.

In another initiative, the finance ministry has relaxed norms for appraising and approving highway projects up to ₹ 5 billion by MoRT&H. The move aims to help push the awarding of public-funded projects. Earlier, the committee, under the road secretary, was empowered to appraise projects worth up to ₹ 3 billion. Now

The Ministry of Road Transport and Highways (MoRT&H), along with NHAI having planned to award 7,300 Kms. during FY2014. Further, 3,000 Kms. of road projects in Gujarat, Madhya Pradesh, Maharashtra, Rajasthan and Uttar Pradesh will be awarded in the first six months of FY2014.

the committee can appraise projects valued up to ₹ 5 billion, and the Road Minister will have the power to approve them, thus expediting the process of awarding projects.

### Power

Electricity generation by power utilities during 2012-13 was targeted to go up by 6.05% to 930 billion units. Growth in power generation during April-December 2012 was 4.55%, as compared to about 9.33% during April-December of 2011.

India faces an overall shortage of power both in terms of energy deficit and peak shortage. At present, the overall energy deficit is about 8.6% while the peak shortage of power is about 9.0%. A capacity addition of 54,964 MW has been achieved during the Eleventh Five Year Plan. Initially, the Plan envisaged a capacity addition of 78,000 MW, of which 19.9% capacity was hydro, 75.8% thermal, and the rest was nuclear. At the time of the Mid Term Appraisal (MTA) of the Plan, the target was revised to 62,374 MW with thermal, hydro and nuclear segments contributing 50,757 MW, 8,237 MW and 3,380 MW, respectively.

Capacity addition during the Twelfth Five Year Plan is estimated at 88,537 MW, comprising 26,182 MW in the central sector, 15,530 MW in state, and 46,825 MW in the private sector, respectively. The target for capacity addition during FY2013 was set at 17,956 MW, against which a capacity of 9,854 MW was added till 31<sup>st</sup> December, 2012.

### Railways

Indian Railways is the fourth largest rail network in the world with a total route length of 64,460 Kms., of which 21,034 Kms. is electrified. Indian Railways transports 2.65 million tonne (MT) of freight and 23 million passengers every single day. The country transports nearly 57% of total goods by road, as compared to 22% in China and 37% in the U.S. In contrast to this, the share of Indian Railways is only 36%, compared to 48% for the U.S. and 47% for China. The sector has huge opportunity to grow as its current share is still fairly lower than that in China and U.S.

While Indian Railways' input costs increased by 10.6% per annum between FY2005 and FY2012, passenger fares remained unchanged and have been cross-subsidized by an increase in freight charges. The low passenger fares, which have not been revised for several years, have led to huge losses in passenger traffic operations estimated at ₹ 220 billion in FY2012. Further, cross-subsidy through the freight business was no longer viable due to fast-evolving competition from other modes of transport. Keeping these factors in mind, an increase in passenger fares was announced on 9 January 2013.

India's Planning Commission has tentatively pegged the Indian Railways' Twelfth Five Year Plan at ₹ 5,190 billion with a Gross Budgetary Support (GBS) of ₹ 1,940 billion, internal resources of ₹ 1,050 billion, and market borrowing of ₹ 1,200 billion. Another ₹ 1,000 billion is expected to be raised through the PPP route. The funding pattern of the Twelfth Plan clearly indicates that modernisation of Indian Railways cannot be achieved by simply

relying on GBS as it represents only 37% of the total resources. About 63% of the total resources will have to be generated through non-GBS sources, with nearly 20% coming through private sector investment.

Indian Railways has initiated the PPP projects during the Eleventh Plan in areas such as port connectivity projects, container operations, wagon investment schemes and private freight terminals, but the scope of PPP needs to be widened further.

### Construction

The building construction industry has been a major barometer of India's economic development, and therefore, has a significant bearing on the Indian economy. With a total size of around \$40-45 billion, the construction sector contributes around 5%-6% to India's total GDP growth. The industry has witnessed significant growth in the past decade attracting not only domestic developers, but also foreign investors who find strong potential in India, driven by its large population base, rising income levels and rapid urbanisation. According to the Department of Industrial Policy and Promotion (DIPP), the construction sector comprised 12% of India's total FDI inflows during 2012, second only to the services sector.

The Commercial segment in the construction sector has undergone significant traction over the past decade, which can be attributed to the fast-growing IT/ITES sector, expanding domestic industries and an increasing presence of global corporations setting up back-offices in India due to the presence of a low-cost and efficient workforce. There is an incremental demand for good quality office space across metropolitan cities such as Mumbai, Pune, Bangalore, Hyderabad, Chennai and NCR-Delhi. Adding to this, an increasing number of companies are looking to shift their operations to the suburbs, owing to the availability of large office space with modern amenities at reasonable rates vis-à-vis commercial office space in South Mumbai. Eastern and western suburbs are slowly getting transformed into successful commercial centres.

In the Residential segment, following a steady growth of 7%-8% during FY2011, the industry witnessed a slight moderation in FY2013 due to macro-economic concerns such as high inflation, rising interest rates, slowdown in industrial performance and overall business growth, uncertain job environment etc., leading to consumers holding back on their property purchases. With the global economy on the path of recovery and with the Reserve Bank of India (RBI) signalling lower interest rates in FY2014, this bodes well for reviving the real estate demand in the residential segment.

Recent policy initiatives and measures announced by the Finance Minister during Union Budget FY2013-14 were positive for India's construction sector. The Government has introduced several schemes to boost residential home sales such as additional interest deduction of ₹ 0.10 million (over and above the existing ₹ 0.15 million benefit) for first-time home buyers taking a loan of up to ₹ 2.5 million. The Government has also allocated

## Management Discussion & Analysis

₹ 60 billion towards the Rural Housing Fund, while another ₹ 20 billion Urban Housing Fund by National Housing Bank has also been proposed. These steps are expected to boost fund availability for home buyers and also address the overall housing shortage in the country.

Besides, the RBI has given a go-ahead to foreign citizens of Indian origin to invest in the real estate sector. It has also allowed real estate developers to raise up to \$1 billion through the European Commercial Borrowings (ECB) route for construction of low-cost housing projects. Furthermore, the Government has allowed 100% FDI under the automatic route in townships, built-up infrastructure and construction development projects, subject to certain conditions.

### FUTURE OUTLOOK

The total investment in India's infrastructure sector was estimated at ₹ 56,300 billion (approx. US\$1 trillion) during the Twelfth Five Year Plan, nearly double the estimate of the Eleventh Five Year Plan. Infrastructure development has been a major focus area during the Twelfth Plan as the availability of quality infrastructure is important not only for sustaining high growth, but also ensuring growth is inclusive and equitable.

The Public Private Partnership (PPP) mode of investment is expected to play a key role in the successful implementation of the envisaged plan. During the Eleventh Plan, private sector investment under NHDP has been ₹ 626.29 billion, against a target of ₹ 867.92 billion. This is a substantial jump over the achievement in Tenth Plan of ₹ 110.32 billion. Its share in infrastructure investment increased from 22% in the Tenth Five Year Plan to 38% in the Eleventh Plan; it is expected to further shoot up to 48% during the Twelfth Five Year Plan.

### BUSINESS OVERVIEW

Incorporated in 1983, Supreme Infrastructure India Ltd. (SILL) is one of the most diversified infrastructure companies in India for over three decades engaged in the construction of infrastructure and related projects. The Company commenced operations as an aggregate supplier with its own quarries and crusher plants, but gradually evolved and moved up the value chain in the construction sector. Over the years, the Company has built diverse capabilities across various EPC segments such as Roads, Bridges, Buildings, Railways, Power and Water Infrastructure.

With an integrated and derisked business model and robust project management bandwidth, the Company enjoys superior margins and better project execution control in the EPC segment. It has a well-diversified order book spread across verticals and geographies resulting in lower risk. The Company has expanded its footprint in Assam, Arunachal Pradesh, Bihar, Jharkhand and Orissa.

The Company further moved up the value chain and forayed into BOT (Build-Operate-Transfer) Projects through its 100% subsidiary companies, viz. Supreme Infrastructure BOT Pvt. Ltd. and Supreme

With an integrated and derisked business model and robust project management bandwidth, the Company enjoys superior margins and better project execution control in the EPC segment.

Infrastructure BOT Holdings Pvt. Ltd. These companies have a current BOT portfolio of 10 BOT projects housed in these subsidiaries, of which four are already operational.

The Company continues to lay great emphasis on project execution resulting in timely execution and delivery of all the four BOT projects. It has further de-risked its business model with the EPC portion of BOT being executed by the parent Company – SILL, boosting its order book. This strategy will also reduce the execution risk with SILL having strong execution capabilities in Roads and Bridges segment. Nonetheless, SILL remains an EPC focused Company.

### A look at our BOT Projects

Project Name	Project Cost (₹ Mn.)	Stake of Supreme (%)
Manor Wada Bhiwandi	4,300	49%
Kasheli Bridge	3,014	10%
Haji Malang Ropeway	8,000	98%
Jaipur Ring Road	10,450	40%
Patiala Malerkotla	953	100%
Ahmednagar Karmala Tembhurni	5,400	100%
Panvel Indapur	12,060	64%
Ahmednagar Kopergaon	2,340	100%
Sangli Shirol	3,300	90%
Kotkapura Muksar	1,080	49%

During the year, Strategic Road Investments Ltd., an affiliate of 3i Private Equity, invested ₹ 2,000 million in Supreme Infrastructure BOT Holdings Pvt. Ltd. for a 49% stake in 3 BOT Projects - Sangli Shirol, Kopergaon Ahmednagar and Ahmednagar Karmala Tembhurni.

### Overseas Opportunities

During FY2013, SILL signed an MOU with Ajit Khimji Group LLC and Al Barami Investment LLC and invested 150,000 Omani Riyal in Supreme Infrastructure Overseas LLC (SIOL), Sultanate of Oman,

The NHAI is taking several new initiatives to accommodate and facilitate EPC contractors and developers, resulting in awarding of new project orders and higher participation by players.

for an aggregate amount of ₹ 21.2 million, constituting 60% of the share capital of SIOL. Through this subsidiary, the Company intends to make a foray into the Middle East markets.

### Backward Integration

Due to its backward integrated business model of Resource Integration, SILL has access to key raw material required for the construction of roads. These include captive Quarries and Crushing plants, Ready Mix Concrete (RMC) plants, Asphalt plants and Wet Mix plants. Besides insulating the Company against any fluctuation in input prices, this strategy also ensures a smooth and uninterrupted supply of raw materials. This enables the Company to execute projects within the stipulated time, thereby ensuring higher margins. The aggregates, which constitute ~25-35% of the material cost, are sourced internally leading to huge savings in costs, thus lending additional margin advantage of ~3-4%.

### Current Order Book

The Company's current order book of ₹ 60,445 million (as on March 31, 2013, including L1 orders) is spread across 6 verticals and 13 states. The Company is well equipped to handle large orders and has a growing order book from North and East India.

## STRENGTHS & OPPORTUNITIES

### Captive Consumption

The Company has access to 7 quarry sites, providing an assured supply of aggregates, which constitute a significant percentage of the raw material cost. This results in specific margin advantage vis-à-vis its peers. This benefit will encourage the Company to bid for more projects within the region and remain competitively placed as compared to its peers. Besides the above, the Company also has captive ancillary plants such as 9 crusher plants, 19 RMC plants and 6 asphalt plants spread across different regions. The Company's business model of integrated construction has worked well and enabled it garner higher margins.

### Cluster-based Strategy

The Company follows a Cluster-based Strategy as it endeavours to identify the raw material sources and bids for an increased number of projects in and around the quarry acquired. This results in resource integration benefits and lower costs, as the major cost in project execution is transportation of raw material (aggregates) to project site, which otherwise needs to be sourced from third parties. A good control over supply of raw materials enables the Company

to bid aggressively for projects and get competitive, resulting in a significant cost advantage and higher probability of securing newer projects, thus building a sizeable order book in the region.

### Geographical and Vertical Order Book Diversification

The Company has a well-diversified order book, both in terms of geography and verticals. Most projects are scheduled for completion over the next 24-30 months and are envisaged to give good revenue visibility over FY2014. Further, the Company is targeting to acquire more EPC orders (particularly water infrastructure and power sectors) and is also exploring opportunities in foreign markets through its subsidiary in Oman.

Vertical	Order Book Position as on 31.3.2013 (₹ Million)	% of Total Order Book
Roads	21,211	35%
Buildings	29,642	49%
Bridges	2,756	5%
Railways	1,096	2%
Power	1,947	3%
Water Infrastructure	3,793	6%
<b>Total</b>	<b>60,445</b>	<b>100%</b>

### Captive Plant & Machinery

The Company has invested heavily in the development of its own construction equipment and machineries. Besides delivering higher margins, the strategy ensures the Company has a much better control over its projects and does not have to depend on third parties for equipment supplies.

### Funding Capabilities for BOT Projects

The Company's overall capital requirement for 6 BOT projects under execution is well accounted for and we have already tied up debt for these projects. The balance equity required over the next couple of years will be funded through internal accruals, strategic investments and other financing options. The Company's 6 ongoing BOT projects will become operational in a couple of years, which will give us steady cash flows.

In FY2013, 3i Private Equity (through its affiliate Strategic Road Investments Ltd.) invested ₹ 2,000 million for a 49% stake in 3 BOT projects. The Company also has the capabilities to securitise its operational BOT projects, as appropriate.

### Overseas Opportunities

The Company is scouting for projects in Oman across all its verticals. It has acquired a quarry and crushing plant in the Sohar region and intends to utilise the output for their captive as well as commercial use. Post-this stage, the Company intends to enter into full-fledged execution of infrastructure projects in this region.

## Management Discussion & Analysis

### THREATS & CONCERNS

#### High Interest Rates

The RBI has hiked interest rates significantly over the last two years in order to curb the headline inflation. Any further increase in interest rates may adversely affect margins and profitability of the Company. Overall, the infrastructure sector witnessed a very challenging environment in the past 2-3 years owing to high interest rate environment, which is seen easing up in 2013. The central bank has already cut interest rate by 25 basis points in January 2013; more such cuts are expected during the year. Lower interest rates will benefit the Company's profitability and ability to fund future projects.

#### Policies

A major portion of SILL's Order Book consists of projects awarded by the Government agencies. Any change in the Government's policy may impact the Company's future plans and resultant performance.

#### Slowdown in Infrastructure Investment

Any significant slowdown in project orders across verticals from Government agencies such as NHAI or State PWDs may impact the Company's visibility. However, the Company believes the government's focus on infrastructure development will soon speed up following a lacklustre performance in the past couple of years. The Company also believes it is fairly insulated against the risk of competition on the back of a strong order book position, backward integrated model and vast industry experience. Additionally, the NHAI is taking several new initiatives to accommodate and facilitate EPC contractors and developers, resulting in awarding of new project orders and higher participation by players.

#### Risks in BOT Projects

##### Execution Risk:

The Company has multiple projects in the BOT space and faces a risk in their execution. Currently, it has a portfolio of ten projects, out of which four have already become operational. The Company has executed all its projects well on time. Since the EPC portion of all the projects is done by the parent company, it further derisks the Company from any kind of delay in project execution.

##### Traffic Risks:

In the event of a traffic slowdown on roads being built by the Company, there could be a risk of lower toll realisations. However, this seems highly unlikely as the Company is executing projects on roads that are in high growth regions or with high existing traffic.

#### External Macro Conditions

The Infrastructure industry, like any other sector, is exposed and vulnerable to the risk of any adverse changes in the overall macro-economic situation. In case of prolonged recessionary conditions leading to a slowdown in economic growth, the Company may also be affected.

Our income from operations stood at ₹ 19,869.5 mn for the year ended 31<sup>st</sup> March, 2013 as compared to ₹ 15,059.1 mn in the previous year ended 31<sup>st</sup> March, 2012, an increase of 32%. PAT stood at ₹ 1,096.3 mn, as compared to ₹ 918.0 mn, an increase of 19%.

#### Risk Mitigation Strategy

The Company takes full cognizance of the fact that identification and evaluation of risk and their management is crucial for its performance and delivering adequate value to its stakeholders. The Company keeps assessing its risks at regular intervals and takes measures to mitigate the same.

### FINANCIAL AND OPERATIONAL OVERVIEW

The order book of the Company stood at ₹ 60,445 million as of 31<sup>st</sup> March 2013 (including L1 orders), compared to ₹ 39,028 million as of 31<sup>st</sup> March 2012, a growth of 55%.

Income from operations stood at ₹ 19,869.5 million for the year ended 31<sup>st</sup> March, 2013 as compared to ₹ 15,059.1 million in the previous year ended 31<sup>st</sup> March, 2012, an increase of 32%.

The Company achieved an EBITDA of ₹ 3,084.7 million for the year ended 31<sup>st</sup> March, 2013 as compared to ₹ 2,434.8 million in the previous year ended 31<sup>st</sup> March, 2012, an increase of 27%.

The PAT of the Company stood at ₹ 1,096.3 million for the year ended 31<sup>st</sup> March, 2013 as compared to ₹ 918.0 million in the previous year ended 31<sup>st</sup> March, 2012, an increase of 19%.

The Earning Per Share (EPS) of the Company has also increased by 20% from ₹ 54.8 to ₹ 65.5 for the financial year ended March 31, 2013 over the corresponding year.

### INTERNAL CONTROL

The Company has sufficient and commensurate internal control systems to match the size and the sector it is in. The Company has well-defined and clearly laid-out policies, processes and systems. These are strictly and regularly monitored by the top management and any digression or discrepancy is immediately flagged off and corrected. All requisite regulations, rules and laws of the land are strictly followed. The Company has a sound system for financial reporting and well-defined management reporting systems. These are supported by Management Information System (MIS) that regularly checks, monitors and controls all operational expenditure against budgeted allocations. The Company also has a regular internal audit process that is monitored and reviewed by the Audit Committee, which ensures that any deviations from set benchmarks are immediately



reported and corrected. The Company regularly keeps upgrading its systems and processes to ensure these are up-to-date and the latest.

## HUMAN RESOURCES

The Company recognises that its people are its most important resource. The Company's workforce comprises highly-skilled and qualified employees and it strives to provide the best working conditions. No compromise is made for the health and safety of its people either at its offices or its project sites. The Company's work culture is based on sincerity, hard work and a penchant for perfection and pursuit for excellence. The Company encourages the development of necessary and relevant skills of its workforce and regularly holds training sessions to upgrade these. The Company also has a system of recognising and rewarding exceptional performance of its employees with commensurate incentives. As on 31<sup>st</sup> March, 2013, the Company had over 2,700 employees.

## CAUTIONARY STATEMENT

This document contains statements about expected future events, financial and operating results of Supreme Infrastructure India Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of the Supreme Infrastructure India Limited Annual Report, 2012-13.

# Corporate Governance Report

## 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Corporate Governance is the application of best management practices, compliance of law in true letter and spirit and adherence to ethical standards to effective management and distribution of wealth and discharge of social responsibility for sustainable development of all stakeholders.

Good Corporate Governance leads to long term shareholder value and enhances interest of other stakeholders through the governance mechanism in the Company.

Your Company's philosophy on Corporate Governance is based on cardinal values of fairness, transparency, accountability and equity, in all its operations, and in its interactions with stakeholders including shareholders, employees, the government and the lenders, thereby enhancing the shareholders' value and protecting the interest of shareholders.

Your Company has adopted an appropriate Corporate Governance framework to ensure accountability, transparency, timely disclosure and dissemination of price sensitive information, ensuring meticulous compliance with applicable laws and regulations and conducting business in its best ethical manner.

The Board, along with its committees, undertakes its fiduciary and trusteeship responsibilities to all its stakeholders by ensuring transparency, fair play and independence in its decision making. Your Company provides access to the Board of all relevant information and resources to enable it to carry out its role effectively. Your Company is committed to upholding the highest standards

of Corporate Governance in its operations and will constantly endeavor to improve on these aspects on an on going basis.

## 2. BOARD OF DIRECTORS:

The Board of Directors of the Company consists of eminent persons with considerable professional expertise and experience in business and industry, finance, management and legal. The Directors contribute their diversified knowledge, experience and expertise in respective areas of their specialization for the growth of the Company.

Presently, the Board of Directors of the Company comprises Eight Directors, out of which Five are Non-Executive Directors. The Company has an 'Executive Chairman' and there are Four Independent Directors on the Board which represent half of the total strength of the Board of Directors of the Company. All Independent Directors have confirmed that they meet the 'independence' criteria in terms of Clause 49 of the listing agreement. None of the Director on the Board is a member of more than ten Committees and Chairman of more than five Committees (as specified in Clause 49 of the Listing Agreements) across all companies in which they are Directors. The Board does not have any Nominee Director representing any financial institution.

The composition of the Board of Directors with reference to number of Executive and Non-Executive Directors, meets with the requirements of Clause 49 (I) (A) of the Listing Agreements.

The names and categories of Directors, the number of Directorships and Committee positions held by them in other Public Limited Companies are given below:

Name	Designation	Category	No. of other Directorship held in other public Company	No. of committees Membership of other companies	No. of committees chairmanship of other companies
Mr. Bhawani Shankar Sharma	Executive Chairman	Promoter, Executive Director	1	Nil	Nil
Mr. Vikram Sharma	Managing Director	Promoter, Executive Director	1	Nil	Nil
Mr. Vikas Sharma	Whole Time Director	Promoter, Executive Director	1	Nil	Nil
Mr. V. P. Singh	Director	Independent, Non-Executive Director	1	Nil	Nil
Mr. Vinod Agarwala	Director	Independent, Non-Executive Director	2	2	Nil
Mr. Mukul Agrawal	Director	Independent, Non-Executive Director	1	Nil	Nil
Mr. Pramod Kasat	Director	Independent, Non-Executive Director	1	Nil	Nil
Mr. Dakshendra Agrawal	Director	Non-Executive Director	Nil	Nil	Nil

## Corporate Governance Report

### Board Procedure

The Board meets at least once a quarter and Board Meetings are usually held in Mumbai. The Board Meetings are generally scheduled well in advance and the notice of each Board Meeting is given in writing to each Director. All the items drafted in the Agenda are accompanied by notes giving comprehensive information about the related subject and in certain matters such as financial/ business plans, financial results etc., detailed presentations for the same are made. The Agenda and the relevant notes are circulated well in advance separately to each Director. The members of the Board have complete access to all information of the Company. The Board, if deem necessary and depending upon the urgency and necessity of the matter, takes up any other item of business, which does not form part of the agenda. Urgent matters are also considered and approved by passing resolution through circulation, which are noted at the next Board Meeting. To enable the Board to discharge its responsibilities effectively, the members of the Board are briefed at every Board Meeting on the overall performance of the Company.

### Number of Board Meetings Held and Dates on which held

Six Board Meetings were held during the financial year 2012-2013 on 15-05-2012, 16-07-2012, 14-08-2012, 29-08-2012, 06-11-2012 and 13-02-2013.

### Attendance of each Director at the Board Meetings and the last Annual General Meeting

During the financial year ended March 31, 2013, Six Board Meetings were held. The gap between two Board Meetings did not exceed four months.

The attendance of each Director at Board Meetings and the last Annual General Meeting (AGM) is as under:

### BOARD COMMITTEES

The Board of Directors has constituted Committees of Directors, with adequate delegation of powers, to discharge their functions with respect to specific matters of the Company on behalf of the Board of Directors. The Committees are constituted by inclusion of Executive, Non-Executive and Independent Directors as may be required to meet the prescribed requirements, which carry out its function as per their terms of reference. The brief particulars of Audit Committee, Remuneration Committee and Investors' Grievance Committee as required under Clause 49 of the Listing Agreement are given hereunder:

### 3. AUDIT COMMITTEE

The Audit Committee is constituted in accordance with the provisions of Clause 49 (II) (A) of the Listing Agreement and Section 292A of the Companies Act, 1956.

#### Composition of the Audit Committee

Presently, the Audit Committee comprises Five Directors of which Four Directors are Independent Directors. The members of the Committee are financially literate and have accounting and financial management expertise in terms of Clause 49 of the Listing Agreement. The Chairman of the Audit Committee is an Independent Director. The meetings are usually held in Mumbai and are attended by senior executives, Statutory Auditors and also Internal Auditors as and when necessary.

The quorum for the Audit Committee Meetings is Two independent members. The Company Secretary acts as Secretary to the Committee.

The Composition of the Directors and the details of Meetings held during the Year 2012- 2013.

Name of the Director	No. of Board Meetings attended	Attendance at last AGM held on 28 <sup>th</sup> September, 2012
Mr. Bhawanishankar Sharma	4	Yes
Mr. Vikram Sharma	5	Yes
Mr. Vikas Sharma	3	Yes
Mr. V. P. Singh	6	No
Mr. Vinod Agarwala	6	No
Mr. Mukul Agrawal	2	No
Mr. Pramod Kasat	6	Yes
Mr. Dakshendra Agrawal	4	No

## Corporate Governance Report

Sr. No.	Name of the Director	Designation	Category	No. of Audit Committee Meetings attended
1	Mr. V. P. Singh	Chairman	Non Executive Independent Director	6
2	Mr. Vinod Agarwala	Member	Non Executive Independent Director	6
3	Mr. Vikas Sharma	Member	Executive Whole Time Director	3
4	Mr. Mukul Agrawal	Member	Non Executive Independent Director	2
5	Mr. Pramod Kasat	Member	Non Executive Independent Director	6

Six meetings of the Audit committee were held during the year 2012-2013 on 15-05-2012, 16-07-2012, 14-08-2012, 29-08-2012, 06-11-2012 and 13-02-2013.

The terms of reference of the Audit Committee as defined by the Board are as under:

- i) Hold discussions with the auditors periodically about internal control systems. The scope of audit includes the observations and review of the quarterly, half-yearly and annual financial statements before submission to the Board and also ensure compliance of internal control systems.
- ii) 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.
- iii) Recommending to the Board the appointment, re-appointment and if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- iv) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- v) Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (2AA) of Section 217 of the Companies Act, 1956.
  - (b) Changes, if any, in accounting policies and practices and reasons for the same.
  - (c) Major accounting entries involving estimates based on the exercise of judgments 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.

- vi) Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- vii) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- viii) 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.
- ix) Discussion with internal auditors on any significant findings and follow up there on.
- x) 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.
- xi) 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.
- xii) 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.
- xiii) Review of information as prescribed under Clause 49 (II)(E) of the listing agreement.

The Internal Auditors of the Company reviews the internal control systems of the Company and reports thereon to the Audit Committee for their review.

#### 4. REMUNERATION COMMITTEE

##### i) TERMS OF REFERENCE

The Remuneration Committee of the Company is empowered to review the overall compensation policies, service agreements and other employment conditions of Managing Director / Whole time Director

## Corporate Governance Report

and distribution of commission to Non Executive Directors based on the criteria fixed by the Board, to deal with the matters pertaining to Employees' Stock Option Scheme, if any and such other functions as may be delegated to it by the Board of Directors.

### ii) COMPOSITION

The composition of the Remuneration Committee is as follows:

Name of the Director	Designation	Category	No. of Meeting(s) attended
Mr. Vinod Agarwala	Chairman	Non Executive Independent Director	1
Mr. Mukul Agrawal	Member	Non Executive Independent Director	1

One meeting of the Remuneration Committee was held on 27<sup>th</sup> May, 2013.

### Remuneration Policy

The Remuneration of the Executive Directors is recommended by the Remuneration Committee based on the Remuneration criteria and is decided by the Board of Directors within the over all ceiling approved by the shareholders.

### Remuneration to Non Executive Directors

The Non Executive Directors of the Company are receiving the sitting fees for attending the meeting of the Board of Directors and the Meeting of the Audit Committee. No sitting fees have been paid to the Directors for attending the meeting of the Investors' Grievance Committee and the Remuneration Committee. Non Executive Directors also receive commission on the profits of the Company as approved by the Board of Directors up to 1% of the net profits of the Company.

The details of the remuneration paid to Executive Directors for the year ended 31<sup>st</sup> March, 2013 is as follows:

Name of the Director	Salary ₹	Perquisite ₹	Total ₹
Mr. Bhawanishankar Sharma	60,00,000	36,00,000	96,00,000
Mr. Vikram Sharma	60,00,000	36,00,000	96,00,000
Mr. Vikas Sharma	60,00,000	36,00,000	96,00,000
<b>Total</b>	<b>1,80,00,000</b>	<b>1,08,00,000</b>	<b>2,88,00,000</b>

The agreement with the above Executive Directors is for a period of five years with effect from 1st April 2010. Either party to the agreement is entitled to terminate the agreement by giving not less than three month notice in writing to the other party.

The details of the sitting fees and commission paid by the Company to Non Executive Directors are given below:

Name of the Director	Sitting fees ₹	Commission ₹	Total ₹
Mr. V. P Singh	2,40,000	10,00,000	12,40,000
Mr. Vinod Agarwala	2,40,000	10,00,000	12,40,000
Mr. Mukul Agrawal	80,000	10,00,000	10,80,000
Mr. Pramod Kasat	2,40,000	10,00,000	12,40,000
Mr. Dakshendra Agrawal	80,000	7,50,000	8,30,000

None of the Directors are entitled to any benefit upon termination of their association with the Company. Presently, the Company does not have a scheme for grant of stock options.

### 5. INVESTORS' GRIEVANCE COMMITTEE

The Company has constituted Investors' Grievance Committee to redress the Shareholders' grievance/complaints relating to transfer & transmission of shares, Non receipt of Annual Report, dividend, share certificate etc., to provide responses to the queries, if any, raised by the investors and to take investor friendly initiatives.

The composition of the Investors' Grievance Committee is as follows:

Name of the Director	Designation	Category
Mr. Mukul Agrawal	Chairman	Non Executive Independent Director
Mr. Vikram Sharma	Member	Executive Managing Director
Mr. Vinod Agarwala	Member	Non Executive Independent Director

- The Committee has powers to approve/authenticate all the Share transfers/transposition/transmission/duplicate shares requests received from the Shareholders.
- The Committee normally resolves the complaints received from the Investors/Shareholders within 7 days of receipt of the same.
- The Company Secretary places before the Board the status of various complaints received by the Committee at every Board meeting.

During the year, four Committee meetings were held.

### Compliance Officer

Mr. Vijay Joshi, Company Secretary of the Company, is the Compliance Officer of the Company.



## Corporate Governance Report

### Complaints from Investors

During the year under review, the Company had received 5 complaints from the investors and resolved all 5 complaints. There were no investor complaints pending as at the end of the year as on 31<sup>st</sup> March 2013.

### 7. GENERAL BODY MEETINGS

- a. Location and time, where last three Annual General Meetings were held is given below:

AGM	Year	Location	Date	Time
29th	2012	Sai Palace Hotels, Mahakali Caves Road, Chakala, Andheri (East), Mumbai 400 093	28/09/2012	3.30 P.M.
28th	2011	The Beatle Hotel, JMJ House Orchard Avenue, Hiranandani Gardens, Powai, Mumbai - 400 076	30/09/2011	3.30 P.M.
27th	2010	Kohinoor Continental, Andheri-Kurla Road, J.B. Nagar, Andheri (East), Mumbai-400 059.	20/09/ 2010	11.30 A.M

No Extra Ordinary General Meeting was held during the year 2012-13.

- b. The following Special Resolutions were passed in the previous three Annual General Meetings:

Financial Year	Particulars of Special Resolutions Passed
2011-12	Alteration of Clause alteration of the Clause 208 & 209 of the Articles of Association of the Company.
2009-10	a) Reappointment of Mr. Bhawanishankar Sharma as Executive Chairman of the Company and to fix his remuneration.
	b) Reappointment of Mr. Vikram Sharma as Managing Director of the Company and to fix his remuneration.
	c) Reappointment of Mr. Vikas Sharma as Whole time Director of the Company and to fix his remuneration.
	d) To authorize Board of Directors to fix the remuneration of the Non-Executive Directors.
	e) Alterations of Clause 208 of Article of Association.
	f) To Authorise the Board of Directors to issue & offer further Shares.

### 8. DISCLOSURES

- Details of related party transactions entered into by the Company are included in the Notes to Accounts. Material individual transactions with related parties are in the normal course of business and do not have potential conflict with the interests of the Company at large. Transactions with related parties entered into by the Company in the normal course of Business are placed before the Audit Committee.
- The Company has complied with various rules and regulations prescribed by the Stock Exchanges, Securities and Exchange Board of India or any other statutory authority relating to the capital market during the last 3 years. No penalties or strictures have been imposed by them on the Company.
- The Audit Committee and the Board have adopted a Whistle-Blower policy which provides a formal mechanism for all employees of the Company to approach to the Management of the Company (Audit Committee in case where the concern involves the Senior Management) and make protective disclosures to the Management about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. The disclosures reported are addressed in the manner and within the time frames prescribed in the Policy. The Company affirms that no employee of the Company has been denied access to the Audit Committee.

### 9. MEANS OF COMMUNICATION

- Quarterly Disclosures:** The Company communicates the quarterly financial results to the Stock Exchanges immediately after its approval by the Board. Quarterly Results are also published in the 'The Economic Times' (English Daily) and 'Navshakti' (Marathi Daily) newspapers.
- Website:** The Company's website [www.supremeinfra.com](http://www.supremeinfra.com) contains a separate dedicated section "investors" where shareholders information is available. Full Annual Reports are also available on the website in user- friendly and downloadable forms.
- Annual Report:** Annual Report containing, inter-alia, Directors' Report, Auditors' Report, Audited Annual Accounts and other important information is circulated to Members of the Company and others entitled thereto. The Management's Discussion and Analysis Report forms part of the Annual Report.
- NSE Electronic Application Processing System (NEAPS):** The NEAPS is a web based application designed by NSE for corporate. All periodical compliance filings like shareholding pattern, Corporate Governance Report etc. are filed electronically on NEAPS.
- SEBI Complaints Redress System (SCORES):** The investor complaints are processed in a centralised web based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the Complaint and its current status.

## 10. GENERAL SHAREHOLDER INFORMATION

<b>1. Company Registration details</b>	The Company is registered in the state of Maharashtra, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L74999MH1983PLC029752
<b>2. Annual General Meeting Date, Time and Venue</b>	Thursday, 26 <sup>th</sup> September, 2013 at 3.30 P.M. Sai Palace Hotels, Mahakali Caves Road, Chakala, Andheri (East), Mumbai – 400 093
<b>3. Financial Year</b>	2012-2013
<b>4. Tentative Financial Calendar</b>	
<b>Quarterly results will be declared as per the following tentative schedule</b>	
<b>Financial reporting for the quarter ending 30<sup>th</sup> June, 2013:</b>	by 14 <sup>th</sup> August 2013
<b>Financial reporting for the half year ending 30<sup>th</sup> September, 2013:</b>	by 14 <sup>th</sup> November 2013
<b>Financial reporting for the quarter ending 31<sup>st</sup> December, 2013:</b>	by 14 <sup>th</sup> February 2014
<b>Financial reporting for the year ending 31<sup>st</sup> March, 2014:</b>	by 30 <sup>th</sup> May 2014
<b>5. Dates of Book Closure</b>	From Thursday, 19 <sup>th</sup> September, 2013 to Thursday, 26 <sup>th</sup> September, 2013
<b>6. Dividend</b>	Dividend of ₹ 2/- per Equity Share for F.Y.2012-13 on the paid-up Equity Share Capital of the Company.
<b>7. Dividend Payment date</b>	Dividend @ 20 % per Equity Share will be paid/ dispatched on or after 27 <sup>th</sup> September, 2013 subject to the approval by the Shareholders at the forthcoming Annual General Meeting of the Company.
<b>8. Listing on Stock Exchanges</b>	The Equity Shares of your Company are listed on: Bombay Stock Exchange Limited (BSE) Add:- Floor 25, P.J. Towers, Dalal Street, Fort, Mumbai-400 001 and National Stock Exchange of India Ltd (NSE). Add:- Exchange Plaza, Bandra-Kurla Complex, Bandra, Mumbai-400 051. Your Company has paid Annual Listing Fees for the financial year 2013-14 to both the Exchanges.
<b>9. Stock Code</b>	Bombay Stock Exchange Limited (BSE):- "532904" National Stock Exchange of India Limited (NSE):- "SUPREMEINF"
<b>10. Registrar &amp; Transfer Agents</b>	Bigshare Services Private Limited Add:- E- 2, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri(East), Mumbai 400 072. Tel: + 91 22 2847 3747/3474 Fax: + 91 22 2847 5207 Website:www.bigshareonline.com Email: investor@bigshareonline.com
<b>11. Share Transfer System</b>	The Board of Directors has delegated the power of share transfer to the M/s Bigshare Services Private Limited, Registrar and Share Transfer Agent of the Company. Share Transfer Agent attends to share transfer formalities once in a fortnight.

## Corporate Governance Report

### 10. GENERAL SHAREHOLDER INFORMATION (Contd.)

<b>12. Address for Correspondence</b>	Mr. Vijay Joshi Company Secretary Supreme Infrastructure India Limited Add:- Supreme House, Plot No.94/C, Opp. I.I.T. Main Gate, Pratap Gad, Powai, Mumbai- 400 076 Tel: + 91 22 6128 9700 Fax: + 91 22 6128 9711 Website:www.supremeinfra.com Email:vijayj@supremeinfra.com
<b>13. Dematerialisation of Shares and liquidity</b>	As on 30 <sup>th</sup> March, 2013 1,67,42,076 Equity Shares of the Company constituting 99.99% of the Equity Shares Capital are held in Dematerialized form. The equity shares of the Company are in compulsory dematerialized trading for all investors.
<b>14. Electronic clearing services (ECS)</b>	Members are requested to update their bank account details with their respective Depository Participants for Shares held in the electronic form or write to the company's Registrar and Share Transfer Agent M/s Bigshare Services Private Limited for the shares held in physical form.
<b>15. Investor Complaints to be addressed to</b>	Registrar and Share Transfer Agent M/s Bigshare Services Private Limited or to Mr. Vijay Joshi, Company Secretary at the address mentioned earlier.
<b>16. Outstanding GDRs/ ADRs/ Warrants or any convertible instruments, conversion date and likely impact on equity.</b>	The Company has not issued any GDRs/ ADRs/ Warrants. There are no outstanding convertible instruments as on 31 <sup>st</sup> March, 2013.
<b>17. Plant Locations</b>	1. Hot Mix Plant, RMC Plant and Crusher Plant at Padgha Add:- Near Vasare Village, Kalyan-Padgha Road, Talvali, Padgha. 2. RMC Plants and Crusher Plant at Powai Add.: Hiranandani Complex, Powai, Mumbai- 400 076

### Distribution of Share Holding

Face value: ₹ 10/- each (as on 31<sup>st</sup> March 2013)

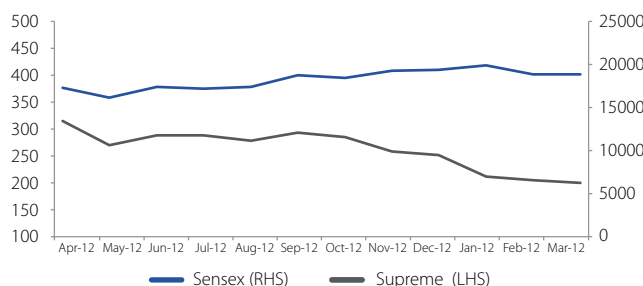
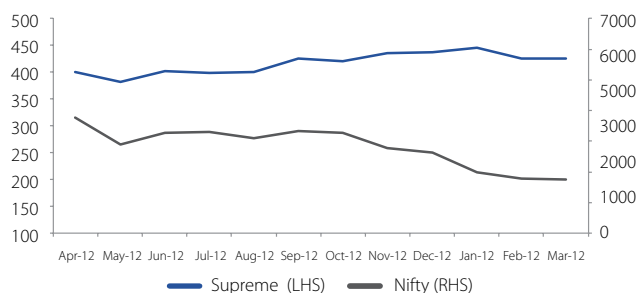
Slab of shares	Number of Shareholders	Percentage of shareholders	Total Holding in ₹	Percentage of Total Capital
1 5000	7072	93.43	5719830	3.42
5001 10000	220	2.91	1791080	1.07
10001 20000	126	1.67	1984410	1.19
20001 30000	36	0.48	929900	0.56
30001 40000	20	0.26	716100	0.43
40001 50000	11	0.14	507080	0.30
50001 100000	21	0.28	1465620	0.87
Greater than 100000	63	0.83	154306850	92.16
	7569	100.00	167420870	100.00

### Shareholding Pattern as on 31<sup>st</sup> March, 2013

Sr. No.	Category of Shareholders	No. of Shares held	Percentage of Shareholding
1.	Promoters & Promoters Group	9605500	57.37
2.	Director and their Relative	905	0.00
3.	Mutual fund/ UTI	1085095	6.48
4.	Government Companies, Financial Institutions, Banks and Insurance Companies	3199	0.02
5.	Foreign Institutional Investors (FIIs)	2137382	12.77
6.	Bodies Corporate	1749013	10.45
7.	NRI's	473127	2.83
8.	Indian Public (Other than above)	1687866	10.08
	<b>Total</b>	<b>1,67,42,087</b>	<b>100.00</b>

**Market Price Data**

Months	The Bombay Stock Exchange Limited. (BSE)		The National Stock Exchange of India Ltd. (NSE)	
Slab of shares	High Price (₹)	Low Price (₹)	High Price (₹)	Low Price (₹)
April 2012	346.7	285.2	359.90	278.00
May 2012	324.8	260.1	323.90	256.20
June 2012	303.95	252	300.95	254.80
July 2012	305.9	256.95	306.50	275.00
August 2012	299.9	276	299.45	275.05
September 2012	301.35	263	300.00	261.20
October 2012	324	276.1	320.00	276.45
November 2012	290	257.05	290.00	256.00
December 2012	265	240.1	265.00	241.25
January 2013	256	204	257.00	204.05
February 2013	235.4	195.45	235.60	196.10
March 2013	220	174	217.35	162.85

**Share price movement of SIIL on Bombay Stock Exchange (BSE) during FY2013 In ₹****Share price movement of SIIL on National Stock Exchange (NSE) during FY2013 In ₹****11. CODE OF CONDUCT:**

The Board of Directors has adopted the Code of Conduct for the Board of Directors and Senior Management of the Company and have been posted on the Company's website [www.supremeinfra.com](http://www.supremeinfra.com). As required by Clause 49(I)(D) of the Listing Agreement with the Stock Exchange(s), it is hereby declared that all the Board members and senior management personnel have affirmed compliance with the Code of Conduct of the Company for the year ended 31<sup>st</sup> March, 2013.

**B. Non-mandatory requirements**

- The Company has adopted the non-mandatory requirements as regards the provisions relating to the Remuneration Committee.
- Since the financial results are published in leading newspapers as well as promptly intimated to the stock exchanges, the same are not sent to each household of the shareholders.
- Audit Qualifications

There are no audit qualification on the financial statements of the Company for the year 2012-13.

**ANNUAL DECLARATION BY CEO PURSUANT TO CLAUSE 49(I)(D) (ii) OF THE LISTING AGREEMENT**

As per the requirements of Clause 49(I)(D)(ii) of the Listing Agreement, I, Vikram Sharma, Managing Director, hereby declare that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Business Conduct and Ethics for the Financial Year 2012-13.

**VIKRAM SHARMA**  
**MANAGING DIRECTOR**

Place: Mumbai  
Date: 28<sup>th</sup> May, 2013

## Corporate Governance Report Certificate

To  
The Members,  
Supreme Infrastructure India Limited

We have examined the compliance of conditions of Corporate Governance by Supreme Infrastructure India Limited ("the Company"), for the year ended 31st March, 2013 as stipulated in Clause 49 of the Listing Agreement with the Stock Exchange(s) in India. The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation 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 Corporate Governance as

stipulated in the above mentioned Listing Agreement. On the basis of the records maintained by the Company we state that as at 31st March, 2013 there were no investor grievances pending with the Company.

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

**For Kothari H & Associates**  
Company Secretaries

Place: Mumbai  
Dated: 28<sup>th</sup> May, 2013

**Hitesh Kothari**  
Membership No.: FCS 6038

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## Certification by the Managing Director on Financial Statements of the Company for the year ended 31st March, 2013

I, Vikram Sharma, Managing Director of SUPREME INFRASTRUCTURE INDIA LIMITED, certify that:

- (a) I have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2013 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 which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We are responsible for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the auditors and the Audit Committee:

- (i) significant changes in internal control 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) 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.

**VIKRAM SHARMA**  
MANAGING DIRECTOR

Place: Mumbai  
Date : 28<sup>th</sup> May, 2013

# Independent Auditors' Report

To  
The Members of Supreme Infrastructure India Limited

## Report on the Financial Statements

1. We have audited the accompanying financial statements of Supreme Infrastructure India Limited, ("the Company"), which comprise the Balance Sheet as at 31 March 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Financial Statements

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

## Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the 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:

- i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2013;
- ii) in the case of Statement of Profit and Loss, of the profit for the year ended on that date; and
- iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

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

For **Walker, Chandiok & Co**  
Chartered Accountants  
Firm Registration No: 001076N

per **Amyr Jassani**  
Partner  
Membership No: F -46447

Place: Mumbai  
Date: 28 May 2013

For **Shah & Kathariya**  
Chartered Accountants  
Firm Registration No: 115171W

per **P. M. Kathariya**  
Partner  
Membership No: F -31315

Place: Mumbai  
Date: 28 May 2013



## Annexure to the Auditors' Report

of even date to the members of Supreme Infrastructure India Limited, on the financial statements for the year ended 31 March 2013.

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) In our opinion, a substantial part of fixed assets has not been disposed off during the year.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) 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) The Company is maintaining proper records of inventory and no material discrepancies between physical inventory and book records were noticed on physical verification.
- (iii) (a) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of clauses 4(iii) (b) to 4(iii) (d) of the Order are not applicable.
- (e) The Company has taken unsecured loans from three parties covered in the register maintained under Section 301 of the Act. The maximum amount outstanding during the year is ₹ 25,989,766 and the year-end balance is ₹ 10,850,266.
- (f) These interest free loans, as represented by the management, are in the nature of demand loans and therefore repayable on demand. In our opinion, other terms and conditions of loan taken by the Company are not, prima facie, prejudicial to the interest of the Company.
- (g) In respect of interest free loans taken, the principal amounts are repayable on demand and since the repayment of such loans has not been demanded, in our opinion, payment of the principal amount is regular.
- (iv) In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) (a) In our opinion, the particulars of all contracts or arrangements that need to be entered into the register maintained under Section 301 of the Act have been so entered.
- (b) In our opinion, the transactions made in pursuance of such contracts or arrangements and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public within the meaning of sections 58A and 58AA of the Act and the Companies (Acceptance of Deposits) Rules, 1975. Accordingly, the provisions of clause 4(vi) of the Order are not applicable.
- (vii) In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- (viii) According to the information and explanations given to us, the Companies (Cost Accounting Records) Rules 2011 have become applicable to the Company during the current year and the said rules have not prescribed any specific formats for the cost statements relating to its operations. In terms with the clarification issued by the Ministry of Corporate Affairs, the management believes that its records currently maintained by Company provide the information required under the said rules. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act in respect of Company's operations and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues, *as applicable, have not been regularly deposited with the appropriate authorities and there have been significant delays in a large number of cases.* Further, no undisputed amounts payable in respect thereof, which were outstanding at the year-end for a period of more than six months from the date they became payable.

- (b) There are no dues in respect of income tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess that have not been deposited with the appropriate authorities on account of any dispute.
- (x) In our opinion, the Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and the immediately preceding financial year.
- (xi) In our opinion, the Company has not defaulted in repayment of dues to any bank or financial institution during the year. The Company did not have any outstanding debentures during the year.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4(xii) of the Order are not applicable.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Accordingly, the provisions of clause 4(xiii) of the Order are not applicable.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable.
- (xv) The Company has not given any guarantees for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 4(xv) of the Order are not applicable.
- (xvi) In our opinion, the Company has applied the term loans for the purpose for which the loans were obtained.
- (xvii) In our opinion, no funds raised on short term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Act. Accordingly, the provisions of clause 4(xviii) of the Order are not applicable.
- (xix) The Company has neither issued nor had any outstanding debentures during the year. Accordingly, the provisions of clause 4(xix) of the Order are not applicable.
- (xx) The Company has not raised any money by public issues during the year. Accordingly, the provisions of clause 4(xx) of the Order are not applicable.
- (xxi) No fraud on or by the Company has been noticed or reported during the period covered by our audit.

For **Walker, Chandiok & Co**  
Chartered Accountants  
Firm Registration No: 001076N

per **Amy Jassani**  
Partner  
Membership No: F -46447

Place: Mumbai  
Date: 28 May 2013

For **Shah & Kathariya**  
Chartered Accountants  
Firm Registration No: 115171W

per **P. M. Kathariya**  
Partner  
Membership No: F -31315

Place: Mumbai  
Date: 28 May 2013

# Balance Sheet

as at 31 March 2013

	Notes	As at 31 March 2013	As at 31 March 2012
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	2	192,420,870	192,420,870
Reserves and surplus	3	4,575,763,747	3,518,851,779
		<b>4,768,184,617</b>	<b>3,711,272,649</b>
<b>Non-current liabilities</b>			
Long-term borrowings	4	2,350,863,426	2,643,398,877
Deferred tax liability (net)	5	104,412,980	107,523,696
Long-term provisions	6	19,424,090	13,087,238
		<b>2,474,700,496</b>	<b>2,764,009,811</b>
<b>Current liabilities</b>			
Short-term borrowings	7	6,667,818,328	4,343,647,136
Trade payables	8	2,198,363,144	1,746,005,439
Other current liabilities	9	4,425,781,672	4,162,724,771
Short-term provisions	6	127,738,698	162,531,603
		<b>13,419,701,842</b>	<b>10,414,908,949</b>
<b>Total</b>		<b>20,662,586,955</b>	<b>16,890,191,409</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	10	3,021,225,295	2,815,320,895
Intangible Assets	11	15,078,243	-
Capital work-in-progress		31,196,922	58,249,847
Intangible assets under development		-	10,635,536
Non-current investments	12	2,227,763,925	1,272,913,317
Long-term loans and advances	13	152,806,274	1,546,050,390
Other non-current assets	14	19,767,885	46,923,938
		<b>5,467,838,544</b>	<b>5,750,093,923</b>
<b>Current assets</b>			
Current investments	15	17,339,339	47,928,718
Inventories	16	1,706,574,365	1,413,798,413
Trade receivables	17	6,789,695,731	4,963,328,870
Cash and bank balances	18	1,297,721,604	682,712,824
Short-term loans and advances	13	5,383,417,372	4,032,328,661
		<b>15,194,748,411</b>	<b>11,140,097,486</b>
<b>Total</b>		<b>20,662,586,955</b>	<b>16,890,191,409</b>
<b>Significant Accounting Policies</b>	1		

The notes referred to above form an integral part of the financial statements

This is the balance sheet referred to in our report of even date

For **Walker, Chandiok & Co**  
Chartered Accountants

**Amyr Jassani**  
Partner

Place : Mumbai  
Date : 28 May 2013

For **Shah & Kathariya**  
Chartered Accountants

**P. M. Kathariya**  
Partner

Place : Mumbai  
Date : 28 May 2013

For and on behalf of the Board of Directors

**B. H. Sharma**  
Chairman

**Vikas Sharma**  
Wholtime Director

Place : Mumbai  
Date : 28 May 2013

**Vikram Sharma**  
Managing Director

**Vijay Joshi**  
Company Secretary

# Statement of Profit and Loss

for the year ended 31 March 2013

	Notes	Year ended 31 March 2013	Amounts in ₹ Year ended 31 March 2012
<b>Revenue</b>			
Revenue from operations	19	19,869,502,302	15,059,143,508
Other income	20	40,627,808	28,109,594
<b>Total</b>		<b>19,910,130,110</b>	<b>15,087,253,102</b>
<b>Expenses</b>			
Material and contractor costs	21	16,016,307,848	12,038,184,726
Changes in work-in-progress	22	(70,176,244)	(53,143,567)
Employee benefit expense	23	536,686,641	365,109,446
Finance costs	24	1,191,804,550	915,428,376
Depreciation and amortisation	25	335,898,672	283,646,180
Other expenses	26	301,975,779	274,245,017
<b>Total</b>		<b>18,312,497,246</b>	<b>13,823,470,178</b>
<b>Profit before tax</b>		<b>1,597,632,864</b>	<b>1,263,782,924</b>
<b>Tax expense</b>			
Current tax		(480,000,000)	(325,840,000)
Deferred tax		3,110,716	(19,979,713)
Tax adjustment for earlier years		(24,363,970)	-
<b>Profit for the year</b>		<b>1,096,379,610</b>	<b>917,963,211</b>
<b>Earnings per equity share (Face value of ₹ 10 each)</b>	27		
Basic		65.47	54.81
Diluted		65.47	54.81
<b>Significant Accounting Policies</b>	1		

The notes referred to above form an integral part of the financial statements

This is the statement of profit and loss referred to in our report of even date

For **Walker, Chandiok & Co**  
Chartered Accountants

**Amyr Jassani**  
Partner

Place : Mumbai  
Date : 28 May 2013

For **Shah & Kathariya**  
Chartered Accountants

**P. M. Kathariya**  
Partner

Place : Mumbai  
Date : 28 May 2013

For and on behalf of the Board of Directors

**B. H. Sharma**  
Chairman

**Vikas Sharma**  
Wholetime Director

Place : Mumbai  
Date : 28 May 2013

**Vikram Sharma**  
Managing Director

**Vijay Joshi**  
Company Secretary

# Cash Flow Statement

for the year ended 31 March 2013

	Amounts in ₹	
	Year ended 31 March 2013	Year ended 31 March 2012
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net profit before tax</b>	1,597,632,864	1,263,782,924
<b>Adjustment for:</b>		
Depreciation	335,898,672	283,646,180
Interest income	(37,115,213)	(27,521,382)
Dividend income	(30,963)	(176,348)
Provision for doubtful debts	30,150,000	
Profit on redemption of mutual funds	(3,481,632)	-
Amortisation of premium on forward exchange contracts	-	48,247,650
Interest expenses	1,108,848,738	860,210,641
<b>Operating profit before working capital changes</b>	<b>3,031,902,466</b>	<b>2,428,189,665</b>
<b>Adjustment for:</b>		
Increase in trade and other payables	434,876,282	3,417,688,142
Increase in inventories	(292,775,952)	(243,762,355)
Increase in trade receivables	(1,856,516,861)	(2,137,527,769)
Increase in loans and advances	63,286,581	(2,307,930,940)
Decrease / (Increase) in non current assets	27,156,053	(45,720,224)
<b>Cash from / (used in) operating activities</b>	<b>1,407,928,569</b>	<b>1,110,936,519</b>
Income taxes paid	(554,342,054)	(348,612,846)
<b>Net cash generated from/ (used in) operating activities</b>	<b>853,586,515</b>	<b>762,323,673</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Acquisition of assets (including capital work in progress and intangible assets under development)	(519,192,854)	(465,789,626)
Purchase of investments		
- Subsidiary	(954,851,618)	(180,052,481)
- other	(3,059,611)	(438,711,348)
Sale of investment	37,131,632	-
Subscription money pending allotment	-	(1,220,833,187)
Interest received	37,115,213	27,499,839
Dividends received	30,963	176,348
Net investments in bank deposits (having original maturity of more than three months)	(476,277,907)	(252,347,084)
<b>Net cash used in investing activities</b>	<b>(1,879,104,182)</b>	<b>(2,530,057,539)</b>



# Cash Flow Statement

for the year ended 31 March 2013

	Amounts in ₹	
	Year ended 31 March 2013	Year ended 31 March 2012
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowings	2,529,117,794	3,079,893,262
Repayment of borrowings	(231,366,813)	(330,325,305)
Interest paid	(1,108,848,738)	(856,413,099)
Dividends paid (including dividend tax)	(24,653,703)	(29,402,336)
<b>Net cash generated from financing activities</b>	<b>1,164,248,540</b>	<b>1,863,752,522</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>138,730,873</b>	<b>96,018,656</b>
Cash and cash equivalents as at the beginning of the year	241,646,166	145,627,510
<b>Cash and cash equivalents as at the end of the year (Also refer note 18)</b>	<b>380,377,039</b>	<b>241,646,166</b>

This is the cash flow statement referred to in our report of even date

For **Walker, Chandiok & Co**  
Chartered Accountants

**Amyr Jassani**  
Partner

Place : Mumbai  
Date : 28 May 2013

For **Shah & Kathariya**  
Chartered Accountants

**P. M. Kathariya**  
Partner

Place : Mumbai  
Date : 28 May 2013

For and on behalf of the Board of Directors

**B. H. Sharma**  
Chairman

**Vikas Sharma**  
Wholetime Director

Place : Mumbai  
Date : 28 May 2013

**Vikram Sharma**  
Managing Director

**Vijay Joshi**  
Company Secretary

# Notes to the Financial Statements

## for the year ended 31 March 2013

### Corporate Information

The Company was incorporated in the year 1983 and is engaged in construction & development of roads, highways, buildings, bridges, etc. The Company also owns and operates Ready Mix Concrete ("RMC") plant, Asphalt plant and Crushing plant.

### 1 Significant Accounting Policies

#### a. Basis of accounting and preparation of financial statements

The financial statements which have been prepared under the historical cost convention on the accrual basis of accounting, are in accordance with the applicable provisions of the Companies Act, 1956 (the 'Act') and comply in all material aspects with Accounting Standards prescribed by the Central Government, in accordance with the Companies (Accounting Standards) Rules 2006, to the extent applicable.

#### b. Use of estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of financial statements and the reported amount of revenue and expenses during the reporting year. Key estimates include estimate of useful life of fixed assets, unbilled revenue, income tax and future obligations under employee retirement benefit plans. Actual results could differ from those estimates. Any revision to accounting estimates will be recognized prospectively in the current and future periods.

#### c. Fixed assets

Tangible assets are stated at cost of acquisition, less accumulated depreciation. Cost includes inward freight, duties, taxes, and incidental expenses related to acquisition and installation up to the point the asset is ready for its intended use. Intangible assets includes software which are not integral part of the hardware are stated at cost less accumulated amortisation.

Capital work in progress represents expenditure incurred in respect of capital projects under development and are carried at cost. Intangible assets under development represents expenditure incurred in respect of computer software under development and are carried at cost.

Cost includes related acquisition expenses, construction cost, borrowing costs capitalized and other direct expenditure.

#### d. Depreciation and amortisation

Depreciation on assets, other than pantoon, shuttering materials and truss, is provided on written down value method, pro rata from the period of use of assets, at the rates stipulated in Schedule XIV of the Companies Act, 1956. Pantoon, shuttering material and truss are depreciated over the period of 5 years based on the management's estimate of useful life of the asset. Individual assets costing less than ₹ 5,000 are depreciated in full in the year they are put to use.

#### e. Impairment of assets

The carrying amounts of the Company's assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized whenever the carrying amount of an asset or a cash generating unit exceeds its recoverable amount. The recoverable amount of the assets (or where applicable, that of the cash generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use. Impairment loss is recognized in the Statement of Profit and Loss or against revaluation surplus where applicable.

#### f. Borrowing costs

Borrowing costs relating to acquisition, construction or production of a qualifying asset which takes substantial period of time to get ready for its intended use are added to the cost of such asset to the extent they relate to the period till such assets are ready to be put to use. Other borrowing costs are charged to Statement of Profit and Loss in the year in which it is accrued.

#### g. Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments. Current investments are carried at lower of cost and net realizable value determined on an individual investment basis.

#### h. Inventories

Inventory of construction materials is stated at lower of cost and net realizable value. Cost is determined using First-in-First-out (FIFO) method.

# Notes to the Financial Statements

for the year ended 31 March 2013

## i. Employee benefits

### i. Defined Contribution Plan

Company makes contribution to statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 and Employee State Insurance Fund in accordance with Employees State Insurance Corporation Act, 1948 which are defined contribution plans and contribution paid or payable is recognised as an expense in the period in which services are rendered by the employee.

### ii. Defined Benefit Plan

Gratuity is a post employment benefit and is in the nature of a defined benefit plan. The liability recognised in the balance sheet in respect of gratuity is the present value of the defined benefit/ obligation at the balance sheet date, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit/ obligation is calculated at or near the balance sheet date by an independent actuary using the projected unit credit method. Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged or credited to the Statement of Profit and Loss in the year in which such gains or losses are determined.

iii. All short term employee benefits are accounted on undiscounted basis during the accounting period based on services rendered by employees.

## j. Revenue recognition

### i. Revenue from construction contracts

The Company follows the percentage completion method, on the basis of physical measurement of work actually completed at the balance sheet date, taking into account the contractual price and revision thereto by estimating total revenue and total cost till completion of the contract and the profit so determined has been accounted for proportionate to the percentage of the actual work done. Unbilled work-in-progress related to project works is valued at cost or estimated net realisable value, whichever is lower, till such time the outcome of the related project is ascertained reliably and at contract rates thereafter. Foreseeable losses are accounted for as and when they are determined except to the extent they are expected to be recovered through claims presented.

### ii. Revenue from joint venture contracts

a. Contracts executed in Joint Venture under work sharing arrangement (consortium) are accounted in accordance with the accounting policy followed by the Company for an independent contract to the extent work is executed.

b. In respect of contracts executed in Integrated Joint Ventures under profit sharing arrangement (assessed as Association of Persons under Income tax laws), the services rendered to the Joint Ventures are accounted as income on accrual basis. The profit / loss is accounted for, as and when it is determined by the Joint Venture and the net investment in the Joint Venture is reflected as investments, loans and advances or current liabilities.

iii. Dividend is recognized when the right to receive the payment is established.

iv. Interest and other income are accounted for on accrual basis except where the receipt of income is uncertain in which case it is accounted for on receipt basis.

## k. Leases

Lease of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight line basis over the lease term.

## l. Foreign currency transactions

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities are translated at the year-end rate. Gains or losses arising out of remittance/translations at the year-end are credited / debited to the Statement of Profit and Loss except in cases of long term foreign currency monetary items where they relate to acquisition of fixed assets in which case they are adjusted to the carrying cost of such assets.

## m. Taxation

### Current tax

Provision for current tax is recognized based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the Income Tax Act, 1961.

### Deferred tax

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences between the financial statements' carrying amounts of existing assets and liabilities and their respective tax basis.

## Notes to the Financial Statements

for the year ended 31 March 2013

Deferred tax assets and liabilities are measured using the enacted tax rates or tax rates that are substantively enacted at the Balance Sheet dates. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the period that includes the enactment date. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. Other deferred tax assets are recognized only to the extent there is reasonable certainty of realization in the future. Such assets are reviewed at each Balance Sheet date to reassess realization. Timing differences originating and reversing during the tax holiday period are not considered for the purposes of computing deferred tax assets and liabilities.

### n. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of shares which could have been issued on conversion of all dilutive potential equity shares.

### o. Provisions and Contingent liabilities

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on management's estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates. Provisions are recognized in the financial statements in respect of present probable obligations, for amounts which can be reliably estimated. Contingent Liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company.

		Amounts in ₹	
		Number	As at
		31 March 2013	31 March 2012
<b>2 Share capital</b>			
<b>Authorised share capital</b>			
Equity shares of ₹10 each	30,000,000	300,000,000	30,000,000
1% Non cumulative redeemable preference shares of ₹ 10 each	20,000,000	200,000,000	20,000,000
	<b>50,000,000</b>	<b>500,000,000</b>	<b>50,000,000</b>
<b>Issued, subscribed and fully paid up</b>			
Equity shares of ₹10 each	16,742,087	167,420,870	16,742,087
1% Non cumulative redeemable preference shares of ₹10 each	2,500,000	25,000,000	2,500,000
[Also, refer note (d) below]			
<b>Total</b>	<b>19,242,087</b>	<b>192,420,870</b>	<b>19,242,087</b>

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

<b>Balance at the beginning of the year</b>	16,742,087	167,420,870	16,742,087	167,420,870
Add : Issued during the year	-	-	-	-
<b>Balance at the end of the year</b>	<b>16,742,087</b>	<b>167,420,870</b>	<b>16,742,087</b>	<b>167,420,870</b>

#### b) Reconciliation of preference shares outstanding at the beginning and at the end of the reporting period

<b>Balance at the beginning of the year</b>	2,500,000	25,000,000	-	-
Add : Issued during the year	-	-	2,500,000	25,000,000
[Also, refer note (d) below]				
<b>Balance at the end of the year</b>	<b>2,500,000</b>	<b>25,000,000</b>	<b>2,500,000</b>	<b>25,000,000</b>

# Notes to the Financial Statements

for the year ended 31 March 2013

**c) Terms/rights attached to equity shares**

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

**d) Rights, preferences, restrictions & conversion terms attached to preference shares**

The Company had, on 13 May 2011, allotted 2,500,000 non cumulative, non convertible, redeemable preference shares of ₹ 10 each at a premium of ₹ 90 per share to BHS Housing Private Limited (allottee). The Preference Shares shall be redeemable at any time after the expiry of two years but before the expiry of five years from the date of allotment redeemable at a premium of ₹ 90 per share. These Preference Shares carry preferential right of dividend at the rate of 1%. The holders of Preference Shares have no rights to receive notices of, attend or vote at general meetings except in certain limited circumstances. On a distribution of assets of the Company, on a winding-up or other return of capital (subject to certain exceptions), the holders of Preference Shares have priority over the holders of Equity Shares to receive the capital paid up on those shares.

**e) Shareholders holding more than 5% of the shares in the Company as at balance sheet date**

	Number	% Shareholding	Number	% Shareholding
<b>Equity shares of ₹10 each</b>				
Bhawanishankar H Sharma	3,699,000	22%	3,699,000	22%
Vikram B Sharma	2,927,000	17%	2,800,000	17%
Vikas B Sharma	1,800,000	11%	1,800,000	11%
Kitara PIIN 1101	1,650,000	10%	1,101,983	7%
Mavi Investment Fund Limited	162,382	1%	997,412	6%
<b>Preference shares of ₹10 each</b>				
BHS Housing Private Limited	2,500,000	100%	2,500,000	100%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

**f) Aggregate number of bonus shares issued and shares issued for consideration other than cash during the period of five years immediately preceding the reporting date**

The Company has not issued any bonus shares nor has there been any buy back of shares during five years immediately preceding 31 March 2013.



# Notes to the Financial Statements

for the year ended 31 March 2013

		Amounts in ₹	
		As at 31 March 2013	As at 31 March 2012
<b>3 Reserves and surplus</b>			
<b>Securities premium account</b>			
Balance at the beginning of the year		908,621,501	683,621,501
Add : Amount arising on preference shares issued [Also, refer note 2 (d)]		-	225,000,000
<b>Balance at the end of the year</b>		<b>908,621,501</b>	<b>908,621,501</b>
<b>General reserve</b>			
Balance at the beginning of the year		148,282,483	123,282,483
Add : Transfer from statement of statement profit and loss		110,000,000	25,000,000
<b>Balance at the end of the year</b>		<b>258,282,483</b>	<b>148,282,483</b>
<b>Surplus in the statement of profit and loss</b>			
Balance at the beginning of the year		2,461,947,795	1,593,597,731
Add : Transferred from statement of profit and loss		1,096,379,610	917,963,211
Less : Proposed equity dividend		33,484,174	20,927,609
Less : Proposed preference dividend		250,295	250,000
Less : Tax on dividends		5,733,173	3,435,538
Less : Transfer to general reserve		110,000,000	25,000,000
<b>Balance at the end of the year</b>		<b>3,408,859,763</b>	<b>2,461,947,795</b>
<b>Total</b>		<b>4,575,763,747</b>	<b>3,518,851,779</b>

		Amounts in ₹	
		As at 31 March 2013	As at 31 March 2012
		Long Term	Current Portion
<b>4 Long term borrowings</b>			
<b>Secured</b>			
External commercial borrowings		225,715,597	73,969,448
Term loans			
From banks		881,700,398	324,765,942
From financial institutions		1,243,447,431	369,542,185
<b>Total</b>		<b>2,350,863,426</b>	<b>768,277,575</b>
Amount disclosed under "Other current liabilities" (Also refer note 9)		-	(768,277,575)
		<b>2,350,863,426</b>	<b>-</b>
		<b>2,643,398,877</b>	<b>502,162,336</b>

## External commercial borrowings

External commercial borrowings from Axis Bank carries interest @ LIBOR plus 3.45 % per annum (quarterly rests). The loan is repayable within 7 years including moratorium of 27 months from the date of first disbursement in equal quarterly installments. The loan is secured by first charge on assets procured from this loan and pari passu second charge on the current assets of the Company and personal guarantee of the promoter directors.

## Term loans from banks

- (i) Term loan obtained from consortium bankers carries interest rate of base rate plus 2.35 % to 3.50 % and are secured by hypothecation of assets which includes all movable fixed assets of the Company and fixed assets created out of these loans and personal guarantee of Company's promoter directors. These loans are repayable over the period of 3-4 years.

# Notes to the Financial Statements

for the year ended 31 March 2013

- (ii) Loan from other banks carries interest @ 11 % per annum and are secured by hypothecation of the assets created out of these loan and personal guarantee of a director of the Company. These loans are repayable over the period of 3-4 years.

## Term loans from financial institutions includes :

- (i) Loans from SREI Equipment Finance Limited carries interest in the range of 13% to 17% per annum and are repayble in 36 monthly installments over the tenure of the loans having various maturity dates These loans are secured by first charge on the specific equipment financed out of the said loans, pledge of shares held by a promoter director and personal guarantee of the promoter directors.
- (ii) Loan from L&T Infrastructure Finance Company Limited carries interest @ L&T Infra PLR minus 3% per annum and is repayble in 5 years with a moratorium period of 12 months from the date of first disbursement. The loan is secured by first pari passu charge by way of hypothecation on the entire current assets and encumbered movable fixed assets of the Company, current and future. This loan is further secured by first charge by way of equitable mortgage on pari passu basis on the immovable properties together with all structure and appurtenances thereon, demand promissory notes & personal guarantee of the promoter directors.
- (iii) Loan from other Financial institution carries interest in the range of 12.75% to 13.75% per annum and are secured by hypothecation of the assets created out of these loans, personal guarantee of a director of the Company and demand promissory note issued by the Company.

		Amounts in ₹	
		As at 31 March 2013	As at 31 March 2012
<b>5</b>	<b>Deferred tax liability (Net)</b>		
	<b>Deferred tax liability arising on account of :</b>		
	Timing difference between book depreciation and depreciation as per Income Tax Act, 1961	127,934,001	119,336,420
	<b>Total deferred tax liabilities (A)</b>	<b>127,934,001</b>	<b>119,336,420</b>
	<b>Deferred tax asset arising on account of :</b>		
	Provision for bad and doubtful advances	6,910,784	6,910,784
	Provision for bad and doubtful debts	9,782,168	-
	Provision for employee benefits	6,828,069	4,901,940
	<b>Total deferred tax assets (B)</b>	<b>23,521,021</b>	<b>11,812,724</b>
	<b>Net deferred tax liability (A-B)</b>	<b>104,412,980</b>	<b>107,523,696</b>

		Amounts in ₹	
		As at 31 March 2013	As at 31 March 2012
		Long term	Short term
<b>6</b>	<b>Provisions</b>		
	Provision for employee benefits [Also, refer note 35]	19,424,090	1,620,969
	Proposed dividend on equity shares	-	33,484,174
	Proposed dividend on preference shares	-	250,295
	Tax on proposed dividend	-	5,733,173
	Provision for taxation (net of advance tax)	-	86,650,087
		<b>19,424,090</b>	<b>127,738,698</b>
		<b>13,087,238</b>	<b>162,531,603</b>

# Notes to the Financial Statements

for the year ended 31 March 2013

	As at 31 March 2013	As at 31 March 2012
<b>7 Short-term borrowings</b>		
<b>Secured</b>		
Cash credit facilities from banks [Also, refer note (i) below]	6,656,968,062	4,334,805,370
<b>Unsecured</b>		
Loans from related parties [Also, refer notes (ii) below and 30]	10,850,266	8,841,766
	<b>6,667,818,328</b>	<b>4,343,647,136</b>

**Notes:**

- (i) Cash Credit facilities availed from bankers are secured by first pari passu charge on the current assets of the Company and equitable mortgage of Company's office premises and property of one of the directors, extension of hypothecation charge on pari passu basis on fixed assets of the Company and assets created out of equipment loans and personal guarantee of Company's directors. These facilities are repayable on demand.
- (ii) Represents interest free loan and are repayable on demand.

<b>8 Trade payables</b>		
Trade payables (Also refer note 30 and 36)	2,198,363,144	1,746,005,439
	<b>2,198,363,144</b>	<b>1,746,005,439</b>

<b>9 Other current liabilities</b>		
Current Portion of long term borrowings (Also, refer note 4)	768,277,575	502,162,336
Mobilisation advances from customers (Also, refer notes 29 and 30)	2,953,876,286	2,922,731,722
Other advance from customers (Also, refer note 30)	-	73,938,942
Interest accrued but not due	3,002,113	-
Retention payable (Also, refer note 30)	359,230,983	336,570,088
Unpaid dividends*	335,574	335,574
Unpaid share application money*	388,320	388,320
Book overdraft	197,618,114	218,774,496
Statutory dues	95,699,181	12,674,989
Other liabilities (Also, refer note 30)	47,353,526	95,148,304
	<b>4,425,781,672</b>	<b>4,162,724,771</b>

\* Not due for credit to Investor Education & Protection Fund

# Notes to the Financial Statements

for the year ended 31 March 2013

## 10 Tangible assets

(Amounts in ₹)

Gross block	Freehold land	Leasehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Computers	Total
<b>Balance as at 1 April 2011</b>	<b>680,067,226</b>	<b>5,470,000</b>	<b>374,915,134</b>	<b>2,065,633,314</b>	<b>11,805,403</b>	<b>114,929,456</b>	<b>7,566,936</b>	<b>7,765,440</b>	<b>3,268,152,909</b>
Additions	3,500,000	-	152,318,737	356,898,624	640,000	3,264,296	1,773,920	2,540,409	520,935,986
Disposals	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2012</b>	<b>683,567,226</b>	<b>5,470,000</b>	<b>527,233,871</b>	<b>2,422,531,938</b>	<b>12,445,403</b>	<b>118,193,752</b>	<b>9,340,856</b>	<b>10,305,849</b>	<b>3,789,088,895</b>
Additions	-	-	64,861,585	426,428,711	40,896,296	2,522,912	2,165,916	1,937,745	538,813,165
Disposals	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2013</b>	<b>683,567,226</b>	<b>5,470,000</b>	<b>592,095,456</b>	<b>2,848,960,649</b>	<b>53,341,699</b>	<b>120,716,664</b>	<b>11,506,772</b>	<b>12,243,594</b>	<b>4,327,902,060</b>
Accumulated depreciation									
<b>Balance as at 1 April 2011</b>	-	-	<b>8,639,350</b>	<b>593,978,562</b>	<b>4,751,980</b>	<b>75,777,853</b>	<b>2,653,603</b>	<b>4,320,472</b>	<b>690,121,820</b>
Depreciation charge	-	-	22,736,070	246,324,914	1,372,373	10,561,497	846,440	1,804,886	283,646,180
<b>Balance as at 31 March 2012</b>	-	-	<b>31,375,420</b>	<b>840,303,476</b>	<b>6,124,353</b>	<b>86,339,350</b>	<b>3,500,043</b>	<b>6,125,358</b>	<b>973,768,000</b>
Depreciation charge	-	-	25,860,653	288,097,301	6,999,615	8,683,752	1,092,381	2,175,062	332,908,765
<b>Balance as at 31 March 2013</b>	-	-	<b>57,236,073</b>	<b>1,128,400,777</b>	<b>13,123,968</b>	<b>95,023,103</b>	<b>4,592,424</b>	<b>8,300,420</b>	<b>1,306,676,765</b>
<b>Net block</b>									
<b>Balance as at 31 March 2012</b>	<b>683,567,226</b>	<b>5,470,000</b>	<b>495,858,451</b>	<b>1,582,228,462</b>	<b>6,321,050</b>	<b>31,854,402</b>	<b>5,840,813</b>	<b>4,180,491</b>	<b>2,815,320,895</b>
<b>Balance as at 31 March 2013</b>	<b>683,567,226</b>	<b>5,470,000</b>	<b>534,859,383</b>	<b>1,720,559,872</b>	<b>40,217,731</b>	<b>25,693,561</b>	<b>6,914,348</b>	<b>3,943,174</b>	<b>3,021,225,295</b>

## 11 Intangible assets

Gross block	Computer Software	Total
<b>Balance as at 1 April 2011</b>	-	-
Additions	-	-
Disposals	-	-
<b>Balance as at 31 March 2012</b>	-	-
Additions	18,068,150	18,068,150
Disposals	-	-
<b>Balance as at 31 March 2013</b>	<b>18,068,150</b>	<b>18,068,150</b>
Accumulated amortisation		
<b>Balance as at 1 April 2011</b>	-	-
Depreciation charge	-	-
<b>Balance as at 31 March 2012</b>	-	-
Depreciation charge	2,989,907	2,989,907
<b>Balance as at 31 March 2013</b>	<b>2,989,907</b>	<b>2,989,907</b>
<b>Net block</b>		
<b>Balance as at 31 March 2012</b>	-	-
<b>Balance as at 31 March 2013</b>	<b>15,078,243</b>	<b>15,078,243</b>

# Notes to the Financial Statements

for the year ended 31 March 2013

Amounts in ₹

	As at 31 March 2013		As at 31 March 2012	
	No. of Shares	Book Value	No. of Shares	Book Value
<b>12 Non-current investments</b> (Valued at cost, fully paid up, unless stated otherwise)				
<b>Trade</b>				
<b>Investments in equity shares (unquoted) *</b>				
<b>In subsidiaries</b>				
Supreme Infrastructure BOT Private Limited	10,000	100,000	10,000	100,000
Supreme Infrastructure BOT Holding Private Limited (Refer note below)	790,000	933,760,000	10,000	100,000
Supreme Panvel Indapur Tollways Private Limited	26,000	260,000	26,000	260,000
Supreme Mega Structures Private Limited	6,000	60,000	6,000	60,000
Supreme Infrastructure Overseas LLC (Face Value of Omani Riyal 1 each)	150,000	21,191,618	-	-
Rudranee Infrastructure Limited	12,183,648	179,952,481	12,183,648	179,952,481
<b>Others</b>				
Kalyan Sangam Infratech Limited (Face Value of ₹100 each)	390,625	39,062,500	390,625	39,062,500
Kotkapura Muksar Tollways Private Limited	4,899	48,990	-	-
Sanjose Supreme Tollways Development Private Limited	4,000	40,000	4,000	40,000
<b>Investments in preference shares (unquoted)</b>				
<b>Others</b>				
Kalyan Sangam Infratech Limited (Face Value of ₹100 each)	609,375	60,937,500	609,375	60,937,500
<b>Investments in debentures*</b>				
<b>In subsidiaries</b>				
Supreme Infrastructure BOT Private Limited	56,000,000	560,000,000	56,000,000	560,000,000
Supreme Panvel Indapur Tollways Private Limited	43,000,000	430,000,000	43,000,000	430,000,000
<b>Investment in unincorporated joint ventures</b>				
Supreme Siddhi JV [50% share (31 March 2012 - 50%)]	-	2,300,000	-	2,300,000
<b>Non trade</b>				
<b>Investments in equity shares (unquoted)*</b>				
<b>Others</b>				
The Saraswat Co-op Bank Limited	2,500	50,836	2,500	50,836
<b>Investments in government securities</b>				
National Savings Certificates	-	-	-	50,000
		<b>2,227,763,925</b>		<b>1,272,913,317</b>
<b>Aggregate amount of Investments</b>				
Aggregate amount of unquoted investment at cost		2,227,763,925		1,272,913,317
Provision for diminution in value of investments		-		-
		<b>2,227,763,925</b>		<b>1,272,913,317</b>

\* Face value of ₹ 10 each, unless otherwise stated

**Note :**

The Company has acquired 780,000 equity shares of ₹10 each at a premium of ₹1,187 per share amounting to ₹933,660,000 on 13 June 2012.



# Notes to the Financial Statements

for the year ended 31 March 2013

		Amounts in ₹	
		As at 31 March 2013	As at 31 March 2012
		Long term	Short term
<b>13 Loans and advances</b>			
(Unsecured, considered good unless otherwise stated)			
Capital advances	70,221,177	-	49,090,000
Security deposits	2,585,097	616,402,313	19,404,847
<b>Loans and advances to related parties (refer note 30)</b>			
Due from subsidiary companies			
- Subscription money pending allotment	-	-	1,397,555,543
- Other loans	-	2,832,144,738	-
Due from joint ventures	-	376,196,735	1,760,474,965
Due from associate	-	-	605,208,949
<b>Advances recoverable in cash or kind</b>			
- considered good	-	687,939,351	-
- considered doubtful	-	21,300,000	223,808,149
<b>Other loans and advances</b>			
Subscription money pending allotment *	80,000,000	-	-
Mobilisation and material advances	-	526,985,823	769,734,530
Advances to employees	-	27,454,367	-
Balances with statutory / government authorities	-	316,294,045	10,594,145
			351,286,339
	<b>152,806,274</b>	<b>5,404,717,372</b>	<b>1,546,050,390</b>
			<b>4,053,628,661</b>
Less : Provision for doubtful advances	-	(21,300,000)	-
	<b>152,806,274</b>	<b>5,383,417,372</b>	<b>1,546,050,390</b>
			<b>4,032,328,661</b>

\* Subscription money pending allotment constitutes share application money in Kanaka Infratech Limited, amounting to ₹ 80,000,000 towards strategic investment in the company.

		Amounts in ₹	
		As at 31 March 2013	As at 31 March 2012
<b>14 Other non current assets</b>			
Non-current bank balances (Also, refer note 18)		19,767,885	46,923,938
		<b>19,767,885</b>	<b>46,923,938</b>

## Notes to the Financial Statements

for the year ended 31 March 2013

Amounts in ₹				
	No. of Units	As at 31 March 2013	No. of Units	As at 31 March 2012
<b>15 Current investments</b>				
<b>Investments in mutual funds*</b>				
(Non-trade, unquoted, at lower of cost and fair value)				
Reliance Money Manager Fund - Institutional option	177	188,333	177	177,712
(Face value of ₹ 1,000 each)				
S.B.I. Capital Protection Oriental Fund Series - I	50,000	500,000	50,000	500,000
S.B.I. Gold Fund - I-Growth plan	250,000	2,500,000	250,000	2,500,000
S.B.I. Debt Fund	-	-	3,360,000	33,600,000
Axis Hybrid Fund-Series 1 - Growth plan	500,000	5,000,000	500,000	5,000,000
Axis Mid Cap Fund	250,000	2,500,000	250,000	2,500,000
Axis Triple Advantage Fund	264,869	2,651,006	264,869	2,651,006
Axis Bank Long Term Equity Fund	200,000	2,000,000	-	-
Axis Capital Protection Oriented Fund - Series 5 - Growth Plan	100,000	1,000,000	-	-
Axis Capital Protection Oriented Fund - Series 3 - Growth Plan	99,990	1,000,000	99,990	1,000,000
		<b>17,339,339</b>		<b>47,928,718</b>
Aggregate market value of current investments		22,077,819		52,583,560

\* Face value of ₹ 10 each, unless otherwise stated

Amounts in ₹		
	As at 31 March 2013	As at 31 March 2012
<b>16 Inventories</b>		
<b>(as valued and certified by management)</b>		
Construction materials	889,061,728	666,462,020
Unbilled work-in-progress	817,512,637	747,336,393
	<b>1,706,574,365</b>	<b>1,413,798,413</b>
<b>17 Trade receivables</b>		
<b>(unsecured, considered good)</b>		
Outstanding for a period exceeding six months from the date they are due for payment		
- Considered good [Refer note (i) below]	1,766,815,038	1,326,856,662
- Considered doubtful	30,150,000	-
	1,796,965,038	1,326,856,662
Less: Provision for doubtful debts	(30,150,000)	-
	1,766,815,038	1,326,856,662
Other debts [Refer note (ii) below]	5,022,880,693	3,636,472,208
	<b>6,789,695,731</b>	<b>4,963,328,870</b>
<b>Notes :</b>		
i Includes retention money	64,715,372	77,410,474
ii Includes retention money	975,943,728	961,505,200

# Notes to the Financial Statements

for the year ended 31 March 2013

		Amounts in ₹	
		As at 31 March 2013	As at 31 March 2012
		Non-current	Current
		Non-current	Current
18	Cash and bank balances		
	Cash and cash equivalents		
	Cash on hand	- 22,897,883	- 10,602,829
	Balances with banks in current accounts *	- 357,479,156	- 231,043,337
		- 380,377,039	- 241,646,166
	Other bank balances		
	Earmarked bank balances		
	- Unpaid dividend account	- 335,574	- 360,574
	- IPO escrow account	- 388,320	- 388,320
	Margin money **	- 871,445,829	- 396,346,636
	Bank deposits with maturity of more than 3 months but less than 12 months	- 45,174,842	- 43,971,128
	Bank deposits with maturity of more than 12 months ***	19,767,885 -	46,923,938 -
		19,767,885 1,297,721,604	46,923,938 682,712,824
	Less : Amounts disclosed as Other non-current assets (Also, refer note 14)	(19,767,885) -	(46,923,938) -
	Total	- 1,297,721,604	- 682,712,824

\* Includes : ₹ 104,963 [31 March 2012 : ₹ 104,963] being unutilised money out of the public issue

\*\* Pledged against guarantees issued by bank on behalf of the Company aggregating ₹ 6,138,527,331

\*\*\* Includes ₹14,999,540 [31 March 2012 : ₹14,999,540] pledged against loans from banks

		Amounts in ₹	
		Year ended 31 March 2013	Year ended 31 March 2012
<b>19 Revenue from operations</b>			
Sales and contract revenue		19,869,502,302	15,059,143,508
		<b>19,869,502,302</b>	<b>15,059,143,508</b>
<b>20 Other income</b>			
Interest income		37,115,213	27,521,382
Dividend income		30,963	176,348
Profit on redemption of mutual funds		3,481,632	-
Other non-operating income		-	411,864
		<b>40,627,808</b>	<b>28,109,594</b>
<b>21 Material and contractor costs</b>			
<b>Construction materials and components</b>			
Opening stock		666,462,020	475,843,232
Add : Purchases during the year		6,181,551,656	4,411,162,059
Less: Closing stock		889,061,728	666,462,020
Construction materials and components consumed		5,958,951,948	4,220,543,271
Labour and Sub contract costs		9,227,627,082	7,263,675,445
Power and Fuel		218,810,599	139,975,589
Repairs to Plant and Machinery		32,345,361	32,521,584
Rent and Hire charges		362,794,783	187,666,384
Transportation charges		140,785,217	142,520,364
Other		74,992,858	51,282,089
		<b>16,016,307,848</b>	<b>12,038,184,726</b>

## Notes to the Financial Statements

for the year ended 31 March 2013

	Amounts in ₹	
	Year ended 31 March 2013	Year ended 31 March 2012
<b>22 Changes in work-in-progress</b>		
Opening work in progress	747,336,393	694,192,826
Less: Closing work in progress	817,512,637	747,336,393
	<b>(70,176,244)</b>	<b>(53,143,567)</b>
<b>23 Employee benefit expense</b>		
Salaries, wages and bonus	479,903,910	334,828,673
Contribution to gratuity (Also, refer note 35.A)	6,263,668	4,610,061
Contribution to provident and other defined contribution funds (Also, refer note 35.B)	14,861,836	7,895,241
Staff welfare expenses	35,657,227	17,775,471
	<b>536,686,641</b>	<b>365,109,446</b>
<b>24 Finance costs (net)</b>		
Interest expenses		
- External commercial borrowings	19,690,631	15,166,685
- Term loans	421,402,191	324,254,132
- Cash credit facilities	665,961,268	486,029,774
- Others	1,794,648	34,760,050
Bank charges	82,955,812	55,217,735
	<b>1,191,804,550</b>	<b>915,428,376</b>
<b>25 Depreciation and amortisation expense</b>		
Depreciation of tangible assets (Also, refer note 10)	332,908,765	283,646,180
Amortisation of intangible assets (Also refer note 11)	2,989,907	-
	<b>335,898,672</b>	<b>283,646,180</b>
<b>26 Other expenses</b>		
Power and fuel	27,338,579	27,930,070
Rent	11,891,870	20,853,485
Repairs and maintenance		
- Buildings	95,858	383,838
- Plant and equipment	181,411	80,880
- Others	1,469,832	1,075,679
Insurance	36,786,758	44,205,016
Rates and taxes	1,158,069	147,617
Payments to auditors (Also, refer note 31)	3,575,000	3,450,000
Legal and professional	74,002,281	47,776,014
Provision for doubtful debts	30,150,000	-
Travelling and conveyance	20,469,757	10,150,696
Printing and stationery	10,661,075	5,547,473
Communication expenses	12,361,887	8,006,013
Advertisement	13,315,929	9,182,410
Non executive directors' commission	6,250,000	4,400,000
Directors sitting fees	1,030,000	446,000
Foreign exchange loss	-	48,247,650
Miscellaneous expenses	51,237,473	42,362,176
	<b>301,975,779</b>	<b>274,245,017</b>
<b>27 Earnings per share (EPS)</b>		
Weighted average number of equity shares outstanding during the year	16,742,087	16,742,087
Add:- Dilutive effect	-	-
Weighted average number of equity shares used to compute diluted EPS	16,742,087	16,742,087
Net Profit after tax	1,096,379,610	917,963,211
Less: Dividend on preference shares (including tax)	(290,556)	(290,556)
Net Profit after tax attributable to equity shareholders	1,096,379,610	917,672,655
Earning per share :		
Basic	65.47	54.81
Diluted	65.47	54.81

# Notes to the Financial Statements

for the year ended 31 March 2013

## 28 Commitments

### Capital commitment

Contracts remaining to be executed on capital account not provided for Nil (31 March 2012 - ₹11,761,141).

### Other commitment

The Company has entered into agreements with various government authorities and semi government corporations to develop road and water supply facilities on Build-operate-transfer (BOT) and Public Private Partnership (PPP) basis through its certain subsidiary entities. The Company has a commitment to fund the cost of developing the infrastructure through a mix of debt and equity as per the estimated project cost.

- 29 Mobilisation advances include amounts taken from customers for project related expenses. These advances are subsequently adjusted at pre-determined rates against the bills raised on the customers.

## 30 Related Party Disclosures :

### a) Names of related parties and description of relationship

#### A Enterprise where control exists

##### (i) Subsidiaries

Supreme Infrastructure BOT Private Limited  
 Supreme Infrastructure BOT Holdings Private Limited  
 Supreme Panvel Indapur Tollways Private Limited  
 Supreme Mega Structures Private Limited  
 Rudranee Infrastructure Limited  
 Supreme Infrastructure Overseas LLC

##### Subsidiary of Supreme Infrastructure BOT Private Limited:

Supreme Manor Wada Bhiwandi Infrastructure Private Limited  
 Supreme Infra Projects Private Limited  
 Supreme Suyog Funicular Ropeways Private Limited  
 Kopargaon Ahmednagar Tollways (Phase I) Private Limited

##### Subsidiary of Supreme Infrastructure BOT Holdings Private Limited:

Supreme Best Value Kolhapur (Shiroli) Sangli Tollways Private Limited  
 Supreme Ahmednagar Karmala Tembhurni Tollways Private Limited  
 Supreme Kopargaon Ahmednagar Tollways Private Limited

##### (ii) Associate

Sanjose Supreme Tollways Development Private Limited  
 Kotkapura Muksar Tollways Private Limited  
 Mohol Kurul Kamti Mandrup Tollways Private Limited

#### B Other related parties with whom the Company had transactions, etc.

##### (i) Joint ventures

Supreme - MBL JV  
 Petron - Supreme JV  
 Supreme - Siddhi JV  
 Supreme Zanders JV  
 HGCL -Niraj-Supreme Infrastructure Private Limited

##### (ii) Key management personnel (KMP)

Mr. Bhawanishankar Sharma  
 Mr. Vikram Sharma  
 Mr. Vikas Sharma

##### (iii) Relatives of key management personnel:

Ms. Rita Sharma  
 Ms. Barkha Sharma

##### (iv) Companies in which key management personnel or their relatives have significant influence (Other related parties)

Supreme Housing and Hospitality Private Limited  
 BHS Housing Private Limited

# Notes to the Financial Statements

for the year ended 31 March 2013

## b) The transactions with related parties for the year are as follows:

(Amounts in ₹)						
Transaction during the year	Subsidiaries	Associate	Joint ventures	Key Management Personnel	Relatives of Key Management Personnel	Other related parties
<b>Contract Revenue</b>						
Supreme Manor Wada Bhiwandi Infrastructure Private Limited	1,536,142,590	-	-	-	-	-
	(1,342,404,772)	(-)	(-)	(-)	(-)	(-)
Supreme Panvel Indapur Tollways Private Limited	1,819,824,602	-	-	-	-	-
	(506,374,641)	(-)	(-)	(-)	(-)	(-)
Supreme Ahmednagar Karmala Tembhorni Tollways Private Limited	2,086,230,115	-	-	-	-	-
	(481,884,118)	(-)	(-)	(-)	(-)	(-)
Supreme Kopergaon Ahmednagar Tollways Private Limited	-	-	-	-	-	-
	(780,502,784)	(-)	(-)	(-)	(-)	(-)
Supreme Best Value Kolhapur (Shiroli) Sangli Tollways Private Limited	344,900,348	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Sanjose Supreme Tollways Development Private Limited	-	1,086,107,547	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Supreme Suyog Funicular Ropeways Private Limited	307,300,000	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Petron Supreme JV	-	-	-	-	-	-
	(-)	(-)	(147,530,525)	(-)	(-)	(-)
HGCL - Niraj - Supreme Infrastructure Private Limited	-	-	356,500,000	-	-	-
	(-)	(-)	(512,432,154)	(-)	(-)	(-)
Supreme Housing and Hospitality Private Limited	-	-	-	-	-	84,400,000
	(-)	(-)	(-)	(-)	(-)	(438,378,883)
<b>Purchases</b>						
Supreme Siddhi JV	-	-	224,557,048	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
<b>Transportation and hire charges</b>						
Supreme Mega Structures Private Limited	27,206,580	-	-	-	-	-
	(18,029,397)	(-)	(-)	(-)	(-)	(-)
<b>Labour and subcontracting</b>						
Supreme Mega Structures Private Limited	130,487,691	-	-	-	-	-
	(13,134,771)	(-)	(-)	(-)	(-)	(-)
<b>Expenses reimbursed to</b>						
Supreme Siddhi JV	-	-	-	-	-	-
	(-)	(-)	(248,912,122)	(-)	(-)	(-)



# Notes to the Financial Statements

for the year ended 31 March 2013

(Amounts in ₹)						
Transaction during the year	Subsidiaries	Associate	Joint ventures	Key Management Personnel	Relatives of Key Management Personnel	Other related parties
Supreme Kopargaon Ahmednagar Tollways Private Limited	31,391,695	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
<b>Advance against equity</b>						
Rudranee Infrastructure Limited	-	-	-	-	-	-
	(296,370,568)	(-)	(-)	(-)	(-)	(-)
Supreme Infrastructure BOT Holdings Private Limited	-	-	-	-	-	-
	(925,860,000)	(-)	(-)	(-)	(-)	(-)
Supreme Infra Projects Private Limited	(175,324,975)	(-)	(-)	(-)	(-)	(-)
	-	-	-	-	-	-
<b>Refund of share application money</b>						
Rudranee Infrastructure Limited	296,370,568	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Supreme Infra Projects Private Limited	175,324,975	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
<b>Investments</b>						
Supreme Infrastructure BOT Holdings Private Limited	933,660,000	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Supreme Panvel Indapur Tollways Private Limited	-	-	-	-	-	-
	(430,000,000)	(-)	(-)	(-)	(-)	(-)
<b>Receipt of unsecured loan</b>						
Mr. Bhawanishankar Sharma	-	-	-	1,646,300	-	-
	(-)	(-)	(-)	(3,301,940)	(-)	(-)
Ms. Rita Sharma	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(19,800,000)	(-)
Mr. Vikram Sharma	-	-	-	2,962,200	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
<b>Repayment of unsecured loan</b>						
Mr. Bhawanishankar Sharma	-	-	-	-	-	-
	(-)	(-)	(-)	(18,799,130)	(-)	(-)
Ms. Rita Sharma	-	-	-	-	2,600,000	-
	(-)	(-)	(-)	(-)	(24,000,000)	(-)
BHS Housing Private Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(10,897,589)
<b>Receipt of mobilisation advance</b>						
Supreme Panvel Indapur Tollways Private Limited	-	-	-	-	-	-
	(985,448,824)	(-)	(-)	(-)	(-)	(-)
Supreme Best Value Kolhapur (Shiroli) Sangli Tollways Private Limited	82,643,423	-	-	-	-	-
	(375,368,400)	(-)	(-)	(-)	(-)	(-)

# Notes to the Financial Statements

for the year ended 31 March 2013

(Amounts in ₹)						
Transaction during the year	Subsidiaries	Associate	Joint ventures	Key Management Personnel	Relatives of Key Management Personnel	Other related parties
Supreme Ahmednagar Karmala Tembhurni Tollways Private Limited	- (394,841,781)	- (-)	- (-)	- (-)	- (-)	- (-)
Supreme Manor Wada Bhiwandi Infrastructure Private Limited	- (146,057,707)	- (-)	- (-)	- (-)	- (-)	- (-)
Supreme Kopargaon Ahmednagar Tollways Private Limited	314,375,865 (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Supreme Zanders JV	- (-)	- (-)	- (75,673,919)	- (-)	- (-)	- (-)
Supreme Housing and Hospitality Private Limited	- (-)	- (-)	- (-)	- (-)	- (-)	- (194,569,613)
<b>Issue of preference shares (including securities premium)</b>						
BHS Housing Private Limited	- (-)	- (-)	- (-)	- (-)	- (-)	- (250,000,000)
<b>Directors remuneration</b>						
Mr. Bhawanishankar Sharma	- (-)	- (-)	- (-)	9,600,000 (9,600,000)	- (-)	- (-)
Mr. Vikram Sharma	- (-)	- (-)	- (-)	9,600,000 (9,600,000)	- (-)	- (-)
Mr. Vikas Sharma	- (-)	- (-)	- (-)	9,600,000 (9,600,000)	- (-)	- (-)
<b>Loan given</b>						
Supreme Infrastructure BOT Holdings Private Limited	- (1,189,600,875)	- (-)	- (-)	- (-)	- (-)	- (-)
Supreme Manor Wada Bhiwandi Infrastructure Private Limited	- (203,451,280)	- (-)	- (-)	- (-)	- (-)	- (-)
Supreme Best Value Kolhapur (Shiroli) Sangli Tollways Private Limited	- (20,640,167)	- (-)	- (-)	- (-)	- (-)	- (-)
Supreme Suyog Funicular Ropeways Private Limited	- (27,101,012)	- (-)	- (-)	- (-)	- (-)	- (-)
Supreme Infrastructure BOT Private Limited	1,670,023,393 (1,658,381,909)	- (-)	- (-)	- (-)	- (-)	- (-)
Rudranee Infrastructure Limited	514,092,290 (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Supreme Infra Projects Private Limited	187,503,779 (242,430,330)	- (-)	- (-)	- (-)	- (-)	- (-)

# Notes to the Financial Statements

for the year ended 31 March 2013

Transaction during the year	(Amounts in ₹)					
	Subsidiaries	Associate	Joint ventures	Key Management Personnel	Relatives of Key Management Personnel	Other related parties
Supreme Mega Structures Private Limited	-	-	-	-	-	-
	(8,007,747)	(-)	(-)	(-)	(-)	(-)
Sanjose Supreme Tollways Development Private Limited	-	-	-	-	-	-
	(-)	(40,430,179)	(-)	(-)	(-)	(-)
HGCL - Niraj - Supreme Infrastructure Private Limited	-	-	-	-	-	-
	(-)	(-)	(152,045,594)	(-)	(-)	(-)
Supreme MBL JV	-	-	-	-	-	-
	(-)	(-)	(71,956,638)	(-)	(-)	(-)
<b>Repayment of loan given</b>						
Supreme Infrastructure BOT Holdings Private Limited	1,187,970,798	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Supreme Manor Wada Bhiwandi Infrastructure Private Limited	56,229,964	-	-	-	-	-
	(147,221,316)	(-)	(-)	(-)	(-)	(-)
Supreme Infrastructure BOT Private Limited	-	-	-	-	-	-
	(1,712,946,926)	(-)	(-)	(-)	(-)	(-)
Supreme Best Value Kolhapur (Shiroli) Sangli Tollways Private Limited	20,640,167	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Supreme Suyog Funicular Ropeways Private Limited	27,101,012	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Supreme Mega Structures Private Limited	8,007,747	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Sanjose Supreme Tollways Development Private Limited	-	40,430,179	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Supreme MBL JV	-	-	203,505,603	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
HGCL - Niraj - Supreme Infrastructure Private Limited	-	-	25,506,612	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Supreme Siddhi JV	-	-	-	-	-	-
	(-)	(-)	(27,221,207)	(-)	(-)	(-)

# Notes to the Financial Statements

for the year ended 31 March 2013

## c) Balances at the year end :

(Amounts in ₹)						
Particulars	Subsidiaries	Associate	Joint ventures	Key Management Personnel	Relatives of Key Management Personnel	Other related parties
<b>Short term borrowings</b>						
Mr. Bhawanishankar Sharma	-	-	-	4,688,066	-	-
	(-)	(-)	(-)	(3,041,766)	(-)	(-)
Ms. Rita Sharma	-	-	-	-	3,200,000	-
	(-)	(-)	(-)	(-)	(5,800,000)	(-)
Mr. Vikram Sharma	-	-	-	2,962,200	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
<b>Trade payable</b>						
Supreme Panvel Indapur Tollways Private Limited	-	-	-	-	-	-
	(671,318,294)	(-)	(-)	(-)	(-)	(-)
Supreme Mega Structures Private Limited	-	-	-	-	-	-
	(1,518,411)	(-)	(-)	(-)	(-)	(-)
Supreme Best Value Kolhapur (Shiroli) Sangli Tollways Private Limited	43,015,308	-	-	-	-	-
	(32,138,968)	(-)	(-)	(-)	(-)	(-)
Sanjose Supreme Tollways Development Private Limited	-	49,582,020	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Supreme Kopargaon Ahmednagar Tollways Private Limited	33,669,034	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
<b>Advance from customers</b>						
Supreme Zanders JV	-	-	-	-	-	-
	(-)	(-)	(23,311,156)	(-)	(-)	(-)
Supreme Housing & Hospitality Private Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(17,142,162)
<b>Retention payable</b>						
Sanjose Supreme Tollways Development Private Limited	-	-	-	-	-	-
	(-)	(3,600,000)	(-)	(-)	(-)	(-)
<b>Mobilisation advance</b>						
Supreme Best Value Kolhapur (Shiroli) Sangli Tollways Private Limited	320,263,483	-	-	-	-	-
	(375,368,400)	(-)	(-)	(-)	(-)	(-)
Supreme Panvel Indapur Tollways Private Limited	318,473,187	-	-	-	-	-
	(594,440,751)	(-)	(-)	(-)	(-)	(-)
Supreme Ahmednagar Karmala Tembhurni Tollways Private Limited	903,196,871	-	-	-	-	-
	(394,841,781)	(-)	(-)	(-)	(-)	(-)
Supreme Manor Wada Bhiwandi Infrastructure Private Limited	-	-	-	-	-	-
	(146,057,707)	(-)	(-)	(-)	(-)	(-)

# Notes to the Financial Statements

for the year ended 31 March 2013

(Amounts in ₹)						
Particulars	Subsidiaries	Associate	Joint ventures	Key Management Personnel	Relatives of Key Management Personnel	Other related parties
Supreme Suyog Funicular Ropeways Private Limited	61,222,157 (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Sanjose Supreme Tollways Development Private Limited	- (-)	365,275,340 (-)	- (-)	- (-)	- (-)	- (-)
<b>Other current liabilities</b>						
Mr. Bhawanishankar Sharma	- (-)	- (-)	- (-)	- (241,858)	- (-)	- (-)
Mr. Vikram Sharma	- (-)	- (-)	- (-)	- (241,858)	- (-)	- (-)
Mr. Vikas Sharma	- (-)	- (-)	- (-)	- (241,857)	- (-)	- (-)
Ms. Barkha Sharma	- (-)	- (-)	- (-)	- (-)	- (1,700,000)	- (-)
<b>Trade receivable</b>						
Supreme Mega Structures Private Limited	- (76,694,491)	- (-)	- (-)	- (-)	- (-)	- (-)
Supreme Panvel Indapur Tollways Private Limited	- (234,917,718)	- (-)	- (-)	- (-)	- (-)	- (-)
Supreme Kopargaon Ahmednagar Tollways Private Limited	- (130,979,314)	- (-)	- (-)	- (-)	- (-)	- (-)
Supreme Manor Wada Bhiwandi Infrastructure Private Limited	- (81,040,255)	- (-)	- (-)	- (-)	- (-)	- (-)
Supreme Ahmednagar Karmala Tembhurni Tollways Private Limited	211,323,475 (39,147,373)	- (-)	- (-)	- (-)	- (-)	- (-)
Supreme Siddhi JV	- (-)	- (-)	- (186,920,885)	- (-)	- (-)	- (-)
Petron Supreme JV	- (-)	- (-)	- (8,794,178)	- (-)	- (-)	- (-)
HGCL - Niraj - Supreme Infrastructure Private Limited	- (-)	- (-)	- (61,648,189)	- (-)	- (-)	- (-)
Supreme Housing and Hospitality Private Limited	- (-)	- (-)	- (-)	- (-)	- (-)	- (221,007,106)
<b>Loan and advances</b>						
<b>Subscription money pending allotment</b>						
Supreme Infrastructure BOT Holdings Private Limited	- (925,860,000)	- (-)	- (-)	- (-)	- (-)	- (-)
Rudranee Infrastructure Limited	- (296,370,568)	- (-)	- (-)	- (-)	- (-)	- (-)

# Notes to the Financial Statements

for the year ended 31 March 2013

(Amounts in ₹)

Particulars	Subsidiaries	Associate	Joint ventures	Key Management Personnel	Relatives of Key Management Personnel	Other related parties
Supreme Infra Projects Private Limited	-	-	-	-	-	-
	(175,324,975)	(-)	(-)	(-)	(-)	(-)
<b>Interest free loans to related party</b>						
Supreme Infrastructure BOT Holdings Private Limited	1,630,077	-	-	-	-	-
	(1,189,600,875)	(-)	(-)	(-)	(-)	(-)
Supreme Infrastructure BOT Private Limited	1,886,488,263	-	-	-	-	-
	(216,464,870)	(-)	(-)	(-)	(-)	(-)
Supreme Manor Wada Bhiwandi Infrastructure Private Limited	-	-	-	-	-	-
	(56,229,964)	(-)	(-)	(-)	(-)	(-)
Supreme Infra Projects Private Limited	429,934,109	-	-	-	-	-
	(242,430,330)	(-)	(-)	(-)	(-)	(-)
Rudranee Infrastructure Limited	514,092,289	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Supreme Best Value Kolhapur (Shiroli) Sangli Tollways Private Limited	-	-	-	-	-	-
	(20,640,167)	(-)	(-)	(-)	(-)	(-)
Supreme Mega Structures Private Limited	-	-	-	-	-	-
	(8,007,747)	(-)	(-)	(-)	(-)	(-)
Supreme Suyog Funicular Ropeways Private Limited	-	-	-	-	-	-
	(27,101,012)	(-)	(-)	(-)	(-)	(-)
Sanjose Supreme Tollways Development Private Limited	-	-	-	-	-	-
	(-)	(40,430,179)	(-)	(-)	(-)	(-)
Supreme MBL JV	-	-	249,657,753	-	-	-
	(-)	(-)	(453,163,355)	(-)	(-)	(-)
HGCL - Niraj - Supreme Infrastructure Private Limited	-	-	126,538,982	-	-	-
	(-)	(-)	(152,045,594)	(-)	(-)	(-)

(Figures in brackets represents previous year numbers)

	Year ended 31 March 2013	Year ended 31 March 2012
<b>31 Auditor Remuneration (excluding service tax)</b>		
Audit fees	3,550,000	3,425,000
Tax audit fees	25,000	25,000
<b>Total</b>	<b>3,575,000</b>	<b>3,450,000</b>
<b>32 Value of imports on CIF basis</b>		
Capital goods	-	275,541
<b>Total</b>	<b>-</b>	<b>275,541</b>
<b>33 Expenditure in foreign currency</b>		
Interest on external commercial borrowings	19,690,631	15,166,685
<b>Total</b>	<b>19,690,631</b>	<b>15,166,685</b>



# Notes to the Financial Statements

for the year ended 31 March 2013

## 34 Disclosures pursuant to Accounting Standard 7 (AS - 7) "Construction Contracts"

Particulars	Amounts in ₹	
	31 March 2013	31 March 2012
A. Amount of contract revenue recognized as revenue during the year	19,869,502,302	15,059,143,508
B. Aggregate amount of cost incurred and recognized profits less recognized losses upto the reporting date on Contract under progress	17,179,265,566	12,969,545,863
<b>Balances as at year end</b>		
C. Amount of customer advances outstanding as on reporting date	2,953,876,286	2,922,731,722
D. Amount of retentions	1,040,659,100	1,038,915,674
E. Gross amount due from customers for contract work	5,749,036,631	3,924,413,196
F. Gross amount due to customers for contract work	-	-

## 35 Employee benefits (Unfunded)

### A Defined benefit plan

The Company has gratuity as defined benefit retirement plan for its employees. Disclosures as required by Accounting Standard - 15 (Revised) for the year ended 31 March 2013 are as under :

	Amounts in ₹	
	31 March 2013	31 March 2012
<b>1. Changes in the present value of defined benefit obligation</b>		
Defined benefit obligation as at the beginning of the year	15,108,459	10,498,398
Service Cost	7,199,558	5,301,081
Interest Cost	1,270,319	866,118
Actuarial Losses/(Gains)	(2,206,209)	(1,557,138)
Benefits Paid	(327,068)	-
<b>Defined benefit obligation as at the end of the year</b>	<b>21,045,059</b>	<b>15,108,459</b>
<b>2. The amount recognised in the Statement of Profit and Loss are as follows :</b>		
Service Cost	7,199,558	5,301,081
Interest Cost	1,270,319	866,118
Net actuarial losses/(gain) recognised during the year	(2,206,209)	(1,557,138)
<b>Expense recognised in Statement of Profit and Loss</b>	<b>6,263,668</b>	<b>4,610,061</b>
<b>3. The amount recognised in the balance sheet are as follows :</b>		
Present Value of the obligation as at the end of the year	21,045,059	15,108,459
Fair Value of Plan assets as at the end of the year	-	-
<b>Net Liability recognised in the balance sheet</b>	<b>21,045,059</b>	<b>15,108,459</b>
<b>Assumptions used</b>		
Discount rate	8.20%	8.50%
Future salary increase	8.50%	8.50%
Retirement Age (in years)	58	58

### B. Defined contribution plan

The amount of contribution to provident fund and employee State insurance scheme recognised as expenses during the year is ₹ 14,861,836 (31 March 2012 ₹ 7,895,241)

# Notes to the Financial Statements

for the year ended 31 March 2013

## 36 Micro, Small and Medium Enterprises

There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2013. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the statutory auditors.

## 37 Joint venture disclosure

Contracts executed by following joint ventures are accounted in accordance with accounting policy no. 1(j)(ii)(a) and (b).

Name of the Company	Description of interest	Company's share
Supreme - MBL JV	Lead JV partner	60%
Petron - Supreme JV	Minority JV partner	45%
Supreme Siddhi JV (India)	Equal JV partner	50%
Supreme Zanders JV	Lead JV partner	51%
HGCL -Niraj-Supreme Infrastructure Private Limited	Equal JV partner	50%

## 38 Foreign currency transactions of the Company that are not hedged by derivative instruments or otherwise.

	Currency	31 March 2013	31 March 2012
External Commercial borrowings	\$	5,510,000	6,944,234
	₹	299,685,045	355,242,697

39 The activities of the Company comprises of only one business segment viz Engineering, Procurement and Construction ("EPC"). The Company operates in only one geographical segment viz India. Hence the Company's financial statements also represents the segmental information.

40 Previous year's figures have been regrouped or reclassified, to conform to the current year's presentation wherever considered necessary.

For **Walker, Chandiok & Co**  
Chartered Accountants

**Amyr Jassani**  
Partner

Place : Mumbai  
Date : 28 May 2013

For **Shah & Kathariya**  
Chartered Accountants

**P. M. Kathariya**  
Partner

Place : Mumbai  
Date : 28 May 2013

For and on behalf of the Board of Directors

**B. H. Sharma**  
Chairman

**Vikas Sharma**  
Wholetime Director

Place : Mumbai  
Date : 28 May 2013

**Vikram Sharma**  
Managing Director

**Vijay Joshi**  
Company Secretary

# Summary of Financial Information

of Subsidiary Companies for FY 2012-13

Sr. No.	Name of the Subsidiary Company	Supreme Infrastructure BOT Pvt. Ltd.	Supreme Panvel Indapur Tollways Pvt. Ltd.	Supreme Mega Structures Pvt. Ltd.	Supreme Manor Wada Bhiwandi Infrastructure Pvt. Ltd.	Supreme Infra Projects Pvt. Ltd.	Supreme Best Value Kolhapur (Shiroli) Sangli Tollways Pvt. Ltd.	Supreme Ahmednagar Karmala Tembhorni Tollways Pvt. Ltd.	Supreme Infra-structure BOT Holdings Pvt. Ltd.	Supreme Kopargon Ahmednagar Private Limited	Rudranee Infra-structure Limited	Supreme Suyog Funicular Ropeways Private Limited	Kopargon Ahmednagar Tollways (Phase I) Private Limited	Supreme Infra-structure Overseas LLC
1	Country of Incorporation	India	India	India	India	India	India	India	India	India	India	India	India	Oman
2	Reporting Currency	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	OMR
3	Share Capital	1	10	1	10	1	5	1	449.89	1	2388.95	10	1	352.03
4	Reserves *	-4668.46	-5.37	166.83	-151.72	-689.88	-15.64	-31.39	28816.21	-1472.15	3227.89	-1.4	-0.28	-83.90
5	Share Application Money Pending Allotment	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Total Assets	34132.05	47271.46	2907.37	46105.14	11205.78	10484.43	40225.61	29689.26	22954	30306.63	5040.33	1.35	268.69
7	Total Liabilities	34132.05	47271.46	2907.37	46105.14	11205.78	10484.43	40225.61	29689.26	22954	30306.63	5040.33	1.35	268.69
8	Investments (Except investments in Subsidiaries)	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Turnover/ Total Income	192.76	-	1578.05	309.08	743.42	-	-	301.43	3476.04	28127.36	-	-	-
11	Profit/ (Loss) Before Taxation	-2565.6	-2.25	114.06	-149.85	-418.18	-12.36	-28.11	14.08	-608.06	644.88	-0.56	-0.28	-83.90
12	Provision For Taxation	658.93	-	37.01	-	-	-	-	-0.28	-	216.44	-	-	-
13	Profit After Taxation	-3224.53	-2.25	77.05	-149.85	-418.18	-12.36	-28.11	13.8	-608.06	428.45	-0.56	-0.28	-83.90
14	Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-

**Note:** The financial statements of subsidiary Co. - Supreme Infrastructure Overseas LLC is converted into Indian Rupees on the basis of exchange rate as at the closing day of the financial year.

\* Includes Profit & Loss A/c Debit Balance.

# Balance Sheet Abstract

and Company's General Business Profile as per Schedule VI Part-(IV) of the Companies Act, 1956

## I Registration Details

Registration No. 

L	7	4	9	9	9	M	H	1	9	8	3	P	L	C	0	2	9	7	5	2
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

 STATE CODE 

1	1
---	---

Balance Sheet Date 

3	1	0	3	1	3
d	d	m	m	y	y

## II Capital Raised during the Year (Amounts in ₹)

Public Issue

N	I	L
---	---	---

Right Issue

N	I	L
---	---	---

Bonus Issue

N	I	L
---	---	---

Private Placement

N	I	L
---	---	---

## III Position of Mobilisation & Deployment of Funds

(Amounts in ₹)

Total Liabilities

2	0	6	6	2	5	8	6	9	5	5
---	---	---	---	---	---	---	---	---	---	---

Total Assets

2	0	6	6	2	5	8	6	9	5	5
---	---	---	---	---	---	---	---	---	---	---

Sources of Funds

Paid up Capital

1	9	2	4	2	0	8	7	0
---	---	---	---	---	---	---	---	---

Reserves & Surplus

4	5	7	5	7	6	3	7	4	7
---	---	---	---	---	---	---	---	---	---

Secured Loans

9	0	0	7	8	3	1	4	8	8
---	---	---	---	---	---	---	---	---	---

Unsecured Loans

1	0	8	5	0	2	6	6
---	---	---	---	---	---	---	---

Share Application Money

N	I	L
---	---	---

Application of Funds

Net Fixed Assets

3	0	6	7	5	0	0	4	6	0
---	---	---	---	---	---	---	---	---	---

Investments

2	2	2	7	7	6	3	9	2	5
---	---	---	---	---	---	---	---	---	---

Net Current Assets

1	7	7	5	0	4	6	5	6	9
---	---	---	---	---	---	---	---	---	---

Misc Expenditure

N	I	L
---	---	---

Accumulated Losses

N	I	L
---	---	---

## IV Performance of Company (Amounts in ₹)

Turnover

1	9	9	1	0	1	3	0	1	1	0
---	---	---	---	---	---	---	---	---	---	---

Total Expenditure

1	8	3	1	2	4	9	7	2	4	6
---	---	---	---	---	---	---	---	---	---	---

Profit/(Loss) before tax

1	5	9	7	6	3	2	8	6	4
---	---	---	---	---	---	---	---	---	---

Profit/(Loss) after tax

1	0	9	6	3	7	9	6	1	0
---	---	---	---	---	---	---	---	---	---

(Please tick appropriate box + for profit - for loss)

+ -  

+	
---	--

Earning per share in ₹

	6	5	.	4	7
--	---	---	---	---	---

Dividend rate %

2	0	.	0	0
---	---	---	---	---

## V Generic Names of Three Principal products/Services of Company (As per monetary terms)

Item Code No.  
(ITC CODE)

N	A
---	---

Product Description

N	A
---	---

For and on behalf of the Board

Vikram B. Sharma  
Managing Director

Vikas B. Sharma  
Whole Time Director

# Independent Auditors' Report

## To the Board of Directors of Supreme Infrastructure India Limited

1. We have audited the accompanying consolidated financial statements of Supreme Infrastructure India Limited, ("the Company") and its subsidiaries and associates hereinafter collectively referred to as the ("Group"), which comprise the consolidated Balance Sheet as at 31 March 2013, and the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

2. Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' 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 control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.
6. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries and associates as noted below, the consolidated

financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- i) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at 31 March 2013;
- ii) in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- iii) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

### Other Matter

7. We did not audit the financial statements of certain subsidiaries and associates included in the consolidated financial statements, whose financial statements reflect total assets (after eliminating intra-group transactions) of ₹ 12,277,101,508 as at 31 March 2013; total revenues (after eliminating intra-group transactions) of ₹ 282,330,854 and net cash flows aggregating to ₹ 173,128,773 for the year then ended. These financial statements have been audited by other auditors whose audit reports have been furnished to us by the management, and our audit opinion on the consolidated financial statements of the Group for the year then ended to the extent they relate to the financial statements not audited by us as stated in this paragraph is based solely on the audit reports of the other auditors. Our opinion is not qualified in respect of this matter.

For **Walker, Chandio & Co**  
Chartered Accountants  
Firm Registration No: 001076N

For **Shah & Kathariya**  
Chartered Accountants  
Firm Registration No: 115171W

per **Amy Jassani**  
Partner  
Membership No: F -46447

Place: Mumbai  
Date: 28 May 2013

per **P. M. Kathariya**  
Partner  
Membership No: F -31315

Place: Mumbai  
Date: 28 May 2013

# Consolidated Balance Sheet

as at 31 March 2013

	Notes	As at 31 March 2013	As at 31 March 2012
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	2	221,919,610	192,420,870
Reserves and surplus	3	5,827,716,022	3,345,294,394
		<b>6,049,635,632</b>	<b>3,537,715,264</b>
Minority Interest		<b>833,578,687</b>	<b>258,581,904</b>
<b>Non-current liabilities</b>			
Long-term borrowings	4	14,235,206,249	9,781,921,281
Deferred tax liability (net)	5	111,435,923	109,825,780
Long-term provisions	6	42,293,667	18,549,971
		<b>14,388,935,839</b>	<b>9,910,297,032</b>
<b>Current liabilities</b>			
Short-term borrowings	7	7,264,224,958	5,080,943,727
Trade payables	8	3,419,142,524	1,899,608,871
Other current liabilities	9	4,815,116,722	3,460,456,472
Short-term provisions	6	93,661,530	140,922,899
		<b>15,592,145,734</b>	<b>10,581,931,969</b>
<b>Total</b>		<b>36,864,295,892</b>	<b>24,288,526,169</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	10	3,274,890,233	3,061,490,907
Intangible assets	11	7,661,293,010	2,284,540,055
Capital work-in-progress		31,306,922	58,359,847
Intangible assets under development		7,925,698,106	5,928,163,340
Non-current investments	12	863,679,798	103,686,475
Long-term loans and advances	13	153,620,137	154,882,105
Other non-current assets	14	19,767,885	46,923,938
		<b>19,930,256,091</b>	<b>11,656,046,667</b>
<b>Current assets</b>			
Current investments	15	118,839,339	49,428,718
Inventories	16	2,302,748,915	1,967,098,994
Trade receivables	17	8,396,002,606	6,007,890,891
Cash and bank balances	18	1,988,937,384	1,205,538,257
Short-term loans and advances	13	4,127,511,557	3,402,522,642
		<b>16,934,039,801</b>	<b>12,632,479,502</b>
<b>Total</b>		<b>36,864,295,892</b>	<b>24,288,526,169</b>
<b>Significant Accounting Policies</b>	1		

The notes referred to above form an integral part of the financial statements

This is the consolidated balance sheet referred to in our report of even date

For **Walker, Chandiok & Co**  
Chartered Accountants

**Amyr Jassani**  
Partner

Place : Mumbai  
Date : 28 May 2013

For **Shah & Kathariya**  
Chartered Accountants

**P. M. Kathariya**  
Partner

Place : Mumbai  
Date : 28 May 2013

For and on behalf of the Board of Directors

**B. H. Sharma**  
Chairman

**Vikas Sharma**  
Wholtime Director

Place : Mumbai  
Date : 28 May 2013

**Vikram Sharma**  
Managing Director

**Vijay Joshi**  
Company Secretary



# Consolidated Statement of Profit and Loss

for the year ended 31 March 2013

	Notes	Year ended 31 March 2013	Year ended 31 March 2012
Amounts in ₹			
<b>Revenue</b>			
Revenue from operations	19	23,328,761,868	17,269,867,169
Other income	20	54,181,915	37,531,641
<b>Total</b>		<b>23,382,943,783</b>	<b>17,307,398,810</b>
<b>Expenses</b>			
Material and contractor costs	21	18,809,189,688	14,038,577,556
Changes in work-in-progress	22	(125,695,719)	(234,737,598)
Employee benefit expense	23	558,966,445	386,137,217
Finance costs	24	1,656,932,152	1,239,329,784
Depreciation and amortisation expense	25	532,806,016	360,449,025
Other expenses	26	441,916,395	333,715,218
<b>Total</b>		<b>21,874,114,977</b>	<b>16,123,471,202</b>
<b>Profit before tax, minority interest and share of profit/(loss) of associate</b>		<b>1,508,828,806</b>	<b>1,183,927,608</b>
<b>Tax expense</b>			
Current tax		(504,931,827)	(349,231,902)
Deferred tax		(1,610,142)	(20,832,656)
Tax adjustment for earlier years		(24,363,970)	-
<b>Profit before minority interest and share of profit/(loss) of associate</b>		<b>977,922,867</b>	<b>813,863,050</b>
Share of profit/(loss) of associate		(54,667)	(12,861)
Less : Share of profit/(loss) of minority interest		23,769,514	(22,523,532)
<b>Net profit for the year</b>		<b>1,001,637,714</b>	<b>791,326,657</b>
<b>Earnings per equity share (Face value of ₹ 10 each)</b>	27		
Basic		59.81	47.25
Diluted		59.81	47.25
<b>Significant Accounting Policies</b>	1		

The notes referred to above form an integral part of the financial statements

This is the consolidated statement of profit and loss referred to in our report of even date

For **Walker, Chandiok & Co**  
Chartered Accountants

**Amyr Jassani**  
Partner

Place : Mumbai  
Date : 28 May 2013

For **Shah & Kathariya**  
Chartered Accountants

**P. M. Kathariya**  
Partner

Place : Mumbai  
Date : 28 May 2013

For and on behalf of the Board of Directors

**B. H. Sharma**  
Chairman

**Vikas Sharma**  
Wholetime Director

Place : Mumbai  
Date : 28 May 2013

**Vikram Sharma**  
Managing Director

**Vijay Joshi**  
Company Secretary

# Consolidated Cash Flow Statement

for the year ended 31 March 2013

	Amounts in ₹	
	Year ended 31 March 2013	Year ended 31 March 2012
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax	1,508,828,806	1,183,927,608
Adjustment for:		
Depreciation and amortisation	532,806,016	360,449,025
Provision for resurfacing expenses	17,406,844	5,462,733
Provision for doubtful debts	30,150,000	-
Profit on redemption of mutual funds	3,481,632	-
Interest income	(50,498,743)	(36,883,430)
Dividend income	(91,138)	(236,348)
Interest expenses	1,656,932,152	1,239,329,784
<b>Operating profit before working capital changes</b>	<b>3,699,015,569</b>	<b>2,752,049,372</b>
Adjustment for movement in working capital :		
Increase in trade and other payables	1,251,886,120	2,241,672,098
Increase in inventories	(335,649,921)	(845,628,925)
Increase in trade receivables	(2,418,261,715)	(3,165,006,715)
Decrease in non current assets	27,156,053	-
Increase in loans and advances	(705,726,947)	(699,052,833)
<b>Cash generated from operating activities</b>	<b>1,518,419,159</b>	<b>284,032,997</b>
Income taxes paid	(591,742,346)	(394,053,631)
<b>Net cash generated/ (used in) operating activities</b>	<b>926,676,813</b>	<b>(110,020,634)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Acquisition of tangible assets (including capital work in progress and intangible assets under development)	(7,250,834,429)	(8,054,806,223)
Proceeds from disposal of tangible assets	-	256,930,597
Investments in shares/ debentures/ mutual funds:	(832,885,576)	(11,469,848)
Subscription money pending allotment	-	(80,000,000)
Interest received	50,498,743	36,883,430
Dividends received	91,138	236,348
Net investments in bank deposits (having original maturity of more than three months)	(370,580,798)	(310,801,979)
<b>Net cash used in investing activities</b>	<b>(8,403,710,922)</b>	<b>(8,163,027,675)</b>

# Consolidated Cash Flow Statement

for the year ended 31 March 2013

	Amounts in ₹	
	Year ended 31 March 2013	Year ended 31 March 2012
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceed from issue of equity shares	1,033,293,701	39,189,655
Proceed from issue of preference shares	1,091,453,380	-
Proceeds from borrowings	8,543,188,930	10,003,931,851
Repayment of borrowings	(1,097,269,211)	(330,325,305)
Interest paid	(1,656,932,152)	(1,220,027,845)
Dividends paid (including dividend tax)	(23,882,210)	(29,402,336)
<b>Net cash generated from financing activities</b>	<b>7,889,852,438</b>	<b>8,463,366,020</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>412,818,329</b>	<b>190,317,710</b>
Cash and cash equivalents as at the beginning of the year	410,099,598	219,781,888
<b>Cash and cash equivalents as at the end of the year (Also refer note 18)</b>	<b>822,917,927</b>	<b>410,099,598</b>

## Notes :

- All figures in bracket are outflow
- Direct taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
- Cash and cash equivalent is cash and bank balance as per balance sheet including fixed deposits as the original maturity of the same is within three months.
- The cash flow statement has been prepared under indirect method as per the Accounting Standard 3 'Cash Flow Statement' issued by the Institute of Chartered Accountants of India.

This is the consolidated cash flow statement referred to in our report of even date

For **Walker, Chandiok & Co**  
Chartered Accountants

**Amyr Jassani**  
Partner

Place : Mumbai  
Date : 28 May 2013

For **Shah & Kathariya**  
Chartered Accountants

**P. M. Kathariya**  
Partner

Place : Mumbai  
Date : 28 May 2013

For and on behalf of the Board of Directors

**B. H. Sharma**  
Chairman

**Vikas Sharma**  
Wholetime Director

Place : Mumbai  
Date : 28 May 2013

**Vikram Sharma**  
Managing Director

**Vijay Joshi**  
Company Secretary

# Notes to the Consolidated Financial Statements

## for the year ended 31 March 2013

### 1 Basis of Preparation

The consolidated financial statements of Supreme Infrastructure India Limited (the 'Company'), its subsidiary companies and associate have been prepared to comply in all material respects with the notified Accounting Standards issued by the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

#### Summary of Significant accounting policies

##### a. Principles of Consolidation

- (i) The consolidated financial statements of the group have been prepared in accordance with the Accounting Standard ('AS') 21, 'Consolidated Financial Statements' and AS 23 on 'Accounting for Investments in Associates in Consolidated Financial Statements' notified by the companies (Accounting Standards) Rules 2006 (as amended).
- (ii) The consolidated financial statements have been prepared using uniform accounting policies for the like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's separate financial statements.
- (iii) The financial statement of the Company and its subsidiaries have been consolidated on a line to line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating all intra group transactions, balances and unrealised surpluses and deficit on transactions (also refer point no. iv below)
- (iv) The Build, Operate and Transfer (BOT) contracts are governed by service concession agreements with government authorities (grantor). Under these agreements, the operator does not own the road, but gets "toll collection rights" against the construction services rendered. Since the construction revenue earned by the operator is considered as exchanged with the grantor against toll collection rights, profit from such contracts is considered as realized. Accordingly, BOT contracts awarded to group companies (operator), where the work is subcontracted to holding company, the intra group transactions on BOT contracts and profits arising thereon are taken as realised and not eliminated.
- (v) The excess of the cost to the Company of its investment in a subsidiary companies over its share of the equity of the subsidiary companies at the dates on which the investment in the subsidiary companies are made, is recognised as 'Goodwill' being an asset in the consolidated financial statements and recognized separately as an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investment of the Company, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the consolidated financial statements.
- (vi) Goodwill arising out of acquisition of subsidiary company is not amortized and is tested for impairment.
- (vii) Minority interest in the net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separately from liabilities and equity of the company's shareholders. Minority interest in the net assets of consolidated subsidiaries consists of:
  - a) The amount of equity attributed to minority at the date on which investment in a subsidiary relationship came into existence.
  - b) The minority share of movement in equity since the date parent subsidiary relationship came into existence.
  - c) Minority interest share of net profit/(loss) of consolidated subsidiaries for the year is identified and adjusted against the profit after tax of the group.

##### b. Use of estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of financial statements and the reported amount of revenue and expenses during the reporting year. Key estimates include estimate of useful life of fixed assets, unbilled revenue, income tax and future obligations under employee retirement benefit plans. Actual results could differ from those estimates. Any revision to accounting estimates will be recognized prospectively in the current and future periods.

##### c. Fixed assets

Fixed assets are stated at cost of acquisition, less accumulated depreciation. Cost includes inward freight, duties, taxes, and incidental expenses related to acquisition and installation up to the point the asset is ready for its intended use. Capital work in progress represents expenditure incurred in respect of capital projects under development and are carried at cost. Cost includes related acquisition expenses, construction cost, borrowing costs capitalized and other direct expenditure.

##### Intangible Assets

###### Toll Collection Rights

Intangibles are stated at cost, less accumulated amortization and impairment losses, if any.

Expenditure related to and incurred during implementation of project are included under "Intangible Assets under Development". The same will be transferred to the respective intangible assets on completion of project. Intangible assets also includes software which are not integral part of the hardware are stated at cost less accumulated amortisation.

Costs for toll collection rights awarded against construction service by the grantor on BOT basis include direct and indirect expenses on construction of roads, bridges, culverts etc. and infrastructure at the toll plazas.

# Notes to the Consolidated Financial Statements

## for the year ended 31 March 2013

### d. Depreciation

Depreciation on assets, other than pantoon, shuttering materials and truss, is provided on written down value method, pro rata from the period of use of assets, at the rates stipulated in Schedule XIV of the Companies Act, 1956. Pantoon, shuttering material and truss are depreciated over the period of 5 years based on the management's estimate of useful life of the asset. Individual assets costing less than ₹ 5,000 are depreciated in full in the year they are put to use..

### Amortisation

Toll Collection Rights are amortised over the period of concession, using revenue based amortisation as prescribed in the Schedule XIV to the Companies Act, 1956. Under this methodology, the carrying value of the rights is amortised in the proportion of actual toll revenue for the year to projected revenue for the balance toll period, to reflect the pattern in which the assets economic benefits will be consumed. At each balance sheet date, the projected revenue for the balance toll period is reviewed by the mangement. If there is any change in the projected revenue from previous estimates, the amortisation of toll collection rights is changed prospectively to reflect any changes in the estimates.

### e. Impairment of assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/ external factors. An impairment loss is recognized in the statement of profit and loss whenever the carrying amount of an asset or a cash generating unit exceeds its recoverable amount. The recoverable amount of the assets (or where applicable, that of the cash generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use..

### f. Borrowing costs

Borrowing costs relating to acquisition, construction or production of a qualifying asset which takes substantial period of time to get ready for its intended use are added to the cost of such asset to the extent they relate to the period till such assets are ready to be put to use. Costs incurred in raising funds are amortised equally over the period for which the funds are acquired. Other borrowing costs are charged to Statement of Profit and Loss in the year in which it is accrued.

### g. Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments. Current investments are carried at lower of cost and net realizable value determined on an individual investment basis.

### h. Inventories

Inventory of construction materials is stated at lower of cost and net realizable value. Cost is determined on first-in-first-out basis.

### i. Employee benefits

#### (i) Defined Contribution Plan

The Group makes contribution to statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 and Employee State Insurance Fund in accordance with Employees State Insurance Corporation Act, 1948 which are defined contribution plans and contribution paid or payable is recognised as an expense in the period in which services are rendered by the employee.

#### (ii) Defined Benefit Plan

Gratuity is a post employment benefit and is in the nature of a defined benefit plan. The liability recognised in the balance sheet in respect of gratuity is the present value of the defined benefit/ obligation at the balance sheet date, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit/ obligation is calculated at or near the balance sheet date by an independent actuary using the projected unit credit method. Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged or credited to the Statement of Profit and Loss in the year to which such gains or losses relate.

(iii) All short term employee benefits are accounted on undiscounted basis during the accounting period based on services rendered by employees. The Group does not have a policy for compensating absences.

### j. Revenue recognition

#### i. Revenue from construction contracts

The Group follows the percentage completion method, on the basis of physical measurement of work actually completed at the balance sheet date, taking into account the contractual price and revision thereto by estimating total revenue and total cost till completion of the contract and the profit so determined has been accounted for proportionate to the percentage of the actual work done. Unbilled work-in-progress related to project works is valued at cost or estimated net realisable value, whichever is lower, till such time the outcome of the related project is ascertained reliably and at contract rates thereafter. Foreseeable losses are accounted for as and when they are determined except to the extent they are expected to be recovered through claims presented.

#### ii. Revenue from joint venture contracts

- a. Contracts executed in Joint Venture under work sharing arrangement (consortium) are accounted in accordance with the accounting policy followed by the Group for an independent contract to the extent work is executed.
- b. In respect of contracts executed in Integrated Joint Ventures under profit sharing arrangement, the services rendered to the Joint Ventures are accounted as income on accrual basis. The profit / loss is accounted for, as and when it is determined by the Joint Venture and the net investment in the Joint Venture is reflected as investments, loans and advances or current liabilities.

# Notes to the Consolidated Financial Statements

## for the year ended 31 March 2013

### iii. Income from Toll Contracts

The net income from toll contracts on BOT basis are recognized on actual collection of toll revenue.

iv. Dividend is recognized when the right to receive the payment is established.

v. Interest and other income are accounted for on accrual basis except where the receipt of income is uncertain in which case it is accounted for on receipt basis.

### k. Leases

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Lease payments under operating lease are recognised as an expense in the statement of profit and loss on a straight line basis over the lease term.

### l. Foreign currency transactions

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities are translated at the year-end rate. Gains or losses arising out of remittance/translations at the year-end are credited / debited to the Statement of Profit and Loss except in cases of long term foreign currency monetary items where they relate to acquisition of fixed assets in which case they are adjusted to the carrying cost of such assets.

### m. Cash and cash equivalents

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

### n. Resurfacing expenses

Resurfacing costs are recognised and measured in accordance with AS 29 "Provisions, Contingent Liabilities and Contingent Assets" i.e. at the best estimate of the expenditure required to settle the present obligation at each balance sheet date.

### o. Segment reporting

#### Identification of segments

The Group's operating businesses are organised and managed separately taking into account the nature of the products, the differing risks and returns, the organisation structure and internal reporting system.

#### Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

#### Segment accounting policies

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

### p. Taxation

#### Current tax

Provision for current tax is recognized based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the Income Tax Act, 1961.

#### Deferred tax

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences between the financial statements' carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using the enacted tax rates or tax rates that are substantively enacted at the Balance Sheet dates. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the period that includes the enactment date. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. Other deferred tax assets are recognized only to the extent there is reasonable certainty of realization in the future. Such assets are reviewed at each Balance Sheet date to reassess realization. Timing differences originating and reversing during the tax holiday period are not considered for the purposes of computing deferred tax assets and liabilities.

### q. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of shares which could have been issued on conversion of all dilutive potential equity shares.

### r. Provisions and Contingent liabilities

A provision is recognized when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on management's estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates. Provisions are recognized in the financial statements in respect of present probable obligations, for amounts which can be reliably estimated.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Group.



# Notes to the Consolidated Financial Statements

for the year ended 31 March 2013

Amounts in ₹

	Number	As at 31 March 2013	Number	As at 31 March 2012
<b>2 Share capital</b>				
<b>Authorised share capital</b>				
Equity shares of ₹ 10 each	30,000,000	300,000,000	30,000,000	300,000,000
1% Non cumulative redeemable preference shares of ₹ 10 each	20,000,000	200,000,000	20,000,000	200,000,000
	50,000,000	500,000,000	50,000,000	500,000,000
<b>Issued, subscribed and fully paid up</b>				
Equity shares of ₹ 10 each	16,742,087	167,420,870	16,742,087	167,420,870
1% Non cumulative redeemable preference shares of ₹ 10 each [Also, refer note (d)]	2,500,000	25,000,000	2,500,000	25,000,000
<b>Preference shares issued by subsidiary companies</b>				
0.001% Compulsorily Convertible Cumulative Participatory Preference shares of ₹10 each [Also, refer note (e)]	2,949,874	29,498,740	-	-
<b>Total</b>	<b>22,191,961</b>	<b>221,919,610</b>	<b>19,242,087</b>	<b>192,420,870</b>
<b>a) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period</b>				
<b>Balance at the beginning of the year</b>	16,742,087	167,420,870	16,742,087	167,420,870
Add : Issued during the year	-	-	-	-
Add : Issued by a subsidiary	2,949,874	29,498,740	-	-
<b>Balance at the end of the year</b>	<b>19,691,961</b>	<b>196,919,610</b>	<b>16,742,087</b>	<b>167,420,870</b>
<b>b) Reconciliation of preference shares outstanding at the beginning and at the end of the reporting period</b>				
<b>Balance at the beginning of the year</b>	2,500,000	25,000,000	-	-
Add : Issued during the year [Also, refer note (d) below]	-	-	2,500,000	25,000,000
<b>Balance at the end of the year</b>	<b>2,500,000</b>	<b>25,000,000</b>	<b>2,500,000</b>	<b>25,000,000</b>

**c) Terms/rights attached to equity shares**

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

**d) Rights, preferences, restrictions & conversion terms attached to preference shares**

The Company had, on 13 May 2011, allotted 2,500,000 non cumulative, non convertible, redeemable preference shares of ₹ 10 each at a premium of ₹ 90 per share to BHS Housing Private Limited (allottee). The Preference Shares shall be redeemable at any time after the expiry of two years but before the expiry of five years from the date of allotment redeemable at a premium of ₹ 90 per share.

These Preference Shares carry preferential right of dividend at the rate of 1%. The holders of Preference Shares have no rights to receive notices of, attend or vote at general meetings except in certain limited circumstances. On a distribution of assets of the Company, on a winding-up or other return of capital (subject to certain exceptions), the holders of Preference Shares have priority over the holders of Equity Shares to receive the capital paid up on those shares.

**e) 2,949,874 (31 March 2012 : NIL), 0.001% Compulsorily Convertible Cumulative Participatory Preference shares of ₹10 each issued by Supreme Infrastructure BOT Holdings Private Limited, a subsidiary company, shall be convertible into maximum of 1,489,442 Equity Shares at such times and such manner as specified in the investment agreement.**

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2013

**f) Shareholders holding more than 5% of the shares in the Company as at balance sheet date**

	Number	% Shareholding	Number	% Shareholding
<b>Equity shares of ₹10 each</b>				
Bhawanishankar H Sharma	3,699,000	22%	3,699,000	22%
Vikram B Sharma	2,927,000	17%	2,800,000	17%
Vikas B Sharma	1,800,000	11%	1,800,000	11%
Kitara PIIN 1101	1,650,000	10%	1,101,983	7%
Mavi Investment Fund Limited	162,382	1%	997,412	6%
<b>Preference shares of ₹10 each</b>				
BHS Housing Private Limited	<b>2,500,000</b>	<b>100%</b>	<b>2,500,000</b>	<b>100%</b>

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

**g) Aggregate number of bonus shares issued and shares issued for consideration other than cash during the period of five years immediately preceding the reporting date.**

The Company has not issued any bonus shares nor has there been any buy back of shares during five years immediately preceding 31 March 2013.

	As at 31 March 2013	As at 31 March 2012
<b>3 Reserves and surplus</b>		
<b>Securities premium account</b>		
Balance at the beginning of the year	908,621,501	683,621,501
Add : Amount arising on preference shares issued [Also, refer note 2 (d)]	-	225,000,000
Add : Premium received on issue of shares by the subsidiary company [Also, refer note 2 (e)]	1,061,954,640	-
<b>Balance at the end of the year</b>	<b>1,970,576,141</b>	<b>908,621,501</b>
<b>General reserve</b>		
Balance at the beginning of the year	156,132,483	123,282,483
Add : Transfer from statement of statement profit and loss	110,000,000	32,850,000
Add : Increase due to dilution of stake	458,296,916	-
<b>Balance at the end of the year</b>	<b>724,429,399</b>	<b>156,132,483</b>
<b>Surplus in the statement of profit and loss</b>		
Balance at the beginning of the year	2,280,540,410	1,546,676,900
Add : Transferred from statement of profit and loss	1,001,637,714	791,326,657
Less : Proposed equity dividend	33,484,174	20,927,609
Less : Proposed preference dividend	250,295	250,000
Less : Tax on dividends	5,733,173	3,435,538
Less : Transfer to general reserve	110,000,000	32,850,000
Balance at the end of the year	<b>3,132,710,482</b>	<b>2,280,540,410</b>
<b>Total</b>	<b>5,827,716,022</b>	<b>3,345,294,394</b>

Amounts in ₹

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2013

Amounts in ₹				
	As at 31 March 2013		As at 31 March 2012	
	Long Term	Current Portion	Long Term	Current Portion
<b>4 Long term borrowings</b>				
<b>Secured</b>				
External commercial borrowings	225,715,597	73,969,448	264,479,105	90,763,592
Term loans				
From banks	10,471,677,604	1,038,195,261	6,504,822,664	614,483,663
From financial institutions	3,537,813,048	563,091,208	3,012,619,512	160,655,143
<b>Total</b>	<b>14,235,206,249</b>	<b>1,675,255,917</b>	<b>9,781,921,281</b>	<b>865,902,398</b>
Amount disclosed under "Other current liabilities" (Also refer note 9)	-	(1,675,255,917)	-	(865,902,398)
	<b>14,235,206,249</b>	<b>-</b>	<b>9,781,921,281</b>	<b>-</b>

## External commercial borrowings

External commercial borrowings from Axis Bank carries interest @ LIBOR plus 3.45 percent per annum (quarterly rests). The loan is repayable within 7 years including moratorium of 27 months from the date of first disbursement in equal quarterly installments. The loan is secured by first charge on assets procured from this loan and pari passu second charge on the current assets of the Company and personal guarantee of the promoter directors.

## Term loans from banks

- Term loan obtained from consortium bankers carries interest rate of base rate plus 2.75 percent to 3.50 percent and are secured by hypothecation of assets which includes all movable fixed assets of the Company and fixed assets created out of these loans and personal guarantee of Company's promoter directors. These loans are repayable over the period of 3-4 years.
- Loan from other banks carries interest @ 10.20 to 13 percent per annum and are secured by hypothecation of the assets created out of these loan and personal guarantee of a director of the Company.

## Term loans from financial institutions

- Loans from SREI Equipment Finance Limited carries interest in the range of 13% to 17% per annum and are repayable in 36 monthly installments over the tenure of the loans having various maturity dates. These loans are secured by first charge on the specific equipment financed by the Institution, pledge of shares held by a promoter director and personal guarantee of the promoter directors.
- Loan from L&T Infrastructure Finance Company Limited which carries interest @ L&T Infra PLR minus 3% per annum and is repayable in 5 years with a moratorium period of 12 months from the date of first disbursement. The loan is secured by first pari passu charge by way of hypothecation on the entire current assets and encumbered movable fixed assets of the Company, current and future. This loan is further secured by first charge by way of equitable mortgage on pari passu basis on the immovable properties together with all structure and appurtenances thereon, demand promissory notes & personal guarantee of the promoter directors.
- Loan from other Financial institution carries interest in the range of 12.75% to 13.75% per annum and are secured by hypothecation of the assets created out of these loans, personal guarantee of a director of the Company and demand promissory note issued by the Company.

## Notes to the Consolidated Financial Statements

for the year ended 31 March 2013

	Amounts in ₹	
	As at 31 March 2013	As at 31 March 2012
<b>5 Deferred tax liability (Net)</b>		
<b>Deferred tax liability arising on account of :</b>		
Timing difference between book depreciation and depreciation as per Income Tax Act, 1961	135,545,890	122,227,450
<b>Total deferred tax liabilities (A)</b>	<b>135,545,890</b>	<b>122,227,450</b>
<b>Deferred tax asset arising on account of :</b>		
Provision for bad and doubtful advances	6,910,784	6,910,784
Provision for doubtful debts	9,782,168	-
Provision for employee benefits	7,417,015	5,490,886
<b>Total deferred tax assets (B)</b>	<b>24,109,967</b>	<b>12,401,670</b>
<b>Net deferred tax liability (A-B)</b>	<b>111,435,923</b>	<b>109,825,780</b>

	Amounts in ₹			
	As at 31 March 2013		As at 31 March 2012	
	Long Term	Short term	Long Term	Short term
<b>6 Provisions</b>				
Provision for employee benefits (Also, refer note 34)	19,424,090	1,620,969	13,087,238	2,021,221
Provision for resurfacing expenses (Also refer note 35)	22,869,577	-	5,462,733	-
Proposed dividend on equity shares	-	33,484,174	-	20,927,609
Proposed dividend on preference shares	-	250,295	-	250,000
Tax on proposed dividend	-	5,733,173	-	2,704,601
Provision for taxation (net of advance tax)	-	52,572,919	-	115,019,468
	<b>42,293,667</b>	<b>93,661,530</b>	<b>18,549,971</b>	<b>140,922,899</b>

	Amounts in ₹	
	As at 31 March 2013	As at 31 March 2012
<b>7 Short-term borrowings</b>		
<b>Secured</b>		
Cash credit facilities from banks [Also, refer note (i) below]	7,214,343,109	5,040,002,178
<b>Unsecured</b>		
Loans from related parties [Also, refer note (ii) below and note 30]	10,850,266	8,841,766
Loans from other parties [Also, refer note (ii) below]	39,031,583	32,099,783
	<b>7,264,224,958</b>	<b>5,080,943,727</b>

### Notes :

- Cash Credit facilities availed from bankers are secured by first pari passu charge on the current assets of the Company and equitable mortgage of Company's office premises and property of one of the directors, extension of hypothecation charge on pari passu basis on fixed assets of the Company and assets created out of equipment loans and personal guarantee of Company's directors. These facilities are repayable on demand.
- Represents interest free loan and are repayable on demand.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2013

		Amounts in ₹	
		As at 31 March 2013	As at 31 March 2012
<b>8 Trade payables</b>			
Trade payables (Also refer note 36)		3,419,142,524	1,899,608,871
		<b>3,419,142,524</b>	<b>1,899,608,871</b>
<b>9 Other current liabilities</b>			
Current Portion of long term borrowings (Also, refer note 4)		1,675,255,917	865,902,398
Dues for capital expenditure		1,061,677,677	219,071,968
Interest accrued on borrowings		6,589,868	19,301,939
Mobilisation advances from customers (Also, refer note 29)		1,131,324,557	1,429,287,798
Other advance from customers		-	73,938,942
Retention payable		359,230,983	397,354,662
Unpaid dividends*		335,574	338,249
Unpaid share application money*		388,320	388,320
Book overdraft		208,211,882	228,076,408
Statutory dues		224,080,396	61,069,087
Other liabilities		148,021,548	165,726,701
		<b>4,815,116,722</b>	<b>3,460,456,472</b>

\* Not due for credit to Investor Education & Protection Fund

10 Tangible assets		Amounts in ₹							
	Freehold land	Leasehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Computers	Total
<b>Gross block</b>									
Balance as at 1 April 2011	680,067,226	5,470,000	374,915,134	2,149,350,762	11,865,803	116,394,456	7,581,440	7,765,440	3,353,410,261
Additions	21,076,349	-	156,818,349	566,332,645	2,783,564	11,359,907	3,237,638	2,540,409	764,148,861
Disposals	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2012	701,143,575	5,470,000	531,733,483	2,715,683,407	14,649,367	127,754,363	10,819,078	10,305,849	4,117,559,122
Additions	1,150,000	-	64,861,585	469,658,198	41,450,818	2,522,912	2,698,507	2,088,075	584,430,095
Disposals	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2013	702,293,575	5,470,000	596,595,068	3,185,341,605	56,100,185	130,277,275	13,517,585	12,393,924	4,701,989,217
<b>Accumulated depreciation</b>									
Balance as at 1 April 2011	-	-	9,258,402	650,729,609	5,645,989	79,444,959	3,257,511	4,320,472	752,656,942
Depreciation charge	-	-	22,877,417	264,509,183	1,643,552	11,789,354	948,215	1,643,552	303,411,273
Reversal on disposal of assets	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2012	-	-	32,135,819	915,238,792	7,289,541	91,234,313	4,205,726	5,964,024	1,056,068,215
Depreciation charge	-	-	26,047,614	324,294,024	7,200,427	10,069,418	1,229,981	2,189,305	371,030,768
Reversal on disposal of assets	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2013	-	-	58,183,433	1,239,532,816	14,489,968	101,303,731	5,435,707	8,153,329	1,427,098,983
<b>Net block</b>									
Balance as at 31 March 2012	701,143,575	5,470,000	499,597,664	1,800,444,615	7,359,826	36,520,050	6,613,352	4,341,825	3,061,490,907
Balance as at 31 March 2013	702,293,575	5,470,000	538,411,635	1,945,808,789	41,610,217	28,973,544	8,081,878	4,240,595	3,274,890,233

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2013

## 11 Intangible assets

	Amounts in ₹		
	Toll Collection Rights	Goodwill	Computer Software
			Total
<b>Gross block</b>			
Balance as at 1 April 2011	-	27,042,460	-
Additions	2,286,476,991	28,058,356	-
Disposals	-	-	-
Balance as at 31 March 2012	2,286,476,991	55,100,816	-
Additions	5,520,459,053	-	18,068,150
Disposals	-	-	-
Balance as at 31 March 2013	7,806,936,044	55,100,816	18,068,150
<b>Accumulated amortisation</b>			
Balance as at 1 April 2011	-	-	-
Depreciation charge	57,037,752	-	-
Reversal on disposal of assets	-	-	-
Balance as at 31 March 2012	57,037,752	-	-
Depreciation charge	158,784,341	-	2,989,907
Reversal on disposal of assets	-	-	-
Balance as at 31 March 2013	215,822,093	-	2,989,907
<b>Net block</b>			
Balance as at 31 March 2012	2,229,439,239	55,100,816	-
Balance as at 31 March 2013	7,591,113,951	55,100,816	15,078,243

	As at 31 March 2013		As at 31 March 2012	
	No. of Shares	Book Value	No. of Shares	Book Value
<b>12 Non-current investments</b> (Valued at cost, fully paid up, unless stated otherwise)				
<b>Trade</b>				
<b>Investments in equity shares (unquoted)*</b>				
Kalyan Sangam Infratech Limited (Face value of ₹100)	390,625	39,062,500	390,625	39,062,500
Mohol Kurul Kamti Mandrup Tollways Private Limited	4,900	49,000	-	-
Less : Share of loss		(13,764)		-
		<b>35,236</b>		-
Kotkapura Muksar Tollways Private Limited	4,899	48,990	-	-
Less : Share of loss		(13,764)		-
		<b>35,226</b>		-
Sanjose Supreme Tollways Development Private Limited	4,000	40,000	4,000	40,000
Less : Share of loss		(40,000)		(12,861)
		-		<b>27,139</b>

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2013

	As at 31 March 2013		As at 31 March 2012	
	No. of Shares	Book Value	No. of Shares	Book Value
<b>12 Non-current investments (Contd.)</b>				
<b>Investments in preference shares (unquoted) *</b>				
Kalyan Sangam Infratech Limited (Face value of ₹100)	609,375	60,937,500	609,375	60,937,500
<b>Investments in debentures*</b>				
Sanjose Supreme Tollways Development Private Limited	76,000,000	760,000,000	-	-
<b>Investment in unincorporated joint ventures</b>				
Supreme Siddhi JV [50% share (31 March 2012 - 50%)]	-	2,300,000	-	2,300,000
<b>Non trade</b>				
<b>Investments in equity shares (unquoted)*</b>				
<b>Others</b>				
The Saraswat Co-op Bank Limited	2,500	50,836	2,500	50,836
Deogiri Nagri Sahakari Bank Limited	20,350	203,500	20,350	203,500
Jankalyan Bank Ltd.	25,000	250,000	25,000	250,000
Janta Sahakari Bank Ltd.	5,000	50,000	5,000	50,000
Co-operative society M.I.D.C.	500	5,000	500	5,000
Vaidyanath Bank	25,000	250,000	25,000	250,000
Solapur Janta Sah.Bank Ltd.	50,000	500,000	50,000	500,000
<b>Investments in government securities</b>				
National savings certificates	-	-	-	50,000
		<b>863,679,798</b>		<b>103,686,475</b>
<b>Aggregate amount of Investments</b>				
Aggregate amount of unquoted investment at cost		863,679,798		103,686,475
Provision for diminution in value of investments		-		-
		<b>863,679,798</b>		<b>103,686,475</b>

\* Face value of ₹ 10 each, unless otherwise stated



# Notes to the Consolidated Financial Statements

for the year ended 31 March 2013

	As at 31 March 2013		As at 31 March 2012	
	Long term	Short term	Long term	Short term
<b>13 Loans and advances</b>				
(Unsecured, considered good unless otherwise stated)				
Capital advances	70,221,177	-	49,090,000	-
Security deposits	3,398,960	782,148,909	31,990,668	284,621,405
<b>Loans and advances to related parties (refer note 30)</b>				
Due from joint ventures	-	376,196,735	-	605,208,949
Due from associate	-	-	-	40,430,179
<b>Advances recoverable in cash or kind</b>				
- considered good	-	2,098,431,678	-	1,319,034,876
- considered doubtful	-	21,300,000	-	21,300,000
<b>Other loans and advances</b>				
Subscription money pending allotment *	80,000,000	-	80,000,000	-
Mobilisation and material advances	-	526,985,823	-	769,734,530
Advances to employees	-	27,454,367	-	10,594,145
Prepaid expenses	-	-	11,801,437	8,603,062
Balances with statutory / government authorities	-	316,294,045	-	364,295,495
	<b>153,620,137</b>	<b>4,148,811,557</b>	<b>172,882,105</b>	<b>3,423,822,642</b>
Less : Provision for doubtful advances	-	(21,300,000)	-	(21,300,000)
	<b>153,620,137</b>	<b>4,127,511,557</b>	<b>172,882,105</b>	<b>3,402,522,642</b>

\* Subscription money pending allotment constitutes share application money in Kanaka Infratech Limited, amounting to ₹ 80,000,000 towards strategic investment in the company.

	As at 31 March 2013	As at 31 March 2012
<b>14 Other non current assets</b>		
Non-current bank balances (Also, refer note 18)	19,767,885	46,923,938
	<b>19,767,885</b>	<b>46,923,938</b>

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2013

Amounts in ₹				
	As at 31 March 2013		As at 31 March 2012	
	No. of Units	Amount	No. of Units	Amount
<b>15 Current investments</b>				
<b>Investments in mutual funds*</b>				
(Non-trade, unquoted, at lower of cost and fair value)				
Reliance Money Manager Fund - Institutional option	177	188,333	177	177,712
(Face value of ₹ 1,000 each)				
S.B.I. Capital Protection Oriental Fund Series - I	50,000	500,000	50,000	500,000
S.B.I. Gold Fund - I-Growth plan	250,000	2,500,000	250,000	2,500,000
S.B.I. Debt Fund	-	-	3,360,000	33,600,000
Axis Hybrid Fund-Series 1 - Growth plan	500,000	5,000,000	500,000	5,000,000
Axis Mid Cap Fund	250,000	2,500,000	250,000	2,500,000
Axis Triple Advantage Fund	264,869	2,651,006	264,868.51	2,651,006
Axis Bank Long Term Equity Fund	200,000	2,000,000	1,500	1,500,000
Axis Capital Protection Oriented Fund - Series 5 - Growth Plan	100,000	1,000,000	-	-
Axis Capital Protection Oriented Fund - Series 3 - Growth Plan	99,990	1,000,000	99,990	1,000,000
SBI Mutual Fund	10,000,000	100,000,000	-	-
Axis Capital Protection Oriented Fund (Face value of ₹ 100 each)	1,500	1,500,000	-	-
		<b>118,839,339</b>		<b>49,428,718</b>
Aggregate market value of current investments		123,577,819		54,083,560

\* Face value of ₹ 10 each, unless otherwise stated

Amounts in ₹		
	As at 31 March 2013	As at 31 March 2012
<b>16 Inventories</b>		
<b>(as valued and certified by management)</b>		
Construction materials	1,097,722,821	887,768,619
Unbilled work-in-progress	1,205,026,094	1,079,330,375
	<b>2,302,748,915</b>	<b>1,967,098,994</b>

<b>17 Trade receivables</b>		
<b>(unsecured, considered good)</b>		
Outstanding for a period exceeding six months from the date they are due for payment		
- Considered good [Refer note (i) below]	1,799,150,063	2,838,841,158
- Considered doubtful	30,150,000	-
	1,829,300,063	2,838,841,158
Less: Provision for doubtful debts	(30,150,000)	-
	1,799,150,063	2,838,841,158
Other debts [Refer note (ii) below]	6,596,852,543	3,169,049,733
	<b>8,396,002,606</b>	<b>6,007,890,891</b>
<b>Notes :</b>		
i Includes retention money	64,715,372	77,410,474
ii Includes retention money	975,943,728	961,505,200

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2013

	As at 31 March 2013		As at 31 March 2012	
	Non-current	Current	Non-current	Current
<b>18 Cash and bank balances</b>				
<b>Cash and cash equivalents</b>				
Cash on hand	-	60,237,889	-	32,628,653
Balances with banks in current accounts *	-	762,680,038	-	377,470,945
	-	<b>822,917,927</b>	-	<b>410,099,598</b>
<b>Other bank balances</b>				
Earmarked bank balances				
- Unpaid dividend account	-	335,574	-	360,574
- IPO escrow account	-	388,320	-	388,320
Margin money **	-	928,005,829	-	532,906,636
Bank deposits with maturity of more than 3 months but less than 12 months	-	237,289,734	-	261,783,129
Bank deposits with maturity of more than 12 months ***	19,767,885	-	46,923,938	-
	<b>19,767,885</b>	<b>1,988,937,384</b>	<b>46,923,938</b>	<b>1,205,538,257</b>
Less : Amounts disclosed as Other non-current assets (Also, refer note 14)	(19,767,885)	-	(46,923,938)	-
<b>Total</b>	-	<b>1,988,937,384</b>	-	<b>1,205,538,257</b>

\* Includes : ₹ 104,963 [31 March 2012 : ₹ 104,963] being unutilised money out of the public issue

\*\* Pledged against guarantees issued by bank on behalf of the Company aggregating ₹ 6,138,527,331

\*\*\* Includes ₹14,999,540 [31 March 2012 : ₹14,999,540] pledged against loans from banks

	Amounts in ₹	
	Year ended 31 March 2013	Year ended 31 March 2012
<b>19 Revenue from operations</b>		
Sales and contract revenue	22,876,050,068	17,117,748,336
Toll Collection	452,711,800	152,118,833
	<b>23,328,761,868</b>	<b>17,269,867,169</b>
<b>20 Other income</b>		
Interest income	50,498,743	36,883,430
Dividend income	91,138	236,348
Profit on redemption of mutual funds	3,481,632	-
Other non-operating income	110,402	411,863
	<b>54,181,915</b>	<b>37,531,641</b>

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2013

	Amounts in ₹	
	Year ended 31 March 2013	Year ended 31 March 2012
<b>21 Material and direct contract costs</b>		
<b>Construction materials and components</b>		
Opening stock	887,768,619	826,776,451
Add : Purchases during the year	7,272,326,182	4,971,509,366
Less: Closing stock	1,097,722,821	887,768,619
Construction materials and components consumed	7,062,371,980	4,910,517,198
 Labour and Sub contract costs	10,827,749,424	8,455,465,814
Power and Fuel	223,102,800	142,764,056
Repairs to Plant and Machinery	37,704,590	32,521,584
Rent and Hire charges	362,794,783	170,250,120
Transportation charges	157,939,106	130,044,148
Other	137,527,005	197,014,638
	<b>18,809,189,688</b>	<b>14,038,577,556</b>
 <b>22 Changes in work-in-progress</b>		
Opening work in progress	1,079,330,375	844,592,777
Less: Closing work in progress	1,205,026,094	1,079,330,375
	<b>(125,695,719)</b>	<b>(234,737,598)</b>
 <b>23 Employee benefit expense</b>		
Salaries, wages and bonus	499,552,597	355,254,410
Contribution to gratuity (Also, refer note 34.A)	6,263,668	4,610,061
Contribution to provident and other defined contribution funds (Also, refer note 34.B)	14,861,836	8,345,241
Staff welfare expenses	38,288,344	17,927,505
	<b>558,966,445</b>	<b>386,137,217</b>
 <b>24 Finance costs (net)</b>		
Interest expenses		
- External commercial borrowings	19,690,631	15,166,685
- Term loans	1,045,981,879	755,595,003
- Cash credit facilities	665,961,268	486,029,774
- Others	2,389,809	86,553,870
Bank charges	94,997,681	70,432,471
	<b>1,829,021,268</b>	<b>1,413,777,803</b>
Less : Interest capitalised and included in capital work in progress and intangible asset under development (Also refer note 40)	(172,089,116)	(174,448,019)
	<b>1,656,932,152</b>	<b>1,239,329,784</b>

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2013

	Amounts in ₹	
	Year ended 31 March 2013	Year ended 31 March 2012
<b>25 Depreciation and amortisation expense</b>		
Depreciation of tangible assets (Also, refer note 10)	371,030,768	303,411,273
Amortisation of intangible assets (Also, refer note 11)	161,774,248	57,037,752
	<b>532,805,016</b>	<b>360,449,025</b>
<b>26 Other expenses</b>		
Power and fuel	30,083,662	28,672,671
Rent	12,079,874	45,211,287
Repairs and maintenance		
- Buildings	95,858	383,838
- Plant and equipment	841,570	80,880
- Others	2,026,047	1,171,112
Insurance	38,749,454	45,732,605
Rates and taxes	2,417,111	760,239
Resurfacing expenses (Also refer note 35)	17,406,844	5,462,733
Payments to auditors (Also, refer note 31)	6,233,885	6,116,170
Legal and professional	132,935,938	59,344,536
Provision for doubtful debts	30,150,000	-
Travelling and conveyance	24,760,456	11,506,453
Printing and stationery	11,609,425	6,038,777
Communication expenses	13,395,941	8,959,265
Advertisement	14,263,689	10,139,044
Non executive directors' commission	6,250,000	4,400,000
Directors sitting fees	1,150,000	446,000
Foreign exchange loss	-	48,247,650
Miscellaneous expenses	97,466,641	51,041,958
	<b>441,916,395</b>	<b>333,715,218</b>
<b>27 Earnings per share (EPS)</b>		
Weighted average number of equity shares outstanding during the year	16,742,087	16,742,087
Add:- Dilutive effect	-	-
Weighted average number of equity shares used to compute diluted EPS	16,742,087	16,742,087
Net Profit after tax	977,922,867	813,863,049
Less: Dividend on preference shares (including tax)	(290,556)	(290,556)
Less: Share of loss of associate	(54,667)	(12,861)
Less: Minority Interest	23,769,514	(22,523,532)
Net Profit after tax attributable to equity shareholders	1,001,347,158	791,036,100
Earning per share :		
Basic	59.81	47.25
Diluted	59.81	47.25

## 28 Commitments

### Capital commitment

Contracts remaining to be executed on capital account not provided for ₹ 12,071,495,553 (31 March 2012 - ₹ 17,070,000,000)

### Other commitment

The Company has entered into agreements with various government authorities and semi government corporations to develop road and water supply facilities on Build-operate-transfer (BOT) and Public Private Partnership (PPP) basis through its certain subsidiary entities. The Company has a commitment to fund the cost of developing the infrastructure through a mix of debt and equity as per the estimated project cost.

- 29** Mobilisation advances include amounts taken from customers for project related expenses. These advances are subsequently adjusted at pre-determined rates against the bills raised on the customers.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2013

## 30 Related Party Disclosures :

### a) Names of related parties and description of relationship

#### A Associate

Sanjose Supreme Tollways Development Private Limited  
Kotkapura Muktsar Tollways Private Limited  
Mohol Kurul Kamti Tollways Private Limited

#### B Joint ventures

Supreme - MBL JV  
Petron - Supreme JV  
Supreme - Siddhi JV  
Supreme Zanders JV  
HGCL -Niraj-Supreme Infrastructure Private Limited

#### C Key management personnel (KMP)

Mr. Bhawanishankar Sharma  
Mr. Vikram Sharma  
Mr. Vikas Sharma

#### D Relatives of key management personnel:

Ms. Rita Sharma  
Ms. Barkha Sharma

#### E Companies in which key management personnel or their relatives have significant influence (Other related parties)

Supreme Housing and Hospitality Private Limited  
BHS Housing Private Limited

### b) The transactions with related parties for the year are as follows:

(Amounts in ₹)						
Transaction during the year	Subsidiaries	Associate	Joint ventures	Key Management Personnel	Relatives of Key Management Personnel	Other related parties
<b>Contract Revenue</b>						
Supreme Manor Wada Bhiwandi Infrastructure Private Limited	1,536,142,590 (1,342,404,772)	- (-)	- (-)	- (-)	- (-)	- (-)
Supreme Panvel Indapur Tollways Private Limited	1,819,824,602 (506,374,641)	- (-)	- (-)	- (-)	- (-)	- (-)
Supreme Ahmednagar Karmala Tembhurni Tollways Private Limited	2,086,230,115 (481,884,118)	- (-)	- (-)	- (-)	- (-)	- (-)
Supreme Kopergaon Ahmednagar Tollways Private Limited	- (780,502,784)	- (-)	- (-)	- (-)	- (-)	- (-)
Supreme Best Value Kolhapur (Shiroli) Sangli Tollways Private Limited	344,900,348 (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Sanjose Supreme Tollways Development Private Limited	- (-)	1,086,107,547 (-)	- (-)	- (-)	- (-)	- (-)
Supreme Suyog Funicular Ropeways Private Limited	307,300,000 (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Petron Supreme JV	- (-)	- (-)	- (147,530,525)	- (-)	- (-)	- (-)
HGCL - Niraj - Supreme Infrastructure Private Limited	- (-)	- (-)	356,500,000 (512,432,154)	- (-)	- (-)	- (-)
Supreme Housing and Hospitality Private Limited	- (-)	- (-)	- (-)	- (-)	- (-)	84,400,000 (438,378,883)

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2013

**b) The transactions with related parties for the year are as follows:**

(Amounts in ₹)						
Transaction during the year	Subsidiaries	Associate	Joint ventures	Key Management Personnel	Relatives of Key Management Personnel	Other related parties
<b>Purchases</b>						
Supreme Siddhi JV	-	-	224,557,048	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
<b>Expenses reimbursed to</b>						
Supreme Siddhi JV	-	-	-	-	-	-
	(-)	(-)	(248,912,122)	(-)	(-)	(-)
<b>Receipt of unsecured loan</b>						
Mr. Bhawanishankar Sharma	-	-	-	1,646,300	-	-
	(-)	(-)	(-)	(3,301,940)	(-)	(-)
Ms. Rita Sharma	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(19,800,000)	(-)
Vikram Sharma	-	-	-	2,962,200	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
<b>Repayment of unsecured loan</b>						
Mr. Bhawanishankar Sharma	-	-	-	-	-	-
	(-)	(-)	(-)	(18,799,130)	(-)	(-)
Ms. Rita Sharma	-	-	-	-	2,600,000	-
	(-)	(-)	(-)	(-)	(24,000,000)	(-)
BHS Housing Private Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(10,897,589)
<b>Receipt of mobilisation advance</b>						
Supreme Zanders JV	-	-	-	-	-	-
	(-)	(-)	(75,673,919)	(-)	(-)	(-)
Supreme Housing and Hospitality Private Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(194,569,613)
<b>Directors remuneration</b>						
Mr. Bhawanishankar Sharma	-	-	-	9,600,000	-	-
	(-)	(-)	(-)	(9,600,000)	(-)	(-)
Mr. Vikram Sharma	-	-	-	9,600,000	-	-
	(-)	(-)	(-)	(9,600,000)	(-)	(-)
Mr. Vikas Sharma	-	-	-	9,600,000	-	-
	(-)	(-)	(-)	(9,600,000)	(-)	(-)
<b>Loan given</b>						
Sanjose Supreme Tollways Development Private Limited	-	-	-	-	-	-
	(-)	(40,430,179)	(-)	(-)	(-)	(-)
HGCL - Niraj - Supreme Infrastructure Private Limited	-	-	-	-	-	-
	(-)	(-)	(152,045,594)	(-)	(-)	(-)
Supreme MBL JV	-	-	-	-	-	-
	(-)	(-)	(71,956,638)	(-)	(-)	(-)
<b>Repayment of loan given</b>						
Sanjose Supreme Tollways Development Private Limited	-	40,430,179	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Supreme MBL JV	-	-	203,505,603	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
HGCL - Niraj - Supreme Infrastructure Private Limited	-	-	25,506,612	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Supreme Siddhi JV	-	-	-	-	-	-
	(-)	(-)	(27,221,207)	(-)	(-)	(-)



# Notes to the Consolidated Financial Statements

for the year ended 31 March 2013

## c) Balances at the year end :

(Amounts in ₹)

Particulars	Subsidiaries	Associate	Joint ventures	Key Management Personnel	Relatives of Key Management Personnel	Other related parties
<b>Short term borrowings</b>						
Mr. Bhawanishankar Sharma	-	-	-	4,688,066	-	-
	(-)	(-)	(-)	(3,041,766)	(-)	(-)
Ms. Rita Sharma	-	-	-	-	3,200,000	-
	(-)	(-)	(-)	(-)	(5,800,000)	(-)
Mr. Vikram Sharma	-	-	-	2,962,200	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
<b>Advance from customers</b>						
Supreme Zanders JV	-	-	-	-	-	-
	(-)	(-)	(23,311,156)	(-)	(-)	(-)
Supreme Housing & Hospitality Private Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(17,142,162)
<b>Other current liabilities</b>						
Mr. Bhawanishankar Sharma	-	-	-	-	-	-
	(-)	(-)	(-)	(241,858)	(-)	(-)
Mr. Vikram Sharma	-	-	-	-	-	-
	(-)	(-)	(-)	(241,858)	(-)	(-)
Mr. Vikas Sharma	-	-	-	-	-	-
	(-)	(-)	(-)	(241,857)	(-)	(-)
Ms. Barkha Sharma	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(1,700,000)	(-)
<b>Trade receivable</b>						
Supreme Siddhi JV	-	-	-	-	-	-
	(-)	(-)	(186,920,885)	(-)	(-)	(-)
Petron Supreme JV	-	-	-	-	-	-
	(-)	(-)	(8,794,178)	(-)	(-)	(-)
HGCL - Niraj - Supreme Infrastructure Private Limited	-	-	-	-	-	-
	(-)	(-)	(61,648,189)	(-)	(-)	(-)
Supreme Housing and Hospitality Private Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(221,007,106)
<b>Loan and advances</b>						
<b>Other loans</b>						
Supreme MBL JV	-	-	249,657,753	-	-	-
	(-)	(-)	(453,163,355)	(-)	(-)	(-)
Sanjose Supreme Tollways Development Private Limited	-	-	-	-	-	-
	(-)	(40,430,179)	(-)	(-)	(-)	(-)
HGCL - Niraj - Supreme Infrastructure Private Limited	-	-	126,538,982	-	-	-
	(-)	(-)	(152,045,594)	(-)	(-)	(-)

(Figures in brackets represents previous year numbers)

Amounts in ₹

	Year ended 31 March 2013	Year ended 31 March 2012
<b>31 Auditor Remuneration (excluding service tax)</b>		
Audit fees	6,208,885	6,091,170
Tax audit fees	25,000	25,000
<b>Total</b>	<b>6,233,885</b>	<b>6,116,170</b>

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2013

Particulars	Amounts in ₹	
	As at 31 March 2013	As at 31 March 2012
<b>32 Disclosures pursuant to Accounting Standard 7 (AS - 7) "Construction Contracts"</b>		
A. Amount of contract revenue recognized as revenue during the year	22,876,050,068	17,560,465,324
B. Aggregate amount of cost incurred and recognized profits less recognized losses upto the reporting date on Contract under progress	19,988,475,961	14,038,577,556
<b>Balances as at year end</b>		
C. Amount of customer advances outstanding as on reporting date	1,131,324,557	1,429,287,798
D. Amount of retentions	1,040,659,100	1,038,915,674
E. Gross amount due from customers for contract work	7,355,343,506	4,920,409,226
F. Gross amount due to customers for contract work	-	-

## 33 Intra-group Turnover and Profits on BOT Construction Contracts

The BOT contract are governed by service concession agreement with government (grantor). Under these agreement, the operator does not own the road, but gets "toll collection rights" against the cost incurred for construction services. Since the construction cost incurred by the operator is considered as exchanged with the grantor against toll collection rights, profit from such contracts is considered as realized.

Accordingly, BOT contract awarded to group companies (operator), where work is subcontracted to fellow subsidiaries, the intra group transactions on BOT contracts and the profits arising thereon are taken as realized and not eliminated for consolidation under Accounting Standard 21.

The revenue and profit in respect of these transaction during the year is ₹ 6,094,397,655 (31 March 2012: ₹ 3,111,166,316) and ₹ 700,800,350 (31 March 2012: ₹ 486,027,205) respectively.

## 34 Employee benefits (Unfunded)

### A. Defined benefit plan

The Company has gratuity as defined benefit retirement plan for its employees. Disclosures as required by Accounting Standard-15 (Revised) for the year ended 31 March 2013 are as under:

	Amounts in ₹	
	As at 31 March 2013	As at 31 March 2012
<b>1 Changes in the present value of defined benefit obligation</b>		
Defined benefit obligation as at the beginning of the year	15,108,459	10,498,398
Service Cost	7,199,558	5,301,081
Interest Cost	1,270,319	866,118
Actuarial Losses/(Gains)	(2,206,209)	(1,557,138)
Benefits Paid	(327,068)	-
<b>Defined benefit obligation as at the end of the year</b>	<b>21,045,059</b>	<b>15,108,459</b>
<b>2 The amount recognised in the Statement of Profit and Loss are as follows :</b>		
Service Cost	7,199,558	5,301,081
Interest Cost	1,270,319	866,118
Net actuarial losses/(gain) recognised during the year	(2,206,209)	(1,557,138)
<b>Expense recognised in Statement of Profit and Loss</b>	<b>6,263,668</b>	<b>4,610,061</b>
<b>3 The amount recognised in the balance sheet are as follows :</b>		
Present Value of the obligation as at the end of the year	21,045,059	15,108,459
Fair Value of Plan assets as at the end of the year	-	-
<b>Net Liability recognised in the balance sheet</b>	<b>21,045,059</b>	<b>15,108,459</b>
<b>Assumptions used</b>		
Discount rate	8.20%	8.50%
Future salary increase	8.50%	8.50%
Retirement Age (in years)	58	58

### B. Defined contribution plan

The amount of contribution to provident fund and employee State insurance scheme recognised as expenses during the year is ₹ 14,861,836 (31 March 2012 ₹ 8,345,241)

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2013

## 35 Resurfacing expenses

The Group has a contractual obligation to maintain, replace or restore infrastructure at the end of each concession period. The Group has recognised the provision in accordance with Accounting Standard (AS) – 29, Provision, Contingent Liabilities and Contingent Assets i.e. at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. Resurfacing expenses are to be paid out at the end of the concession period.

	Amounts in ₹	
	As at 31 March 2013	As at 31 March 2012
<b>Particulars</b>		
Opening Balance	5,462,733	-
Obligation on new toll projects	17,406,844	5,462,733
Utilised/Reversed during the year	-	-
Unused amount reversed during the year	-	-
Closing balance	22,869,577	5,462,733

## 36 Micro, Small and Medium Enterprises

There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2013. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the statutory auditors.

## 37 Details of subsidiaries and associate whose financial statements have been consolidated as at 31 March 2012 are given below

Sr. No.	Name of the Company	Proportion of ownership interest either directly or indirectly	
		As at 31 March 2013	As at 31 March 2012
<b>Subsidiaries and sub - subsidiaries*</b>			
1	Supreme Infrastructure BOT Private Limited ('SIBPL')	100%	100%
2	Supreme Manor Wada Bhiwandi Infrastructure Private Limited (Subsidiary of SIBPL) (Subsidiary Due to Control over Composition of Board of Director)	49%	49%
3	Supreme Infra Projects Private Limited (Subsidiary of SIBPL)	100%	100%
4	Supreme Suyog Funicular Ropeways Private Limited (Subsidiary of SIBPL)	98%	98%
5	Supreme Infrastructure BOT Holdings Private Limited ('SIBHPL')	51%	100%
6	Supreme Best Value Kolhapur (Shiroli) Sangli Tollways Private Limited (Subsidiary of SIBHPL)	90%	90%
7	Supreme Ahmednagar Karmala Tembhurni Tollways Private Limited (Subsidiary of SIBHPL)	100%	100%
8	Supreme Kopargaon Ahmednagar Tollways Private Limited	100%	100%
9	Supreme Mega Structures Private Limited	60%	60%
10	Supreme Panvel Indapur Tollways Private Limited	64%	64%
		(38% held through subsidiary)	(38% held through subsidiary)
11	Rudranee Infrastructure Limited	51%	51%
12	Supreme Infrastructure Overseas LLC, Incorporated in Oman	60%	-
13	Kopargaon Ahmednagar Tollways (Phase I) Private Limited (Subsidiary of SIBPL)	100%	-
<b>Associate</b>			
14	Sanjose Supreme Tollways Development Private Limited	40%	40%
15	Kotkapura Muksar Tollways Private Limited	49%	-

\* Entities incorporated in India, unless otherwise stated

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2013

## 38 Joint venture disclosure

Contracts executed by following joint ventures are accounted in accordance with accounting policy no. 1(j)(ii)(a) and (b).

Name of the Company	Description of interest	Company's share
Supreme - MBL JV	Lead JV partner	60%
Petron - Supreme JV	Minority JV partner	45%
Supreme Siddhi JV (India)	Equal JV partner	50%
Supreme Zanders JV	Lead JV partner	51%
HGCL -Niraj-Supreme Infrastructure Private Limited	Equal JV partner	50%

## 39 Foreign currency transactions of the Company that are not hedged by derivative instruments or otherwise.

	Currency	31 March 2013	31 March 2012
External Commercial borrowings	\$	5,510,000	6,944,234
	₹	299,685,045	355,242,697

## 40 Capitalization of interest and upfront fees on loan taken by the Parent Company to intangible asset under development

The Company in the current year has taken loan from SREI Infrastructure Finance Limited which were utilised by the Company for investment in the equity shares and optionally convertible debentures of certain subsidiaries. To the extent that the amounts were utilised by the Company for construction of qualifying assets, the related interest and upfront fees incurred represents 'Borrowing cost' within the meaning of borrowing costs as given under AS 16 'Borrowing costs' in the Companies (Accounting Standard) Rules, 2006.

Accordingly in the Consolidated Balance Sheet of the Group such expenditure amounting to ₹ 172,089,116 (31 March 2012 : ₹ 178,037,795) has been added to intangible asset under development

## 41 Segment Information

- The Company has disclosed business segment as primary segment. Segments have been identified taking in to account the nature of the services, the differing risks and returns, the organisational structure and internal reporting system.
- The Company's operations predominantly relate to Engineering, Procurement and Construction ('EPC') segment and Road Infrastructure Projects. Road Infrastructure segment is related to BOT projects.
- The Company's activities are restricted within India and hence no separate geographical segment disclosure is considered necessary.
- For the purpose of reporting, business segment is the primary segment and the geographical segment is the secondary segment.
- Segment revenue, segment results, segment assets, Segment liabilities include the respective amount identifiable to each of the segments as also amount allocated on reasonable basis.
- The net expenses, which are not directly attributable to the business segment, are shown as unallocated corporate expenses
- Assets and Liabilities that can not be allocated between the segments are shown as a part of unallocated Corporate Assets and Liabilities respectively.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2013

(Amounts in ₹)

Particulars	EPC		Road Infrastructure		Total	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012	31 March 2013	31 March 2012
<b>REVENUE</b>						
Total External Revenue	16,781,652,413	13,996,804,020	452,711,800	161,896,833	17,234,364,213	14,158,700,853
Inter Segment Revenue	6,094,397,655	3,111,166,316	-	-	6,094,397,655	3,111,166,316
<b>Total Revenue</b>	<b>22,876,050,068</b>	<b>17,107,970,336</b>	<b>452,711,800</b>	<b>161,896,833</b>	<b>23,328,761,868</b>	<b>17,269,867,169</b>
<b>RESULT</b>						
<b>Segment Results</b>	-	<b>2,337,785,702</b>	-	<b>47,940,049</b>	-	<b>2,385,725,751</b>
Unallocated Corporate Expenses	-	-	-	-	-	-
<b>Operating Profit</b>	-	-	-	-	-	<b>2,385,725,751</b>
Other Income	-	-	-	-	54,181,915	37,531,641
Financial Expenses	-	-	-	-	1,656,932,152	1,239,329,784
<b>Profit Before Tax</b>	-	-	-	-	1,602,750,237	1,183,927,608
Current Tax	-	-	-	-	(504,931,827)	(349,231,902)
Deferred Tax	-	-	-	-	(1,610,142)	(20,832,656)
Tax adjustment for earlier years	-	-	-	-	(24,363,970)	-
<b>Net profit after Tax but before Minority Interest</b>	-	-	-	-	<b>2,133,656,176</b>	<b>813,863,050</b>
Less: Share of loss of associate	-	-	-	-	(54,667)	(12,861)
Less : Share of profit/(loss) of minority interest	-	-	-	-	23,769,514	(22,523,532)
<b>Net profit</b>	-	-	-	-	<b>2,109,941,329</b>	<b>791,326,657</b>
<b>OTHER INFORMATION</b>						
Segment assets	-	11,450,237,448	-	12,838,288,721	-	24,288,526,169
Unallocated corporate assets	-	-	-	-	-	-
<b>Total assets</b>	-	<b>11,450,237,448</b>	-	<b>12,838,288,721</b>	-	<b>24,288,526,169</b>
Segment Liabilities	-	3,499,436,876	-	1,297,761,375	-	4,797,198,251
Unallocated corporate liabilities	-	-	-	-	22,497,018,736	15,346,292,160
<b>Total liabilities</b>	-	<b>3,499,436,876</b>	-	<b>1,297,761,375</b>	<b>22,497,018,736</b>	<b>20,143,490,411</b>
Capital Expenditure	-	665,293,077	-	7,345,988,538	-	8,011,281,615
Depreciation and Amortisation	-	311,057,887	-	57,104,118	-	360,449,025
Non- cash expenses other than Depreciation and Amortisation	-	-	-	-	-	-

- 42 The Group is in appeal with the Maharashtra Sales Tax Authority in respect of disallowance of VAT matter amounting to ₹ Nil ( 31 March 2012 - ₹ 3,128,974) for the year 2009-2010 .
- 43 Previous year's figures have been regrouped or reclassified, to conform to the current year's presentation wherever considered necessary.

For **Walker, Chandiok & Co**  
Chartered Accountants

**Amyr Jassani**  
Partner

Place : Mumbai  
Date : 28 May 2013

For **Shah & Kathariya**  
Chartered Accountants

**P. M. Kathariya**  
Partner

Place : Mumbai  
Date : 28 May 2013

For and on behalf of the Board of Directors

**B. H. Sharma**  
Chairman

**Vikas Sharma**  
Wholtime Director

Place : Mumbai  
Date : 28 May 2013

**Vikram Sharma**  
Managing Director

**Vijay Joshi**  
Company Secretary

# Statement Pursuant to Section 212 of the Companies Act, 1956, Relating To Company's Interest In Subsidiary Company.

Sr. No.	Name of the Subsidiary Company	(Amounts in ₹)												
		Supreme Infrastructure BOT Pvt. Ltd. (SIBPL)	Supreme Panvel Indapur Tollways Pvt Ltd	Supreme Mega Structures Pvt Ltd	Supreme Manor Wada Bhiwandi Infra-structure Pvt Ltd	Supreme Infra Projects Pvt Ltd	Supreme Best Value Kolhapur (Shirol) Sangli Tollways Pvt Ltd.	Supreme Ahmednagar Karmala Temb- hurani Tollways Pvt Ltd.	Supreme Infrastruc- ture BOT Hold- ings Pvt. Ltd. (SIBHPL)	Supreme Kopar- gaon Ahmed- nagar Tollways Private Limited	Rudra-nee Infra- structure Limited	Supreme Suyog Funicular Rope- ways Private Limited	Kopar- gaon Ahmed- nagar Tollways (Phase I) Private Limited	Supreme Infra- structure Overseas LLC
1	Financial Year ended on	31/03/2013	31/03/2013	31/03/2013	31/03/2013	31/03/2013	31/03/2013	31/03/2013	31/03/2013	31/03/2013	31/03/2013	31/03/2013	31/03/2013	31/03/2013
2	Number of Shares and face value of the Subsidiary held by the Company as on the above date	9999 Equity Shares of ₹ 10/- each.	26000 Equity Shares of ₹ 10/- each. held by SIBPL of ₹ 10/- each.	6000 Equity Shares of ₹ 10/- each.	49000 Equity Shares of ₹ 10/- each held by the SIBPL.	9999 Equity Shares of ₹ 10/- each held by the SIBPL.	45000 Equity Shares of ₹ 10/- each held by the SIBHPL.	9999 Equity Shares of ₹ 10/- each held by the SIBHPL.	9999 Equity Shares of ₹ 10/- each.	9999 Equity Shares of ₹ 10/- each held by the SIBHPL.	12183648 Equity Shares of ₹ 10/- each	98000 Equity Shares of ₹ 10/- each held by the SIBPL	9999 Equity Shares of ₹ 10/- each held by SIBPL	150000 Equity Shares of OMR 1 each ₹ 141.28 each)
3	Extent of Holding	100%	26% (38% held through SIBPL)	60%	49%	100%	90%	100%	100%	100%	51%	98%	100%	60%
4	The net aggregate amount of Profit/(Loss) of the Subsidiary so far as it concerns the members of the Holding Company and is dealt with in account of Holding Company:													
	1. For financial year ended on March 31, 2013	(322,453,304)	(143,821)	4,623,016	(7,342,768)	(41,818,074)	(1,112,450)	(2,810,816)	1,380,277	(60,806,360)	21,850,811	(55,056)	(28,090)	(5,033,941)
	2. For previous financial year of the Subsidiary since it became a Subsidiary Company	(137,199,033)	(107,866)	3,721,166	15665	(80,047)	(252,810)	(280,900)	(8,530,798)	(86,409,088)	33,403,723	(82,467)	N.A.	N.A.
5	Changes in the Holding Company's Interest in the Subsidiary between the end of the financial year of the Subsidiary and the end of the Holding Company's financial year:													
6	Material Changes which have occurred between the end of the aforesaid financial year of the Subsidiary and the end of the Holding Company's financial year in respect of													
	(a) the Subsidiaries fixed assets	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
	(b) its investments	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
	(c) moneys lent by the Subsidiary Company	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
	(d) the money borrowed by it for any purpose other than that of meeting current liabilities	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

**Note:** The financial statements of subsidiary Co. - Supreme Infrastructure Overseas LLC is converted into Indian Rupees on the basis of exchange rate as at the closing day of the financial year.



#### Disclaimer

In this Annual Report we have disclosed forwarding-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statement - written and oral - that we periodically make may contain forward-looking statements that set out anticipated results based on the management's plan and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'expects', 'projects', 'intends', 'plans', 'believes' and word of similar substance in connection with any discussion of future performance.

We can not guarantee that these forwarding-looking statements will be realized we believe we have been prudent in our assumptions. The achievement of results is subjects to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forwarding-looking statements, whether as a result of new information, future events or otherwise.





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