

# POWER OF EXCELLENCE

POWER OF EXCELLENCE

# DELIVERED



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POWER OF EXCELLENCE DELIVERED

# AGAINST ALL ODDS



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**India growth story slows down.  
Rising interest rates. Euro-zone crisis.  
Uncertainties.**

**Infrastructure underperforms. Spends  
dropping. Slower order book. Execution  
delays. Rising inflation. Rising cost.  
Reducing Margins, Increasing debt.**

**2011-12 has been our best year, so far!**

**Our revenues grew by 64% to ₹ 15059.1 mn. Our profit after-tax increased by 20.9%. We faced no execution delays. We raised private equity capital in our BOT projects. Our market capitalization increased by approximately 45%.**

**We expect 2012-13 to be significantly better than 2011-12.**

**We delivered.**

**And will continue to.**



**AGAINST ALL ODDS**

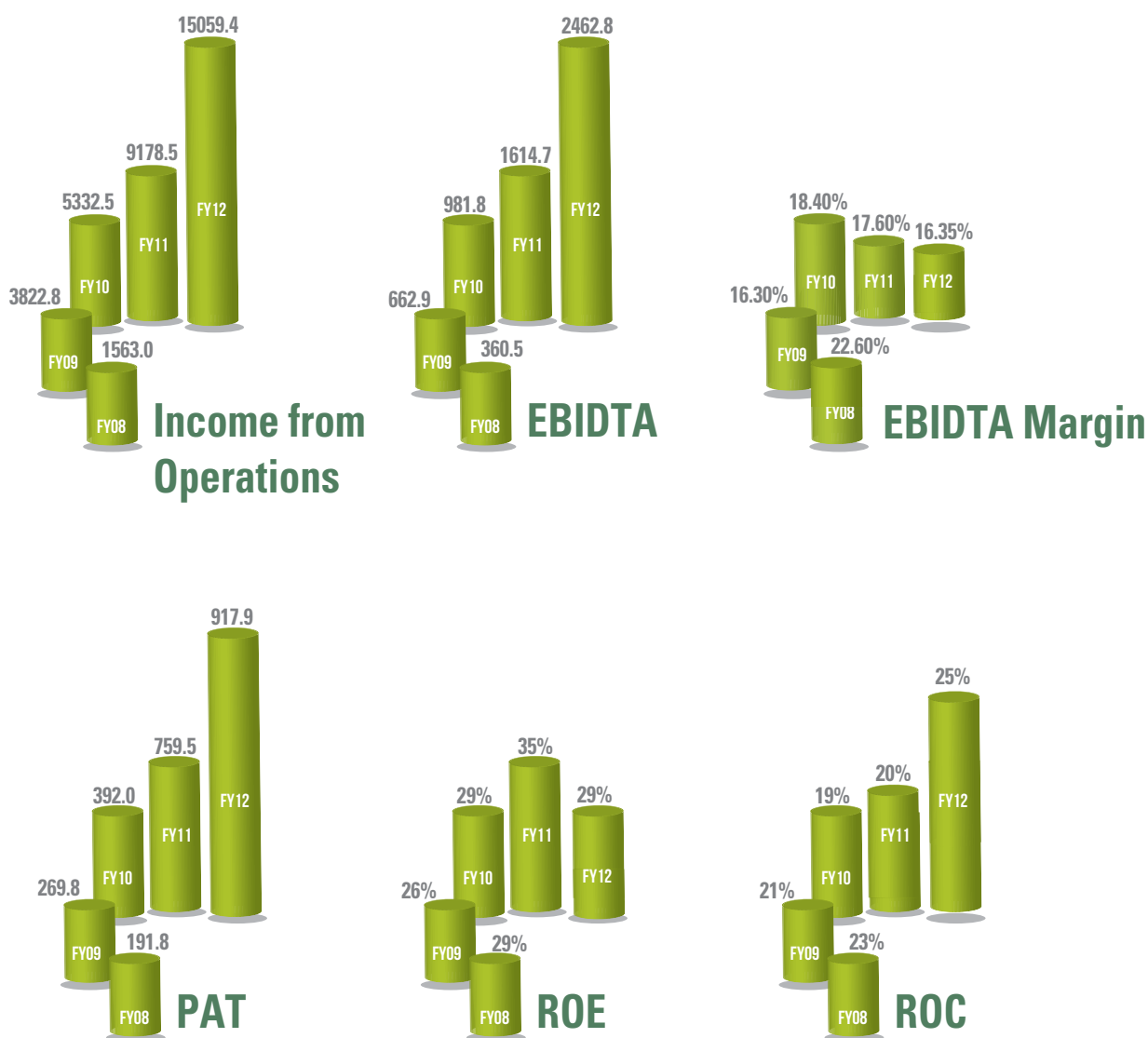
**Against all odds, Supreme Infrastructure India Limited has demonstrated its superior business model through one of the highest margins in the industry and one of the better growth profiles.**

Our progress is a transformation from a back-end aggregate supplier to a front-end EPC infrastructure player. And this continues to be our most significant edge. Execution is our key strength. Our destiny is in our control. And so are our margins.

## AGAINST ALL ODDS

(₹ in mn.)					
Particular	FY12	FY11	FY10	FY 09	FY008
<b>Results from Operation</b>					
Income from Operations	15059.1	9178.5	5332.5	3822.8	1563.0
EBIDTA	2462.8	1614.7	981.8	662.9	360.5
PAT	918.0	759.5	392.0	269.8	191.8
<b>Financials Position</b>					
Share Capital	167.4	167.4	138.7	138.7	138.7
Non- Convertible Redeemable Preference Shares	25.0				
Reserves & Surplus	3518.8	2400.5	1384.1	1016.4	800.1
Net worth	3711.3	2567.9	1522.8	1155.2	905.6
Gross Block	3789.1	3268.1	2890.6	2290.6	1189.8
Net Block	2815.3	2578.0	2433.6	2035.7	1065.5
Net Current Assets		4934.5	2420.3	1291.8	610.3
<b>Ratios</b>					
EBIDTA Margin	16.35%	17.60%	18.40%	16.30%	22.60%
PAT Margin	6.10%	8.30%	7.40%	6.60%	12%
ROE	29%	35%	29%	26%	29%
ROC	25%	20%	19%	21%	23%

**(ROC for FY12 and FY11 - as per Revised Schedule VI)**



## Highlights 2011-12

- The Company touched the ₹ 10 bn. revenue mark in 2011-12.
- Revenue and PAT increased from ₹ 9178.5 mn. and ₹ 759.5 mn. in 2010-11 to ₹ 15059.4 mn. and ₹ 917.9 mn. in 2011-12 respectively.
- Order book of the Company stood at ₹ 57.1 bn. in FY 2011-12 of which, ₹ 39 bn. is unexecuted.
- Two Toll Plazas of the Company – Kopargaon-Ahmednagar Toll Plaza and Patiala-Nabha-Malerkotla Toll Plaza, commenced in September, 2011 and June, 2012, respectively.
- 3i Private Equity invested ₹ 2 bn. in Three BOT assets of the Company.

**Despite a slow down in the economy and the challenges faced by the Indian infrastructure space, we are quite upbeat on the opportunity.**

Here is why.

If India is to achieve higher echelons of growth in the next decade, it has to focus on investment in infrastructure. Infrastructure will be the driver of this growth, not a derivative of this.

The scope for infrastructure development is huge. And the biggest difference between developing and developed economy lies in infrastructure. India needs to invest ₹ 6372 bn. over the next three years in Roads to connect India. It also needs to invest ₹ 9258 bn. in power to cover its deficit in the next three years. It further needs massive investments in urban infrastructure to the tune of ₹ 2652 bn. and in Irrigation to the tune of ₹ 3700 bn. by 2015.

Do we think India will become a 'developed economy'?

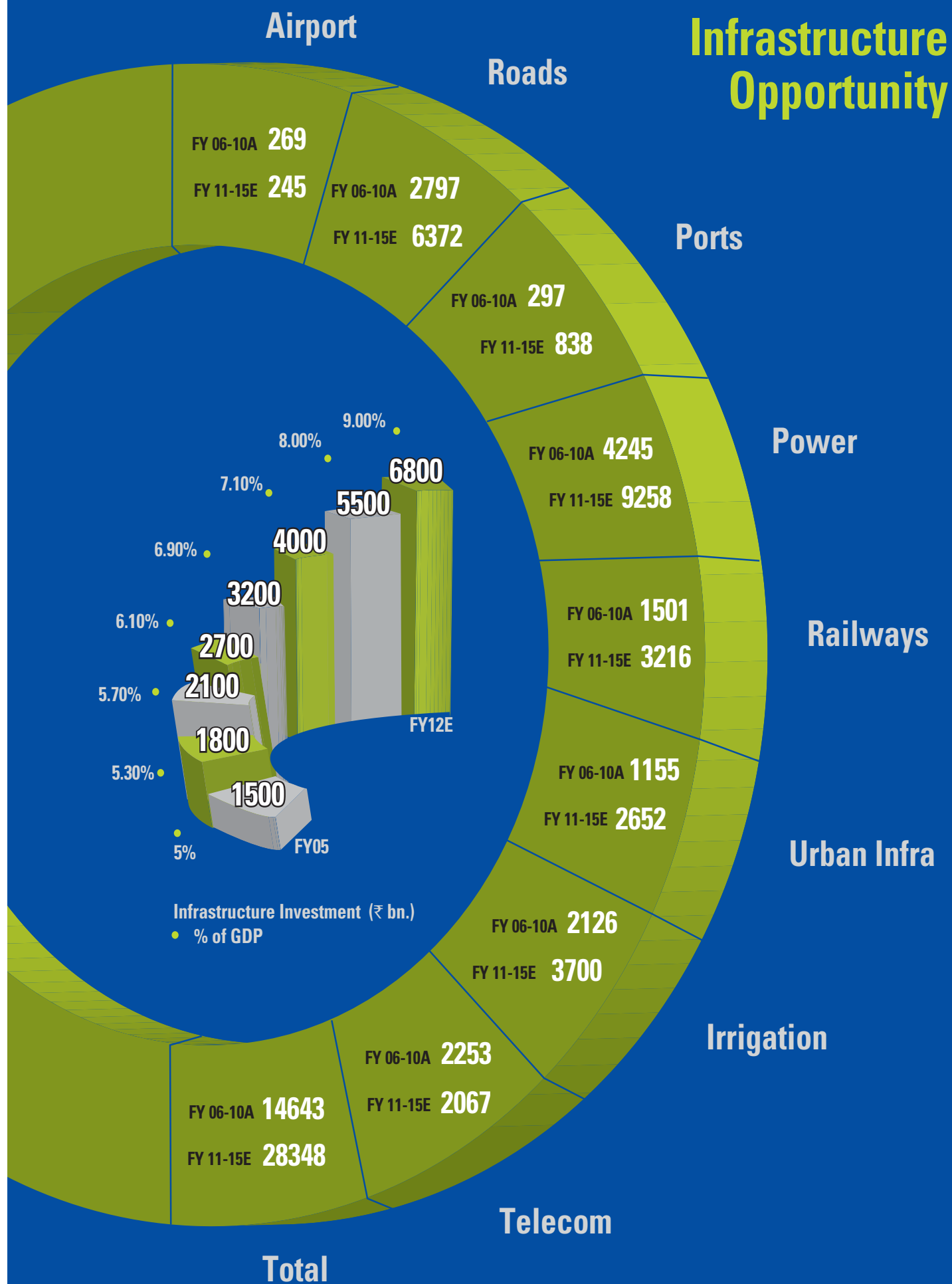
Yes, we do think.  
Yes, we do believe.

**AGAINST ALL ODDS**







# Infrastructure Opportunity









**Supreme has been consistently expanding its horizons to capture a larger share of this opportunity, thus growing faster and better than the industry. In fact, it has come a long way in capturing and expanding its opportunity.**

Starting as a road infrastructure EPC player, Supreme has since expanded its verticals to include bridges, buildings, power, railways and sewerage.

More verticals are expected in Supreme's basket. Wider the expansion to utilize the opportunity higher the growth.

 Total Order Book (₹ mn)  
 ( includes L1 orders - ₹ 5986 mn.)  
 % of order book

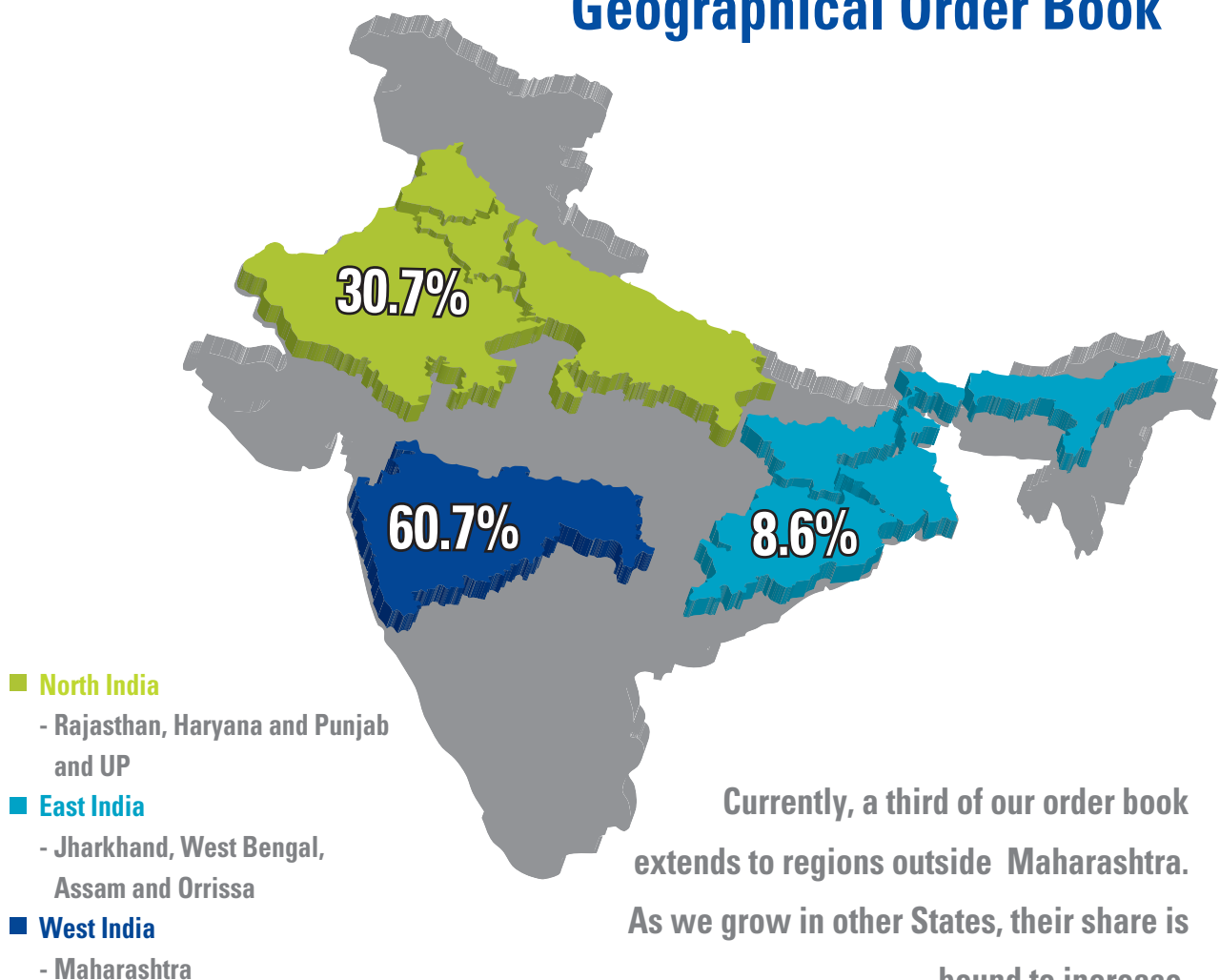
## Order Book Snapshot

Roads		20506	52.5%
Bridges		1240	3.2%
Railways		143	0.4%
Buildings		16746	42.9%
Power		234	0.6%
Water		160	0.4%
Total : 39028			

SUPREME USED TO BE A WESTERN INDIA COMPANY SERVING THE INFRASTRUCTURE NEEDS AROUND MUMBAI AND THANE. HOWEVER, WE ARE NOT ANY MORE CONFINED TO WESTERN INDIA.

Supreme has gradually expanded its operations across the length and breadth of the country and now participates in tenders across Maharashtra, Gujarat, Rajasthan, Punjab, Haryana, National Capital Region (NCR), West Bengal and Karnataka.

## Geographical Order Book



Currently, a third of our order book extends to regions outside Maharashtra. As we grow in other States, their share is bound to increase.

And yet, we do not see our reach coming down in Maharashtra.

We see it growing.


## AGAINST ALL ODDS

**Supreme believes in the POWER OF EXCELLENCE. The entire business model of the Company is geared towards delivering excellence. This is what keeps us in a winning circle.**

Ours is a competitive business. All projects are either tendered or bid-for. The lowest bidder usually gets the contract. Once a contract is awarded, what is crucial is the speed of executing with efficiency to meet the time-lines and to effectively manage the costs that determines margins.

Supreme has built its business model around resource integration. Given that our history is into resource aggregation and supply, we have built our strengths around this.



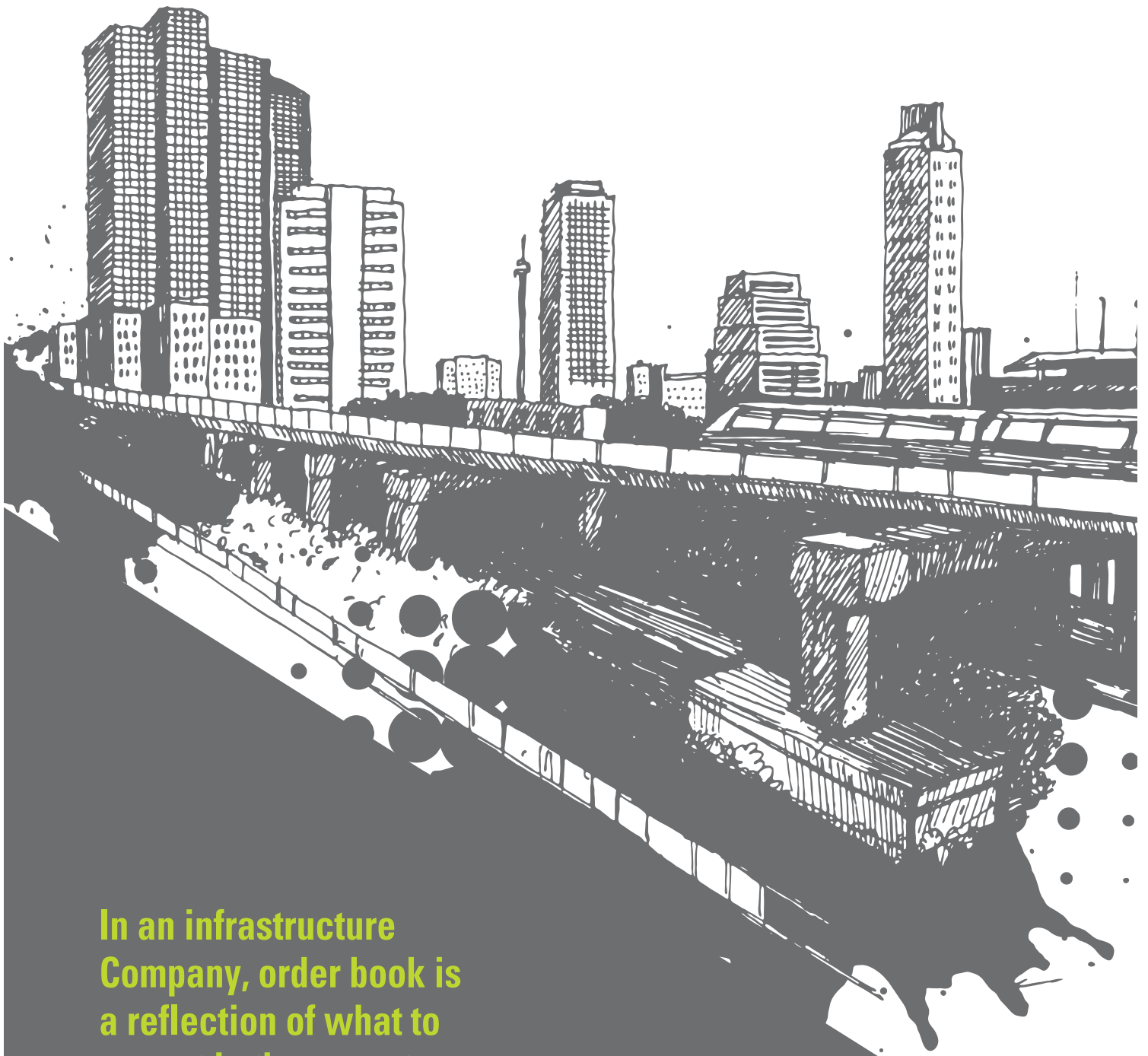


**We have one of the highest captive Machinery-to-Revenue Ratio in the industry. We have captive Aggregate Assets. We have a cluster approach. Once the cluster is identified and project commences, we acquire input assets and integrate resources. We then keep bidding in the same cluster for other projects and grow our order book and margins.**

**This resource integration based business model makes our bids very competitive and hence, we have a large and growing order book. Resource integration ensures our projects are not delayed and are always completed on time and within cost.**

**Our margins are one of the highest in the industry,**

**across segments.**



**In an infrastructure Company, order book is a reflection of what to expect in the years to come.**

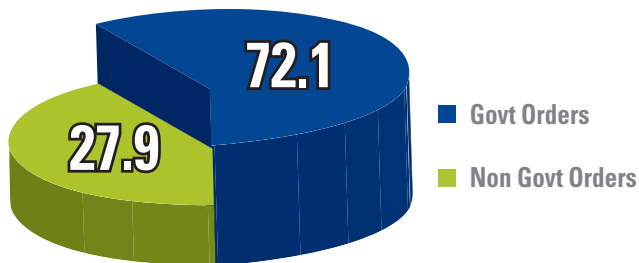
**Supreme order book build up reflects its strengths and competitiveness.**

## But it is still just a number.

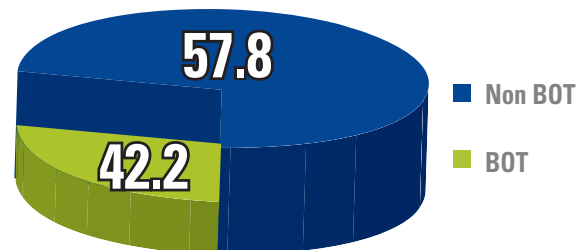
The understanding of the threads of order book gives an insight into the quality of the order book and the expected margin profile along with its impact on the Balance Sheet as well.

Supreme has grown its order book, against all odds.

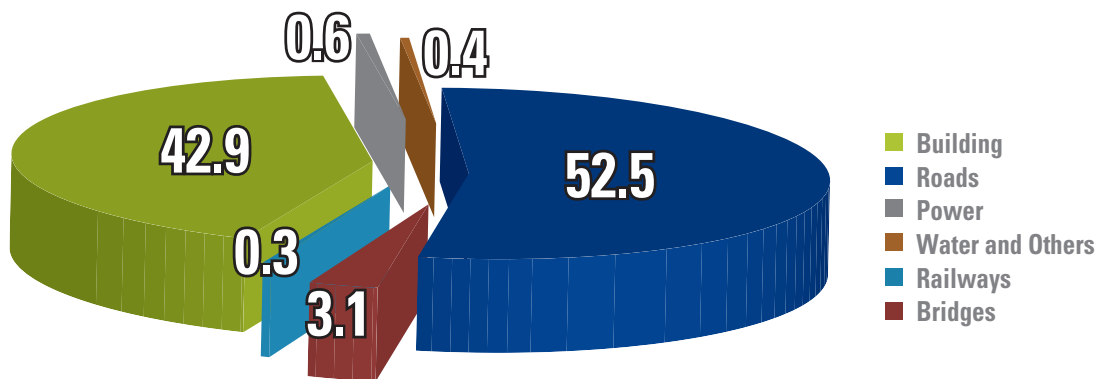
Our order book stands at ₹ 39 bn. as on March 31, 2012. This is 2.6 times our 2011-12 revenue. We expect to execute this over the next 24 - 30 months.



**Govt vs Non Govt Order**  
(% of Order Book)



**BOT vs Non BOT**  
(% of Order Book)



**Order Book Snapshot**  
(% of Order Book)



**Supreme is emerging as a  
leader with a difference in  
the BOT space too.**







## **BOT HIGHLIGHTS 2011-12**

**3i Private Equity invested ₹ 2 bn. in  
three Supreme BOT Assets**

**Two Toll Plazas already started**

- Kopargaon-Ahmednagar Toll Plaza**
- Patiala-Nabha-Maler Kotla Toll Plaza**

**Manor Wada-Bhiwandi Toll  
Plaza expected to commence  
in 2012-13**

# BOT Assets



## Jaipur Ring Road Project

Jaipur Development Authority (JDA), as apart of its vision for developing Jaipur as a world class city, prepared the proposal for development of the Ring Road. The Ring Road Project envisages rapid growth and better connectivity. The proposed alignment connects three National Highways, viz. NH - 11 (Jaipur- Sikar), NH - 12 (Jaipur- Jabalpur) and NH - 8 (Jaipur-Mumbai). The total length of the project stretch is 47 kms. Supreme, in association with Sanjose bagged the project. The concession agreement has been signed. The total cost of the project is ₹ 10.4 bn. And the concession period is 28 years including 18 months construction period.



## Ahmednagar-Karmala-Tembhurani Road Project

The project is for four laning of Ahmednagar – Karmala – Tembhurni Section of SH - 141 from km 80.600 to km 140.080 in the State of Maharashtra to be executed as BOT (Toll) basis. Total envisaged length is 62 kms. and has a total estimated cost of ₹ 5.4 bn. of which the value of EPC Project is ₹ 3.9 bn. The concession has been granted for 23 years 4 months and 5 days.



### **Panvel-Indapur Road Project**

The Project involves widening of the existing 2-lane carriage way to a 4-lane in the Panvel - Indapur Section of NH 17 in the State of Maharashtra. The project road is the starting point for the NH 17 which goes to Kochi through Goa and carries both local and inter- state traffic. The project corridor plays an important role in connecting northern India to Goa and Kochi. The estimated cost of project is ₹ 12.0 bn. and has a concession period of 21 years, including construction period of 910 days. The project is awarded to Supreme Infrastructure India Limited in consortium with others.



### **Haji Malang Funicular Ropeways Project**

The project involves commissioning of a funicular trolley system for transporting devotees and luggage from foot of the hill – Malangwadi to the top of the Haji Malang Hill till the Dargah and return. The project has an estimated cost of ₹ 800 mn. and is expected to be completed in two years. There will be 2 passenger trolleys each having a seating capacity of 60 passengers including 4 wheel chairs.



### **Manor-Wada-Bhiwandi Road Project**

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Located in Maharashtra, this project consists of widening of Manor-Wada and Wada-Bhiwandi Road on SH - 34 and SH - 35 and converting it into a 4 lane highway on BOT basis. The total length of the project aggregates to 64.32 kms. This stretch of road is crucial in connecting northern India and south Gujarat to industrial areas of Bhiwandi, Thane, Ulhasnagar and JNPT. The concession period of the project is 22 years and 10 month and the estimated cost is ₹ 4.3 bn. The project is under implementation and is expected to be completed in scheduled time of completion.

### **Patiala-Nabha-Malerkotla Road Project**

This partially completed project was awarded by Punjab Infrastructure Development Board (PIDB), taken over from the earlier owner. The Project involves construction of a Toll Road between Patiala and Malerkotla in the State of Punjab. The Company commenced tolling operations on 24th June, 2012. The size of this project is ₹ 940 mn. and 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.

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### **Kopargaon-Ahmednagar Road Project**

This partially completed Project has been awarded to Supreme by the Maharashtra PWD. The project involves 4-laning of 55 km. stretch of Kopargaon-Ahmednagar Road (SH - 10) between 120.0 kms. to 175.53 kms. The Company commenced tolling operations for this project on September 26, 2011. The ₹ 2.3 bn. project work was completed 3 months before the estimated timeline. The concession period of this project is till May 2017.

### **Kolhapur (Shiroli)-Sangli Road Project**

The project has been awarded to Supreme by the PWD, Maharashtra and involves 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). The total estimated cost of project is ₹ 3.3 bn. of which the value of the EPC contract is ₹ 2.5 bn. The concession has been granted for a period of 22 years 9 months.



**“Our Company is at an inflection. It is all set to enter the next orbit of higher growth and scale.”**

## **Managing Director's Message**

**Dear Shareholders,**

2011-12 has been a special year for Supreme Infrastructure. During the year, Supreme witnessed an all-round growth in terms of revenue, net profit and order book, abiding by the timelines, financial discipline and cost efficiency.

Supreme could achieve these against all adversities imposed by the global uncertainties and the slowdown in Indian economy. It has indeed been a special year at Supreme. Thanks to every member who worked relentlessly and to management's philosophy to focus on efficient, cost effective and time bound execution. Our Company grew its revenues by 64% to ₹ 15,059.4 mn. and profit after tax by 20.8% to ₹ 917.9 mn.

But there's still more. The year has been particularly special for the way Supreme Infrastructure is set. A bird's eye view of Supreme indicates that our Company is at an inflection. It is all set to enter the next orbit of higher growth and scale.

When we started, Supreme Infrastructure was largely a sub-contractor to other large road companies specializing in complex road building with bridges and structures in and around the city of

Mumbai. We catered to one segment, one state and executed small orders with a maximum ticket size of ₹ 250 mn.

The team at Supreme Infrastructure gradually built on its strengths, which included a completely backward integrated model that had minimal out-sourcing and hence faster execution. This led to Supreme Infrastructure creating its own place within the infrastructure industry. Gradually, the ₹ 250 Mn. sub-contracting order expanded to that of ₹ 500 mn. Gradually developing from sub-contracting to joint ventures lead to prime contractor catering to both public and private clients, by the end of 2011-12 Supreme Infrastructure has the distinction of having executed over ₹ 2 bn. single completed credentials in more than 3 major verticals. We are now executing single location tenders worth ₹ 5 bn.

Besides roads, we have expanded our presence and strengths to include segments like buildings, power, railways and bridges. In the coming decade, this expansion into other segments is expected to significantly open up a new world of opportunities for us.

Supreme Infrastructure is now a pan-India player with projects being executed



across Rajasthan, Punjab, Haryana, West Bengal, Jharkhand, Assam and Orissa, besides Maharashtra. Western Region currently contributes 60.7% to our revenues. It is only a matter of time before our operations in each of these states become large and sizable enough through execution of projects across segments. We aspire to expand further across the length and breadth of the country and also focus on overseas opportunities. And this is why Supreme Infrastructure is at an inflection.

In 2011-12, when funding for infrastructure was challenged, especially in the BOT space, on account of subdued confidence levels prevailing in the financial sector, Supreme Infrastructure demonstrated that if the BOT projects are strong and if backed by stronger execution, there would be buyers. 3i, the global large private equity firm invested ₹ 2 Bn. in three of our BOT projects and validated the strengths of the projects. Each of these projects differentiates itself from others. At Supreme Infrastructure, we have always believed in sharing the risk and this will definitely attract private equity to partner with us in the BOT space.

Supreme Infrastructure is today respected for its superior and timely execution capabilities. This is because we have invested heavily in in-house capex and have a huge repertoire of our quarrying assets, RMC plants and construction equipments. This has ensured better margins and continuous order flow.

Our order book as on June 30, 2012 stands at ₹ 43758 mn. including L1 orders worth ₹ 9996 mn. This is ~ 2.9x our 2011-12

revenues and will be executed over the next 24-30 months. 34% of the order book is from our own BOT projects which has better margins and lower working capital cycle. This will shore up the ROIC in the coming years too. Two of our tolls have already started collections and we expect a few more coming soon.

Though the last couple of years have been tough for the infrastructure sector, the fact is that for the country to achieve higher growth through the decade demands larger investments in the infrastructure sector. This prompts the private sector to play a crucial role in investment and execution phase and play a catalyst in triggering India's growth.

Supreme Infrastructure has worked hard and proved itself in delivering despite all odds and we strive to do much better and enter into the next phase of growth. Our aspirations extend beyond mere company profits as we also attach prime importance to contributing to the country's infrastructural development. In this context we believe in our "power of excellence" and hold on firmly to our pursuit of development.

We are sure that, as our shareholder you will continue to repose faith in our Company and its team. We assure that we will give our best, as always.

Thank you for all your support,

Sincerely,

Vikram Sharma  
Managing Director

# Kopargaon-Ahmednagar Toll Plaza







## Patiala-Nabha-Malerkotla Toll Plaza

# 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 and Compliance Officer

Mr. Vijay Joshi

## Statutory Auditors

Walker, Chandio & Co  
Chartered Accountants

Shah & Kathariya  
Chartered Accountants

## Bankers

State Bank of India  
State Bank of Patiala  
Axis Bank Ltd.  
The Saraswat Co-operative Bank Ltd.  
SREI Infrastructure 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  
[www.supremeinfra.com](http://www.supremeinfra.com)

## Registrar and Transfer Agent

Bigshare Services Pvt. Ltd.  
E-2, Ansa Industrial Estate, Shikivihar Road,  
Sakinaka, Andheri (E), Mumbai - 400 072.  
Tel: +91 22 2847 3747 / 3474  
Fax: +91 22 2848 75207  
Email: [investor@bigshareonline.com](mailto:investor@bigshareonline.com)  
[www.bigshareonline.com](http://www.bigshareonline.com)

## DIRECTORS' REPORT

To

The Members of  
**SUPREME INFRASTRUCTURE INDIA LIMITED**

Your Directors have pleasure in presenting their 29<sup>th</sup> Annual Report and the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2012.

### FINANCIAL PERFORMANCE SUMMARY (₹ in Crore)

Particulars	31-03-2012	31-03-2011
Income from operation	1505.91	917.85
Profit before Interest, Depreciation & Tax	246.28	161.47
Less: Interest/ Finance Charges	91.54	40.82
Depreciation	28.36	24.61
Profit before Tax	126.38	96.04
Less: Provision for Tax		
Current Tax	32.58	20.30
Deferred Tax	1.99	(1.88)
Tax adjustment for earlier years	-	1.67
Profit After Tax	91.80	75.95
Add: Profit at the beginning of the year	159.36	88.35
Profit available for appropriation	251.16	164.30
Appropriations		
Proposed Dividend on :		
a. Equity Shares (includes short provision of earlier year 2010-11, ₹ 0.43Crore, Previous Year- ₹ Nil)	2.09	2.52
b. Preference Shares	0.03	—
Corporate Dividend Tax (includes short provision of earlier year : Current Year- ₹ Nil Previous Year - ₹ 0.07 Crore)	0.34	0.42
Transfer to General Reserve	2.50	2.00
Balance carried to Balance Sheet	246.19	159.36

### 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. Total Income during the year was ₹ 1505.91 Crores as compared to ₹ 917.85 Crores in the previous year, registering a growth of 64.1 %. The Net Profit before Interest, Depreciation and Tax during the year under review was ₹ 246.28 Crores as compared to ₹ 161.47 Crores in the previous year, registering a growth of 52.5 %. The Net Profit after Tax was ₹ 91.80 Crores as compared to ₹ 75.95 Crores in the previous year registering a growth of 20.8 %.

### DIVIDEND AND TRANSFER TO RESERVES

Your Directors are pleased to recommend for approval of the members, dividend at the rate of 12.50% on Equity Shares of ₹ 10/- i.e. ₹ 1.25 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 ₹ 2.46 Crores including dividend distribution tax. The Company transferred ₹ 2.50 Crores to General Reserves.

### FINANCE

During the financial year, the Company allotted 25,00,000 (Twenty Five Lakhs) 1% Non Cumulative Redeemable Preference Shares of ₹ 10/- each at a premium of ₹ 90/- per share aggregating ₹ 25 Crores, to the Company belonging to the Promoters.

The proceeds of the above referred issue was utilized for the purpose for which it was raised as stated in the explanatory statement to the notice for considering issue of shares in respect of the relevant resolution.

### 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, 2012, the Company had 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

As 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.

## DIRECTORS' REPORT

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

SIBPL has the following subsidiary companies executing the BOT project:

#### 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 estimated cost of the project is ₹ 430 Crores. 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. The equity stake of SIBPL in the SPV is 49%. The Company is the subsidiary of SIBPL by virtue of control of management. The project is under implementation and is expected to be completed in scheduled time of completion.

#### B) Supreme Infra Projects Private Limited

Incorporated as 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 24th June, 2012. The cost of the project was ₹ 94 Crore. 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 ₹ 80 Crores 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 ₹ 200 Crore for a minority stake in SIBHPL. SIBHPL has the road BOT portfolio housed in the following three subsidiaries 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 ₹ 234 Crore. The project was completed 3 months before estimated timelines. 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 ₹ 330 Crore. 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 scheduled time of completion.

#### 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.



## DIRECTORS' REPORT

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 ₹ 540 Crore. 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 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 ₹ 1206 Crores. 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 Aurangabad based Construction & Infrastructure Company promoted by Mr. Vivek Deshpande, a technocrat. The Company has wide experience in executing various infrastructure projects having specialization in Pipeline and Power Transmission segment. As per the Audited financials of the Company for year ended 31<sup>st</sup> March, 2012, the Company registered a turnover of ₹ 250.13 Crores and profit after tax of ₹ 6.55 Crores. In order to utilize the expertise, experience and manpower of Rudranee for developing another vertical, the Company decided to invest its funds as a strategic partner/ investor. Accordingly, the Company subscribed to 1,21,83,648 Equity Shares of ₹ 10/- each at a price of ₹ 14.77 per share aggregating to ₹ 18 Crores. Supreme now holds 51% of the paid up capital in Rudranee and as such, it has become subsidiary of the Company in June 2011.

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

Supreme Infrastructure India Limited holds 60% Equity in SMSPL. SMSPL is carrying 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.

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. Vikas Sharma, Mr. V. P. Singh and Mr. Vinod Agarwala, 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 as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges is 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 31<sup>st</sup> March, 2012 are provided in the Annual Report.

## DIRECTORS' REPORT

### AUDITORS AND THEIR REPORT

M/s Walker Chandiok & 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 and they are not disqualified for re-appointment within the meaning of Section 226 of the said Act.

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, Utilization of funds up to March 31, 2012 is as under:

Particulars	Proposed Amount (₹ in Lakhs)	Utilized Amount (₹ in Lakhs)
Purchase and / or up-gradation of Plant and Machinery	1626.11	1533.72
Long Term Working Capital Requirement	1790.00	1790.00
Initial Public Offering (IPO) Expenses	337.77	429.12
<b>Total</b>	<b>3753.88</b>	<b>3752.84</b>
Balance of unutilized funds have been temporarily invested in Bank Fixed Deposits/ IPO Bank Account		1.04

### 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 31<sup>st</sup> March, 2012:

- 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.

### 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 BSE Limited (BSE). The Company has paid listing fees for the year 2012-2013.

### 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

## DIRECTORS' REPORT

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 ₹ 1,54,42,226/-. 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

Sd/-  
**BHAWANISHANKAR SHARMA**  
**EXECUTIVE CHAIRMAN**

Place : Mumbai  
 Date : August 29, 2012.

## MANAGEMENT DISCUSSION AND ANALYSIS

### ECONOMIC OVERVIEW

Despite adversities affecting the global economy, Indian Economy has managed to sail through the rough water by registering the GDP growth rate of 6.5 percent in FY 2011-12 and the economy continue to aspire for the double growth rate. The global economic concerns that prevailed during the year were primarily the debt-repayment crisis in the euro zone, particularly in Greece, slowdown in the US economy and the advent of the tsunami in Japan early in the year. All these factors led to uncertainty and lowered business confidence. The Indian Gross Domestic Product (GDP) grew at 6.5 percent in FY 2011-12 from 8.4 percent in FY 2010-11. The Index of Industrial Production (IIP) dropped to a decade low to 3.9 percent (as on March 2012) due to the slump in investment.

Wholesale Price Index (WPI) as a measure of inflation stood at 9.1 percent for most of the fiscal year. The RBI had to resort to tight monetary policies and hiked the interest rate by 375 bps during the period March 2010 to November 2011 in order to curb inflation. Rising inflation coupled with increasing interest rates resulted in rising input costs, affecting margins and profitability in most industries across the board.

### INDUSTRY OVERVIEW

One of the key parameters of global competitiveness of any economy lies in its standard of infrastructure and service delivery patterns. According to the Global Competitiveness Report, 2011-12 issued by of the World Economic Forum (WEF), India ranks 89<sup>th</sup> in terms of basic infrastructure out of a total of 142 countries. The report states that India has mediocre accomplishments in the basic factors underpinning

competitiveness as its supply of transport, Information and Communication Technology (ICT), and energy infrastructure has stayed insufficient and ill-adapted to the business needs. The Eleventh Five Year Plan emphasized the need for removing infrastructure bottlenecks for sustained growth. It, therefore, proposed an investment of US \$500 billion in infrastructure sectors through a mix of public and private sector funds to reduce deficits in identified infrastructure sectors. As a percentage of the Gross Domestic Product (GDP), investment in infrastructure was expected to increase to around 9 percent.

### Roads

India has the second largest road network in the world with a length of 3.34 million kilometres. The road network carries nearly 65 percent of freight and 85 percent of passenger traffic. Traffic on roads is growing at a rate of 7 to 10 percent per annum while the vehicle population growth is of the order of 12 percent per annum. Currently, the National Highway (NH) network of about 71,772 kms. comprises only 1.7 percent of the total length of roads, but carries over 40 percent of the total traffic across the country.

### The National Highway Development Project (NHDP)

About 22 percent of the total length of national highways is single lane/ intermediate lane, standard about 53 percent is two lane standard, and the balance 25 percent is four lane standard or more. The achievement under various phases of NHDP up to December, 2011 has been about 1,250 kms. and some projects have been awarded for a total length of about 4,374.9 kms.

### NHDP Projects as on December 2011

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	GQ	5,846	5,831	15	8	-
2	NS-EW	7,142	5,914	803	76	420
3	Port Connectivity	380	341	39	4	-
4	Other NHs	1,390	946	424	5	20
5	SARDP-NE	388	5	107	2	276
6	NHDP Phase III	12,109	3,024	6,514	90	2,572
7	NHDP Phase IV	20,000	-	2,549	18	17,451
8	NHDP Phase V	6,500	709	2,768	22	3,203
9	NHDP Phase VI	1,000	-	-	-	1,000
10	NHDP Phase VII	700	7	41	2	659
	<b>Total</b>	<b>55,455</b>	<b>16,777</b>	<b>13,260</b>	<b>227</b>	<b>25,601</b>

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

Notes: GQ=Golden Quadrilateral connecting Delhi, Mumbai, Chennai, and Kolkata; NS-EW=North-South and East-West corridor; SARDP-NE=Special Accelerated Road Development Programme in the North-Eastern Region.



## MANAGEMENT DISCUSSION AND ANALYSIS

The targets for the road transport sector during the Twelfth Five Year Plan are indeed massive. As against the estimated public and private-sector investment of about ₹ 1,52,201 cr. during the Eleventh Five Year Plan, the total investment requirement during the Twelfth Five Year Plan by the Central Government in the road sector would be about ₹ 6,11,344 cr. The share of the private sector is projected to be about 38 percent. The sector is yet to achieve the target of 20 kms. roads a day due to a variety of factors. Several initiatives have been taken for resolving these issues and it is expected that during the Twelfth Five Year Plan road construction work is expected pick up.

During the financial year 2012-13, about 6,088 kms. of the national highways are to be improved along with construction/rehabilitation of 130 bridges and 7 bypasses at an estimated cost of ₹ 22,600 cr. Besides budgetary support, the Internal Extra Budgetary Resources (IEBR) through external borrowings will also be utilized.

The Ministry of Road Transport and Highways has taken up the Special Accelerated Road Development Programme in the North Eastern Region (SARDP-NE) for widening of 10,141 kms. of national highways and other roads in three phases ensuring connectivity of 88 district headquarters in the north eastern region to the national highways. An outlay of ₹ 2000 cr. has been proposed for SARDP-NE for the year 2012-13.

### Power

Electricity generation by power utilities during 2011-12 was targeted to increase by 5.4 percent to reach 855 billion units. Growth in power generation during April-December 2011 was 9.2 percent as compared to 4.6 percent during April-December 2010. Nuclear, hydro, and thermal power generation registered a year-on-year growth of 33.2 percent, 19.2 percent and 6.7 percent respectively in 2011-12.

### POWER GENERATION STATISTICS OF INDIA

Power Generation (MW)	2009-10 (1)	2010-11 (2)	April- December 2010-11 2011-12 (3) (4)		Growth (percent) (Col. 3 & 4)
Hydroelectric #	106.7	114.3	90.2	107.5	19.2
Thermal	640.9	665.1	484.9	517.1	6.7
Nuclear	18.6	26.3	17.9	23.8	33
Bhutan Import	5.4	5.6	5.4	5.1	-5.6
Total	771.6	811.3	598.4	653.5	9.2

**Source:** Ministry of Power

**Note:** # Excludes generation from hydro stations up to 25 Mega Watt (MW)

The deficit in power supply in terms of peak availability and total availability declined during the Eleventh Five Year Plan. While the energy deficit decreased from 9.6 percent in the terminal year of the Tenth Plan (2006-07) to 7.9 percent during April-December 2011, peak deficit declined from 13.8 percent

in 2006-07 to 10.6 percent during the current financial year (up to December 2011).

The Eleventh Five Year Plan initially envisaged a capacity addition of 78,700 MW, of which 19.9 percent was hydro power, 75.8 percent thermal power, and the rest nuclear power. At the time of the Mid Term Appraisal (MTA) of the Eleventh Five Year Plan, the target was revised to 62,374 MW with thermal, hydro, and nuclear power segments contributing 50,757 MW, 8,237 MW and 3,380 MW respectively. A capacity addition of 46,669.7 MW has been achieved until 15 January 2012. Projects with a capacity of 7,645 MW are under construction for commissioning during the remaining period. Capacity addition during the Eleventh Plan is, therefore, expected to be about 50,000 to 52,000 MW.

In the thermal sector, capacity addition continued to keep its momentum throughout the Plan period, except in the second year. During 2007-08, the first year of the Eleventh Five Year Plan, 9,263 MW thermal capacity was added. In 2008-09, as against a target of 7,530 MW, a capacity of only 3,454 MW could be added. Capacity addition during 2009-10 and 2010-11 was 9,585 MW and 12,160 MW respectively. In the year 2011-12, capacity addition of 17,601 MW has been planned and until 15 January 2012, 12,207.7 MW has already been added. This is the highest capacity addition ever achieved in a single year.

### Railways

Indian railways have played an invaluable role in integrating markets and connecting communities across the length and breadth of the country. It constitutes the backbone of country's infrastructure along with roadways. Indian railways constitute one of the largest railway system of the world with over 64,000 route kilometres and 1.55 million employees.

However, capacity addition in the railways sector remains the key challenge during the coming years. The sector has huge opportunity to grow and the rail share in cargo and passenger services can increase significantly. Its current share of freight traffic is only about 36 percent as compared to about 50 percent in the US and China.

Due to capacity constraints, Indian Railways is unable to offer value-added services. There is need for a paradigm shift in building rail infrastructure and running rail services. The Vision 2020 document of the Ministry of Railways projects investment need of ₹ 7,20,000 cr. for the sector. During the Twelfth Five Year Plan the railways' focus would be on construction of six dedicated freight corridors, segregation of freight and passenger lines, providing improved connectivity to industry clusters and ports, etc. Indian Railways have been generating about 35 percent of resources internally, about 38 percent is provided through budgetary support and the balance of about 27 percent is raised through Extra Budgetary Resources (EBR). Given the limitation of internal and budgetary sources, bulk investment has to be done by the private sector through

## MANAGEMENT DISCUSSION AND ANALYSIS

public private partnership (PPP).

Indian Railways has initiated PPP projects during the Eleventh Plan in some 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. In order to promote PPP in the rail sector, there is a need to set up special units to handle and monitor PPP projects and give special thrust on capacity building.

The finances of Indian Railways are expected to improve substantially with the recent increase in the freight charges in the railway budget 2012. With huge opportunities and improving outlook in the future, we expect a lot of activities in the railway segment.

### Real Estate

Economic growth of a country has a direct bearing on the real estate sector and especially on the office space segment. The level of economic activity influences the amount of incremental office space demanded during a year. Currently, the top seven cities of India viz. Mumbai, National Capital Region, Bangalore, Pune, Chennai, Hyderabad and Kolkata together occupy 389 million sq.ft. of grade A office space. The recessionary condition in 2008 led to many projects getting delayed and these projects eventually entered the market post 2009 when the domestic economy started showing signs of recovery. This resulted in huge amount of new office space supply entering the market during the previous two years resulting into over supply and higher vacancy levels.

Sources from the Reserve Bank of India indicate that in the residential segment, housing loan growth slowed to 12.1% for the year ended March 2012 from 16% in the previous year. Also, before real estate prices peaked in 2008, big lenders were managing to grow their home loan portfolio at an annual average of 25%. However, demand in metros has slowed down during the year 2011-12. This is mainly due to high interest rates, which have made buyers hesitant to buy property. There are also very few new projects being announced as builders and developers have been affected by high interest rates too. Demand has slowed down and a number of transactions are falling. In the top 10 cities, sales volume has dropped 10 percent in the last one year. Mumbai is the worst-affected market with a 40 percent decline in transactions, but prices have remained more or less stable across these regions. In spite of a dip in demand, developers are managing to hold on to prices, and are anticipating spurt in demand as the situation improves.

### FUTURE OUTLOOK

The Planning Commission has projected an investment of over ₹ 45 lakh cr. (about US \$1 trillion) during the Twelfth Five Year Plan (2012-17). It is expected that at least 50 percent of this investment will come from the private sector as against the 36 percent anticipated in the Eleventh Plan and the public sector investment needs to increase to over ₹ 22.5 lakh cr. as

against an expenditure of ₹ 13.1 lakh cr. during the Eleventh Plan. Of this, more than US \$150 billion is earmarked for the development of country's road and highway infrastructure. Financing infrastructure will, therefore, be a big challenge in the coming years and will require some innovative ideas and new models of financing.

### COMPANY OVERVIEW

Supreme Infrastructure India Ltd. (SIIL) has been in the business of infrastructure for more than 25 years. SIIL started as aggregate supplier with its own quarries and crusher plants and moved up the value chain in infrastructure sector through forward integration and has built diverse capabilities across Engineering Procurement and Commissioning (EPC) segments such as roads, bridges, buildings, railways, sewages/irrigation and power. It has a strong integrated model ensuring better control over project execution as well as better margins. The Company has a well diversified order book across verticals and geographies resulting into lower risk. The Company has projects spread across verticals such as roads, bridges, railways, power, real estate, irrigation and sewerage across the country.

The Company has further moved up the value chain and forayed into BOT Projects through its subsidiary companies viz. Supreme Infrastructure BOT Private Limited and Supreme Infrastructure BOT Holdings Private Limited. The Company has a current BOT portfolio of 9 projects out of which two are operational, namely – 'Kopergaon-Ahmednagar Toll Plaza' and 'Patiala Nabha Malerkotla (PNM) Toll Plaza'. The Equity funding for all projects has largely been tied up as 3i India Infrastructure Fund has invested ₹ 2 bn. for a minority stake in three road BOT projects. The Company has further de-risked its business model as the EPC portion of the BOT projects would be executed by the Company which would boost the order book of the Company and it will also reduce the execution risk for Supreme BOT as the Company has strong execution capabilities in the roads and bridges segment.

Due to resource integration business model, the Company has access to captive quarrying and crushing plants, ready mix concrete (RMC) plants, asphalt plants and wet mix plants. This not only insulates the Company against any fluctuations in input prices, but also ensures a smooth and uninterrupted supply of raw materials, enabling the Company to execute all its projects within the stipulated time thereby ensuring higher margins. The aggregates, which constitute approximately 25-35 percent of the material cost, are sourced internally leading to savings in costs and, thus, lending additional margin advantage of around 3 - 4 percent.

The Company's current order book of ₹ 39,028 mn. (including L1 orders) as on 31<sup>st</sup> March, 2012 is spread across 6 verticals and 9 states with western India constituting 60.7 percent of the total order book. However, going forward, the Company plans to increase its geographic presence to northern and eastern part of the country. The Company has a growing order book of ₹ 15,320 mn. from north and east that includes states

## MANAGEMENT DISCUSSION AND ANALYSIS

such as Jharkand, West Bengal, Assam and Orissa in East and Rajasthan, UP, Punjab and Haryana in the North.

### Strengths & Opportunities

#### Quarrying Sites

The Company has access to three quarrying sites at Padgha in Maharashtra, Kotputli in Rajasthan and Pathankot in Punjab. All the quarrying sites are within 100-150 kms. radius from the project sites. These sites provide assured supply of aggregates which constitute around  $\approx$  25-30 percent of the raw material cost resulting into margin advantage for the Company as compared to its peers. This will encourage the Company to bid for more projects within the region and be competitively placed as compared to peers.

#### Diversified Order Book

The Company has a well diversified order book, both in terms of geographical diversification as well as verticals.

#### Vertical wise Order Book Position as on 31.03.2012 (Including L1)

##### Order book Status Q4-FY12

Category	Q4FY12 <sup>^</sup>	%of Order book
Roads	20,506	52.54%
Bridges	1,240	3.17%
Railways	143	0.36%
Buildings	16,746	42.90%
Water	160	0.41%
Power	234	0.62%
Total	39,028	100%

<sup>^</sup> Order book includes L1 orders. Total L1 orders are at ₹ 5986 mn.

(All figures in ₹ Millions)

#### Strong Funding for BOT Projects

3i India Infrastructure fund has invested ₹ 2 bn.. for a minority stake of 49 percent stake in Supreme Infrastructure BOT Holdings Pvt. Ltd., which holds three BOT projects viz. Nagar-Kopargaon, Sangli-Shiroli and Ahmednagar-Karmala.

#### Cluster Based Strategy

The Company follows a cluster based Strategy by trying to identify the raw material sources and bids for more projects in and around these sources. This leads to resource integration benefits and lower cost. Control over raw materials makes the Company's bid competitive that facilitates getting maximum projects for the company, which in turn help it better utilise its resources.

### Owned Construction Equipment and Machinery

The Company has invested heavily into developing its own construction equipment and machineries. Besides delivering higher margins, this also ensures that the Company has a much better control over its projects and it does not have to depend on any third party for supplies of equipments.

### Threats

#### a. High Interest Rates

The RBI hiked the interest rate by 375 bps during the period March 2010 - November 2011 in order to curb inflation. Further increase in interest rates may adversely affect the margins and profitability of the Company.

#### b. Policies

Major portion of the 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 performance.

#### c. Investment Slowdown and Rise in Competition

Due to the slowdown in Investment, the Index of Industrial Production (IIP) dropped to a decade low to 3.9 percent (as on March 2012). Also, there is increased competition within the infrastructure industry. However, the Company believes that it is fairly insulated against the risk due to its strong order book position, backward integrated model and vast experience in the industry.

#### d. Execution Risks in BOT Projects

The Company has multiple projects in the BOT space and does face a risk in execution. It currently has a portfolio of nine projects out of which two have become operational. The Company has a record of abiding by the timelines in its execution of projects.

#### e. Traffic Risks in BOT Projects

In the event of a slowdown in traffic over the road on which the Company is executing projects, there could be risk of lower toll realisations. But this is highly unlikely, as the Company is executing projects for roads that are in high growth regions or have high existing traffic.

#### f. External Macro Conditions

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

## MANAGEMENT DISCUSSION AND ANALYSIS

### Risk Mitigation Strategy

The Company takes full cognizance of the fact that identification and evaluation of risks and their management is crucial for its performance and delivering 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 ₹ 39,028 mn. as of 31<sup>st</sup> March 2012 (including L1 orders) compared to ₹ 31,170 mn. as of 31<sup>st</sup> March 2011, recording a growth of 27.7 percent.

The income from operations stood at ₹ 15,059.1 mn. for the year ended 31<sup>st</sup> March, 2012 as compared to ₹ 9,178.5 mn. in the previous year, recording an increase of 64.1 percent.

The Company achieved Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) of ₹ 2462.8 mn. for the year ended 31<sup>st</sup> March, 2012 as compared to ₹ 1614.7 mn. in the previous year registering, an increase of 52.52 percent.

The Profit after Tax (PAT) of the Company stood at ₹ 918.0 mn. for the year ended 31<sup>st</sup> March, 2012 as compared to ₹ 759.5 mn. in the previous year, registering an increase of 20.87 percent.

The Earnings per Share (EPS) of the Company have also increased by 13.6 percent over the previous year from ₹ 48.26 to ₹ 54.81 for the financial year ended March, 31, 2012.

### INTERNAL CONTROL

The Company has sufficient and commensurate internal control systems to match the size and the sector that it is in. It 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 the systems and processes to ensure that these are up to date and latest.

### HUMAN RESOURCES

The Company recognizes that its people are its most important resources. Its workforce comprises highly skilled and qualified employees. As it strives to provide the best working conditions, no compromise is made for the health and safety of its people at its offices or its project sites. The Company's work-culture is based on sincerity, hard-work and a penchant for perfection and excellence. It encourages development of skills of its people and regularly holds training sessions. It also has a system of recognising and rewarding exceptional performance with commensurate incentives. As on 31<sup>st</sup> March, 2012, the Company has over 1850 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 and risk factors referred to in the management's discussion and analysis of the Supreme Infrastructure India Limited Annual Report, 2011-12.



## CORPORATE GOVERNANCE REPORT

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

Corporate Governance is the application of the 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 undertake 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 Directors are Non Executive Directors. The Company has '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 Directors 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 2011-2012 on 13-05-2011, 27-07-2011, 12-08-2011, 30-08-2011, 14-11-2011 and 14-02-2012.

The gap between two Board Meetings did not exceed four months.

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

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

Name of the Director	No. of Board Meetings attended	Attendance at the last AGM held on 30 <sup>th</sup> Sept., 2011
Mr. Bhawanishankar Sharma	5	Yes
Mr. Vikram Sharma	4	Yes
Mr. Vikas Sharma	4	Yes
Mr. V. P. Singh	6	Yes
Mr. Vinod Agarwala	5	No
Mr. Mukul Agrawal	2	No
Mr. Pramod Kasat	6	No
Mr. Dakshendra Agrawal	4	Yes

### 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 Independent Director. The meetings are usually held in Mumbai and are also 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 2011-12 is as under :

Sr.No.	Name of the Director	Designation	Category	No. of Audit Committee Meetings attended
1	Mr. V. P. Singh	Chairman	Non Executive Independent Director	7
2	Mr. Vinod Agarwala	Member	Non Executive Independent Director	6
3	Mr. Vikas Sharma	Member	Executive Whole Time Director	5
4	Mr. Mukul Agrawal	Member	Non Executive Independent Director	2
5	Mr. Pramod Kasat	Member	Non Executive Independent Director	6

Seven meetings of the Audit committee were held during the year 2011-12 on 26-04-2011, 13-05-2011, 27-07-2011, 12-08-2011, 30-08-2011, 14-11-2011 14-02-2012.

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

- 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.

- 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.
- 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.



## CORPORATE GOVERNANCE REPORT

- 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 Directors 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	Category	Designation	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 6<sup>th</sup> July, 2012.

#### 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, 2012 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
Total	1,80,00,000	1,08,00,000	2,88,00,000

## CORPORATE GOVERNANCE REPORT

The agreement with the above Executive Directors is for a period of five years with effect from 1<sup>st</sup> 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	2,60,000	10,00,000	12,60,000
Mr. Vinod Agarwala	2,20,000	10,00,000	12,20,000
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.

### Complaints from Investors

During the year under review, the Company had received six complaints from the investors and resolved six complaints of the investors. There were no investor complaints pending as at the end of the year as on 31<sup>st</sup> March 2012.

### 6. GENERAL BODY MEETINGS

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

AGM	Year	Location	Date	Time
28 <sup>th</sup>	2011	The Beatle Hotel, JMJ House Orchard Avenue, Hiranandani Gardens, Powai, Mumbai - 400076	30/09/2011	3.30 P.M.
27 <sup>th</sup>	2010	Kohinoor Continental, Andheri-Kurla Road, J.B. Nagar, Andheri (E), Mumbai-400 059.	20/09/ 2010	11.30 A.M
26 <sup>th</sup>	2009	"RODAS Hotel", Central Avenue, Hiranandani Gardens, Powai, Mumbai – 400 076.	26/09/2009	04.30 P.M
No Extra Ordinary General Meeting was held during the year 2011-12.				

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

Financial Year	Particulars of Special Resolutions Passed
2009-10	<p>a) Reappointment of Mr. Bhawanishankar Sharma as Executive Chairman of the Company and to fix his remuneration.</p> <p>b) Reappointment of Mr. Vikram Sharma as Managing Director of the Company and to fix his remuneration.</p> <p>c) Reappointment of Mr. Vikas Sharma as Whole time Director of the Company and to fix his remuneration.</p> <p>d) To authorize Board of Directors to fix the remuneration of the Non-Executive Directors.</p> <p>e) Alteration of Clause 208 of Article of Association.</p> <p>f) To Authorize the Board of Directors to issue &amp; offer further Shares.</p>

### 7. 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.

## CORPORATE GOVERNANCE REPORT

- 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. GENERAL SHAREHOLDER INFORMATION :

<b>1. Annual General Meeting</b> Date, Time and Venue	Friday, 28 <sup>th</sup> September, 2012 at 3.30 P.M. Sai Palace Hotels, Mahakali Caves Road, Chakala, Andheri (East), Mumbai - 400 093
<b>2. Financial Year</b>	2011-2012
<b>3. Tentative Financial Calendar for FY 2012-13</b> Quarterly results will be declared as per the following tentative schedule Financial reporting for the quarter ending 30 <sup>th</sup> June, 2012: Financial reporting for the half year ending 30 <sup>th</sup> September, 2012: Financial reporting for the quarter ending 31 <sup>st</sup> December, 2012: Financial reporting for the year ending 31 <sup>st</sup> March, 2013:	by 14 <sup>th</sup> Aug. 2012 by 14 <sup>th</sup> Nov. 2012 by 14 <sup>th</sup> Feb. 2013 by 15 <sup>th</sup> May 2013
<b>4. Dates of Book Closure</b>	From Friday, 21 <sup>st</sup> September, 2012 to Friday, 28 <sup>th</sup> September, 2012
<b>5. Dividend</b>	Dividend of ₹1.25 per Equity Share for F.Y.2011-12 on the paid-up Equity Share Capital of the Company.
<b>6. Dividend Payment date</b>	Dividend @ ₹1.25 per Equity Share will be paid/ dispatched on or after 29 <sup>th</sup> September, 2012 subject to the approval by the Shareholders at the forthcoming Annual General Meeting of the Company.
<b>7. Listing on Stock Exchanges</b>	The Equity Shares of your Company are listed on: BSE Limited (BSE) Add:- Floor 25, P.J. Towers, Dalal Street, Fort, Mumbai-400 001 and National Stock Exchange of India Limited (NSE).

### 8. 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.

## CORPORATE GOVERNANCE REPORT

	<p>Add:- Exchange Plaza, Bandra-Kurla Complex, Bandra, Mumbai-400 051.</p> <p>Your Company has paid Annual Listing Fees for the financial year 2011-12 to both the Exchanges.</p>
<b>8. Stock Code</b>	<p>Bombay Stock Exchange Limited (BSE):- "532904"</p> <p>National Stock Exchange of India Limited (NSE):- "SUPREMEINF"</p>
<b>9. Registrar &amp; Transfer Agents</b>	<p>Bigshare Services Private  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</p>
<b>10. Share Transfer System</b>	<p>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.</p>
<b>11. Address for Correspondence</b>	<p><b>Mr. Vijay Joshi</b>  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</p>
<b>12. Dematerialization of Shares and liquidity</b>	<p>As on 31<sup>st</sup> March, 2012 1,67,41,576 Equity Shares of the Company constituting 99.996% of the Equity Shares Capital are held in Dematerialized form. The equity shares of the Company are in compulsory dematerialized trading for all investors.</p>
<b>13. Electronic clearing services (ECS)</b>	<p>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.</p>
<b>14. Investor Complaints to be addressed to</b>	<p>Registrar and Share Transfer Agent M/s Bigshare Services Private Limited or to Mr. Vijay Joshi, Company Secretary at the address mentioned earlier.</p>
<b>15. Outstanding GDRs/ ADRs/ Warrants or any convertible instruments, conversion date and likely impact on equity.</b>	<p>The Company has not issued any GDRs/ ADRs/ Warrants. There are no outstanding convertible instruments as on 31st March, 2012.</p>
<b>16. Plant Locations</b>	<ol style="list-style-type: none"> <li>Hot Mix Plant, RMC Plant and Crusher Plant at Padgha  Add:- Near Vasare Village, Kalyan - Padgha Road, Talvali, Padga.</li> <li>RMC Plants and Crusher Plant at Powai  Add.: Hiranandani Complex, Powai, Mumbai - 400 076</li> </ol>

## CORPORATE GOVERNANCE REPORT

### Distribution of Share Holding

Face value: Rs. 10/- each (as on 31<sup>st</sup> March 2012)

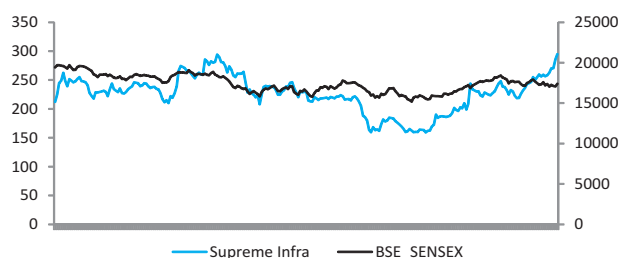
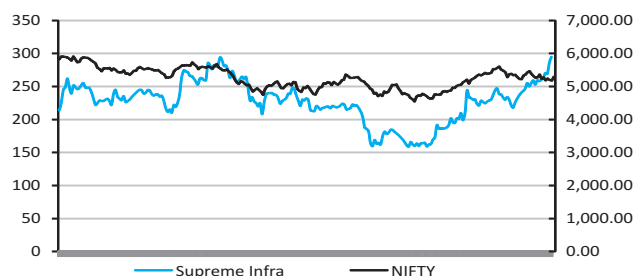
Slab of shares	Number of Share holders	Percentage of Share holders	Total Holding in Rupees	Percentage of Total Capital
1 - 5000	7734	93.27	6284810	3.7539
5001 - 10000	247	2.9788	2014950	1.2035
10001 - 20000	122	1.4713	1900450	1.1351
20001 - 30000	47	0.5668	1195170	0.7139
30001 - 40000	23	0.2774	802810	0.4795
40001 - 50000	22	0.2653	1040260	0.6213
50001 - 100000	33	0.3980	2482140	1.4826
Above 100000	64	0.7718	151700280	90.6101
	8292	100.00	167420870	100.00

### Shareholding Pattern as on 31<sup>st</sup> March, 2012

Sr. No.	Category of Shareholders	No. of Shares held	Percentage of Shareholding
1	Promoters & Promoters Group	94,78,500	56.61
2	Director and their Relative	86,206	0.51
3	Mutual fund/ UTI	9,17,200	5.48
4	Government Companies, Financial Institutions, Banks and Insurance Companies	0	0
5	Foreign Institutional Investors (FIIs)	22,76,489	13.6
6	Bodies Corporate	18,65,134	11.14
7	NRI's	62104	0.37
8	Indian Public (Other than above)	20,56,454	12.29
	Total	1,67,42,087	100.00

### Market Price Data

Months	The Bombay Stock Exchange Limited. (BSE)		The National Stock Exchange of India Ltd. (NSE)	
	High Price ₹	Low Price ₹	High Price ₹	Low Price ₹
April 2011	271	209.7	270.5	208
May 2011	250.9	215.15	251.45	214.2
June 2011	279	205.05	279	202.55
July 2011	296.9	209.7	295.9	244
August 2011	284.5	203.25	286	200.9
September 2011	251.6	214.1	251	209
October 2011	232.9	197	229.9	196
November 2011	224	157.1	227	157
December 2011	190	152.5	189.45	150.35
January 2012	253.3	160	254	160.05
February 2012	258.4	219.4	255	211.55
March 2012	302.5	217.9	302	217.1



### 9. 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 31st March, 2012.

#### 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.

### 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 2011-12.

**VIKRAM SHARMA**  
Managing Director

Place: Mumbai  
Date: 29 August, 2012

## 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, 2012 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, 2012 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: 29 August, 2012

Sd/-  
**Hitesh Kothari**  
Membership No.: FCS 6038

## CERTIFICATION BY THE MANAGING DIRECTOR ON FINANCIAL STATEMENTS OF THE COMPANY FOR THE YEAR ENDED 31st MARCH, 2012

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 31<sup>st</sup> March, 2012 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 : 29 August, 2012



## AUDITORS' REPORT

To the Members of Supreme Infrastructure India Limited

1. We have audited the attached Balance Sheet of Supreme Infrastructure India Limited (the 'Company'), as at 31 March 2012, and also the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date annexed thereto (collectively referred as the 'financial statements'). These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (the 'Order') (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 (the 'Act'), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
4. Further to our comments in the Annexure referred to above, 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 purposes of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as 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. On the basis of written representations received from the directors, as at 31 March 2012 and taken on record by the Board of Directors, none of the directors is disqualified as at 31 March 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
- e. In our opinion and to the best of our information and according to the explanations given to us, the financial statements dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act and 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, in the case of:
  - i) the Balance Sheet, of the state of affairs of the Company as at 31 March 2012;
  - ii) the Statement of Profit and Loss, of the profit for the year ended on that date; and
  - iii) the Cash Flow Statement, of the cash flows for the year ended on that date.

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

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

Place: Mumbai  
Date: 16 July 2012

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

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

Place: Mumbai  
Date: 16 July 2012

## ANNEXURE TO AUDITORS' REPORT

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 2012

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 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 interest free unsecured loans from two parties covered in the register maintained under Section 301 of the Act. The maximum amount outstanding during the year is Rs. 29,338,956 and the year-end balance is Rs 8,841,766.
- (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 loans taken by the Company are not, prima facie, prejudicial to the interest of the Company.
- (g) The loans taken are repayable on demand. As informed, the Company has paid the loan and advance amount as and when demanded by the lender, thus there is no default on the part of the Company.
- (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) To the best of our knowledge and belief, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act, in respect of Company's products/ services. Accordingly, the provisions of clause 4(viii) of the Order are not applicable.
- (ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service-tax, customs duty, excise duty, cess and other 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.* No undisputed amounts payable in respect thereof 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.

## ANNEXURE TO AUDITORS' REPORT

- |   |  |
|---|--|
| <p>(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.</p> <p>(xi) 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.</p> <p>(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.</p> <p>(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.</p> <p>(xiv) In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable.</p> <p>(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.</p> <p>(xvi) In our opinion, the Company has applied the term loans for the purpose for which these loans were obtained.</p> | <p>(xvii) In our opinion, no funds raised on short-term basis have been used for long-term investment.</p> <p>(xviii) During the year, the Company has made preferential allotment of shares to a company covered in the register maintained under Section 301 of the Act. In our opinion, the price at which shares have been issued is not prejudicial to the interest of the Company.</p> <p>(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.</p> <p>(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.</p> <p>(xxi) No fraud on or by the Company has been noticed or reported during the period covered by our audit.</p> |
| <p>For <b>Walker, Chandio &amp; Co</b><br/>Chartered Accountants<br/>Registration No: 001076N</p> <p>per <b>Amy Jassani</b><br/>Partner<br/>Membership No: F – 46447</p> <p>Place: Mumbai<br/>Date: 16 July 2012</p>  | <p>For <b>Shah &amp; Kathariya</b><br/>Chartered Accountants<br/>Registration No: 115171W</p> <p>per <b>P. M. Kathariya</b><br/>Partner<br/>Membership No: F – 31315</p> <p>Place: Mumbai<br/>Date: 16 July 2012</p>   |

**BALANCE SHEET** as at 31 March 2012

EQUITY AND LIABILITIES	Notes	As at 31 March 2012 Amounts in ₹	As at 31 March 2011 Amounts in ₹
<b>Shareholders' Funds</b>			
Share capital	2	192,420,870	167,420,870
Reserves and surplus	3	3,518,851,779	2,400,501,715
		3,711,272,649	2,567,922,585
Share application money pending allotment [Also refer note 2(d)]		-	250,000,000
<b>Non-current liabilities</b>			
Long-term borrowings	4	2,643,398,877	1,303,576,913
Deferred tax liability (net)	5	107,523,696	87,543,983
Long-term provisions	6	13,087,238	10,498,398
		2,764,009,811	1,401,619,294
<b>Current liabilities</b>			
Short-term borrowings	7	4,343,647,136	2,879,707,392
Trade payables	8	1,746,005,439	1,135,436,104
Other current liabilities	9	4,162,724,771	1,311,968,376
Short-term provisions	6	162,531,603	188,093,961
		10,414,908,949	5,515,205,833
<b>Total</b>		<b>16,890,191,409</b>	<b>9,734,747,712</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed assets			
Tangible assets	10	2,815,320,895	2,578,031,089
Capital work-in-progress		58,249,847	73,635,537
Intangible assets under development		10,635,536	-
Non-current investments	11	1,272,913,317	662,820,836
Long-term loans and advances	12	1,546,050,390	273,270,703
Other non-current assets	13	46,923,938	1,203,714
		5,750,093,923	3,588,961,879
<b>Current Assets</b>			
Current investments	14	47,928,718	39,257,370
Inventories	15	1,413,798,413	1,170,036,058
Trade receivables	16	4,963,328,870	2,825,801,101
Cash and bank balances	17	682,712,824	334,347,084
Short-term loans and advances	12	4,032,328,661	1,776,344,220
		11,140,097,486	6,145,785,833
<b>Total</b>		<b>16,890,191,409</b>	<b>9,734,747,712</b>
<b>Notes 1 to 38 form an integral part of these financial statements</b>			
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  
**Amy Jassani**  
Partner

For **Shah & Kathariya**  
Chartered Accountants  
**P. M. Kathariya**  
Partner

For and on behalf of the Board of Directors  
**B. H. Sharma**  
Chairman  
**Vikram Sharma**  
Managing Director

**Vikas Sharma**  
Wholetime Director  
**Vijay Joshi**  
Company Secretary

Place : Mumbai  
Date : 16 July 2012

Place : Mumbai  
Date : 16 July 2012

Place : Mumbai  
Date : 16 July 2012

# STATEMENT OF PROFIT AND LOSS

for the Year Ended 31 March 2012

REVENUE	Notes	Year Ended 31 March 2012 Amounts in ₹	Year Ended 31 March 2011 Amounts in ₹
Revenue from operations	18	15,059,143,508	9,178,547,668
Other income	19	28,109,594	49,612,623
<b>Total</b>		<b>15,087,253,102</b>	<b>9,228,160,291</b>
<b>Expenses</b>			
Material and contractor costs	20	12,014,501,414	7,445,442,390
Changes in work-in-progress	21	(53,143,567)	(293,936,409)
Employee benefit expense	22	365,109,446	272,629,777
Finance costs	23	915,428,376	408,169,755
Depreciation	24	283,646,180	246,090,338
Other expenses	25	297,928,329	189,316,020
<b>Total</b>		<b>13,823,470,178</b>	<b>8,267,711,871</b>
<b>Profit Before Tax</b>		<b>1,263,782,924</b>	<b>960,448,420</b>
<b>Tax expense</b>			
Current tax		(325,840,000)	(203,000,000)
Deferred tax		(19,979,713)	18,841,950
Tax adjustment for earlier years		-	(16,741,050)
<b>Profit for the year</b>		<b>917,963,211</b>	<b>759,549,320</b>
<b>Earnings per equity share (Face value of ₹ 10 each)</b>	26		
Basic		54.81	48.26
Diluted		54.81	48.26
<b>Notes 1 to 38 form an integral part of these financial statements</b>			
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, Chandio & Co**  
Chartered Accountants  
**Amyr Jassani**  
Partner

For **Shah & Kathariya**  
Chartered Accountants  
**P. M. Kathariya**  
Partner

For and on behalf of the Board of Directors

**B. H. Sharma**  
Chairman

**Vikram Sharma**  
Managing Director

**Vikas Sharma**  
Wholtime Director

**Vijay Joshi**  
Company Secretary

Place : Mumbai  
Date : 16 July 2012

Place : Mumbai  
Date : 16 July 2012

Place : Mumbai  
Date : 16 July 2012

## CASH FLOW STATEMENT for the year ended 31 March 2012

	Year Ended 31 March 2012 Amounts in ₹	Year Ended 31 March 2011 Amounts in ₹
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax	1,263,782,924	960,448,420
Adjustment for:		
Depreciation	283,646,180	246,090,338
Profit on sale of fixed asset	-	(40,685,828)
Provision for Doubtful Advances	-	21,300,000
Interest income	(27,521,382)	(5,693,332)
Dividend income	(176,348)	(502,423)
Profit on redemption of mutual funds	-	(2,407,799)
Amortisation of premium on forward exchange contracts	48,247,650	-
Interest expenses	860,210,641	356,914,103
<b>Operating profit before working capital changes</b>	<b>2,428,189,665</b>	<b>1,535,463,479</b>
Adjustment for:		
Increase in trade and other payables	3,417,688,142	787,286,051
Increase in inventories	(243,762,355)	(236,225,762)
Increase in trade receivables	(2,137,527,769)	(926,674,839)
Increase in loans and advances	(2,307,930,940)	(1,535,226,725)
Increase in non current assets	(45,720,224)	(1,203,714)
<b>Cash from/ (used in) operating activities</b>	<b>1,110,896,519</b>	<b>(376,581,510)</b>
Income taxes paid	(348,612,846)	(58,890,061)
<b>Net cash generated from/ (used in) operating activities</b>	<b>762,283,673</b>	<b>(435,471,571)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Acquisition of tangible assets (including capital work in progress and intangible assets under development)	(465,789,626)	(490,656,781)
Proceeds from disposal of tangible assets	-	79,198,054
Purchase of investments		
- Subsidiary	(180,052,481)	(560,340,000)
- Joint venture	-	(800,000)
- other	(438,711,348)	(448,600,000)
Sale of investment	-	432,638,399
Subscription money pending allotment	(1,220,833,187)	(99,852,242)
Interest received	27,499,839	5,693,332
Dividends received	176,348	502,423
Net investments in bank deposits (having original maturity of more than three months)	(252,347,084)	(188,719,574)
<b>Net cash used in investing activities</b>	<b>(2,530,057,539)</b>	<b>(1,270,936,389)</b>



## CASH FLOW STATEMENT for the year ended 31 March 2012

	Year Ended 31 March 2012 Amounts in ₹	Year Ended 31 March 2011 Amounts in ₹
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of share capital	-	284,911,875
Proceeds from borrowings	3,079,893,262	1,618,427,930
Repayment of borrowings	(330,325,305)	(73,782,588)
Interest paid	(856,413,099)	(356,914,103)
Share application money received	-	250,000,000
Dividends paid (including dividend tax)	(29,402,336)	(25,113,131)
<b>Net cash generated from financing activities</b>	<b>1,863,752,522</b>	<b>1,697,529,983</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>95,978,656</b>	<b>(8,877,977)</b>
Cash and cash equivalents as at the beginning of the year	145,627,510	154,505,487
<b>Cash and cash equivalents as at the end of the year (Also refer note 17)</b>	<b>241,606,166</b>	<b>145,627,510</b>

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

For **Walker, Chandiok & Co**  
Chartered Accountants  
**Amyr Jassani**  
Partner

For **Shah & Kathariya**  
Chartered Accountants  
**P. M. Kathariya**  
Partner

For and on behalf of the Board of Directors

**B. H. Sharma**  
Chairman

**Vikram Sharma**  
Managing Director

**Vikas Sharma**  
Wholetime Director

**Vijay Joshi**  
Company Secretary

Place : Mumbai  
Date : 16 July 2012

Place : Mumbai  
Date : 16 July 2012

Place : Mumbai  
Date : 16 July 2012

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2012

### 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

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. 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

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.

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2012

### 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.

### 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 is valued at contract rates. 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 ex-

tent 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. 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

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2012

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.

	As at 31 March 2012		As at 31 March 2011	
	Number	Amounts in ₹	Number	Amounts in ₹
<b>2 Share capital</b>				
<b>Authorised share capital</b>				
Equity shares of Rs.10 each	30,000,000	300,000,000	30,000,000	300,000,000
1% Non cumulative redeemable preference shares of Rs. 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 Rs.10 each	16,742,087	167,420,870	16,742,087	167,420,870
1% Non cumulative redeemable preference shares of Rs. 10 each	2,500,000	25,000,000	-	-
[Also, refer note (d) below]				
<b>Total</b>	<b>19,242,087</b>	<b>192,420,870</b>	<b>16,742,087</b>	<b>167,420,870</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	13,875,812	138,758,120
Add : Issued during the year [Also, refer note (g) below]	-	-	2,866,275	28,662,750
<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>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>	-	-	-	-
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>-</b>	<b>-</b>

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2012

### 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 has, 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	2,800,000	17%	2,800,000	17%
Vikas B Sharma	1,800,000	11%	1,800,000	11%
Kitara PIIN 1101	1,101,983	7%	-	-
Mavi Investment Fund Limited	997,412	6%	1,000,000	6%
<b>Preference shares of ₹10 each</b>				
BHS Housing Private Limited	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 2012.

- g) i) The Company allotted 2,000,000 warrants of ₹ 10 each at a premium of ₹ 50 per warrant on preferential basis to promoter and one of the existing share holders pursuant to the approval of the members by special resolution at the Extra Ordinary General Meeting of the Company held on June 26, 2009, which were converted into equity shares on August 7, 2010.
- ii) The Company made preferential allotment of 416,275 equity shares to Supreme Construction & Developers Private Limited and 450,000 equity shares to Pivotal Securities Private Limited of ₹ 10 each at a premium of ₹ 215 per share on August 6, 2010.

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2012

	As at 31 March 2012	As at 31 March 2011
	Amounts in ₹	Amounts in ₹
<b>3 Reserves and surplus</b>		
<b>Securities premium account</b>		
Balance at the beginning of the year	683,621,501	397,372,376
Add : Amount arising on preference shares issued [Also, refer note 2 (d)]	225,000,000	-
Add : Amount arising on preferential allotment and conversion of share warrants [Also, refer note 2 (g)]	-	286,249,125
<b>Balance at the end of the year</b>	<b>908,621,501</b>	<b>683,621,501</b>
<b>General reserve</b>		
Balance at the beginning of the year	123,282,483	103,282,483
Add : <b>Transfer from statement of statement profit and loss</b>	25,000,000	20,000,000
Balance at the end of the year	148,282,483	123,282,483
<b>Surplus in the statement of profit and loss</b>		
Balance at the beginning of the year	1,593,597,731	883,481,932
Add : Transferred from statement of profit and loss	917,963,211	759,549,320
Less : Proposed equity dividend	20,927,609	25,227,022
[Includes short provision of earlier year Rs. Nil (31 March 2011 : Rs. 4,299,413)]		
Less : Proposed preference dividend	250,000	-
Less : Tax on dividends	3,435,538	4,206,499
[Includes short provision of earlier year Rs. Nil (31 March 2011 : Rs. 730,685)]		
Less : Transfer to general reserve	25,000,000	20,000,000
Balance at the end of the year	2,461,947,795	1,593,597,731
<b>Total</b>	<b>3,518,851,779</b>	<b>2,400,501,715</b>

	As at 31 March 2012 Amounts in ₹		As at 31 March 2011 Amounts in ₹	
	Long Term	Current Portion	Long Term	Current Portion
<b>4 Long term borrowings</b>				
<b>Secured</b>				
External commercial borrowings	264,479,105	90,763,592	291,564,500	60,724,000
Term loans				
From banks	1,038,767,670	317,867,348	611,319,947	159,537,825
From financial institutions	1,340,152,102	93,531,396	400,692,466	145,008,248
<b>Total</b>	<b>2,643,398,877</b>	<b>502,162,336</b>	<b>1,303,576,913</b>	<b>365,270,073</b>
Amount disclosed under "Other current liabilities" (Also refer note 9)	-	(502,162,336)	-	(365,270,073)
	2,643,398,877	-	1,303,576,913	-

### 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 @ 11 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.



## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2012

### Term loans from financial institutions

- (i) 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.
- (ii) 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.

	As at 31 March 2012	As at 31 March 2011
	Amounts in ₹	Amounts in ₹

### 5 Deferred tax liability (Net)

<b>Deferred tax liability arising on account of :</b>		
timing difference between book depreciation and depreciation as per Income Tax Act, 1961	119,336,420	103,300,603
<b>Total deferred tax liabilities (A)</b>	<b>119,336,420</b>	<b>103,300,603</b>
<b>Deferred tax asset arising on account of :</b>		
Provision for bad and doubtful advances	6,910,784	6,910,784
Provision for employee benefits	4,901,940	3,406,205
Others	-	5,439,631
<b>Total deferred tax assets (B)</b>	<b>11,812,724</b>	<b>15,756,620</b>
<b>Net deferred tax liability (A-B)</b>	<b>107,523,696</b>	<b>87,543,983</b>

	As at 31 March 2012 Amounts in ₹		As at 31 March 2011 Amounts in ₹	
	Long term	Short term	Long term	Short term

### 6 Provisions

Provision for employee benefits [Also, refer note 34]	13,087,238	2,021,221	10,498,398	-
Proposed dividend on equity shares	-	20,927,609	-	20,927,609
Proposed dividend on preference shares	-	250,000	-	-
Tax on proposed dividend	-	2,704,601	-	7,743,790
Provision for taxation (net of advance tax)	-	136,628,172	-	159,422,562
	13,087,238	162,531,603	10,498,398	188,093,961

	As at 31 March 2012	As at 31 March 2011
	Amounts in ₹	Amounts in ₹

### 7 Short-term borrowings

<b>Secured</b>		
Cash credit facilities from banks [Also, refer note (i) below]	4,334,805,370	2,801,450,896
<b>Unsecured</b>		
Loans from related parties [Also, refer notes (ii) below and 29]	8,841,766	39,436,545
Loans from other parties [Also, refer note (ii) below]	-	38,819,951
	4,343,647,136	2,879,707,392

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2012

### 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.

	As at 31 March 2012	As at 31 March 2011
	Amounts in ₹	Amounts in ₹
<b>8 Trade payables</b>		
Trade payables (Also refer note 29 and 35)	1,746,005,439	1,135,436,104
	<b>1,746,005,439</b>	<b>1,135,436,104</b>
<b>9 Other current liabilities</b>		
Current Portion of long term borrowings (Also, refer note 4)	502,162,336	365,270,073
Mobilisation advances from customers (Also, refer notes 28 and 29 )	2,922,731,722	834,311,016
Other advance from customers (Also, refer note 29)	73,938,942	6,601,700
Retention payable	336,570,088	81,446,138
Unpaid dividends*	335,574	335,574
Unpaid share application money*	388,320	388,320
Book overdraft	218,774,496	-
Statutory dues	12,674,989	10,149,004
Other liabilities (Also, refer note 29)	95,148,304	13,466,551
	<b>4,162,724,771</b>	<b>1,311,968,376</b>
* Not due for credit to Investor Education & Protection Fund		

### 10 Tangible assets

(Amounts in ₹)

Gross block	Freehold land *	Leasehold land	Buildings	Plant and equipment and fixtures	Furniture	Vehicles	Office equipment	Computers	Total
<b>Balance as at 1 April 2010</b>	676,178,991	5,470,000	17,124,085	1,682,236,465	8,181,190	114,453,896	5,925,897	5,096,045	2,514,666,569
Additions	3,888,235	-	357,791,049	433,028,988	3,624,213	475,560	1,641,039	2,669,395	803,118,479
Disposals	-	-	-	(49,632,139)	-	-	-	-	(49,632,139)
<b>Balance as at 31 March 2011</b>	680,067,226	5,470,000	374,915,134	2,065,633,314	11,805,403	114,929,456	7,566,936	7,765,440	3,268,152,909
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>	683,567,226	5,470,000	527,233,871	2,422,531,938	12,445,403	118,193,752	9,340,856	10,305,849	3,789,088,895
<b>Accumulated depreciation</b>									
<b>Balance as at 1 April 2010</b>	-	-	1,123,503	383,432,837	3,746,312	62,182,531	1,840,664	2,825,548	455,151,395
Depreciation charge	-	-	7,515,847	221,665,638	1,005,668	13,595,322	812,939	1,494,924	246,090,338
Reversal on disposal of assets	-	-	-	(11,119,913)	-	-	-	-	(11,119,913)
<b>Balance as at 31 March 2011</b>	-	-	8,639,350	593,978,562	4,751,980	75,777,853	2,653,603	4,320,472	690,121,820
Depreciation charge	-	-	22,736,070	246,324,914	1,372,373	10,561,497	846,440	1,804,886	283,646,180
Reversal on disposal of assets	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2012</b>	-	-	31,375,420	840,303,476	6,124,353	86,339,350	3,500,043	6,125,358	973,768,000
<b>Net block</b>									
<b>Balance as at 31 March 2011</b>	680,067,226	5,470,000	366,275,784	1,471,654,752	7,053,423	39,151,603	4,913,333	3,444,968	2,578,031,089
<b>Balance as at 31 March 2012</b>	683,567,226	5,470,000	495,858,451	1,582,228,462	6,321,050	31,854,402	5,840,813	4,180,491	2,815,320,895

(\*) The Company is in the process of getting the title deeds in respect of land worth ₹18,025,501 at Powai, Mumbai transferred in its name.

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2012

	As at 31 March 2012		As at 31 March 2011	
	Amounts in ₹		Amounts in ₹	
	No. of Shares	Book Value	No. of Shares	Book Value
<b>11 Non-current investments</b>				
<b>(Valued at cost, fully paid up, unless stated otherwise)</b>				
<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	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
Rudranee Infrastructure Private Limited	12,183,648	179,952,481	-	-
<b>Others</b>				
Kalyan Sangam Infratech Limited	390,625	39,062,500	390,625	39,062,500
Sanjose Supreme Tollways Development Private Ltd.	4,000	40,000	-	-
<b>Investments in preference shares (unquoted) *</b>				
<b>Others</b>				
Kalyan Sangam Infratech Limited	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	-	-
<b>Investment in unincorporated joint ventures</b>				
Supreme Siddhi JV [50% share (31 March 2011 - 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	-	50,000
		<b>1,272,913,317</b>		<b>662,820,836</b>
<b>Aggregate amount of Investments</b>				
Aggregate amount of unquoted investment at cost		1,272,913,317		662,820,836
Provision for diminution in value of investments		-		-
		<b>1,272,913,317</b>		<b>662,820,836</b>
* Face value of ₹ 10 each, unless otherwise stated				

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2012

	As at 31 March 2012		As at 31 March 2011	
	Amounts in ₹		Amounts in ₹	
	Long term	Short term	Long term	Short term
<b>12 Loans and advances</b>				
(Unsecured, considered good unless otherwise stated)				
Capital advances	49,090,000	-	-	-
Security deposits	19,404,847	270,791,405	16,548,348	116,418,174
<b>Loans and advances to related parties (refer note 29)</b>				
Due from subsidiary companies	-	-		
- Subscription money pending allotment *	1,397,555,543	-	-	-
- Other loans	-	1,760,474,965	-	271,029,887
Due from joint ventures	-	605,208,949	-	408,427,924
Due from associate	-	40,430,179	-	-
<b>Advances recoverable in cash or kind</b>				
- considered good	-	223,808,149	-	196,655,968
- considered doubtful	-	21,300,000	-	21,300,000
<b>Other loans and advances</b>				
Subscription money pending allotment *	80,000,000	-	256,722,355	-
Mobilisation and material advances	-	769,734,530	-	612,427,924
Advances to employees	-	10,594,145	-	1,591,414
Prepaid expenses	-	-	-	14,159,524
Balances with statutory / government authorities	-	351,286,339	-	155,633,405
	<b>1,546,050,390</b>	<b>4,053,628,661</b>	<b>273,270,703</b>	<b>1,797,644,220</b>
Less : Provision for doubtful advances	-	(21,300,000)	-	(21,300,000)
	<b>1,546,050,390</b>	<b>4,032,328,661</b>	<b>273,270,703</b>	<b>1,776,344,220</b>

**\* Subscription money pending allotment constitutes:**

- share application money in Supreme Infrastructure BOT Holding Private Limited, a subsidiary company, amounting to ₹925,860,000 against which, on 13 June 2012, 780,000 equity shares of ₹10 each at a premium of ₹1,177 per share have been allotted to the Company.
- share application money in Rudranee Infrastructure Limited, a subsidiary company, amounting to ₹296,370,568 pending allotment of shares for increase in its shareholding.
- share application money in Supreme Infraprojects Private Limited, a subsidiary company, amounting to ₹175,324,975 as additional equity contribution for the project which is being developed on Build-Operate-Transfer (BOT) basis.
- share application money in Kanaka Infratech Limited, amounting to ₹80,000,000 towards strategic investment in the company.

	As at 31 March 2012	As at 31 March 2011
	Amounts in ₹	Amounts in ₹
<b>13 Other non current assets</b>		
Non-current bank balances (Also, refer note 17)	46,923,938	1,203,714
	46,923,938	1,203,714

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2012

	As at 31 March 2012		As at 31 March 2011	
	No. of Units	Amounts in ₹	No. of Units	Amounts in ₹
<b>14 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 - Daily Dividend Plan (Face value of ₹ 1000 each)	177	177,712	157	157,370
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	-	-
S.B.I. Debt Fund	3,360,000	33,600,000	3,360,000	33,600,000
Axis Hybrid Fund-Series 1 - Growth plan	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	250,000	2,500,000
Axis Capital Protection Oriented Fund - Series 3 - Growth Plan	99,990	1,000,000	-	-
		<b>47,928,718</b>		<b>39,257,370</b>
Aggregate market value of current investments		52,583,560		39,944,848
* Face value of ₹ 10 each, unless otherwise stated				

	As at 31 March 2012	As at 31 March 2011
	Amounts in ₹	Amounts in ₹
<b>15 Inventories</b>		
<b>(as valued and certified by management)</b>		
Construction materials	666,462,020	475,843,232
Unbilled work-in-progress	747,336,393	694,192,826
	<b>1,413,798,413</b>	<b>1,170,036,058</b>

<b>16 Trade receivables</b>		
<b>(unsecured, considered good)</b>		
Outstanding for a period exceeding six months from the date they are due for payment [Refer note (i) below]	1,326,856,662	582,352,153
Other debts [Refer note (ii) below]	3,636,472,208	2,243,448,948
	<b>4,963,328,870</b>	<b>2,825,801,101</b>
<b>Notes :</b>		
i Includes retention money	961,505,200	281,193,575
ii Includes retention money	77,410,474	110,995,985

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2012

	As at 31 March 2012		As at 31 March 2011	
	Amounts in ₹		Amounts in ₹	
	Non-current	Current	Non-current	Current
<b>17 Cash and bank balances</b>				
<b>Cash and cash equivalents</b>				
Cash on hand	-	10,602,829		22,241,092
Balances with banks in current accounts *	-	231,043,337	-	123,386,418
	-	241,646,166	-	145,627,510
<b>Other bank balances</b>				
Earmarked bank balances				
- Unpaid dividend account	-	360,574	-	360,574
- IPO escrow account	-	388,320	-	388,320
Margin money **	-	396,346,636	-	180,674,787
Bank deposits with maturity of more than 3 months but less than 12 months	-	43,971,128	-	7,295,893
Bank deposits with maturity of more than 12 months ***	46,923,938	-	1,203,714	-
	46,923,938	682,712,824	1,203,714	334,347,084
Less : Amounts disclosed as Other non-current assets				
(Also, refer note 13)	(46,923,938)	-	(1,203,714)	-
<b>Total</b>	<b>-</b>	<b>682,712,824</b>	<b>-</b>	<b>334,347,084</b>

\* Includes ₹ 104,963 [31 March 2011 : ₹ 104,963] being unutilised money out of the public issue

\*\* Pledged against bank guarantees

\*\*\* Includes ₹ 14,999,540 [31 March 2011 : Nil] pledged against loans from banks



## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2012

	Year ended 31 March 2012 Amounts in ₹	Year ended 31 March 2011 Amounts in ₹
<b>18 Revenue from operations</b>		
Sales and contract revenue	15,059,143,508	9,178,547,668
	15,059,143,508	9,178,547,668
<b>19 Other income</b>		
Interest income	27,521,382	5,693,332
Dividend income	176,348	502,423
Profit on redemption of mutual funds	-	2,407,799
Profit on sale of fixed assets	-	40,685,828
Other non-operating income	411,864	323,241
	28,109,594	49,612,623
<b>20 Material and contractor costs</b>		
<b>Construction materials and components</b>		
Opening stock	475,843,232	239,617,470
Add : Purchases during the year	4,411,162,059	3,192,896,902
Less: Closing stock	666,462,020	475,843,232
Construction materials and components consumed	4,220,543,271	2,956,671,140
Labour and Sub contract costs	7,145,274,972	3,994,311,351
Power and Fuel	139,975,589	116,347,678
Repairs to Plant and Machinery	32,521,584	17,113,726
Rent and Hire charges	163,983,072	74,471,032
Transportation charges	142,520,364	87,204,618
Other	169,682,562	199,322,845
	12,014,501,414	7,445,442,390
<b>21 Changes in work-in-progress</b>		
Opening work in progress	694,192,826	400,256,417
Less: Closing work in progress	747,336,393	694,192,826
	(53,143,567)	(293,936,409)
<b>22 Employee benefit expense</b>		
Salaries, wages and bonus	334,828,673	251,630,705
Contribution to gratuity (Also, refer note 34.A)	4,610,061	4,320,040
Contribution to provident and other defined contribution funds (Also, refer note 34.B)	7,895,241	5,562,629
Staff welfare expenses	17,775,471	11,116,403
	365,109,446	272,629,777
<b>23 Finance costs (net)</b>		
Interest expenses		
- External commercial borrowings	15,166,685	15,392,276
- Term loans	324,254,132	130,437,376
- Cash credit facilities	486,029,774	234,572,871
- Others	34,760,050	7,170,637
Bank charges	55,217,735	51,255,652
	915,428,376	438,828,812
Less : Interest capitalised and included in capital work in progress	-	(30,659,057)
	915,428,376	408,169,755

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2012

	Year ended 31 March 2012	Year ended 31 March 2011
	Amounts in ₹	Amounts in ₹
<b>24 Depreciation expense</b>		
Depreciation of tangible assets (Also, refer note 10)	283,646,180	246,090,338
	283,646,180	246,090,338
<b>25 Other expenses</b>		
Power and fuel	27,930,070	18,148,108
Rent	44,536,797	21,974,784
Repairs and maintenance		
- Buildings	383,838	-
- Plant and equipment	80,880	892,814
- Others	1,075,679	1,136,118
Insurance	44,205,016	13,961,081
Rates and taxes	147,617	5,385,874
Payments to auditors (Also, refer note 30)	3,450,000	3,250,000
Legal and professional	47,776,014	42,107,461
Travelling and conveyance	10,150,696	10,046,565
Printing and stationery	5,547,473	5,016,961
Communication expenses	8,006,013	4,381,564
Advertisement	9,182,410	4,176,124
Non executive directors' commission	4,400,000	4,400,000
Directors sitting fees	446,000	200,000
Foreign exchange loss	48,247,650	-
Provision for doubtful advances (net)	-	21,300,000
Miscellaneous expenses	42,362,176	32,938,566
	297,928,329	189,316,020
<b>26 Earnings per share (EPS)</b>		
Weighted average number of equity shares outstanding during the year	16,742,087	15,739,301
Add:- Dilutive effect	-	-
Weighted average number of equity shares used to compute diluted EPS	16,742,087	15,739,301
Net Profit after tax	917,963,211	759,549,320
Less: Dividend on preference shares (including tax)	(290,556)	-
Net Profit after tax attributable to equity shareholders	917,672,655	759,549,320
Earning per share :		
Basic	54.81	48.26
Diluted	54.81	48.26

### 27 Commitments

#### Capital commitment

Contracts remaining to be executed on capital account not provided for ₹ 11,761,141 (31 March 2011 - ₹ Nil).

#### 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.

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2012

- 28 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.

### 29 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 (w.e.f. 20 December 2011)  
 Supreme Panvel Indapur Tollways Private Limited  
 Supreme Mega Structures Private Limited  
 Rudranee Infrastructure Limited (w.e.f. 27 June 2011)

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

Supreme Manor Wada Bhiwandi Infrastructure Private Limited  
 Supreme Best Value Kolhapur (Shiroli) Sangli Tollways Private Limited  
 Supreme Ahmednagar Karmala Tembhurni Tollways Private Limited  
 Supreme Kopargaon Ahmednagar Tollways Private Limited (w.e.f. 30 April 2011)  
 Supreme Infra Projects Private Limited  
 Supreme Suyog Funicular Ropeways Private Limited

###### (ii) Associate

Sanjose Supreme Tollways Development 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 2012

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

(Amount 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 Pvt. Ltd.	1,342,404,772 (582,897,449)	- (-)	- (-)	- (-)	- (-)	- (-)
Supreme Panvel Indapur Tollways Pvt. Ltd.	506,374,641 (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Supreme Ahmednagar Karnala Tembhurni Pvt. Ltd.	481,884,118 (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Supreme Kopergaon Ahmednagar Tollways Pvt. Ltd.	780,502,784 (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Supreme MBL JV	- (-)	- (-)	- (377,941,587)	- (-)	- (-)	- (-)
Petron Supreme JV	- (-)	- (-)	147,530,525 (366,640,415)	- (-)	- (-)	- (-)
HGCL Niraj Supreme Infrastructure Pvt. Ltd.	- (-)	- (-)	512,432,154 (315,251,030)	- (-)	- (-)	- (-)
Supreme Housing and Hospitality Pvt. Ltd.	- (-)	- (-)	- (-)	- (-)	- (-)	438,378,883 (804,958,616)
<b>Sale Of Assets</b>						
Supreme Mega Structures Pvt. Ltd.	- (78,999,999)	- (-)	- (-)	- (-)	- (-)	- (-)
<b>Purchases</b>						
Supreme Siddhi JV	- (-)	- (-)	- (56,532,685)	- (-)	- (-)	- (-)
<b>Transportation and hire charges</b>						
Supreme Mega Structures Pvt. Ltd.	18,029,397 (15,356,802)	- (-)	- (-)	- (-)	- (-)	- (-)
<b>Labour and subcontracting</b>						
Supreme Mega Structures Pvt. Ltd.	13,134,771 (6,723,980)	- (-)	- (-)	- (-)	- (-)	- (-)
<b>Expenses reimbursed to</b>						
Supreme MBL JV	- (-)	- (-)	- (218,835,983)	- (-)	- (-)	- (-)
Supreme Petron JV	- (-)	- (-)	- (331,068,291)	- (-)	- (-)	- (-)
HGCL Niraj Supreme Infrastructure Pvt. Ltd.	- (-)	- (-)	- (374,499,965)	- (-)	- (-)	- (-)
Supreme Siddhi JV	0 (-)	0 (-)	248,912,122 (-)	0 (-)	0 (-)	0 (-)

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2012

(Amount in ₹)

Transaction during the year	Subsidiaries	Associate	Joint ventures	Key Management Personnel	Relatives of Key Management Personnel	Other related parties
<b>Advance against equity</b>						
Rudranee Infrastructure Ltd.	296,370,568	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Supreme Infrastructure BOT Holding Pvt. Ltd.	925,860,000	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Supreme Infra Projects Pvt. Ltd.	175,324,975	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
<b>Investments</b>						
Supreme Infrastructure BOT Pvt. Ltd.	-	-	-	-	-	-
	(560,000,000)	(-)	(-)	(-)	(-)	(-)
Supreme Panvel Indapur Tollways Pvt. Ltd.	430,000,000	-	-	-	-	-
	(260,000)	(-)	(-)	(-)	(-)	(-)
Supreme Mega Structures Pvt. Ltd.	-	-	-	-	-	-
	(60,000)	(-)	(-)	(-)	(-)	(-)
Supreme Siddhi JV	-	-	-	-	-	-
	(-)	(-)	(800,000)	(-)	(-)	(-)
<b>Receipt of unsecured loan</b>						
Mr. Bhawanishankar Sharma	-	-	-	3,301,940	-	-
	(-)	(-)	(-)	(6,172,487)	(-)	(-)
Ms. Rita Sharma	-	-	-	-	19,800,000	-
	(-)	(-)	(-)	(-)	(36,000,000)	(-)
BHS Housing Pvt. Ltd.	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(602,125,000)
<b>Repayment of unsecured loan</b>						
Mr. Bhawanishankar Sharma	-	-	-	18,799,130	-	-
	(-)	(-)	(-)	(34,999,713)	(-)	(-)
Ms. Rita Sharma	-	-	-	-	24,000,000	-
	(-)	(-)	(-)	(-)	(26,000,000)	(-)
BHS Housing Pvt. Ltd.	-	-	-	-	-	10,897,589
	(-)	(-)	(-)	(-)	(-)	(341,227,411)
<b>Receipt of mobilisation advance</b>						
Supreme Panvel Indapur Tollways Pvt. Ltd.	985,448,824	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Supreme Best Value Kolhapur (Shiroli) Sangli Tollways Pvt. Ltd.	375,368,400	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Supreme Ahmednagar Karnala Tembhorni Pvt. Ltd.	394,841,781	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Supreme Manor Wada Bhiwandi Infrastructure Pvt. Ltd.	146,057,707	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2012

(Amount in ₹)						
Transaction during the year	Subsidiaries	Associate	Joint ventures	Key Management Personnel	Relatives of Key Management Personnel	Other related parties
Supreme Zanders JV	-	-	75,673,919	-	-	-
	(-)	(-)	(10,626,761)	(-)	(-)	(-)
Supreme Housing and Hospitality Pvt. Ltd.	-	-	-	-	-	194,569,613
	(-)	(-)	(-)	(-)	(-)	(22,317,741)
<b>Adjustment of mobilisation advance</b>						
Supreme Zanders JV	-	-	62,989,524	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Supreme Housing and Hospitality Pvt. Ltd.	-	-	-	-	-	137,785,611
	(-)	(-)	(-)	(-)	(-)	(3,217,212)
<b>Conversion of share warrant</b>						
Mr. Vikram Sharma	-	-	-	-	-	-
	(-)	(-)	(-)	(45,000,000)	(-)	(-)
<b>Share application money pending allotment</b>						
BHS Housing Pvt. Ltd.	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(250,000,000)
<b>Issue of preference shares (including securities premium)</b>						
BHS Housing Pvt. Ltd.	-	-	-	-	-	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 Holding Pvt. Ltd.	1,189,600,875	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Supreme Manor Wada Bhiwandi Infrastructure Pvt. Ltd.	203,451,280	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Supreme Best Value Kolhapur (Shiroli) Sangli Tollways Pvt. Ltd.	20,640,167	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Supreme Suyog Funicular Ropeways Pvt. Ltd.	27,101,012	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Supreme Infrastructure BOT Pvt. Ltd.	1,658,381,909	-	-	-	-	-
	(276,029,887)	(-)	(-)	(-)	(-)	(-)
Supreme Infra Projects Pvt. Ltd.	242,430,330	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Supreme Mega Structures Pvt. Ltd.	8,007,747	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)



## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2012

(Amount in ₹)

Transaction during the year	Subsidiaries	Associate	Joint ventures	Key Management Personnel	Relatives of Key Management Personnel	Other related parties
Sanjose Supreme Tollways Development Pvt. Ltd.	- (-)	40,430,179 (-)	- (-)	- (-)	- (-)	- (-)
HGCL Niraj Supreme Infrastructure Pvt. Ltd.	- (-)	- (-)	152,045,594 (-)	- (-)	- (-)	- (-)
Supreme MBL JV	- (-)	- (-)	71,956,638 (-)	- (-)	- (-)	- (-)
<b>Repayment of loan given</b>						
Supreme Manor Wada Bhiwandi Infrastructure Pvt. Ltd.	147,221,316 (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Supreme Infrastructure BOT Pvt. Ltd.	1,712,946,926 (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Supreme Siddhi JV	- (-)	- (-)	27,221,207 (-)	- (-)	- (-)	- (-)

### c) Balances at the year end :

(Amount 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	- (-)	- (-)	- (-)	3,041,766 (18,538,956)	- (-)	- (-)
Ms. Rita Sharma -	- (-)	- (-)	- (-)	5,800,000 (-)	- (10,000,000)	- (-)
BHS Housing Pvt. Ltd.	- (-)	- (-)	- (-)	- (-)	- (-)	- (10,897,589)
Trade payable						
Supreme Panvel Indapur Tollways Pvt. Ltd.	671,318,294 (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Supreme Mega Structures Pvt. Ltd.	1,518,411 (-)	- (-)	- (-)	- (-)	- (-)	- (-)

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2012

(Amount in ₹)						
Particulars	Subsidiaries	Associate	Joint ventures	Key Management Personnel	Relatives of Key Management Personnel	Other related parties
Supreme Best Value Kolhapur (Shiroli) Sangli Tollways Pvt. Ltd.	32,138,968	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Petron Supreme JV	-	-	-	-	-	-
	(-)	(-)	(129,007,629)	(-)	(-)	(-)
Supreme Housing and Hospitality Pvt. Ltd.	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(29,419,711)
<b>Advance from customers</b>						
Supreme Zanders JV	-	-	23,311,156	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Supreme Housing & Hospitality Pvt. Ltd.	-	-	-	-	-	17,142,162
	(-)	(-)	(-)	(-)	(-)	(-)
<b>Retention payable</b>						
Sanjose Supreme Tollways Development Pvt. Ltd.	-	3,600,000	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
<b>Mobilisation advance</b>						
Supreme Best Value Kolhapur (Shiroli) Sangli Tollways Pvt. Ltd.	375,368,400	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Supreme Parvel Indapur Tollways Pvt. Ltd.	594,440,751	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Supreme Ahmednagar Kamala Tembhumli Tollways Pvt. Ltd.	394,841,781	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Supreme Manor Wada Bhiwandi Infrastructure Pvt. Ltd.	146,057,707	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
<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 Pvt. Ltd.	76,694,491	-	-	-	-	-
	(52,019,659)	(-)	(-)	(-)	(-)	(-)

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2012

(Amount in ₹)

Particulars	Subsidiaries	Associate	Joint ventures	Key Management Personnel	Relatives of Key Management Personnel	Other related parties
Supreme Panvel Indapur Tollways Pvt. Ltd.	234,917,718 (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Supreme Kopergaon Ahmednagar Tollways Pvt. Ltd.	130,979,314 (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Supreme Manor Wada Bhiwandi Infrastructure Pvt. Ltd.	81,040,255 (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Supreme Ahmednagar Karmala Tembhurni Tollways Pvt. Ltd.	39,147,373 (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Supreme Siddhi JV	- (-)	- (-)	186,920,885 (-)	- (-)	- (-)	- (-)
Petron Supreme JV	- (-)	- (-)	8,794,178 (-)	- (-)	- (-)	- (-)
HGCL - Niraj - Supreme Infrastructure Pvt. Ltd.	- (-)	- (-)	61,648,189 (-)	- (-)	- (-)	- (-)
Supreme Housing and Hospitality Pvt. Ltd.	- (-)	- (-)	- (-)	- (-)	- (-)	221,007,106 (176,986,134)
<b>Loan and advances</b>						
<b>Subscription money pending allotment</b>						
Supreme Infrastructure BOT Holding Pvt. Ltd.	925,860,000 (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Rudranee Infrastructure Ltd.	296,370,568 (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Supreme Infra Projects Pvt. Ltd.	175,324,975 (-)	- (-)	- (-)	- (-)	- (-)	- (-)
<b>Other loans</b>						
Supreme Infrastructure BOT Holding Pvt. Ltd.	1,189,600,875 (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Supreme Infrastructure BOT Pvt. Ltd.	216,464,870 (271,029,887)	- (-)	- (-)	- (-)	- (-)	- (-)
Supreme Manor Wada Bhiwandi Infrastructure Pvt. Ltd.	56,229,964 (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Supreme Infra Projects Pvt. Ltd.	242,430,330 (-)	- (-)	- (-)	- (-)	- (-)	- (-)

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2012

Particulars	Subsidiaries	Associate	Joint ventures	Key Management Personnel	Relatives of Key Management Personnel	Other related parties
Supreme Best Value Kolhapur (Shiroli) Sangli Tollways Pvt. Ltd.	20,640,167	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Supreme Mega Structures Pvt. Ltd.	8,007,747	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Supreme Suyog Funicular Ropeways Pvt. Ltd.	27,101,012	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Sanjose Supreme Tollways Development Pvt. Ltd.	-	40,430,179	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Supreme MBL JV	-	-	453,163,355	-	-	-
	(-)	(-)	(381,206,717)	(-)	(-)	(-)
Supreme Siddhi JV	-	-	-	-	-	-
	(-)	(-)	(27,221,207)	(-)	(-)	(-)
HGCL Niraj Supreme Infrastructure Pvt. Ltd.	-	-	152,045,594	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
(Figures in bracket represents previous year numbers)						

	Year ended 31 March 2012 Amounts in ₹	Year ended 31 March 2011 Amounts in ₹
<b>30 Auditor Remuneration (excluding service tax)</b>		
Audit fees	3,425,000	3,225,000
Tax audit fees	25,000	25,000
<b>Total</b>	<b>3,450,000</b>	<b>3,250,000</b>
<b>31 Value of imports on CIF basis</b>		
Capital goods	275,541	-
Construction material	-	60,963,246
<b>Total</b>	<b>275,541</b>	<b>60,963,246</b>
<b>32 Expenditure in foreign currency</b>		
Interest on external commercial borrowings	15,166,685	15,392,276
<b>Total</b>	<b>15,166,685</b>	<b>15,392,276</b>

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2012

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

Particulars	31 March 2012	31 March 2011
	Amounts in ₹	Amounts in ₹
A Amount of contract revenue recognized as revenue during the year	15,059,143,508	9,178,547,668
B Aggregate amount of cost incurred and recognized profits less recognized losses upto the reporting date	12,969,545,863	6,647,812,911
<b>Balances as at year end</b>		
C Amount of customer advances outstanding as on reporting date	2,922,731,722	834,311,016
D Amount of retentions	1,038,915,674	392,189,560
E Gross amount due from customers for contract work	3,924,413,196	2,433,611,541
F Gross amount due to customers for contract work	-	-

### 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 March 31, 2012 are as under :

	31 March 2012	31 March 2011
	Amounts in ₹	Amounts in ₹
<b>1. Changes in the present value of defined benefit obligation</b>		
Defined benefit obligation as at the beginning of the year	10,498,398	6,178,358
Service Cost	5,301,081	3,894,207
Interest Cost	866,118	509,714
Actuarial Losses/(Gains)	(1,557,138)	(83,881)
<b>Defined benefit obligation as at the end of the year</b>	<b>15,108,459</b>	<b>10,498,398</b>
<b>2. The amount recognised in the Statement of Profit and Loss are as follows :</b>		
Service Cost	5,301,081	3,894,207
Interest Cost	866,118	509,714
Net actuarial losses/(gain) recognised during the year	(1,557,138)	(83,881)
<b>Expense recognised in Statement of Profit and Loss</b>	<b>4,610,061</b>	<b>4,320,040</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	15,108,459	10,498,398
Fair Value of Plan assets as at the end of the year	-	-
<b>Net Liability recognised in the balance sheet</b>	<b>15,108,459</b>	<b>10,498,398</b>
<b>Assumptions used</b>		
Discount rate	8.50%	8.25%
Future salary increase	8.50%	9.00%
Retirement Age (in years)	58	58
<b>B. Defined contribution plan</b>		
The amount of contribution to provident fund and Employee State Insurance Scheme recognised as expenses during the year is ₹ 7,895,241 (31 March 2011 ₹ 5,562,629)		

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2012

### 35 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, 2012. 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.

### 36 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%
Supreme - Chawla Interbuild	Lead JV partner	75%
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%

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

	Currency	31 March 2012	31 March 2011
External Commercial borrowings	\$	6,944,234	7,890,000
	₹	355,242,697	352,288,500

### 38 Prior year comparatives

The financial statements for the year ended 31 March 2011 has been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1965. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended 31 March 2012 are prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification.

#### For and on behalf of the Board of Directors

**B. H. Sharma**  
Chairman

**Vikram Sharma**  
Managing Director

**Vikas Sharma**  
Wholetime Director

**Vijay Joshi**  
Company Secretary

Place : Mumbai  
Date : 16<sup>th</sup> July, 2012



## SUMMARY OF FINANCIAL INFORMATION OF SUBSIDIARY COMPANIES FOR FY 2011-12

SUMMARY OF FINANCIAL INFORMATION OF SUBSIDIARY COMPANIES FOR FY 2011-12

Sr. Name of the No. Subsidiary Company	Supreme Infrastructure BOT Pvt. Ltd. (SIBPL)	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 Tembhurani Tollways Pvt. Ltd.	Supreme Infrastr- ucture BOT Holdings Pvt. Ltd. (SIBHPL)	Supreme Kopergaon Ahmed- nagar Tollways Pvt. Ltd.	Rudranee Infrastr- ucture Ltd.	Supreme Suyog Funnicular Ropeways Pvt. Ltd.
1 Country of Incorporation	India	India	India	India	India	India	India	India	India	India	India
2 Reporting Currency	NR	INR	INR	INR	INR	INR	INR	INR	INR	INR	NR
3 Share Capital	1.00	10.00	1.00	10.00	1.00	5.00	1.00	1.00	1.00	2388.95	10
4 Reserves *	(1116.82)	(3.12)	88.78	(1.87)	(271.70)	(3.28)	(3.28)	(85.31)	(864.09)	2799.44	(0.84)
5 Share Application Money Pending Allotment	—	-	-	5500.77	1500.00	-	-	-	-	-	-
6 Total Assets	22034.62	18925.94	2310.24	37309.30	11457.27	4356.28	11601.25	21682.81	23908.10	23308.18	1907.01
7 Total Liabilities	22034.62	18925.94	2310.24	37309.30	11457.27	4356.28	11601.25	21682.81	23908.10	23308.18	1907.01
8 Investments (Except investments in Subsidiaries)	-	-	-	-	-	-	-	-	-	-	-
9 Turnover/ Total Income	162.78	-	1289.60	-	-	-	-	305.00	1521.19	25042.43	—
10 Profit/ (Loss) Before Taxation	(1546.72)	(1.69)	91.81	(0.70)	(0.80)	(2.81)	(2.81)	(79.75)	(864.09)	980.49	(0.84)
11 Provision For Taxation	(501.83)	-	29.79	(1.02)	-	-	-	(5.56)	-	325.52	—
12 Profit After Taxation	(1044.89)	(1.69)	62.02	0.32	(0.80)	(2.81)	(2.81)	(85.31)	(864.09)	654.97	(0.84)
13 Proposed Dividend	-	-	-	-	-	-	-	-	-	-	—

\*Includes Profit and 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

Supreme Infrastructure India Limited

**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 2  
d d m m y y**II Capital Raised during the Year (Amount in Rs.)**

Public Issue

N I L

Right Issue

N I L

Bonus Issue

N I L

Private Placement

2 5 0 0 0 0 0 0 0 0

**III Position of Mobilisation & Deployment of Funds (Amount in Rs.)****Sources of Funds**

Total Liabilities

1 6 8 9 0 1 9 1 4 0 9

Paid up Capital

1 9 2 4 2 0 8 7 0

Secured Loans

4 4 7 0 2 9 7 8 8 2

Share Application Money

N I L

**Application of Funds**

Net Fixed Assets

2 8 1 5 3 2 0 8 9 5

Net Current Assets

1 1 1 4 0 1 3 7 4 8 6

Accumulated Losses

N I L

Total Assets

1 6 8 9 0 1 9 1 4 0 9

Reserves &amp; Surplus

3 5 1 8 8 5 1 7 7 9

Unsecured Loans

8 8 4 1 7 6 6

Investments

1 3 2 0 8 4 2 4 3 5

Misc Expenditure

N I L

**IV Performance of Company (Amount in Rs.)**

Turnover

1 5 0 8 7 2 5 3 1 0 2

Profit/(Loss) before tax

1 2 6 3 7 8 2 9 2 4

Total Expenditure

1 3 8 2 3 4 7 0 1 7 8

Profit/(Loss) after tax

9 1 7 9 6 3 2 1 1

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

+ -  
+

Earning per share in Rs

5 4 . 8 1

Dividend rate %

1 2 . 5 0

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

Item Code No.

N A

(ITC CODE)

Product Description

N A

For and on behalf of the Board of Directors

B. H. Sharma  
ChairmanVikram Sharma  
Managing DirectorVikas Sharma  
Wholtime DirectorVijay Joshi  
Company SecretaryPlace : Mumbai  
Date : 16 July 2012

## AUDITORS' REPORT

To the Board of Directors of Supreme Infrastructure India Limited

1. We have audited the attached Consolidated Balance Sheet of Supreme Infrastructure India Limited and its subsidiaries and associate (the 'Group'), as at 31 March 2012, and also the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto (collectively referred as the 'consolidated financial statements'). These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of certain subsidiaries and associate whose audited financial statements reflect Group's share of total assets (after eliminating intra-group transactions) of ₹ 9,716,841,440, total revenue (after eliminating intra-group transactions)

of ₹ 2,748,204,453 and net cash inflow (after eliminating intra-group transactions) of ₹ 24,661,682 as at 31 March 2012. These financial statements and other financial information have been audited by other auditors, whose reports have been furnished to us, and our opinion is based solely on the report of the other auditors.

4. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of the Accounting Standard 21, 'Consolidated Financial Statements' and Accounting Standard 23 on 'Accounting for Investments in Associates in Consolidated Financial Statements' as notified pursuant to the Companies (Accounting Standards) Rules, 2006.
5. In our opinion and to the best of our information and according to the explanations given to us, the financial statements dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act and 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, in the case of:
  - i) the Consolidated Balance Sheet, of the state of affairs of the Company as at 31 March 2012;
  - ii) the Consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
  - iii) the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

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

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

Place : Mumbai  
Date : 29 August 2012

Place : Mumbai  
Date : 29 August 2012

## CONSOLIDATED BALANCE SHEET as at 31 March 2012

	Notes	As at 31 March 2012 Amounts in ₹	As at 31 March 2011 Amounts in ₹
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	2	192,420,870	167,420,870
Reserves and surplus	3	3,345,294,394	2,353,580,884
		3,537,715,264	2,521,001,754
Share application money pending allotment [Also refer note 2(d)]		-	250,000,000
Minority Interest		258,581,904	1,651,307
<b>Non-current liabilities</b>			
Long-term borrowings	4	9,781,921,281	2,303,051,069
Deferred tax liability (net)	5	109,825,780	88,273,912
Long-term provisions	6	18,549,971	10,498,398
		9,910,297,032	2,401,823,379
<b>Current liabilities</b>			
Short-term borrowings	7	5,080,943,727	2,886,207,392
Trade payables	8	1,899,608,871	1,522,915,757
Other current liabilities	9	3,460,456,472	1,607,975,751
Short-term provisions	6	140,922,899	188,512,596
		10,581,931,969	6,205,611,496
<b>Total</b>		<b>24,288,526,169</b>	<b>11,380,087,936</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	10	3,061,490,907	2,645,412,826
Intangible assets	11	2,284,540,055	27,042,460
Capital work-in-progress		58,359,847	73,635,537
Intangible assets under development (Also refer note 42)		5,928,163,340	980,290,242
Non-current investments	12	103,686,475	102,400,836
Long-term loans and advances	13	172,882,105	311,272,269
Other non-current assets	14	183,483,938	1,203,713
		11,792,606,667	4,141,257,883
<b>Current assets</b>			
Current investments	15	49,428,718	39,257,370
Inventories	16	2,015,664,983	1,170,036,058
Trade receivables	17	5,959,324,902	2,794,318,187
Cash and bank balances	18	1,068,978,257	567,858,568
Short-term loans and advances	13	3,402,522,642	2,667,359,870
		12,495,919,502	7,238,830,053
<b>Total</b>		<b>24,288,526,169</b>	<b>11,380,087,936</b>
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

For **Shah & Kathariya**  
Chartered Accountants

**P. M. Kathariya**  
Partner

For and on behalf of the Board of Directors

**B. H. Sharma**  
Chairman

**Vikram Sharma**  
Managing Director

**Vikas Sharma**  
Wholtime Director

**Vijay Joshi**  
Company Secretary

Place: Mumbai  
Date : 29 August 2012

Place : Mumbai  
Date : 29 August 2012

Place : Mumbai  
Date : 29 August 2012

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the Year Ended 31st March 2012

	Notes	Year ended 31 March 2012 Amounts in ₹	Year ended 31 March 2011 Amounts in ₹
<b>Revenue</b>			
Revenue from operations	19	17,269,867,169	9,200,812,811
Other income	20	37,531,641	14,752,479
<b>Total</b>		<b>17,307,398,810</b>	<b>9,215,565,290</b>
<b>Expenses</b>			
Material and contractor costs	21	14,038,577,556	7,473,885,778
Changes in work-in-progress	22	(234,737,598)	(293,936,409)
Employee benefit expense	23	386,137,217	273,046,842
Finance costs	24	1,239,329,784	410,854,696
Depreciation and amortisation expense	25	360,449,025	252,846,040
Other expenses	26	333,715,218	183,500,883
<b>Total</b>		<b>16,123,471,202</b>	<b>8,300,197,830</b>
<b>Profit before tax, minority interest and share of profit/(loss)</b>			
<b>of associate</b>		<b>1,183,927,608</b>	<b>915,367,460</b>
<b>Tax expense</b>			
Current tax		(349,231,902)	(203,418,635)
Deferred tax		(20,832,656)	18,112,021
Tax adjustment for earlier years		-	(16,741,050)
<b>Profit before minority interest and share of profit/(loss)</b>			
<b>of associate</b>		<b>813,863,050</b>	<b>713,319,796</b>
Less : Share of profit/(loss) of associate		(12,861)	-
Less : Share of profit/(loss) of minority interest		(22,523,532)	(691,307)
<b>Net profit for the year</b>		<b>791,326,657</b>	<b>712,628,489</b>
<b>Earnings per equity share (Face value of ₹ 10 each)</b>	27		
Basic		47.25	45.28
Diluted		47.25	45.28
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

**Amyn Jassani**  
Partner

For **Shah & Kathariya**  
Chartered Accountants

**P. M. Kathariya**  
Partner

For and on behalf of the Board of Directors

**B. H. Sharma**  
Chairman

**Vikram Sharma**  
Managing Director

**Vikas Sharma**  
Wholetime Director

**Vijay Joshi**  
Company Secretary

Place: Mumbai  
Date : 29 August 2012

Place : Mumbai  
Date : 29 August 2012

Place : Mumbai  
Date : 29 August 2012

## CONSOLIDATED CASH FLOW STATEMENT for the year ended 31 March 2012

	Year ended 31 March 2012 Amounts in ₹	Year ended 31 March 2011 Amounts in ₹
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax	1,183,927,608	915,367,460
Adjustment for:		
Depreciation and amortisation	360,449,025	252,652,455
Preliminary expenditure written off	-	38,964
Provision for doubtful advances (net)	-	21,300,000
Profit on redemption of mutual funds	-	(2,407,799)
Interest income	(36,883,430)	(5,693,332)
Dividend income	(176,348)	(502,423)
Interest expenses	1,239,329,783	359,542,788
<b>Operating profit before working capital changes</b>	<b>2,746,646,638</b>	<b>1,540,298,113</b>
Adjustment for:		
Increase in trade and other payables	2,247,134,831	1,183,930,648
Increase in inventories	(845,628,925)	(530,162,171)
Increase in trade receivables	(3,165,006,715)	(895,191,925)
Increase in loans and advances	(699,052,833)	(2,020,827,038)
<b>Cash used in operating activities</b>	<b>284,092,995</b>	<b>(721,952,373)</b>
Income taxes paid	(394,053,631)	(58,890,061)
<b>Net cash generated used in operating activities</b>	<b>(109,960,636)</b>	<b>(780,842,434)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Acquisition of tangible assets (including capital work in progress and intangible assets under development)	(8,054,806,223)	(1,537,381,070)
Proceeds from disposal of tangible assets	256,930,597	3,959,959
Investments in :		
- Joint venture	-	(800,000)
- others	(11,469,848)	(448,620,000)
Sale of investment	-	432,638,399
Subscription money pending allotment	(80,000,000)	(251,722,355)
Interest received	36,883,430	5,693,332
Dividends received	176,348	502,423
Net investments in bank deposits (having original maturity of more than three months)	(310,801,979)	(348,076,680)
<b>Net cash used in investing activities</b>	<b>(8,163,087,675)</b>	<b>(2,143,805,992)</b>



## CONSOLIDATED CASH FLOW STATEMENT for the year ended 31 March 2012

	Year ended 31 March 2012 Amounts in ₹	Year ended 31 March 2011 Amounts in ₹
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of share capital and conversion of share warrants	-	284,911,875
Proceed from issue of equity shares to minority shareholders	39,189,655	450,000
Proceeds from borrowings	10,003,931,851	2,904,634,238
Repayment of borrowings	(330,325,305)	(67,282,588)
Interest paid	(1,220,027,844)	(359,542,788)
Share application money received	-	250,000,000
Dividends paid (including dividend tax)	(29,402,336)	(25,113,131)
<b>Net cash generated from financing activities</b>	<b>8,463,366,021</b>	<b>2,988,057,606</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>190,317,710</b>	<b>63,409,180</b>
Cash and cash equivalents as at the beginning of the year	219,781,888	156,372,708
<b>Cash and cash equivalents as at the end of the year (Also refer note 18)</b>	<b>410,099,598</b>	<b>219,781,888</b>

### Notes :

- All figures in bracket represents 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 : 29 August 2012

For **Shah & Kathariya**  
Chartered Accountants

**P. M. Kathariya**  
Partner

Place : Mumbai  
Date : 29 August 2012

For and on behalf of the Board of Directors

**B. H. Sharma**  
Chairman

**Vikas Sharma**  
Wholetime Director

Place : Mumbai  
Date : 29 August 2012

**Vikram Sharma**  
Managing Director

**Vijay Joshi**  
Company Secretary

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for year ended 31 March 2012

### 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.

Costs for toll collection rights awarded against construction service by the grantor on BOT basis include

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for year ended 31 March 2012

direct and indirect expenses on construction of roads, bridges, culverts etc. and infrastructure at the toll plazas.

### 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 management. 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. 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 is valued at contract rates. 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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for year ended 31 March 2012

investments, loans and advances or current liabilities.

### 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 year ended 31 March 2012

	As at 31 March 2012		As at 31 March 2011	
	Number	Amounts in ₹	Number	Amounts in ₹
<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	2,500,000	25,000,000	-	-
[Also, refer note (d) below]				
<b>Total</b>	<b>19,242,087</b>	<b>192,420,870</b>	<b>16,742,087</b>	<b>167,420,870</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	13,875,812	138,758,120
Add : Issued during the year [Also, refer note (g) below]	-	-	2,866,275	28,662,750
<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>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>	-	-	-	-
Add : Issued during the year [Also, refer note (d) below]	2,500,000	25,000,000	-	-
	<b>2,500,000</b>	<b>25,000,000</b>	<b>-</b>	<b>-</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 has, 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for year ended 31 March 2012

### 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	2,800,000	17%	2,800,000	17%
Vikas B Sharma	1,800,000	11%	1,800,000	11%
Kitara PIIN 1101	1,101,983	7%	-	-
Mavi Investment Fund Limited	997,412	6%	1,000,000	6%
<b>Preference shares of ₹ 10 each</b>				
BHS Housing Private Limited	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 2012.

- g) i) The Company allotted 2,000,000 warrants of ₹ 10 each at a premium of ₹ 50 per warrant on preferential basis to promoter and one of the existing share holders pursuant to the approval of the members by special resolution at the Extra Ordinary General Meeting of the Company held on June 26, 2009, which were converted into equity shares on August 7, 2010.
- ii) The Company made preferential allotment of 416,275 equity shares to Supreme Construction & Developers Private Limited and 450,000 equity shares to Pivotal Securities Private Limited of ₹ 10 each at a premium of ₹215 per share on August 6, 2010.

	As at 31 March 2012 Amounts in ₹	As at 31 March 2011 Amounts in ₹
<b>3 Reserves and surplus</b>		
<b>Securities premium account</b>		
Balance at the beginning of the year	683,621,501	397,372,376
Add : Amount arising on preference shares issued [Also, refer note 2 (d)]	225,000,000	-
Add : Amount arising on preferential allotment and conversion of share warrants [Also, refer note 2 (g)]	-	286,249,125
<b>Balance at the end of the year</b>	<b>908,621,501</b>	<b>683,621,501</b>
<b>General reserve</b>		
Balance at the beginning of the year	123,282,483	103,282,483
Add : Transfer from statement of profit and loss	32,850,000	20,000,000
<b>Balance at the end of the year</b>	<b>156,132,483</b>	<b>123,282,483</b>
<b>Surplus in the statement of profit and loss</b>		
Balance at the beginning of the year	1,546,676,900	883,481,932
Add : Transferred from statement of profit and loss	791,326,657	712,628,489
Less : Proposed equity dividend	20,927,609	25,227,022
[Includes short provision of earlier year ₹ Nil (31 March 2011 : ₹ 4,299,413)]		
Less : Proposed preference dividend	250,000	-
Less : Tax on dividends	3,435,538	4,206,499
[Includes short provision of earlier year ₹ Nil (31 March 2011 : ₹ 730,685)]		
Less : Transfer to general reserve	32,850,000	20,000,000
<b>Balance at the end of the year</b>	<b>2,280,540,410</b>	<b>1,546,676,900</b>
<b>Total</b>	<b>3,345,294,394</b>	<b>2,353,580,884</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for year ended 31 March 2012

	As at 31 March 2012		As at 31 March 2011	
	Amounts in ₹		Amounts in ₹	
	Long Term	Current Portion	Long Term	Current Portion
<b>4 Long term borrowings</b>				
<b>Secured</b>				
External commercial borrowings	264,479,105	90,763,592	291,564,500	60,724,000
Term loans				
From banks	6,504,822,664	614,483,663	1,564,564,418	446,269,977
From financial institutions	3,012,619,512	160,655,143	446,922,151	145,008,248
<b>Total</b>	<b>9,781,921,281</b>	<b>865,902,398</b>	<b>2,303,051,069</b>	<b>652,002,225</b>
Amount disclosed under "Other current liabilities" (Also refer note 9)	-	(865,902,398)	-	(652,002,225)
	<b>9,781,921,281</b>	<b>-</b>	<b>2,303,051,069</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 @ 11 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.

	As at 31 March 2012 Amounts in ₹	As at 31 March 2011 Amounts in ₹
<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	122,227,450	104,030,532
<b>Total deferred tax liabilities (A)</b>	<b>122,227,450</b>	<b>104,030,532</b>
<b>Deferred tax asset arising on account of :</b>		
Provision for bad and doubtful advances	6,910,784	6,910,784
Provision for employee benefits	5,490,886	3,406,205
Others	-	5,439,631
<b>Total deferred tax assets (B)</b>	<b>12,401,670</b>	<b>15,756,620</b>
<b>Net deferred tax liability (A-B)</b>	<b>109,825,780</b>	<b>88,273,912</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for year ended 31 March 2012

	As at 31 March 2012		As at 31 March 2011	
	Amounts in ₹		Amounts in ₹	
	Long term	Short term	Long term	Short term
<b>6 Provisions</b>				
Provision for employee benefits (Also, refer note 35)	13,087,238	2,021,221	10,498,398	-
Provision for resurfacing expenses (Also refer note 36)	5,462,733	-	-	-
Proposed dividend on equity shares	-	20,927,609	-	20,927,609
Proposed dividend on preference shares	-	250,000	-	-
Tax on proposed dividend	-	2,704,601	-	7,743,790
Provision for taxation (net of advance tax)	-	115,019,468	-	159,841,197
	<b>18,549,971</b>	<b>140,922,899</b>	<b>10,498,398</b>	<b>188,512,596</b>

	As at 31 March 2012	As at 31 March 2011
	Amounts in ₹	Amounts in ₹
<b>7 Short term borrowings</b>		
<b>Secured</b>		
Cash credit facilities from banks [Also, refer note (i) below]	5,040,002,178	2,801,450,896
<b>Unsecured</b>		
Loans from related parties [Also, refer notes (ii) below and 30]	8,841,766	39,436,545
Loans from other parties [Also, refer note (ii) below]	32,099,783	45,319,951
	<b>5,080,943,727</b>	<b>2,886,207,392</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.

	As at 31 March 2012	As at 31 March 2011
	Amounts in ₹	Amounts in ₹
<b>8 Trade payables</b>		
Trade payables (Also refer note 30 and 37)	1,899,608,871	1,522,915,757
	<b>1,899,608,871</b>	<b>1,522,915,757</b>

<b>9 Other current liabilities</b>		
Current Portion of long term borrowings (Also, refer note 4)	865,902,398	652,002,225
Dues for capital expenditure	219,071,968	-
Interest accrued on borrowings	19,301,939	-
Mobilisation advances from customers (Also, refer notes 29 and 30 )	1,429,287,798	834,311,016
Other advance from customers (Also, refer note 30)	73,938,942	6,601,700
Retention payable	397,354,662	81,446,138
Unpaid dividends*	338,249	335,574
Unpaid share application money*	388,320	388,320
Book overdraft	228,076,408	58,533
Statutory dues	61,069,087	10,149,004
Other liabilities (Also, refer note 30)	165,726,701	22,683,241
	<b>3,460,456,472</b>	<b>1,607,975,751</b>
* Not due for credit to Investor Education & Protection Fund		

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for year ended 31 March 2012

### 10 Tangible assets

(Amounts in ₹)

Gross block	Freehold land *	Leasehold land	Buildings	Plant & equipment	Furniture & fixtures	Vehicles	Office equipment	Computers	Total
<b>Balance as at 1 April 2010</b>	676,178,991	5,470,000	17,124,085	1,682,236,465	8,181,190	114,453,896	5,925,897	5,096,045	2,514,666,569
Additions/Adjustment	3,888,235	-	357,791,049	471,074,256	3,684,613	1,940,560	1,655,543	2,669,395	842,703,651
Disposals/Adjustment	-	-	-	(3,959,959)	-	-	-	-	(3,959,959)
<b>Balance as at 31 March 2011</b>	<b>680,067,226</b>	<b>5,470,000</b>	<b>374,915,134</b>	<b>2,149,350,762</b>	<b>11,865,803</b>	<b>116,394,456</b>	<b>7,581,440</b>	<b>7,765,440</b>	<b>3,353,410,261</b>
Additions/Adjustment	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/Adjustment	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2012</b>	<b>701,143,575</b>	<b>5,470,000</b>	<b>531,733,483</b>	<b>2,715,683,407</b>	<b>14,649,367</b>	<b>127,754,363</b>	<b>10,819,078</b>	<b>10,305,849</b>	<b>4,117,559,122</b>
<b>Accumulated depreciation and amortisation</b>									
<b>Balance as at 1 April 2010</b>	-	-	1,123,503	383,432,837	3,746,312	62,182,531	1,840,664	2,825,548	455,151,395
Depreciation charge	-	-	7,515,847	228,227,755	1,017,802	13,771,977	817,735	1,494,924	252,846,040
Reversal on disposal of assets/Adjustment	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2011</b>	-	-	<b>8,639,350</b>	<b>611,660,592</b>	<b>4,764,114</b>	<b>75,954,508</b>	<b>2,658,399</b>	<b>4,320,472</b>	<b>707,997,435</b>
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/Adjustment	-	-	619,052	39,069,017	881,875	3,490,451	599,112	-	44,659,507
<b>Balance as at 31 March 2012</b>	-	-	<b>32,135,819</b>	<b>915,238,792</b>	<b>7,289,541</b>	<b>91,234,313</b>	<b>4,205,726</b>	<b>5,964,024</b>	<b>1,056,068,215</b>
<b>Net block</b>									
<b>Balance as at 31 March 2011</b>	<b>680,067,226</b>	<b>5,470,000</b>	<b>366,275,784</b>	<b>1,537,690,170</b>	<b>7,101,689</b>	<b>40,439,948</b>	<b>4,923,041</b>	<b>3,444,968</b>	<b>2,645,412,826</b>
<b>Balance as at 31 March 2012</b>	<b>701,143,575</b>	<b>5,470,000</b>	<b>499,597,664</b>	<b>1,800,444,615</b>	<b>7,359,826</b>	<b>36,520,050</b>	<b>6,613,352</b>	<b>4,341,825</b>	<b>3,061,490,907</b>

(\*) The Company is in the process of getting the title deeds in respect of land at Powai, Mumbai transferred in its name.

### 11 Intangible assets

(Amounts in ₹)

Gross block	Toll Collection Rights	Goodwill	Total
<b>Balance as at 1 April 2010</b>	-	-	-
Additions	-	27,042,460	27,042,460
Disposals	-	-	-
<b>Balance as at 31 March 2011</b>	-	<b>27,042,460</b>	<b>27,042,460</b>
Additions	2,286,476,991	28,058,356	2,314,535,347
Disposals	-	-	-
<b>Balance as at 31 March 2012</b>	<b>2,286,476,991</b>	<b>55,100,816</b>	<b>2,341,577,807</b>
<b>Accumulated amortisation</b>			
<b>Balance as at 1 April 2010</b>	-	-	-
Depreciation charge	-	-	-
Reversal on disposal of assets	-	-	-
<b>Balance as at 31 March 2011</b>	-	-	-
Depreciation charge	57,037,752	-	57,037,752
Reversal on disposal of assets	-	-	-
<b>Balance as at 31 March 2012</b>	<b>57,037,752</b>	-	<b>57,037,752</b>
<b>Net block</b>			
<b>Balance as at 31 March 2011</b>	-	<b>27,042,460</b>	<b>27,042,460</b>
<b>Balance as at 31 March 2012</b>	<b>2,229,439,239</b>	<b>55,100,816</b>	<b>2,284,540,055</b>

#### Notes

- Toll collection rights are subject to first charge to secured long term borrowing from the lenders.
- During the year the Kopergaon project was completed and amortisation of the project has commenced.
- Goodwill of ₹ 28,058,356 (31 March 2011: ₹ 27,042,460) arises on account of acquisition of a subsidiary.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for year ended 31 March 2012

### 12 Non-current investments (Valued at cost, fully paid up, unless stated otherwise)

	As at 31 March 2012		As at 31 March 2011	
	Amounts in ₹		Amounts in ₹	
	No. of Shares	Book Value	No. of Shares	Book Value
<b>Trade</b>				
<b>Others</b>				
Kalyan Sangam Infratech Limited	390,625	39,062,500	390,625	39,062,500
Sanjose Supreme Tollways Development Private Limited	4,000	40,000	-	-
Less : Share of loss		(12,861)	-	-
		27,139	-	-
Deogiri Nagri Sahakari Bank Limited	20,350	203,500	-	-
Jankalyan Bank Ltd.	25,000	250,000	-	-
Janta Sahakari Bank Ltd.	5,000	50,000	-	-
Co-operative society M.I.D.C.	500	5,000	-	-
Vaidyanath Bank	25,000	250,000	-	-
Solapur Janta Sah.Bank Ltd.	50,000	500,000	-	-
<b>Investments in preference shares (unquoted) *</b>				
<b>Others</b>				
Kalyan Sangam Infratech Limited	609,375	60,937,500	609,375	60,937,500
<b>Investment in unincorporated Joint ventures</b>				
Supreme Siddhi JV [50% share (31 March 2011 - 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	-	50,000
		<b>103,686,475</b>		<b>102,400,836</b>
<b>Aggregate amount of Investments</b>				
Aggregate amount of unquoted investment at cost		103,686,475		102,400,836
Provision for diminution in value of investments		-		-
		<b>103,686,475</b>		<b>102,400,836</b>

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for year ended 31 March 2012

	As at 31 March 2012		As at 31 March 2011	
	Amounts in ₹		Amounts in ₹	
	Long term	Short term	Long term	Short term
<b>13 Loans and advances</b>				
(Unsecured, considered good unless otherwise stated)				
Capital advances	49,090,000	-	-	-
Security deposits	31,990,668	284,621,405	16,548,348	124,518,174
<b>Loans and advances to related parties (refer note 30)</b>				
Due from joint ventures	-	605,208,949	-	408,427,924
Due from associate	-	40,430,179	-	-
<b>Advances recoverable in cash or kind</b>				
- considered good	-	1,319,034,876	-	1,518,795,286
- considered doubtful	-	21,300,000	-	21,300,000
<b>Other loans and advances</b>				
Subscription money pending allotment *	80,000,000	-	253,222,355	-
Mobilisation and material advances	-	769,734,530	-	451,455,450
Advances to employees	-	10,594,145	-	1,591,414
Prepaid expenses	11,801,437	8,603,062	41,501,566	6,938,236
Balances with statutory / government authorities	-	364,295,496	-	155,633,386
	<b>172,882,105</b>	<b>3,423,822,642</b>	<b>311,272,269</b>	<b>2,688,659,870</b>
Less : Provision for doubtful advances	-	(21,300,000)	-	(21,300,000)
	<b>172,882,105</b>	<b>3,402,522,642</b>	<b>311,272,269</b>	<b>2,667,359,870</b>

\* Subscription money pending allotment constitutes:

- i. Share application money in Kanka Infratech Limited, amounting to ₹80,000,000 towards strategic investment in the company.

	As at 31 March 2012 Amounts in ₹	As at 31 March 2011 Amounts in ₹
<b>14 Other non current assets</b>		
Non-current bank balances (Also, refer note 18)	183,483,938	1,203,713
	<b>183,483,938</b>	<b>1,203,713</b>

	As at 31 March 2012		As at 31 March 2011	
	No. of Units	Amounts in ₹	No. of Units	Amounts in ₹

### 15 Current investments

#### Investments in mutual funds\*

(Non-trade, unquoted, at lower of cost and fair value)				
Reliance Money Manager Fund - Institutional option	177	177,712	157	157,370
- Daily Dividend Plan (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	-	-
S.B.I. Debt Fund	3,360,000	33,600,000	3,360,000	33,600,000
Axis Hybrid Fund-Series 1 - Growth plan	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	250,000	2,500,000
Axis Capital Protection Fund (Face value of ₹ 1,000 each)	1,500	1,500,000	-	-
Axis Capital Protection Oriented Fund	99,990	1,000,000	-	-
		<b>49,428,718</b>		<b>39,257,370</b>
Aggregate market value of current investments		54,083,560		39,944,848
* Face value of ₹ 10 each, unless otherwise stated				

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for year ended 31 March 2012

	As at 31 March 2012 Amounts in ₹	As at 31 March 2011 Amounts in ₹		
<b>16 Inventories</b> <b>(as valued and certified by management)</b>				
Construction materials	887,768,619	475,843,232		
Unbilled work-in-progress	1,127,896,364	694,192,826		
	<b>2,015,664,983</b>	<b>1,170,036,058</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	2,838,841,158	582,352,153		
[Refer note (i) below]				
Other debts [Refer note (ii) below]	3,120,483,744	2,211,966,034		
	<b>5,959,324,902</b>	<b>2,794,318,187</b>		
<b>Notes :</b>				
i Includes retention money	961,505,200	281,193,575		
ii Includes retention money	77,410,474	110,995,985		
	<b>As at 31 March 2012</b> Amounts in ₹	<b>As at 31 March 2011</b> Amounts in ₹		
	<b>Non-current</b>	<b>Current</b>	<b>Non-current</b>	<b>Current</b>
<b>18 Cash and bank balances</b> <b>Cash and cash equivalents</b>				
Cash on hand	-	32,628,653	-	23,413,020
Balances with banks in current accounts *	-	377,470,945	-	196,368,868
	-	<b>410,099,598</b>	-	<b>219,781,888</b>
<b>Other bank balances</b>				
Earmarked bank balances				
- Unpaid dividend account	-	360,574	-	360,574
- IPO escrow account	-	388,320	-	388,320
Margin money **	136,560,000	396,346,636	-	340,031,893
Bank deposits with maturity of more than 3 months but less than 12 months	-	261,783,129	-	7,295,893
Bank deposits with maturity of more than 12 months ***	46,923,938	-	1,203,713	-
	<b>183,483,938</b>	<b>1,068,978,257</b>	<b>1,203,713</b>	<b>567,858,568</b>
Less : Amounts disclosed as Other non-current assets (Also, refer note 14)	(183,483,938)	-	(1,203,713)	-
<b>Total</b>	<b>-</b>	<b>1,068,978,257</b>	<b>-</b>	<b>567,858,568</b>

\* Includes ₹ 104,963 [31 March 2011 : ₹ 104,963] being unutilised money out of the public issue

\*\* Pledged against bank guarantees

\*\*\* Includes ₹ 14,999,540 [31 March 2011 : Nil] pledged against loans from banks

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for year ended 31 March 2012

	Year ended 31 March 2012 Amounts in ₹	Year ended 31 March 2011 Amounts in ₹
<b>19 Revenue from operations</b>		
Sales and contract revenue	17,117,748,336	9,200,812,811
Toll Collection	152,118,833	-
	<b>17,269,867,169</b>	<b>9,200,812,811</b>
<b>20 Other income</b>		
Interest income	36,883,430	5,693,332
Dividend income	176,348	502,423
Profit on sale of investment	-	-
Dividend from non-current investments	60,000	-
Profit on redemption of mutual funds	-	2,407,799
Other non-operating income	411,863	6,148,925
	<b>37,531,641</b>	<b>14,752,479</b>
<b>21 Material and direct contract costs</b>		
<b>Construction materials and components</b>		
Opening stock	826,776,451	239,617,470
Add : Purchases during the year	4,971,509,366	3,218,602,693
Less: Closing stock	887,768,619	475,843,232
Construction materials and components consumed	4,910,517,198	2,982,376,931
Labour and Sub Contract costs	8,455,465,814	3,998,150,052
Power and Fuel	142,764,056	99,640,703
Repairs to Plant and Machinery	32,521,584	17,113,726
Rent and Hire charges	170,250,120	74,471,032
Transportation charges	130,044,148	145,260,352
Other	197,014,637	156,872,982
	<b>14,038,577,556</b>	<b>7,473,885,778</b>
<b>22 Changes in work-in-progress</b>		
Opening work in progress	844,592,777	400,256,417
Less: Closing work in progress	1,079,330,375	694,192,826
	<b>(234,737,598)</b>	<b>(293,936,409)</b>
<b>23 Employee benefit expenses</b>		
Salaries, wages and bonus	355,254,410	252,004,702
Contribution to gratuity (Also, refer note 35.A)	4,610,061	4,320,040
Contribution to provident and other defined contribution funds (Also, refer note 35.B)	8,345,241	5,562,629
Staff welfare expenses	17,927,505	11,159,471
	<b>386,137,217</b>	<b>273,046,842</b>
<b>24 Finance costs (net)</b>		
Interest expenses		
- External commercial borrowings	15,166,685	15,392,276
- Term loans	755,595,003	133,066,061
- Cash credit facilities	486,029,774	234,572,871
- Others	86,553,870	7,170,637
Bank charges	70,432,471	51,311,908
	<b>1,413,777,803</b>	<b>441,513,753</b>
Less : Interest capitalised and included in capital work in progress and intangible asset under development (Also refer note 42)	(174,448,019)	(30,659,057)
	<b>1,239,329,784</b>	<b>410,854,696</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for Year Ended 31 March 2012

	Year ended 31 March 2012 Amounts in ₹	Year ended 31 March 2011 Amounts in ₹
<b>25 Depreciation and amortisation expense</b>		
Depreciation of tangible assets (Also, refer note 10)	303,411,273	252,846,040
Amortisation of intangible assets (Also, refer note 11)	57,037,752	-
	<b>360,449,025</b>	<b>252,846,040</b>
<b>26 Other expenses</b>		
Power and fuel	28,672,671	18,148,108
Rent	45,211,287	21,974,784
Repairs and maintenance		
- Buildings	383,838	-
- Plant and equipment	80,880	892,814
- Others	1,171,112	1,136,118
Insurance	45,732,605	13,961,081
Rates and taxes	760,239	5,385,874
Resurfacing expenses (Also refer note 36)	5,462,733	-
Payments to auditors (Also, refer note 31)	6,116,170	3,568,690
Legal and professional	59,344,536	42,802,461
Travelling and conveyance	10,245,503	10,046,565
Printing and stationery	6,038,777	5,016,961
Communication expenses	8,959,265	4,381,564
Advertisement	10,139,044	4,176,124
Conveyance and travelling	1,260,950	-
Non executive directors' commission	4,400,000	4,400,000
Directors sitting fees	446,000	200,000
Foreign exchange loss	48,247,650	-
Provision for doubtful advances (net)	-	21,300,000
Preliminary and loan processing charges written off	-	7,107,856
Miscellaneous expenses	51,041,958	19,001,883
	<b>333,715,218</b>	<b>183,500,883</b>
<b>27 Earnings per share (EPS)</b>		
Weighted average number of equity shares outstanding during the year	16,742,087	15,739,301
Add:- Dilutive effect	-	-
Weighted average number of equity shares used to compute diluted EPS	16,742,087	15,739,301
Net Profit after tax	813,863,050	713,319,796
Less: Dividend on preference shares (including tax)	(290,556)	-
Less: Share of loss of associate	(12,861)	-
Less: Minority Interest	(22,523,532)	(691,307)
Net Profit after tax attributable to equity shareholders	791,036,101	712,628,489
Earning per share :		
Basic	47.25	45.28
Diluted	47.25	45.28

### 28 Commitments

#### Capital commitment

Contracts remaining to be executed on capital account not provided for ₹ 17,070,000,000 (31 March 2011 - ₹ 3,910,080,725)

#### 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 Year Ended 31 March 2012

### 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 (w.e.f. 20 December 2011)  
 Supreme Panvel Indapur Tollways Private Limited  
 Supreme Mega Structures Private Limited  
 Supreme Infra Projects Private Limited  
 Rudranee Infrastructures Limited (w.e.f 27 June 2011)  
 Supreme Manor Wada Bhiwandi Infrastructure Private Limited  
 Supreme Best Value Kolhapur (Shiroli) Sangli Tollways Private Limited  
 Supreme Ahmednagar Karmala Tembhurni Tollways Private Limited  
 Supreme Kopargaon Ahmednagar Tollways Private Limited (w.e.f. 30 April 2011)  
 Supreme Suyog Funicular Ropeways Private Limited

###### (ii) Associate

Sanjose Supreme Tollways Development 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 - Zander JV  
 HGCL -Niraj-Supreme Infrastructure Private Limited

###### (ii) Key Management Personnel (KMP)

Mr. Bhawanishankar Sharma  
 Mr. Vikram Sharma  
 Mr. Vikas Sharma  
 Mr. Rajesh Upadhyaya

###### (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 CONSOLIDATED FINANCIAL STATEMENTS for Year Ended 31 March 2012

### 30 Related Party

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

						(Amount in ₹)
Transaction during the year	Subsidiaries	Associate	Joint ventures	Key Management Personnel	Relatives of Key Management Personnel	Other related parties
CONTRACT REVENUE						
Supreme Manor Wada Bhiwandi Infrastructure Pvt. Ltd.	1,342,404,772 (582,897,449)	- (-)	- (-)	- (-)	- (-)	- (-)
Supreme Panvel Indapur Tollways Pvt. Ltd.	506,374,641 (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Supreme Ahmednagar Kamala Tembhumni Pvt. Ltd.	481,884,118 (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Supreme Kopergaon Ahmednagar Tollways Pvt. Ltd.	780,502,784 (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Supreme MBL JV	- (-)	- (-)	- (377,941,587)	- (-)	- (-)	- (-)
Petron Supreme JV	- (-)	- (-)	147,530,525 (366,640,415)	- (-)	- (-)	- (-)
HGCL Niraj Supreme Infrastructure Pvt. Ltd.	- (-)	- (-)	512,432,154 (315,251,030)	- (-)	- (-)	- (-)
Supreme Housing and Hospitality Pvt. Ltd.	- (-)	- (-)	- (-)	- (-)	- (-)	438,378,883 (804,958,616)
Purchases						
Supreme Siddhi JV	- (-)	- (-)	- (56,532,685)	- (-)	- (-)	- (-)
Expenses reimbursed to						
Supreme MBL JV	- (-)	- (-)	- (218,835,983)	- (-)	- (-)	- (-)
Supreme Petron JV	- (-)	- (-)	- (331,068,291)	- (-)	- (-)	- (-)
HGCL Niraj Supreme Infrastructure Pvt. Ltd.	- (-)	- (-)	- (374,499,965)	- (-)	- (-)	- (-)
Supreme Siddhi JV	- (-)	- (-)	248,912,122 (-)	- (-)	- (-)	- (-)
Sanjose Supreme Tollways Development Pvt. Ltd.	- (-)	40,670,051 (-)	- (-)	- (-)	- (-)	- (-)
Investments						
Supreme Siddhi JV	- (-)	- (-)	- (800,000)	- (-)	- (-)	- (-)
Proceeds on issue of Share Capital						
Mr. Rajesh Upadhyaya	- (-)	- (-)	- (-)	- (40,000)	- (-)	- (-)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for Year Ended 31 March 2012

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

(Amount in ₹)						
Transaction during the year	Subsidiaries	Associate	Joint ventures	Key Management Personnel	Relatives of Key Management Personnel	Other related parties
<b>Receipt of unsecured loan</b>						
Mr. Bhawanishankar Sharma	-	-	-	3,301,940	-	-
	(-)	(-)	(-)	(6,172,487)	(-)	(-)
Ms. Rita Sharma	-	-	-	-	19,800,000	-
	(-)	(-)	(-)	(-)	(36,000,000)	(-)
BHS Housing Pvt. Ltd.	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(602,125,000)
<b>Repayment of unsecured loan</b>						
Mr. Bhawanishankar Sharma	-	-	-	18,799,130	-	-
	(-)	(-)	(-)	(34,999,713)	(-)	(-)
Ms. Rita Sharma	-	-	-	-	24,000,000	-
	(-)	(-)	(-)	(-)	(-)	(-)
BHS Housing Pvt. Ltd.	-	-	-	-	-	10,897,589
	(-)	(-)	(-)	(-)	(-)	(341,227,411)
<b>Receipt of mobilisation advance</b>						
Supreme Zanders JV	-	-	75,673,919	-	-	-
	(-)	(-)	(10,626,761)	(-)	(-)	(-)
Supreme Housing and Hospitality Pvt. Ltd.	-	-	-	-	-	194,569,613
	(-)	(-)	(-)	(-)	(-)	(22,317,741)
<b>Adjustment of mobilisation advance</b>						
Supreme Zanders JV	-	-	62,989,524	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Supreme Housing and Hospitality Pvt. Ltd.	-	-	-	-	-	137,785,611
	(-)	(-)	(-)	(-)	(-)	(3,217,212)
<b>Conversion of share warrant</b>						
Mr. Vikram Sharma	-	-	-	-	-	-
	(-)	(-)	(-)	(45,000,000)	(-)	(-)
<b>Share application money pending allotment</b>						
BHS Housing Pvt. Ltd.	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(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>						
HGCL Niraj Supreme Infrastructure Pvt. Ltd.	-	-	152,045,594	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Supreme MBL JV	-	-	71,956,638	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for Year Ended 31 March 2012

### c) Balances at the year end :

							(Amount 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	-	-	-	3,041,766	-	-	-
	(-)	(-)	(-)	(18,538,956)	(-)	(-)	(-)
Ms. Rita Sharma	-	-	-	-	5,800,000	-	-
	(-)	(-)	(-)	(-)	(10,000,000)	(-)	(-)
<b>Trade payable</b>							
Petron Supreme JV	-	-	-	-	-	-	-
	(-)	(-)	(129,007,629)	(-)	(-)	(-)	(-)
BHS Housing Pvt. Ltd.	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(10,897,589)
Supreme Housing and Hospitality Pvt. Ltd.	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(29,419,711)
<b>Advance from customers</b>							
Supreme Zanders JV	-	-	23,311,156	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Supreme Housing & Hospitality Pvt. Ltd.	-	-	-	-	-	-	17,142,162
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
<b>Retention payable</b>							
Sanjose Supreme Tollways Development Pvt. Ltd.	-	3,600,000	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
<b>Other current liabilities</b>							
Mr. Bhawanishankar Sharma	-	-	-	241,858	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Mr. Vikram Sharma	-	-	-	241,858	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Mr. Vikas Sharma	-	-	-	241,857	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Ms. Barkha Sharma	-	-	-	-	17,000,000	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
<b>Trade receivable</b>							
Supreme Siddhi JV	-	-	186,920,885	-	-	-	-
	(-)	(-)	(27,221,207)	(-)	(-)	(-)	(-)
Petron Supreme JV	-	-	8,794,178	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
HGCL - Niraj - Supreme Infrastructure Pvt. Ltd.	-	-	61,648,189	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Supreme Housing and Hospitality Pvt. Ltd.	-	-	-	-	-	-	221,007,106
	(-)	(-)	(-)	(-)	(-)	(-)	(176,986,134)
<b>Loan and advances</b>							
<b>Other loans</b>							
Sanjose Supreme Tollways Development Pvt. Ltd.	-	40,470,179	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Supreme MBL JV	-	-	453,163,355	-	-	-	-
	(-)	(-)	(381,206,717)	(-)	(-)	(-)	(-)
Supreme Siddhi JV	-	-	-	-	-	-	-
	(-)	(-)	(27,221,207)	(-)	(-)	(-)	(-)
HGCL Niraj Supreme Infrastructure Pvt. Ltd.	-	-	152,045,594	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)

(Figures in bracket represents previous year numbers)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for Year Ended 31 March 2012

### 31 Auditor Remuneration (excluding service tax)

	Year ended 31 March 2012 Amounts in ₹	Year ended 31 March 2011 Amounts in ₹
Audit fees	6,091,170	3,543,690
Tax audit fees	25,000	25,000
<b>Total</b>	<b>6,116,170</b>	<b>3,568,690</b>

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

Particulars	31 March 2012 Amounts in ₹	31 March 2011 Amounts in ₹
A Amount of contract revenue recognized as revenue during the year	17,560,465,324	9,178,547,668
B Aggregate amount of cost incurred and recognized profits less recognized losses upto the reporting date	14,038,577,556	6,647,812,911
<b>Balances as at year end</b>		
C Amount of customer advances outstanding as on reporting date	1,429,287,798	834,311,016
D Amount of retentions	1,038,915,674	392,189,560
E Gross amount due from customers for contract work	4,920,409,226	2,402,128,627
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 holding company, 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 Rs. 3,111,166,316 (Previous Year: Rs. 582,897,449) and Rs. 486,027,205 (Previous Year: Rs. 79,508,157) respectively.

- 34 During the year, effective 26 June 2011, the Company has subscribed 51% equity share capital of Rudranee Infrastructure Limited for a consideration of Rs. 179,952,481. Excess of consideration over the value of the net worth is shown as goodwill arising on acquisition.

### 35 Employee benefits (Unfunded)

#### A. Defined benefit plan

The Company has gratuity as defined benefit retirement plan for its employees. Disclosures as required by AS - 15 (Revised) for the year ended March 31, 2012 are as under :

	31 March 2012 Amounts in ₹	31 March 2011 Amounts in ₹
<b>1. Changes in the present value of defined benefit obligation</b>		
Defined benefit obligation as at the beginning of the year	10,498,398	6,178,358
Service Cost	5,301,081	3,894,207
Interest Cost	866,118	509,714
Actuarial Losses/(Gains)	(1,557,138)	(83,881)
<b>Defined benefit obligation as at the end of the year</b>	<b>15,108,459</b>	<b>10,498,398</b>
<b>2. The amount recognised in the Profit &amp; Loss are as follows :</b>		
Service Cost	5,301,081	3,894,207
Interest Cost	866,118	509,714
Net actuarial losses/(gain) recognised during the year	(1,557,138)	(83,881)
<b>Expense recognised in Statement of Profit and Loss</b>	<b>4,610,061</b>	<b>4,320,040</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for Year Ended 31 March 2012

### 35 Employee benefits (Unfunded) (Contd.....)

	31 March 2012 Amounts in ₹	31 March 2011 Amounts in ₹
<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	15,108,459	10,498,398
Fair Value of Plan assets as at the end of the year	-	-
<b>Net Liability recognised in the balance sheet</b>	<b>15,108,459</b>	<b>10,498,398</b>
<b>Assumptions used</b>		
Discount rate	8.50%	8.25%
Future salary increase	8.50%	9.00%
Retirement Age (in years)	58	58
<b>B. Defined contribution plan</b>		
The amount of contribution to provident fund and ESIC recognised as expenses during the year is ₹ 8,345,241 (31 March 2011 ₹ 5,562,629)		

### 36 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.

Particulars	As at 31 March 2012 Amounts in ₹	As at 31 March 2011 Amounts in ₹
Opening Balance	-	-
Obligation on new toll projects	5,462,733	-
Utilised/Reversed during the year	-	-
Unused amount reversed during the year	-	-
Closing balance	<b>5,462,733</b>	-

### 37 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, 2012. 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.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for Year Ended 31 March 2012

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

S. No.	Name of the Company	Proportion of ownership interest either directly or indirectly	
		As at 31 March 2012	As at 31 March 2011
Subsidiaries and sub - subsidiaries			
1	Supreme Infrastructure BOT Pvt. Ltd. ('SIBPL')	100%	100%
2	Supreme Manor Wada Bhiwandi Infrastructure Pvt. Ltd.(Subsidiary of SIBPL)	49%	49%
3	Supreme Infra Projects Pvt. Ltd. (Subsidiary of SIBPL)	100%	100%
4	Supreme Suyog Funicular Ropeways Pvt. Ltd.(Subsidiary of SIBPL)	98%	-
5	Supreme Infrastructure BOT Holdings Pvt. Ltd. ('SIBHPL')	100%	-
6	Supreme Best Value Kolhapur (Shiroli) Sangli Tollways Pvt. Ltd.(Subsidiary of SIBHPL)	90%	90%
7	Supreme Ahmednagar Karmala Tembhorni Tollways Pvt. Ltd.(Subsidiary of SIBHPL)	100%	100%
8	Supreme Kopargaon Ahmednagar Tollways Pvt. Ltd. (Subsidiary of SIBHPL)	100%	-
9	Supreme Mega Structures Pvt. Ltd.	60%	60%
10	Supreme Panvel Indapur Tollways Pvt. Ltd.	64% (38% held through subsidiary)	64% (38% held through subsidiary)
11	Rudranee Infrastructure Ltd.	51%	-
Associate			
12	Sanjose Supreme Tollways Development Private Ltd.	40%	-
Each of the above entities is incorporated in India			

### 39 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%
Supreme - Chawla Interbuild	Lead JV partner	75%
Petron - Supreme JV	Minority JV partner	45%
Supreme Siddhi JV (India)	Lead JV partner	50%
Supreme Zanders JV	Lead JV partner	51%
HGCL -Niraj-Supreme Infrastructure Private Limited	Equal JV partner	50%

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

	Currency	31 March 2012	31 March 2011
External commercial borrowings	\$	6,944,234	7,890,000
	₹	355,242,697	352,288,500

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for Year Ended 31 March 2012

### 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 reported 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.

Particulars	EPC		Road Infrastructure		Total	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011	31 March 2012	31 March 2011
<b>REVENUE</b>						
Total External Revenue	13,996,804,020	8,617,915,362	161,896,833	-	14,158,700,853	8,617,915,362
Inter Segment Revenue	3,111,166,316	582,897,449	-	-	3,111,166,316	582,897,449
Total Revenue	17,107,970,336	9,200,812,811	161,896,833	-	17,269,867,169	9,200,812,811
<b>RESULT</b>						
<b>Segment Results</b>	2,337,785,702	1,358,762,037	47,940,049	(7,150,401)	2,385,725,751	1,351,611,636
Unallocated Corporate Expenses	-	-	-	-	-	40,141,959
<b>Operating Profit</b>	-	-	-	-	2,385,725,751	1,311,469,677
Other Income	-	-	-	-	37,531,641	14,752,479
Financial Expenses	-	-	-	-	1,239,329,784	410,854,696
<b>Profit Before Tax</b>	-	-	-	-	<b>1,183,927,608</b>	<b>915,367,460</b>
Current Tax	-	-	-	-	(349,231,902)	(220,159,685)
Deferred Tax	-	-	-	-	(20,832,656)	18,112,021
Net profit after Tax but before Minority Interest	-	-	-	-	<b>813,863,050</b>	<b>713,319,796</b>
Less: Share of loss of associate	-	-	-	-	(12,861)	-
Less : Share of profit/(loss) of minority interest	-	-	-	-	(22,523,532)	(691,307)
<b>Net profit</b>	-	-	-	-	<b>791,326,657</b>	<b>712,628,489</b>

Particulars	EPC		Road Infrastructure		Total	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011	31 March 2012	31 March 2011
<b>OTHER INFORMATION</b>						
Segment assets	11,450,237,448	8,967,922,889	12,838,288,721	2,412,165,067	24,288,526,169	11,380,087,956
Unallocated corporate assets	-	-	-	-	-	-
<b>Total assets</b>	11,450,237,448	8,967,922,889	12,838,288,721	2,412,165,067	<b>24,288,526,169</b>	11,380,087,956
Segment Liabilities	3,499,436,876	2,094,411,491	1,297,761,375	384,477,812	4,797,198,251	2,478,889,303
Unallocated corporate liabilities	-	-	-	-	15,346,292,160	6,130,196,899
<b>Total liabilities</b>	<b>3,499,436,876</b>	<b>2,094,411,491</b>	<b>1,297,761,375</b>	<b>384,477,812</b>	<b>20,143,490,411</b>	<b>8,609,086,202</b>
Capital Expenditure	665,293,077	528,702,049	7,345,988,538	1,008,872,606	8,011,281,616	1,537,574,655
Depreciation and Amortisation	311,057,887	252,846,040	57,104,118	-	360,449,025	252,846,040
Non- cash expenses other than Depreciation and Amortisation	21,300,000	21,300,000	-	38,964	21,300,000	21,338,964

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for Year Ended 31 March 2012

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

Supreme Infrastructure BOT Private Limited, a wholly owned subsidiary of the Company had taken loan from SREI Infrastructure Finance Limited which were utilised by the Company for investment in the equity shares and optionally convertible debentures of Supreme Infra Projects Private Limited, Supreme Manowada Bhiwandi Infrastructure Private Limited and Supreme Suyog Funicular Ropeways Private Limited for BOT Projects. 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 ₹178,037,795 (31 March 2011 : Nil) has been added to intangible asset under development

43 Subsequent to Balance Sheet on 3 July 2012, Supreme Infrastructure BOT Holdings Private Limited, a subsidiary of the Company, has allotted 759,020 equity shares of face value of ₹10 each at a premium of ₹1,187 per share and 2,949,874 Compulsorily Convertible Preference Shares of ₹10 each at a premium of ₹ 360 per share to Strategic Road Investments Limited, being 49% stake in Supreme Infrastructure BOT Holdings Private Limited.

44. The Group is in appeal with the Maharashtra Sales Tax Authority in respect of disallowance of VAT matter amounting to ₹ 3,128,974 for the year 2009-2010.

### 45 Prior year comparatives

Till the year ended 31 March 2011, the company was using pre-revised Schedule VI to the Companies Act, 1956, for preparation and presentation of its financial statements. During the year ended 31 March 2012, the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the company. The company has reclassified previous year figures to conform to this year's classification. Except accounting for dividend on investment in subsidiaries, the adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However it significantly impacts presentation and disclosures made in the financial statements, particularly presentation of balance sheet.

#### For and on behalf of the Board of Directors

**B. H. Sharma**  
Chairman

**Vikram Sharma**  
Managing Director

**Vikas Sharma**  
Wholetime Director

**Vijay Joshi**  
Company Secretary

Place : Mumbai  
Date : 29 August 2012

# STATEMENT PURSUANT TO SECTION 212 of the Companies Act, 1956,

Relating to Company's Interest in Subsidiary Companies.

STATEMENT PURSUANT TO SECTION 212 of the Companies Act, 1956, Relating to Company's Interest in Subsidiary Companies.

Sr. No.	Name of the Subsidiary Company	Supreme Infrastructure BOT Pvt. Ltd. (SIBPL)	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 Kohapur (Shiroli) Sangli Tollways Pvt. Ltd.	Supreme Ahmednagar Karmala Tembhurani Tollways Pvt. Ltd.	Supreme Infrastructure BOT Holdings Pvt. Ltd. (SIBHPL)	Supreme Kopergaon Ahmednagar Tollways Pvt. Ltd.	Rudra Infrastructure Ltd.	Supreme Suyog Funicular Ropeways Pvt. Ltd.
1	Financial Year ended on	31/03/2012	31/03/2012	31/03/2012	31/03/2012	31/03/2012	31/03/2012	31/03/2012	31/03/2012	31/03/2012	31/03/2012	31/03/2012
2	Number of Shares and face value of the Subsidiary held by the Company as on the above date	9999 Equity Shares of Rs. 10/- each.	26000 Equity Shares (38000 held by SIBPL) of Rs. 10/- each.	6000 Equity Shares of Rs. 10/- each.	49000 Equity Shares of Rs. 10/- each held by SIBPL.	9999 Equity Shares of Rs. 10/- each held by SIBPL.	45000 Equity Shares of Rs. 10/- each held by SIBPL.	9999 Equity Shares of Rs. 10/- each held by SIBPL.	9999 Equity Shares of Rs. 10/- each held by SIBPL.	9999 Equity Shares of Rs. 10/- each held by SIBPL.	12183648 Equity Shares of Rs. 10/- each	9999 Equity Shares of Rs. 10/- each held by SIBPL.
3	Extent of Holding	100%	26% (38% held through SIBPL)	60%	49%	100%	90%	100%	100%	100%	5%	98%
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, 2012	(104,488,901)	(107,886)	3,721,166	15,665	(80,047)	(252,810)	(280,900)	(8,530,798)	(86,409,088)	33,403,723	(82,467)
2.	For previous financial year of the Subsidiary since it became a Subsidiary Company	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
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.	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
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
(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
(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
(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

## NOTE

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## 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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