



**Breaking
New Grounds**

Annual Report 2009-10



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Vision

To execute projects with **consistent quality assurance, cost control and adherence to milestones** as per customer requirements.

To endeavour to promote the culture of **sharing rich and varied experience** with staff members, as also with clients, which will benefit and help the growth in the construction fraternity and society at large.

Breaking New Grounds

In excellence.

In quality.

In scale.

In diversity.

In value.



For us, at Supreme Infrastructure India Ltd. (SIIL), ground-breaking is more than a ceremony and much more than a ritual that marks the launch of each of our projects.

It is a value system that transcends every function of our business operation.

An ethos that is manifest in our successful execution and delivery – across the entire spectrum of our EPC & BOT projects.

And that is evident in our in-house capabilities, developed through extensive backward integration, that facilitate our exemplary performance in every vertical of our presence.

And which has enabled us to expand our vertical and geographical presence, to foray into new EPC business segments – power, irrigation, sewerage and into the northern regions of Punjab, Haryana and NCR.

It is the driving force that helps us break new grounds every step of the way, as we traverse the journey into the future, with greater focus on BOT projects.

And that enables us to give exemplary value to each of our stakeholders through our growing portfolio of iconic quality projects.





Company Overview

Profile

A young, diversified & dynamic infrastructure development player, Supreme Infrastructure India Limited (SIIL) is a Rs. 5,332.5 million company, engaged in Engineering Procurement and Construction (EPC) business.

Armed with robust integration and superior execution capabilities, SIIL, promoted by Mr. Bhawani Shankar Sharma, has a diversified portfolio of roads, bridges, railways, power, buildings & sewerage. After building diverse capabilities in the EPC business, the Company is now expanding its BOT business on the back of key strengths that encompass quality benchmarks of the highest standards and timely execution of projects, along with excellent project management.

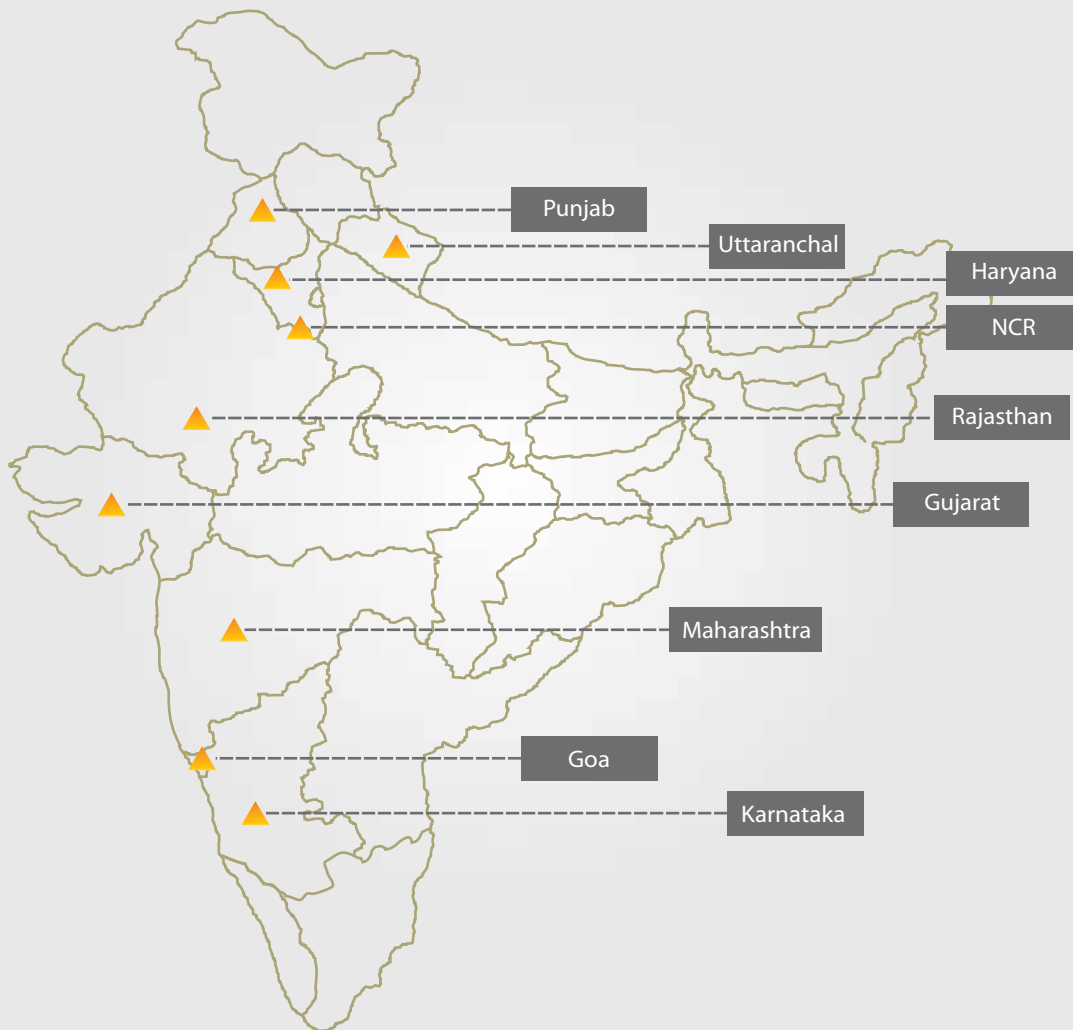
The Company has also leveraged its expertise, skills and experience in high margin and superior quality contracts.

Led by the commitment of a visionary management and steered by the hard work of a dedicated team, the Company has created value for its stakeholders. SIIL's shares are listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE).



Expanding presence

The Company has established a strong project base in Maharashtra, Gujarat, Rajasthan and Karnataka, and has recently forayed into the states of Haryana, Goa, Punjab and Uttaranchal and NCR region.



*Map not to scale

Clients

The Company's prestigious client list spans key Government institutions and bodies, as well as public sector organisations, including:

NHAI	Sadbhav Engineering	TMC	MMRDA	BMC	Airports Authority of India	JDA	PWD	Indian Railways	Ramprastha Developers	Mundra Port	Mumbai Port Trust
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Milestones

1983

Incorporation of the Company.

2002

First contract to build roads and bridges in Amravati by MSRDC.

2003

First RMC plant at Powai.

2004

Construction and widening of western express highway by MMRDA.

2005

Contract of PDE (Coastal) for strengthening of seawall and laying of tetra pods along seawall.

Contract for four-laning of Bhiwandi-Nashik Highway (NH-3) from Sadbhav Engineering Ltd.



2006

Established quarrying and crushing, RMC, paver block units at Padgha on Mumbai-Nashik Highway.

2007

Contract for rehabilitation & upgrading of Chitradurga section (189 km to 207 km) balance works (NH-4) from NHAI for Rs. 1,080 million.

Nallah development work at Thane for TMC worth Rs. 1,130 million.

2008

Low cost housing project in Thane from TMC for Rs. 740 million.

Flyover contract from Jaipur Development Authority for Rs. 649 million.

Started 3rd RMC plant and consolidated land holding to 103 acres.

2009

Contract received for various railway projects for Rs. 289 million.

Building project from Ramprastha Developers at Gurgaon for Rs. 2,363 million.

Awarded BOT contract worth Rs. 4,500 million for 64 km Bhiwandi-Wada-Manor from PWD.

2010

First power transmission contract awarded for Rs. 770 million.

Letter of Intent for two more power projects worth Rs. 1,750 million.

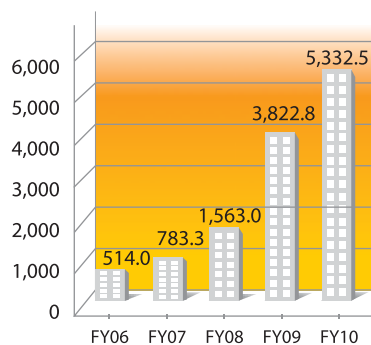
Financial Highlights

(Rs. million)

Particulars	FY 10	FY 09	FY 08	FY 07	FY 06
Results of operations					
Income from Operations	5,332.5	3,822.8	1,563.0	783.3	514.0
EBIDTA	981.8	662.9	360.5	191.5	107.8
Profit After Tax (PAT)	392.0	269.8	191.8	127.5	68.4
Financial Position					
Share Capital	138.7	138.7	138.7	104.0	100.0
Reserves & Surplus	1,384.1	1,016.4	800.1	292.0	140.3
Net Worth	1,522.8	1,155.2	905.6	396.0	240.3
Gross Block	2,890.6	2,290.6	1,189.8	391.1	148.9
Net Block	2,433.6	2,035.7	1,065.5	335.4	107.8
Net Current Assets	2,420.3	1,291.9	610.3	471.1	275.5
Ratios					
EBDITA Margin	18.4%	16.3%	22.6%	20.7%	19.6%
PAT Margin	7.4%	6.6%	12.0%	13.8%	12.5%

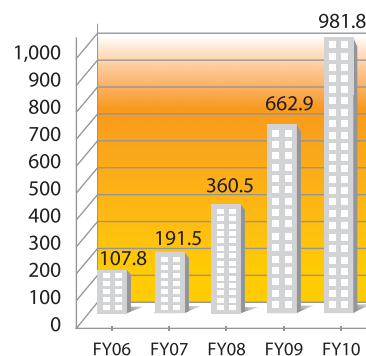
Income from Operations

(Rs. million)



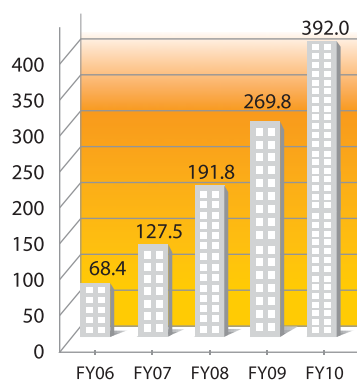
EBIDTA

(Rs. million)



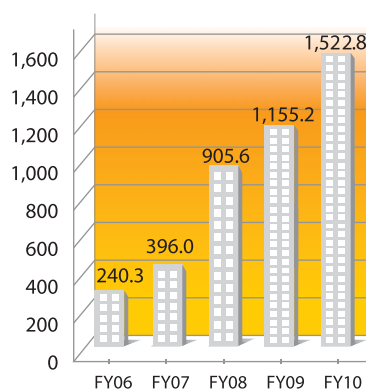
Profit After Tax (PAT)

(Rs. million)



Net Worth

(Rs. million)

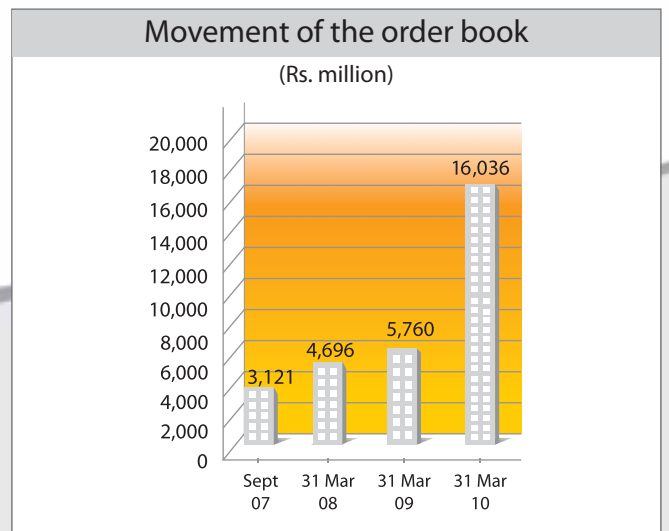
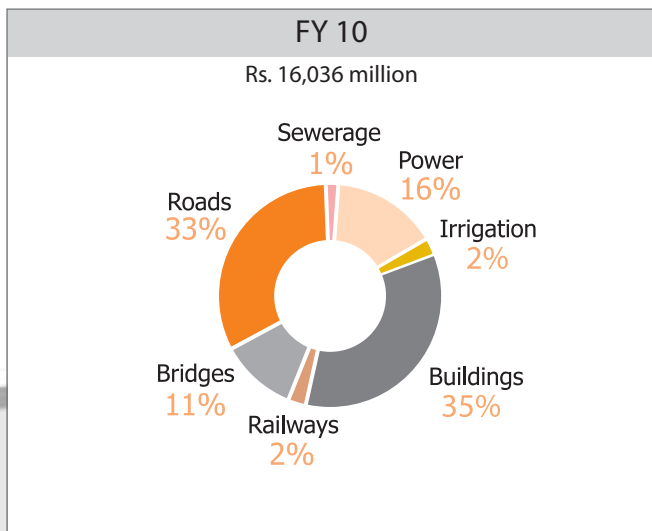
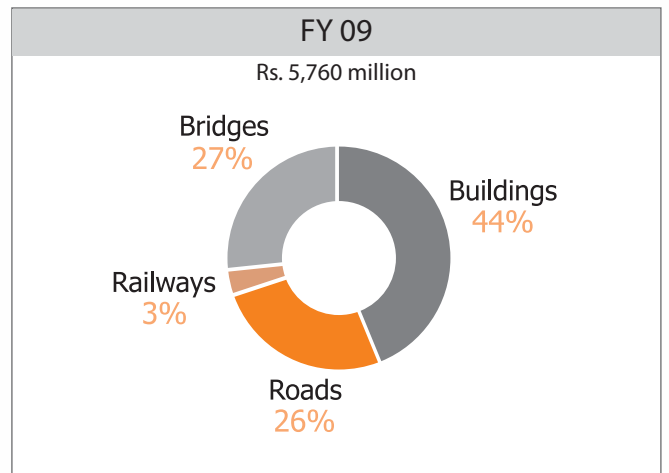
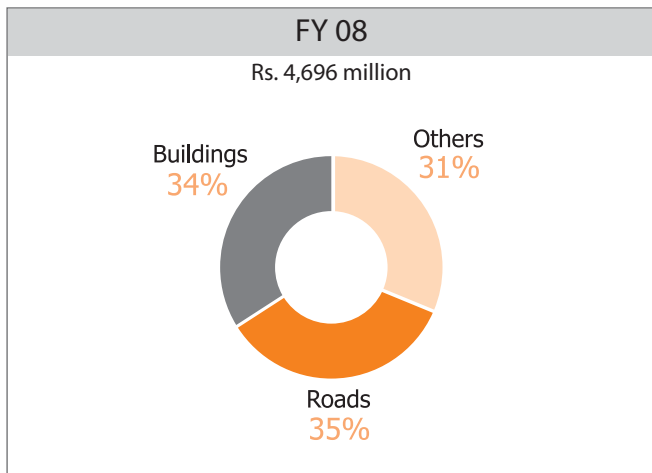




Order Book Analysis

The Company's order book, as on 31st March 2010, stands at an impressive Rs. 16,036 million, growing four-fold from FY 08.

Covering six states and an execution period of 2.5 years, the order book comprises a growing percentage (25%) of BOT projects, though Government projects continue to be the biggest contributor at 75%.



Strategic Business Model

The Company's business model is strategically classified into two key segments: EPC and BOT.

1. EPC

From just being focused on roads and buildings, the Company has successfully forayed into the high margin and better value added segments, such as bridges, flyovers, power, irrigation and railways, to break new grounds of success.

SILL's strategic roadmap of execution is built on its nucleus of key strengths, including experienced execution team and ability to manage logistics. The Company's model towards acquisition of quarrying land and bidding for projects enables it to bid competitively around quarrying land and improve success ratio, even as it ensures considerable reduction in input costs due to proximity of sites.

Backward integration EPC model

Its backward integrated model enables the Company to be self-reliant in terms of the key inputs required for infrastructure projects. The Company has:






- 7 Ready Mix Concrete (RMC) plants
- A wet mix macadam plant with production capacity of 100 MT per hour
- 3 asphalt mix plants
- A quarrying unit
- 7 crushing plants

This backward integration leads to savings in tariffs and taxes due to captive material transfers. It also enables SILL to sustain above-industry EBIDTA margins in majority of its sites, while ensuring uninterrupted supply of inputs to complete projects on/before time.




Diversified sectoral presence

The extent of SILL's entrenchment in the infrastructure space can be gauged from the Company's expertise in the following areas of presence:

				
Bridges	Railways	Buildings	Sewerages	Power
Equipped with capabilities to execute complex land and marine bridges, the Company has individual bidding capabilities for bridge contracts upto Rs. 2,000 million.	Qualified to bid for all EPC railway contracts except signaling, the Company has expanded its presence in this segment by executing variety of small contracts.	The Company has successfully executed various premium commercial and residential projects, low cost housing projects & public projects across states.	Armed with capability to develop support infrastructure and facilities, SILL has successfully executed orders more than Rs. 800 million.	The Company has recently ventured into power transmission with individual bidding capability of Rs. 2,000 million.

The key ongoing projects in these segments encompass:

Project	Value (Rs. million)	
• Western transport corridor Tumkur-Haveri NH-4 project	1,040	
• Construction of South & North Khaseli bridge	1,600	
• Construction of flyover at Transport Nagar Chourah, Jaipur	750	
• Construction of RCC building at MMRDA, Tulsidham, Thane	719	
• Construction and strengthening of the Nallah Works in Thane	1,132	
• Four-laning of road along Sidhwan canal with flyovers, underpasses, ROBs and canal lining Ludhiana (Approx. length 26.900 km) - 24% JV, Punjab Infrastructure Development Board	3,281 (Supreme Share 35% = Rs. 1,148.6 million)	

The Company's diversified project showcase has enabled it to emerge as a complete end-to-end infrastructure player with established presence across key segments.

Strategic Business Model

2. BOT

The burgeoning opportunity in the Build-Operate-Transfer (BOT) space has encouraged SILL to move up the value by foraying into this important segment of growth in an effort to capitalise on India's infrastructure growth story.

It's a growth story that is multiplying by the day and SILL, armed with its extensive experience and expertise in the infrastructure development space, is ideally positioned to make the most of the growth potential in BOT, which has in recent years, emerged as the driving model for the Government's infrastructure investments.

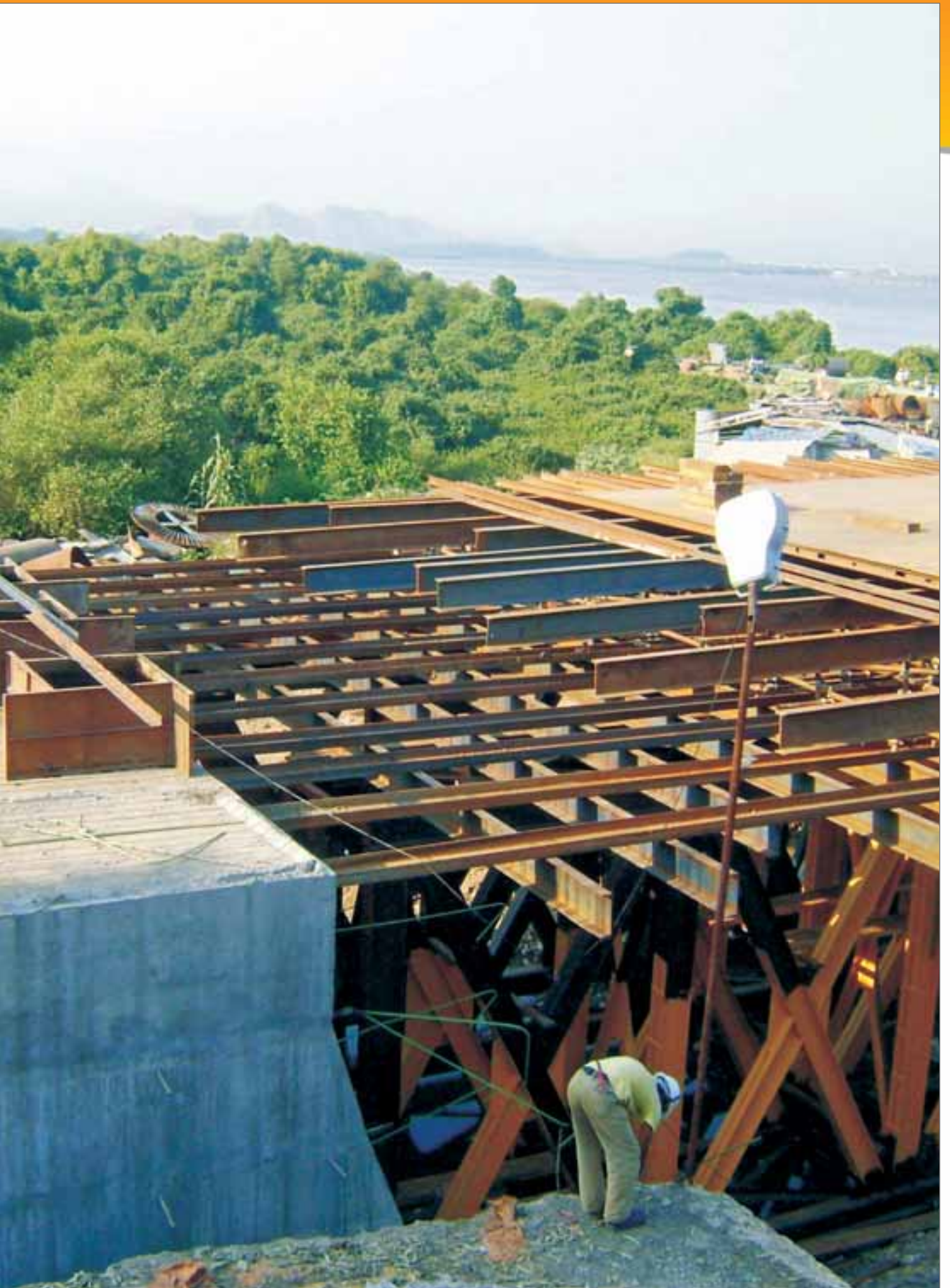
It is estimated that road building activity would need to achieve a three year (FY11-13) CAGR of 53% if the National Highway Authority of India's target is to be met. To effectively meet its targets, NHAI plans to use the BOT model for execution and implementation of more than 50% of the planned projects.

For SILL, roads & bridges are expected to remain around 35% of the order book, going forward. The key projects in this vital segment encompass:

Particulars	Manor Wada Bhiwandi	Kasheli	Haji Malang
Project Cost	Rs. 4,300 million	Rs. 3,486.6 million	Rs. 459 million
Concession Period	22 years 10 months	23 years 6 months	22 years
Estimated Construction Period	24 months	36 months	24 months
Location	Maharashtra	Thane District	Maharashtra
Project Type	Bridges + Roads	Bridges + Roads	Funicular
EPC Work Allocation	100% Supreme	100% Supreme	100% Supreme

BOT projects offer attractive financing opportunities, coupled with high margins, which would catapult growth for the Company in the years to come.





Chairman's Letter

Dear Shareholders,

The infrastructure sector in India is traversing through one of its most interesting phases today. A sound economy is built upon the platform of robust infrastructure, which acts as an enabler for a nation to realise its economic potential. Although there has been substantial infrastructure development in our country over the last few years, it has been inadequate to support India's pace of economic development.

The construction sector has grown at an annual rate of 12-15% from FY 04-08 and is expected to rise at around 35% during 2009-13. Until 2007-08, there was rapid growth in infrastructure activity. That changed dramatically for the worse in 2008-09, and continued to be muted for most of 2009-10.

Thankfully, infrastructure has again taken off from the last quarter of 2009-10, especially with increased investments in highways and power projects. The Government continues to focus on infrastructure development in a big way, as witnessed in the latest Union Budget. Moreover, this sector is attracting more funds not only from the domestic space but also from the international arena, even in the form of PPP.

Financial summary

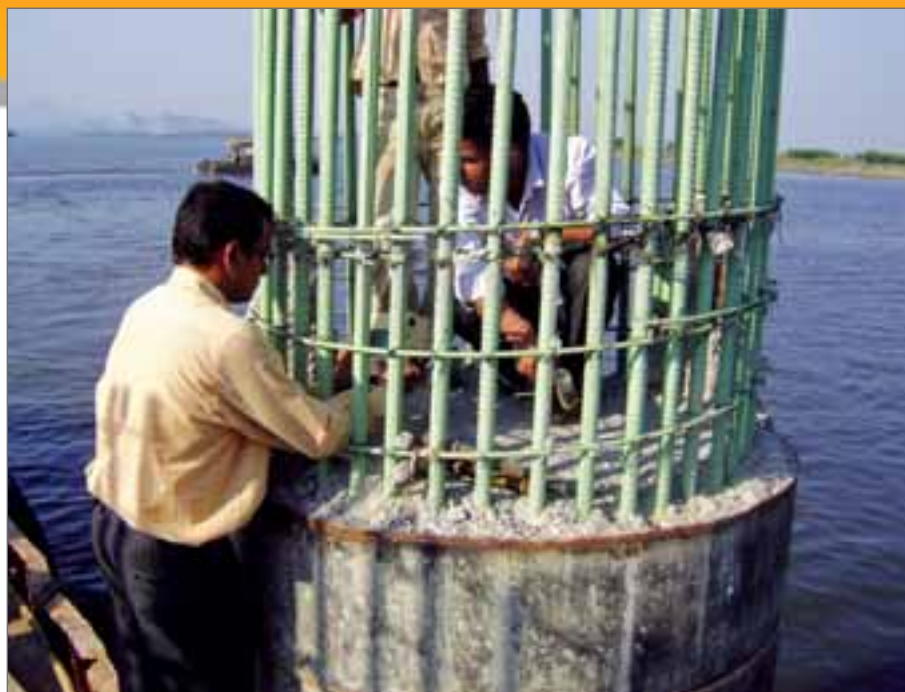
With the economy gaining momentum and the infrastructure sector picking up, your Company has posted excellent results. I am delighted to share with you that the year 2009-10 was a period of growth for your Company. Here is a brief summary:

- Order book grew by a whopping 178% to Rs. 16,036 million during the year.
- Income from operations increased by nearly 40% to Rs. 5,332.5 million in 2009 -10.
- EBIDTA increased by 48.1% to Rs. 981.8 million.
- PAT increased to Rs. 392.0 million a growth of 45.2%.

Operational achievements

Operationally, too we have done well during the year. Our operational accomplishments are marked by our foray into new attractive segments - power and irrigation. Your Company also expanded its geographic presence by establishing footprints in north India in the states of Punjab, Haryana and NCR region. These new forays, sectorally and geographically, have resulted in a diversified presence for your Company and will insulate us from business cyclicity.

The completion of the development of a world-class IT Park in Powai, Mumbai was a fete that raised the bar for your Company's operational excellence by many levels.



Award of contracts for various railway projects (Rs. 289 million), building project from Ramprastha Developers at Gurgaon (Rs. 2,363 million) and BOT contract worth Rs. 4,500 million for 64 km Bhiwandi-Wada-Manor from PWD were some of the key orders garnered by your Company during 2009-10. With the beginning of 2010, your Company has achieved even greater heights of success with the award of its first power transmission contract for Rs. 770 million and Letter of Intent received in two more projects for around Rs. 1,750 million.

Future forward

I have never been more optimistic about the future of your Company. The developments of the last twelve months have vindicated our belief in the vast growth opportunities that await us in the infrastructure industry in India. It is my firm belief that what we are witnessing currently is only the beginning. We have much more exciting and interesting times ahead that will unfold with breathtaking pace as we surge on the path of exceptional national progress. With reinforced strength in our key markets, defined strategies and continuous improvement in our capabilities, your Company is geared to more than double its turnover in the next 2 years and mark its position as one of the top performers in our sector.

On a concluding note

In conclusion, I wish to thank the employees for their skill and dedication, which have been critical factors in the excellent results posted by your Company. They have worked hard to deliver value to clients, shareholders and other stakeholders. I express my sincere appreciation to the management and workforce of SILL for their continued support. I am grateful to you for your support and the trust you have bestowed upon us and look forward to the same in a greater measure in the years ahead.

Sincerely,
B.H. Sharma
Executive Chairman

Board of Directors

Mr. B.H. Sharma
Executive Chairman

Mr. Vikram Sharma
Managing Director

Mr. Vikas Sharma
Whole Time Director

Mr. H.D. Sharma
Independent Director

Mr. Mukul Agrawal
Independent Director

Mr. V.P. Singh
Independent Director

Mr. Vinod Agarwala
Independent Director

Mr. Pramod Kasat
Independent Director

Company Secretary and Compliance Officer
Mr. Mukesh Gupta

Statutory Auditors
Shah & Kathariya
Chartered Accountants

Walker, Chandio & Co.
Chartered Accountants

Bankers
State Bank of India
State Bank of Patiala
Axis Bank Ltd.

Registered Office
Supreme City, Hiranandani Complex,
Near Chitrath Studio, Powai,
Mumbai - 400 076
Tel: +91 22 2570 0562 / 63
Fax: +91 22 2570 0564
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: bigshare@bom7.vsnl.net.in
www.bigshareonline.com

Directors' Report

To the Members

SUPREME INFRASTRUCTURE INDIA LIMITED

Your Directors have pleasure in presenting the Twenty Seventh DIRECTOR'S REPORT together with Audited Accounts of the Company for the Year ended 31st March, 2010.

FINANCIAL RESULTS

The Financial Results for the year ended 31st March 2010 are as under:

Particulars	(Rs. In Lacs)	
	Year ended 31 st March 2010	Year ended 31 st March 2009
Sales & Govt. Contracts Executed	53325.71	38224.99
Profit before interest, depreciation and Tax	9818.53	6629.19
Less : Interest	2202.17	1713.24
Depreciation	2021.26	1305.84
Net profit before Tax	5595.09	3610.10
Provision for Taxation	1675.00	911.14
Net profit after Tax	3920.09	2698.96
Brought forward from last year	5358.23	3137.20
Amount available for appropriation	9278.33	5836.16

The year under review witnessed an improved performance of the company on all parameters and as a result the company's overall financials rebounded significantly as compared to the previous year. The revenue from Infrastructure Contracts Executed is Rs. 53325.71 lacs in comparison to Rs. 38224.99 lacs in the previous year, registering a growth of **39.50%**. The Profit before Interest, Depreciation and Tax is Rs. **9818.53** lacs in comparison to Rs. **6629.19** lacs in the previous year, registering a growth of **48.11 %**. The Net Profit after Tax is Rs. **3920.09** lacs in comparison to Rs. **2698.95 lacs** in the previous year.

UTILISATION OF FUNDS

Out of the proceeds of the IPO, Utilization of funds up to March 31, 2010 is as under:

Particulars	Proposed Amount (Rs. In Lacs.)	Utilized Amount (Rs. In Lacs.)
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
Total	3753.88	3752.84

Balance of unutilized funds have been temporarily invested in Bank Fixed Deposits/ IPO Bank Account 1.04

DIVIDEND AND TRANSFER TO RESERVES:

Particulars	(Rs. In Lacs)	
	Year ended 31 st March 2010	Year ended 31 st March 2009
Proposed Dividend (Including Tax)	208.14	173.45
Transfer to General Reserve	200.00	275.00
Balance carried to Balance Sheet	8834.82	5358.23

Your Directors are pleased to recommend for the approval of the members a final dividend of Rs. 1.50/- per share of Rs. 10/- each (Rupees Ten only) equivalent to 15% (Fifteen Percent) on the paid-up equity share capital of the Company for the financial year ended March 31, 2010.

CAPITAL

During the Financial year, the Authorised Capital of the Company was increased from Rs.15,00,00,000 (Fifteen Crores Only) to Rs. 50,00,00,000 (Fifty Crores Only) divided in to 4,80,00,000 (Four Crores Eighty Lacs Only) Equity Shares of Rs. 10/- each and 20,00,000 (Twenty Lacs Only) redeemable preference shares of Rs. 10/- to meet the future Financial requirements of the Company.

During the year, the Company has issued 20,00,000 convertible warrants at the price of Rs. 60/- out of which 10,00,000 were issued to Mr. Vikram Sharma, promoter of the Company and remaining 10,00,000 were issued to M/s. Mavi Investment Fund Ltd., Foreign Institutional Investors (FII's). The said warrants have been converted into 20, 00,000 equity shares on 7th August, 2010.

The Company has also issued and allotted 8,66,275/- (Eight Lacs Sixty Six Thousand Two Hundred Seventy Five Only) Equity Shares of Rs. 10/- each, dated 6th August, 2010 on a Preferential Allotment basis at a price of Rs. 225/- each equity Share (Premium of Rs.215/- per share).

Preferential Allotment of Equity Shares was issued/made to the following two allottees:

1. Supreme Construction & Developers Pvt. Ltd. - **4,16,275** Shares
2. Pivotal Securities Pvt. Ltd. - **4,50,000** Shares

The funds raised by the way of Preferential Allotment of Equity Shares were to be augmented for the long-term resources requirement of the Company and for general corporate purposes as decided by the Board.

After issue and allotment of above equity shares the paid up capital of the Company is increased from Rs. 13,87,58,120/- to Rs.16,74,20,870/-

SUBSIDIARY COMPANIES

As on March 31, 2010, the Company has following Companies as its subsidiaries:

1. Supreme Infrastructure BOT Pvt. Ltd.
2. Supreme Manor Wada Bhiwandi Infrastructure Pvt. Ltd. (Step down subsidiary by control of management)

As per the provisions of Section 212 of the Companies Act, 1956, the audited statement of accounts of the Subsidiary Companies are annexed to the Annual Report of the Company.

DIRECTORS

In accordance with the Article of Association of the Company Mr. Vikas Sharma, and Mr. Mukul Agarwal, Directors of the Company retire by rotation and being eligible, offer themselves for re-appointment.

During the year, Mr. Sandeep Ajmera has resigned from the directorship due to his pre occupation and Mr. V. P. Singh and

Mr. Vinod Agarwala were appointed as an Additional Directors under Independent Category by the Board of the Company at their Meeting held on 20th January, 2010.

Further the Board of Director of the Company also appointed Mr. Pramod Kasat as an Additional Director under Independent category at their Meeting held on 14th May, 2010

Presently, there are eight directors in the Company. Three directors belonging to Promoter and Executive category and rest of five belonging to Non-executive and Independent category.

As per Section 260 of the Companies Act, 1956, Mr. Pramod Kasat, Mr. V. P. Singh and Mr. Vinod Agarwala, who are Additional Directors, will cease to hold the office of the Directors at the conclusion of the forthcoming Annual General Meeting. As per Section 257 of the Companies Act, 1956, the Company has received notices along with deposit from the members proposing the candidatures of Mr. Pramod Kasat, Mr. V. P. Singh and Mr. Vinod Agarwala, for the office of Director of the Company.

None of the Directors of the Company is disqualified under Section 274(1)(g) of the Companies Act, 1956.

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, is presented in a separate section forming part of the Annual 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 are provided in the Annual Report.

AUDITORS & THEIR REPORT

M/s. Shah & Katharia, Chartered Accountants and M/s Walker Chandiook & Co., Chartered Accountants, statutory auditors of the Company, holds office until conclusion of the ensuing Annual General Meeting and are eligible for reappointment.

The company has received letter from both of them 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 that they are not disqualified for such appointment within the meaning of Section 226 of the Companies Act 1956.

The notes on Accounts referred to in the Auditor's Report are self explanatory and do not call for any further comments.

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:

- (i) The applicable accounting standards have been followed in preparation of annual accounts of the Company and no deviation has been found.
- (ii) 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 the profit of the Company for the year under review.
- (iii) 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.
- (iv) The accounts for the financial year have been prepared

on a going concern basis.

CORPORATE GOVERNANCE

The Company has been proactive in following the principles and practices of good corporate governance. The Company has ensured that the Corporate Governance requirements as stipulated in clause 49 of the Listing Agreement with the Stock Exchanges are duly complied with. A separate report on Corporate Governance is given elsewhere in the annual report. A certificate from the Hitesh Kothari, Practicing Company Secretary regarding compliance of clause 49 of Listing Agreement is annexed.

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.

TRANSFER OF UNCLAIMED SHARES TO SUSPENSE ACCOUNT

Company is in the process of opening a Demat Suspense Account with one of the Depository Participant. As soon as the account is opened, the unclaimed shares shall be credited to the same.

ENERGY CONSERVATION

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 manufacturing units is met from local distribution sources and from generator sets. The power required at the project sites for operating the machinery/equipment and lighting are met from the regular distribution sources and is arranged by the clients who award the contracts.

The Company has implemented various processes and set down the procedures for utilizing the energy at optimum level.

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.

During the year, there is no expenditure incurred on Technology Absorption and on Research and Development by the Company.

FOREIGN EXCHANGE EARNINGS AND OUT GO

There was foreign exchange outgo of Rs. 2,13,21,963/- during the year review, however, there is no foreign exchange earnings by the Company in this period.

ACKNOWLEDGEMENTS

Your Directors wish to place on record their sincere appreciation for the encouragement and co-operation by its stakeholders, including bankers and other business associates, Governments 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

Bhawani Shankar Sharma
Executive Chairman

Place: Mumbai

Date: 7th August, 2010

REGISTERED OFFICE:

Supreme City, Hiranandani Complex,
Powai, Mumbai - 400 076

Corporate Governance Report

A. MANDATORY REQUIREMENTS

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Corporate Governance is the combination of voluntary practices and compliance with laws and regulations leading to effective control and management of an organisation. Good corporate governance leads to long term shareholder value and enhances interest of other stakeholders. It brings into focus the fiduciary and trusteeship role of the Board to align and direct the actions of an organisation towards creating wealth and shareholder value. The Company firmly believes that corporate governance stems from the management's mindset and cannot be regulated by legislation alone.

The Company has adopted the best practices of corporate Governance for ensuring protection of the rights and interest of its Stakeholders. The Company's broad policies of Corporate Governance viz. transparency, integrity, equity, openness, fairness and accountability are guiding Principles of the management of the company along with the focus on investors protection.

The Company is professionally running and it follows a policy of transparency, compliance with all statutory guidelines and proper disclosures and has always acted in the best interest of all the stakeholders.

The Company has complied with the provisions of the Clause 49 of the Listing Agreement of the Stock Exchange and the Board of Directors fully supports and endorses corporate governance practices as per the provisions of Clause 49 of the Listing Agreements as applicable from time to time.

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 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 present strength of the Board of Directors is eight, out of which three are Promoter, Executive Directors and other five are Non- Promoter and Independent Directors. 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 institution.

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	Chairman	Promoter, Executive Director	1	Nil	Nil
Mr. Vikram Sharma	Managing Director	Promoter, Executive Director	2	Nil	Nil
Mr. Vikas Sharma	Whole Time Director	Promoter, Executive Director	2	Nil	Nil
Mr. H.D. Sharma	Director	Independent, Non-executive Director	Nil	Nil	Nil
Mr. Mukul Agarwal	Director	Independent, Non-executive Director	1	Nil	Nil
Mr. V. P. Singh	Director	Independent, Non-executive Director	3	2	1
Mr. Vinod Agarwala	Director	Independent, Non-executive Director	1	1	Nil
Mr. Pramod Kasat	Director	Independent, Non-executive Director	2	3	Nil

3. BOARD PROCEDURE

The Board meets atleast once in a quarter to review the quarterly performance and the financial results. 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, detailed presentations are made. The Agenda and the relevant notes are circulated well in advance separately to each Director and only in exceptional cases; the same is tabled at the meeting. The members of the Board have complete access to all information of the Company. The members of the Board are free to recommend the inclusion of any matter in the agenda for discussion in consultation with the Chairman. 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. Vice- president, Project Managers, Chief Financial Officer, Statutory auditor, Internal Auditors, Company Secretary and other functional head are invited to attend the Board Meetings so as to provide additional inputs to the items being discussed by the Board.

4 NUMBER OF BOARD MEETING HELD AND DATES ON WHICH HELD

Nine Board Meetings were held during the financial year 2009-2010.

The dates on which the said Meetings were held are 29-04-2009, 27-05-2009, 30-05-2009, 31-07-2009, 07-08-2009, 10-10-2009, 31-10-2009, 20-01-2010 and 30-01-2010.

5. ATTENDANCE OF EACH DIRECTOR AT THE BOARD MEETINGS AND THE LAST ANNUAL GENERAL MEETING

During the financial year ended March 31, 2010, nine Board Meetings were held. The gap between two Board Meetings did not exceed four months.

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

Name of the Director	No. of Board Meeting attended	Attendance of last AGM held on 26 th September, 2009
Mr. Bhawani Shankar Sharma	7	Yes
Mr. Vikram Sharma	9	Yes
Mr. Vikas Sharma	9	Yes
Mr. H.D. Sharma	2	Yes
Mr. Mukul Agarwal	9	Yes
Mr. Sandeep Ajmera	5	No
Mr. V. P. Singh	1	No
Mr. Vinod Agarwala	1	No

6. AUDIT COMMITTEE

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

Composition of the Audit Committee

The Audit Committee comprises of three Directors, all of three are Non-Executive, independent Directors. The members of the Committee are financially literate and have accounting and financial management expertise. The Chairman of the Committee is an Independent, Non-Executive Director. Chief Financial Officer (CFO) other senior executives are invited to participate in the meetings of the Committee as and when necessary. The Statutory Auditors and the Internal Auditors are also invited to the Meetings whenever required.

The quorum for the Audit Committee Meetings is two independent members. The Company Secretary acts as Secretary to the Committee. The Board of Directors at the subsequent Board Meeting note the Minutes of the Audit Committee Meetings.

The Composition of the Directors and the details of Meetings held during the Year 2009-10.

Name of the Director	Designation	Category	No of meetings attended during 2009-10
Mr. V. P. Singh*	Chairman	Non Executive Independent Director	2
Mr. H. D. Sharma	Member	Non Executive Independent Director	2
Mr. Mukul Agarwal	Member	Non Executive Independent Director	5
Mr. Sandeep Ajmera*	Chairman	Non Executive Independent Director	3

*Due to the Resignation of Mr. Sandeep Ajmera, Director of the Company, Audit Committee has been reconstituted by an appointment of Mr. V.P. Singh, as a Member & chairman of the Committee.

There were five meeting of the Audit committee held during the year 2009-10 at the registered office of the Company on 29-04-2009, 31-07-2009, 31-10-2009, 30-01-2010, 08-03-2010.

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

- i) Hold discussions with the auditors periodically about internal control systems, the scope of audit includes the observations and review of the quarterly, half-yearly and annual financial statements before submission to the Board and also ensure compliance of internal control systems.
- ii) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- iii) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- iv) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- v) Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
 - (b) Changes, if any, in accounting policies and practices and reasons for the same.
 - (c) Major accounting entries involving estimates based on the exercise of judgments by management.
 - (d) Significant adjustments made in the financial statements arising out of audit findings.
 - (e) Compliance with listing and other legal requirements relating to financial statements.
 - (f) Disclosure of any related party transactions.
 - (g) Qualifications in the draft audit report.
- vi) Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- vii) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- viii) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the

department, reporting structure coverage and frequency of internal audit.

- ix) Discussion with internal auditors on any significant findings and follow up there on.
- x) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- xi) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- xii) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- xiii) Review of information as prescribed under Clause 49 (II)(E) of the listing agreement.

7. REMUNERATION COMMITTEE

i) TERMS OF REFERENCE

- Reviewing the overall compensation policies, service agreements and other employment conditions of Managing / Whole time Directors.
- Reviewing the performance of the Managing / Whole time Directors for recommending to the Board, the quantum of annual increments and performance incentive.

ii) COMPOSITION

The Remuneration Committee comprises of three Directors, all of whom are Independent, Non-Executive Directors. The Chairman of the Committee is an Independent, Non-Executive Director nominated by the Board. The composition of the Remuneration Committee is as follows:

Name of the Director	Designation	Category	No of meetings attended during 2009-10
Mr. H D. Sharma	Chairman	Non Executive Independent Director	Nil
Mr. Vinod Agarwala*	Member	Non Executive Independent Director	1
Mr. Mukul Agarwal	Member	Non Executive Independent Director	1
Mr. Sandeep Ajmera*	Member	Non Executive Independent Director	NA

*Due to the Resignation of Mr. Sandeep Ajmera, Director of the Company, Remuneration Committee has been reconstituted by an appointment of Mr. Vinod Agarwala, as a Member of the Committee.

There was one meeting of the Remuneration committee held during the year 2009-10 at the registered office of the Company on 2nd February, 2010.

9. INVESTOR GRIEVANCE COMMITTEE

Company has constituted the Share Allotment/Share Transfer/Transmission and Shareholders Grievance Redressal Committee.

The composition of the Investor Grievance Committee is as follows:

Name of the Director	Designation	Category	No of meetings attended during 2009-10
Mr. Mukul Agarwal	Chairman	Non Executive Independent Director	5
Mr. Vikram Sharma	Member	Executive Managing Director	5
Mr. Vinod Agarwala*	Member	Non Executive Independent Director	2
Mr. Sandeep Ajmera*	Member	Non Executive Independent Director	3

*Due to the Resignation of Mr. Sandeep Ajmera, Director of the Company, Investor Grievance Committee has been reconstituted by an appointment of Mr. Vinod Agarwala, as a Member of the Committee.

- The Committee shall have powers to approve/authenticate all the Share transfers/transposition/transmission requests received from the Shareholders. However requests for issue of duplicate share certificates shall be passed on to the Board of Directors of the Company.
- The Committee shall resolve all the complaints received from the Investors/Shareholders within 7 days of receipt of the same.
- The Company Secretary shall place before the Board the status of various complaints received by the Committee in every Board meeting.
- The Committee shall have powers to delegate their powers to any two officers of the Company at their sole discretion.

There were five meeting of the Investor Grievance Committee held during the year 2009-10 at the registered office of the

Company on 29th April 2009, 31st July 2009, 31st October, 2009, 30th January 2010, 8th March 2010.

COMPLIANCE OFFICER

Mr. Mukesh Gupta, Company Secretary of the Company is a Compliance officer of the Company.

COMPLAINTS FROM INVESTORS

During the year under review, the Company had received and resolved 67 complaints for non receipt of refund orders and non receipt of the Dividend. There were no complaints pending as at end of the year as on 31st March 2010.

10. DETAILS & REMUNERATION OF DIRECTORS

The aggregate value of salary and perquisites paid for the year ended March 31, 2010 to the Directors is as follows:

Name of the Directors	Total Salary (Inclusive perquisites) (Rs.)
Mr. Bhawani Shankar Sharma	15,00,000
Mr. Vikram Sharma	15,00,000
Mr. Vikas Sharma	15,00,000

NOTES

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

Name of the Directors	Designation
Mr. Bhawani Shankar Sharma	Executive Chairman
Mr. Vikram Sharma	Managing Director
Mr. Vikas Sharma	Whole time Director

Presently, the Company does not have a scheme for grant of stock options either to the Executive Directors or employees.

Non-Executive Directors' Compensation

During the financial year, there was no pecuniary relationship or transaction between the Company and any of its Non-Executive Directors.

The Company has not paid any remuneration/Director fees/Compensation to any Non-Executive Directors. The number

of shares held by Non-Executive Directors as on 31st March, 2010 in the Company is as under:

Name of the Directors	No. of Shares
Mr. H.D. Sharma	10,000

11. GENERAL BODY MEETINGS:

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

AGM	Year	Location	Date	Time
26 th	2009	"RODAS Hotel", Central Avenue, Hiranandani Gardens, Powai, Mumbai – 100 076.	26/09/2009	04.30 P.M
25 th	2008	"Maharaja Banquet Hall" The Supremo Activity Centre, Near Matoshri Sports Complex, Jogeshwari – Vikroli Link Road, Andheri (E) Mumbai – 400 093.	28/06/2008	04:30 P.M
24 th	2007	Registered Office of the Company at 8, Bhawani Service Industrial Estate, I.I.T. Main Gate, Powai Mumbai 400 076	14/09/2007	11:00 A.M

b. Special Resolutions during previous three Annual General Meetings:

Financial Year	Particulars of Special Resolutions Passed
2008-09	-Alteration in Article of Association. -To Offer, Issue and allot shares by way of Qualified Institutional Placement(QIP) to Qualified Institutional Buyers(QIB)

12. POSTAL BALLOT

During the financial year 2009-10, Company had conducted the postal ballot as per required under Section 192A of the Companies Act, 1956, the Company exercise following the provisions and rules framed under the Act for conducting postal ballot.

The details/results of the postal ballot exercise so conducted are as under:

Date of dispatch of postal ballot	Date of scrutiner's report	Description	Percentage of No. votes cast in Favour of resolution
20-01-2010	05-03-2010	Ordinary resolution for appointment of M/s. Walker, Chandiook & Co., Chartered Accountants Mumbai, as Joint Statutory Auditors of the Company along with the existing statutory auditors M/s. Shah & Kathariya, Chartered Accountants Mumbai Pursuant to the Provisions of Section 224 and other applicable Provisions of the Companies Act, 1956.	99.994%

The postal ballot exercise was conducted by Mr. Hitesh Kothari, Company Secretary in practice, scrutiner appointed for the purpose.

13. a. Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their relatives, or group Companies, etc. that may have potential conflict with the interests of the Company at large.

Attention of members is drawn to the disclosures of transaction with the related parties set out in Notes on Accounts- Schedule 19 (2) (B) , forming part of the Annual Report.

None of the transactions with any of the related parties were in conflict with the interest of the Company.

b. Details of non-compliance by the Company, penalties, and structures imposed on the Company by the Stock Exchanges or SEBI, or any other statutory authority, on any matter related to the capital markets, during the last three years.

There has been no instance of non-compliance by the Company on any matter related to capital market since incorporation and hence no penalties or strictures have been imposed on the company by Stock Exchanges or SEBI or any or any other statutory authority.

14. MEANS OF COMMUNICATION

- **Quarterly Disclosures:** Quarterly Disclosures are published in "Economics Times of India" Mumbai and Ahmedabad editions (English Daily), and "Maharashtra Times" (Marathi Daily) newspapers.

- **Website:** The Company's website 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.

15. GENERAL SHAREHOLDER INFORMATION

15.1 Annual General Meeting

Day, Date, and time Monday, September 20, 2010,
11.30 A.M.

Venue Kohinoor Continental, Andheri-Kurla
Road, J.B. Nagar, Andheri (East),
Mumbai-400059

15.2 Book Closure Period

The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday 16th September, 2010 to Monday, 20th September, 2010 (both days inclusive) for payment of dividend

Dividend Payment Date

On or after September 20, 2010.

15.3 Listing of Equity Shares on Stock Exchanges and Payment of Listing fee

- **Bombay Stock Exchange Limited,(BSE)**
P.J Towers, Dalal Street, Mumbai – 400001
- **National Stock Exchange of India Limited (NSE)**
"Exchange Plaza", Bandra- Kurla Complex, Bandra (E), Mumbai 400 051
Annual listing fee for the year 2010-11, has been paid by the Company to BSE and NSE

15.4 Stock Code

Scrip Code – Bombay Stock Exchange- "532 904"
Trading Symbol – National Stock Exchange – "SUPREMEINF"
ISIN for Equity Shares – "INE 550H01011"

15.5 Registrars and Transfer Agents

Bigshare Services Private Limited
E- 2, Ansa Industrial Estate, Sakivihar Road,
Sakinaka, Andheri (E), Mumbai 400 072.
Tel: + 91 22 2847 3747/3474
Fax: + 91 22 2847 5207
Website: www.bigshareonline.com
Email: bigshare@bom7.vsnl.net.in

15.6 Share Transfer System

A shareholder's request is normally attended and reply is sent in 10-20 days time and the certificates after transfer of shares are returned within one-month period except in the cases that are constrained for technical reasons. Shares are being transferred and demat option letter in their respect are dispatched within 15 days from the date of receipt, so long as the documents have been clear in all respects.

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.

- **Compulsory Dematerialized Trading**

As the shareholders are aware that the Securities and Exchange Board of India (SEBI), has included equity shares of the company for compulsory dematerialised trading for all investors with effect from 24th July, 2000. The Company has already entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to enable members of the company to select the depository of their choice for holding and dealing in shares in electronic form. The shareholders may also note that around 36.75% holding of the company has already been dematerialised. The shareholders are requested to make use of such facility for maximizing their convenience in the dealing of Company's shares.

15.7 Distribution Holding

Face value: Rs. 10.00 (as on 31st March 2010)

Slab of shares	Number of Shareholders	Percentage of shareholders	Total Holding in Rupees	Percentage of Total Capital
1 - 5000	10,422	99.27	15,55,383	11.21
5001 - 10000	30	0.28	2,18,253	1.57
10001 - 20000	15	0.14	2,23,084	1.61
20001 - 30001	5	0.05	1,28,245	0.92
30001 - 40000	3	0.03	1,05,502	0.76
40001 - 50000	3	0.03	1,40,645	1.01
50001 -100000	3	0.03	2,82,183	2.03
Above 100000	18	0.17	1,12,22,517	80.89
	10499	100.00	138758120	100.00

15.8 Shareholding Pattern as on 31st March, 2010

Sr. No.	Category of Shareholders	No. of Shares	Percentage of Shareholding
1.	Promoters & Promoters Group	8478000	61.10
2.	Director and their Relative	235000	1.69
3.	Mutual fund/ UTI (Institution)	905081	6.52
4..	Financial Institutions / Banks	509645	3.67
5.	Foreign Institutional Investors (Institution)	309615	2.23
6.	Bodies Corporate	1784574	12.86
7.	Clearing Members	24854	0.18
8.	NRI s	41761	0.30
9.	Trusts	436	—
10.	Indian Public (Other then above)	1586846	11.44
	Total	13875812	100

15.9 Market Price Data

Months	The Bombay Stock Exchange Limited, Mumbai (BSE)			The National Stock Exchange of India Ltd. (NSE)		
	High Price (Rs.)	Low Price (Rs.)	Turnover	High Price (Rs.)	Low Price (Rs.)	Turnover
April 2009	47.00	24.00	149.47	46.50	22.00	115.06
May 2009	68.95	40.30	176.58	69.35	40.00	60.11
June 2009	92.15	64.15	462.03	93.10	65.10	195.95
July 2009	89.50	68.55	326.66	87.20	70.00	263.25
August 2009	96.30	69.10	330.36	96.95	69.55	273.82
September 2009	122.60	98.00	961.20	123.65	99.50	1523.46
October 2009	155.20	109.35	133.49	155.35	110.55	1863.14
November 2009	152.20	125.55	477.19	152.00	126.60	757.17
December 2009	198.80	140.35	1815.61	198.50	141.50	2916.62
January 2010	212.00	165.00	1603.09	204.00	165.10	3869.40
February 2010	195.00	164.30	561.66	195.00	156.75	616.77
March 2010	195.00	164.40	648.76	194.50	170.55	1008.86

15.10 FINANCIAL CALENDAR (2010-11): (TENTATIVE)

Financial reporting for the quarter ending June 30, 2010: by 15th August 2010

Financial reporting for the half year ending September 30, 2010 : by 15th November 2010

Financial reporting for the quarter ending December 31, 2010: by 15th February 2011

Financial reporting for the year ending March 31, 2011: by 15th May 2011

16. CODE OF CONDUCT:

The Board of Directors has adopted the Code of Business Conduct and Ethics, each for Directors and Employees of the Company. Both the said Codes have been posted on the Company's website www.supremeinfra.com for the year under review, all Directors and employees of the Company have confirmed their adherence to the provisions of the said Codes.

17. PROCEEDS FROM PUBLIC ISSUE

During the year under review, the proceeds of an initial public offer have been utilized for the purposes as stated in the Offer Document. The details thereof were provided to the Audit Committee and Board of Directors.

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 displayed on the Company's website the same are not sent to each household of the shareholders.

18. WHISTLE BLOWER POLICY

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism of reporting illegal or unethical behaviour. The Company has a whistle blower policy wherein the employees are free to report violations of laws, rules, regulations or unethical conduct to their immediate supervisor or such other person as

may be notified by the management to the workgroups. Such reports received are reviewed by the Audit Committee. The confidentiality of those reporting violations is maintained and they are not subjected to any discriminatory practice.

19. CEO AND CFO CERTIFICATION

The Chairman and Managing Director and the Chief Financial Officer of the Company gave annual certification on financial reporting and internal controls to the Board in terms of Clause 49. The Chairman and Managing Director and the Chief Financial Officer also gave quarterly certification on financial results while placing the financial results before the Board in terms of Clause 41.

20. 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 B. 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 2009-10.

On behalf of the Board of Directors

Bhawani Shankar Sharma
Executive Chairman

Place: Mumbai

Date: 7th August, 2010

REGISTERED OFFICE:

Supreme City, Hiranandani Complex,
Powai, Mumbai - 400 076

CERTIFICATION BY THE MANAGING DIRECTOR ON FINANCIAL STATEMENTS OF THE COMPANY

I, Vikram B. 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 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 our knowledge the 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.

Place: Mumbai
Date: 7th August, 2010

Vikram Sharma
Managing Director

COMPLIANCE CERTIFICATE ON CLAUSE 49 OF CORPORATE GOVERNANCE

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 2010 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, 2010 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

Hitesh Kothari

Place: Mumbai

Dated: 6th August, 2010

Membership No.: FCS 6038

Management Discussion and Analysis

Economic Overview

Having effectively countered the negative fallout of the global recession, the Indian economy was back on track to post an impressive recovery during 2009-10. Backed by a range of timely policy measures, coupled with its inherent fundamental strengths, the economy rebounded significantly through the latter half of the fiscal under review.

The year began on a difficult note for India, with the global financial crisis leading to a significant slowdown in the growth rate of the Indian economy to 6.7% during 2008-09. The trend continued into the initial part of fiscal 2009-10, leading to apprehensions of continued negativity in performance for the year.

The Indian economy, however, defied these apprehensions to rebound and post robust growth during the year, clocking a gross domestic product (GDP) growth rate of around 7.5%. The country's key policymakers see this as a signal of the economy returning to high growth rates that prevailed before the global economic crisis. And as robust corporate profits and favourable financing conditions fuel investment, India's growth is expected to touch 9.5% during FY11, as per the estimates of the International Monetary Fund (IMF).

Industry Overview

In line with the revival of the overall economy, the Indian construction & infrastructure industry has also shown marked signs of improvement, with demand once again boosting sales and revenues across the sector.

To give you an idea of its scale, the Indian construction industry is the second largest employer after agriculture and contributes nearly 20 per cent to the GDP. In terms of its portfolio, it encompasses diverse segments across real estate, infrastructure (roads, urban infrastructure, power, irrigation, railways etc.) and industrial construction (steel, textile, oil pipelines and refineries, etc.)

As per the Planning Commission, the XIth Five Year Plan (2007-2012) would require \$500 bn for infrastructure in roads, ports, power, irrigation, etc. Factoring in the inflation, this amount would, in fact, be substantially higher, thereby providing a huge opportunity to all the players irrespective of their size.

India's infra spend will rise from 6.5% of GDP in FY09 to 9.3% by FY12. Almost half the investments would be in power and roads. (*Anand Rathi, December 2009*)

Roads

The road segment is one of the biggest infrastructural growth stories in India, which has the second largest road network in

the world. The Indian roads, pegged at over 300 million kms, comprise national highways, state highways and other road networks at 2, 4 and 94 per cent, respectively. About 65 per cent of freight and 80 per cent of passenger traffic is carried through roads, whereas national highways carry nearly 40 per cent of total road traffic.

The National Highway Authority of India (NHAI), Government of India, under its National Highway Development Programme (NHDP) seven-phase programme, has plans to develop nearly 35,000 kms of highways in the next 6-7 years, with an estimated cost of over Rs. 2.5 trillion. Government estimates indicate development of over 37,000 kms by 2017, which entails 20 kms per day. Nearly 55 per cent of these road projects shall be developed under the BOT model, which provides a massive expansion opportunity to private players in the road segment.

Recently, the government has identified 10 mega highway projects to be developed in the next two years, which covers over 5,000 kms to be awarded to private developers. These projects would entail an investment of Rs. 45,000 crore – a huge potential indeed for private players in the infrastructure industry.

Public-Private Partnership

Historically, in India, investment in infrastructure, especially roads, highways, bridges, railways, etc., has remained the purview of the government due to the huge capex involved, coupled uncertain returns and long gestation period in the projects. However, with the pace of infrastructure development moving into the next generation, it has been decided that all the projects under NHDP from Phase II to VII would be built through PPP on BOT model. To further encourage private participation, the government has announced several tax incentives, tax exemption, concession period upto 30 years and duty-free import of equipment, etc. These incentives augur well for companies like SIIL, which has recently forayed into the lucrative BOT space as a diversification and de-risking move.

Urban Infrastructure under JNNURM (Jawaharlal Nehru National Urban Renewal Mission)

JNNURM was launched on December 3, 2005, for reforms-linked, demand-driven, fast track development of infrastructure and to provide basic services to the poor, including housing and slum up-gradations. The scheme has identified 63 cities, classified in 5 broad groups in terms of mega cities, major industrial cities, mixed economy cities, cultural & religious cities and hill & environmentally sensitive cities. The government has envisaged a total investment of Rs. 1.5 trillion, with central government contribution of close to 0.5 trillion. The budget 2009-10 had provided 87 per cent increase in budgetary support for the said scheme to Rs. 13,000 crore.

With sewerage and water two of the key components of the urban growth story, this scheme is expected to bring in large-scale involvement of private players in these segments. Most cities in India today are water stressed and unable to cope with the water demand of the growing urban populations and to treat the resulting wastewater. In these circumstances, the water and sewage management in cities will determine the growth of cities in India.

Irrigation

Despite the burgeoning population in towns and cities, agriculture continues to remain the mainstay of the Indian economy. Unfortunately, only 55 per cent of the arable area in the country has irrigation facilities while the rest are dependant on monsoon. This opens up a large opportunity matrix for development of irrigation facilities with the engagement of private infrastructure development players.

Irrigation provides huge industrial opportunities due to massive subsidy by government for micro irrigation. In addition, the command area development and water management and other rural schemes will improve productivity and reduce dependence on monsoon.

Power

Given the power shortage the country faces – 9.4% total energy deficit and 12% peak power deficit in FY10 – the major portion of India's huge infrastructure expenditure would go towards the power sector. Yet, capacity addition has been dismal – only 50% of the planned 41,110 MW in the X Five-Year Plan was commissioned. For the XI Five-Year Plan, 78,600 MW has been planned at a cost of USD 140bn (including ancillary work such as T&D, etc). Of this, only 48,000 MW is expected to be commissioned – around 18,500 MW has already been commissioned and the balance is in various stages of construction, which should come up over the next three years.

Railways

The world's second busiest railway after China in terms of passenger kms, the Indian railways offer a major platform for growth of infrastructure companies in the country. The extent of the growth in this segment can be gauged from the fact that the estimated traffic level by the end of 2011-12 is expected to be about 8.4 billion passengers and 1.1 billion MT of freight per year.

In tandem with this pace of growth, the Indian railways have lined massive plans for up-gradation and expansion of its infrastructure, for which it has identified public-private partnership as a thrust area. The railways have already announced plans to invest US\$ 46.70 billion for modernisation,

capacity increase and completion of new projects during the XIth Five Year Plan.

In addition, the railway stations are on the threshold of a massive modernisation, with underground parking, food plazas and separate terminals for arrival and departure. The Railways have identified 22 stations to convert them into world-class ones. Two dedicated freight corridors – the eastern corridor connecting Ludhiana and Kolkata and the western corridor connecting Mumbai with New Delhi – are to be constructed at a combined cost of US\$ 7.15 billion.

Further, Railways is planning to start new projects, such as construction of East-West, East-South, North-South and South-West freight corridors, construction of high speed passenger corridors in the Northern, western, Southern and Eastern regions of the country, among others.

SIIL sees this growth opportunity as a huge investment possibility and revenue source in the coming years.

Real Estate

The global economic crisis sent the Indian real estate sector into a tailspin during 2008-09, causing a setback to the high growth trajectory of the previous years. Inherently strong economic fundamentals, low exposure to debt and state intervention, however, have helped the sector to gradually return to the path of recovery.

Encouraged by the revival trends, Cushman & Wakefield Research has revisited the demand estimates post the economic crisis, which resulted in weakening business sentiments and demand contraction. As per its revised forecast, the pan India cumulative demand during 2009-2013 is estimated to be 196 million sq. ft. for office and 43 million sq.ft. for retail. While demand for the hospitality segment is likely to be over 690,000 rooms nights, that for the residential segment is expected to be 7.5 million units for the period under consideration.

The residential demand for top seven cities is estimated to be 4.5 million units by 2013. Of the total expected demand across India, 43% is likely to be generated in tier 1 cities, i.e., Bangalore, Mumbai and NCR.

Mumbai, where SIIL has an established presence, is likely to witness the highest cumulative demand of 1.6 million units by 2013 due to various development projects and increasing urbanization in the city.

The pan India demand for office space is estimated to be 196 million sq. ft. by 2013, with seven major cities accounting for approximately 80% of the total demand. Hyderabad, Pune and

Kolkata are expected to witness the highest compounded annual growth of approximately 28% during 2009-2013, highlighting the growing prominence of tier 2 cities in the India growth story.

The recent foray of the company in this high-growth segment spells further positive growth, going ahead, as demand sees higher buoyancy in line with the growth in economy.

Business Overview

With a track record of successful execution of several high-ticket and complex projects across verticals, Supreme Infrastructure India Limited (SIIL) is a backward integrated infrastructure company providing end-to-end solutions in this expanding space.

Headquartered in Mumbai, it is a public-owned enterprise with shares listed on both the Bombay Stock Exchange (BSE) as well as the National Stock Exchange (NSE).

With a growing pan-India presence, the company is engaged in construction works for government and government-related agencies, having successfully delivered several prestigious projects awarded to it by Central and State Government agencies, municipal corporations and corporate houses.

The company's diversified portfolio spans Roads, Bridges, Railways, Power, Buildings & Sewerage, and it has recently forayed into the BOT space with two key projects, including the first-of-its-kind funicular ropeway project.

The company has also leveraged its expertise and experience in high margin and superior quality contracts to foray into the real estate business by undertaking construction contracting activity.

The company has established a strong project base in Maharashtra, Gujarat, Rajasthan and Karnataka and has recently forayed into the states of Haryana, Goa, Punjab and Uttaranchal and the NCR. It owns and runs a Ready Mix Concrete plant (RMC), a wet mix plant, an asphalt mix plant and quarrying and crushing units, which provide it with the ability to remain insulated from input fluctuations and to enable higher margins.

The company's order book, as of the year ended 31st March, 2010, stands at an impressive Rs. 16,036 million – growing four-fold from FY08.

Opportunities & strengths

The company is backwardly integrated, which provides it a clear competitive edge. It owns and operates a Ready Mix Concrete (RMC) plant, an asphalt plant, a crushing plant and a wet mix plant for captive consumption. The company also

sells the surplus concrete and asphalt in the open market, enabling higher margins.

Ready availability of quarrying facilities and crushing capacities translates into a shorter production cycle, while giving SIIL an assured supply of raw material. As a result, the company is able to fully mitigate the risks arising from fluctuation in inputs prices. This advantage provides a vital edge to the company – its EBIDTA margin has typically sustained in 18-20% range, much higher than the margin band of 13-14% of its peers.

Besides insulating margins, this backward integration, coupled with excellent execution skills, also helps the company ensure timely execution and delivery of projects.

Its 103 quarrying blocks will ensure that the company will be able to run its crushing units for at least the next 1.5 decades and provide aggregates to the units located in and around Mumbai. The company also operates the same model in other states, where units are owned by the company and land for quarrying is allotted by the local bodies of the states.

This apart, the company has also invested heavily in earthmoving and construction equipment, such as tippers, mixers, pavers, excavators, cranes, rollers, etc. The company currently has close to Rs. 250 crore of gross blocks for these equipments.

The company has a diversified presence across various verticals of the infrastructure sector, such as Roads, Bridges, Building Construction, Sewerage & Pipelines, Railways, Power & TD projects and Irrigation. This helps the company de-risk itself from possible fluctuations in any one segment.

SIIL has recently forayed into BOT space, which will further provide it a cushion against the overall cyclicality of business. As a result of the huge opportunity for private builders, BOT projects offer one of the most lucrative segments today. As per NHDP, nearly 37,000 kms of highways are to be built over the next 5 years, which entails 20 kms of roads per day. Nearly 55 per cent of these projects will be built on the BOT model and nearly one-third of the 37,000 kms road contracts would be given to private builders.

In the BOT space, the company is currently developing funicular ropeway in Haji Malang near Thane through an SPV with 51% stake. In addition, it is also constructing South Kasheli and North Kasheli Bridge under BOT in Thane.

Threats

Any downturn in the industry can adversely impact the company's business at any time in its growth odyssey, throwing all its projections and plans haywire. Currently, the government's

positive policies are boosting the sectoral outlook for the industry at large, and the company in particular. However, any deviation or uncertainty in government policies can have a negative effect on operations in the future.

Other specific threats to the company, moving forward, may include:

Delay in project execution and completion – All the infrastructure projects are time-bound and the contractor has to deliver the project on time. Any delay in project execution may lead to escalation in the overall project cost, which may affect margins.

Lack of prior experience in BOT road projects – The company does not have prior experience in BOT road projects, and being a small company, it may have to jointly bid for BOT projects under the road segment, which involve huge capex.

High cash conversion cycle – The average cash conversion cycle is between 2-3 months, which leads to heavy working capital requirements. The high working capital requirement may also lead to interest burden.

However, the diversification of operations that the company has initiated and the general positive economic environment prevailing in the country will help negate the abovementioned threats in the long term.

Future Outlook

The Planning Commission estimates that the XIth Five Year Plan (2007-2012) would require USD 500 bn for infrastructure in roads, ports, power, irrigation, etc.

The Indian government, in its budget for 2010-11, has allocated Rs. 1,73,552 crore for infrastructure development, which accounts for over 46 per cent of the total plan allocation. Allocation for road transport has been increased by over 13 per cent from Rs. 17,520 crore to Rs. 19,894 crore, while Rs. 16,752 crore has been provided for railways, which is about Rs.950 crore more than last year.

The increasing focus on infrastructure can be gauged from the fact that the disbursements of India Infrastructure Finance Company Limited (IIFCL) are expected to reach around Rs. 20,000 crore by March 2011. IIFCL has refinanced bank lending to infrastructure projects of Rs. 3,000 crore during 2009-10 and is expected to more than double that amount in 2010-11.

The opportunity matrix is huge indeed, with private players expected to garner a sizeable chunk of the same on the strength of the expanding PPP and BOT portfolio across verticals. The

revival of the industry, triggered by the rebound in the economy, augurs well for the company.

The BOT model is the driving force for Government infrastructure investments and according to various estimates, road building activity would need to achieve a 3-year (FY11-13) CAGR of 53% if the NHAI's targets are to be met; this implies a 3.6X increase in activity.

Additionally, the government has also announced certain specific steps to boost infrastructure development. The government has provided for project import status to 'Monorail projects for urban transport' at a concessional basic duty of 5 per cent granted. It has also decided to allow resale of specified machinery for road construction projects on payment of import duty at depreciated value.

Going ahead, the scale at which infrastructure development has been envisaged offers a major potential for growth for players like SIIL, which is equipped with major execution skills. In the roads segment, for instance, the Ministry of Road Transport & Highways has set a target for completion of 2,500 kms of road construction during 2010-11. In the railways, the PPP model is envisaged as the growth engine in new routes, railway stations, logistics parks, cargo aggregation and warehouses, etc., offering another major potential area for further growth for SIIL.

Irrigation is another key where we expect major expansion of business as agriculture continues to be the primary source of livelihood in rural areas.

Risk Management

The company has, over the years, built a highly effective risk management system through its ability to identify and successfully manage the various business risks that arise from myriad factors and pressures. These pressures range from social to political to economic, legal and others, each of which may individually or collectively impact infrastructure development.

Through its well-defined structure of policies and processes, SIIL has identified the following risks to its business operations. It has also concurrently developed an efficacious risk management system to tackle each of these.

Rise in interest rates: A rise in interest rates would lead to a further crunch in liquidity and hence hinder order-book execution.

Order inflow growth lower than estimated: The biggest risk to the business is lower-than-expected order inflow, which would provide bleak revenue growth visibility and lower margins and, therefore, lower earnings growth.

Deterioration in working capital cycle: Cash flows of construction companies are negative mainly on account of an elongated working capital cycle. In case of prolonged recessionary conditions, terms of payments/advances for infrastructure projects would impact the working capital cycle significantly.

Project execution risk: This could arise from a shortage of manpower, land acquisition issues or arbitration with clients. Maintaining experienced personnel is a key in successfully executing construction projects. The growing attrition rate across the industry and lack of skilled manpower could add significantly to manpower cost and might delay project completion. Delay in executing projects-underdevelopment beyond our estimates would impact earnings in the construction division.

Financial risk: Given the nature of the industry, companies would need to take on additional debt to fund their capex or working capital. A spike in interest rates could impact bottom lines. Construction companies also carry the risk of default of loans given to subsidiaries. Construction companies have equity commitments towards their BOT projects. Also, BOT projects depress initial RoEs. Companies' inability to timely arrange funding would lead to project delays and cost overruns and hence affect top and bottom lines.

Political risk: A large proportion of construction orders come from the government. Any slowing of such orders due to elections or other political issues might impact the companies.

Financial and Operational Overview

The order book position of the Company stood at Rs. 1603.6 Crore, as of 31st March, 2010, several large order received in the Second half of 2009-10 have bolstered the order book position from Rs. 576 crore as of 31st March, 2009, now company order book has grown by 178% as of the fiscal year end.

The Company has achieved total sales of Rs. **53325.71** Lacs, Earnings Before Interest Depreciation Tax and Amortization (EBIDTA) of Rs. **9818.53** lacs and Profit After Tax (PAT) of Rs. **3920.09** lacs for the financial year ended March 31, 2010. The Sales increased by 39.50% from Rs.38,224.99 lacs to Rs. **53325.71** lacs, EBIDTA increased by 48.11% from Rs. 6,629.19 lacs. to Rs. **9818.53** lacs. The reasons for the growth in overall financial performance of the company was due to overall increase in the business particularly due to billing on major orders received by the Company in Fiscal 2009 such as Kaseli Bridge along with approach road contract, Jaipur Bridge along with approach road contract, turnkey projects from the Ramprastha Developers in Gurgaon railway, contracts

of minor major bridges, extension of platform etc. which was received in the year 2008-2009, also spill over order books of earlier years like the Business Park construction at Powai, Road Project of Nasik Highway, National Highway Project of Chitradurgh Section, Drainage work for the Thane Municipal Corporation and few other orders added to the topline for Fiscal 2010.

The Earning Per Share (EPS) of the Company has also increased by 45.24 % from Rs.19.45 to Rs.28.25 for the financial year ended March31, 2010 over the corresponding last year.

Internal Control

The company has a strong system of internal control that enables it to ensure corporate governance of the highest order. A focused and integrated risk management approach enables the company to maintain high levels of standards in its governance philosophy.

Led by an efficient and visionary management, the company has put in place effective monitoring and management information systems that help it standardise and define internal controls. Implementation of standard policies and processes, along with maintenance of an appropriate audit programme with internal control environment effective risk, continue to be vital factors in ensuring total transparency in the company's dealings.

The company also has a framework for risk management and regulatory compliance, which requires risk assessments and related policies, a control-based environment and activities, information and communication procedures, and a monitoring mechanism for the control environment.

The company's system of Internal Controls for financial reporting of various transactions ensures efficiency of operations and compliance with relevant laws and regulations commensurate with its size and nature of business. The company also has a well-defined system of management reporting and periodic review of businesses to ensure timely decision-making.

Through these stringent procedures, the company is able to ensure efficient use & protection of resources; compliance with policies, procedures & statutes; accuracy and promptness of financial reports.

The Management Information System (MIS) also forms an integral part of the Company's control mechanism. This provides

for monitoring and control of all operating parameters, and material deviations from the annual planning and budgeting and business outlook including capital expenditure are reported to the Board on quarterly basis.

Reports of internal auditors are reviewed by the Audit Committee, and corrective measures are carried out towards further improvement in systems and procedures and compliance with Internal Control System. The Board also recognises the work of the auditors as an independent check on the information received from the management on the operations and performance of the Company.

Human Resources

The company has more than 850 technical and non-technical staff on its payroll to execute the projects on time. Nearly 65 per cent staff is posted on site to work round the clock, project-wise, for effective monitoring and timely completion of projects.

The highly skilled and qualified work force of the company, which includes consultants and specialists in various fields of construction as well as design, ensure the highest standards of quality adherence benchmarked to global parameters.

Team work and collaborative action based on farsighted and visionary planning is the key to the successful growth of the company over the years.

The company has in place a compact system of rewarding employees showing exceptional performance, with appreciation certificates and incentives a regular part of the HR system.

The company's professional, stable and safe environment ensures equal opportunities for all employees, regardless of age, sex or ethnic origin, thereby keeping attrition in check.

Cautionary Statement

In this Annual report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements written and oral that we periodically make contain forward looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using

'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in our assumptions. The achievement of results is subject 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 forward-looking statements, whether as a result of new information, future events or otherwise.

Auditors' Report

To,
The Members,

Supreme Infrastructure India Limited

1. We have audited the attached Balance Sheet of Supreme Infrastructure India Limited (the 'Company'), as at March 31, 2010, and also the Profit and Loss Account 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. *Subject to our comments in paragraph 4 below*, 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. *As stated in note B.5 of Schedule 20 to the Financial Statements, a search was conducted on September 24, 2009 at the premises of the Company by the Income tax authorities under section 132 of the Income tax act, 1961. Further, certain records and files containing invoices were seized and are not available for our inspection. Subsequent to the search, the Company's assessments for the financial years 2003-04 to 2008-09 have been reopened. Pending completion of these assessments, the impact of the additional tax liability, if any, is presently not ascertainable.*

5. Further to our comments in the Annexure referred to above, we report that:

a. *Subject to our comments in paragraph 4 above*, 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 March 31, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as at March 31, 2010 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 the Rules framed there under and give the information required by the Act, in the manner so required and *subject to our comments in paragraph 4 above* 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 March 31, 2010;

ii) the Profit and Loss Account, 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, Chandiook & Co**
 Chartered Accountants

Firm Registration No:
 001076N

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

Place: Mumbai
 Date: 7th August, 2010

For **Shah & Kathariya**
 Chartered Accountants

Firm Registration No:
 115171W

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

Place: Mumbai
 Date: 7th August, 2010

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 March 31, 2010

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 is in the process of updating proper records showing full particulars, including details of depreciation and particulars regarding sale of assets.*
- (b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
- (c) In our opinion, a substantial part of fixed assets has not been disposed off during the year.
- (ii) (a) In our opinion, the management has conducted a physical verification of inventory at reasonable intervals. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, 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 (d) of the Order are not applicable.
- (e) The Company has taken interest free unsecured loans from three directors covered in the register maintained under section 301 of the Act. The maximum amount outstanding during the year was Rs 77,450,440 and the year-end balance was Rs 47,366,182.
- (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 on which such loans have been obtained are prima facie not 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 fixed assets and sale of goods. *However, the internal control system for purchases of inventory needs to be strengthened.* Further, we have not come across any continuing failure to correct major weaknesses in the aforesaid internal control system.
- (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 lacs 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) In our opinion, 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) The Company has an internal audit system, *the scope and coverage of which, in our opinion, requires to be further enhanced to be 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. Accordingly, the provisions of clause 4(viii) of the Order are not applicable.
- (ix) (a) In our opinion, 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 of the above mentioned taxes were outstanding, at the year end for a period of more than six months from the date they became payable.

(b) The dues outstanding in respect of income-tax on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	824,408	Assessment year 2003-04	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	551,018	Assessment year 2004-05	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	4,124,957	Assessment year 2006-07	Commissioner of Income Tax (Appeals)

There are no amounts in respect of sales tax, customs duty, wealth tax, service tax, excise duty and cess that have not been deposited with the appropriate authorities on account of any dispute.

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| <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) In our opinion, the Company has not defaulted in repayment of dues to a financial institution or a bank or debenture holders 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) 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) The Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable.</p> <p>(xv) In our opinion, 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 the 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) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Act. Accordingly, the provisions of clause 4(xviii) of the Order are not applicable.</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 Walker, Chandio & Co
Chartered Accountants</p> <p>Firm Registration No:
001076N</p> <p>per Amyr Jassani
Partner
Membership No: F – 46447</p> <p>Place: Mumbai
Date: 7th August, 2010</p> | <p>For Shah & Kathariya
Chartered Accountants</p> <p>Firm Registration No:
115171W</p> <p>per P. M. Kathariya
Partner
Membership No: F – 31315</p> <p>Place: Mumbai
Date: 7th August, 2010</p> |
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Balance Sheet

as at 31st March, 2010

	Schedule	As at March 31, 2010 Rs.	As at March 31, 2009 Rs.
SOURCES OF FUNDS			
Shareholders' funds			
Capital	1	138,758,120	138,758,120
Reserves and surplus	2	1,384,136,791	1,016,478,146
Share warrants (pending allotment) (Refer note B(20) to Schedule 20)		30,000,000	-
		1,552,894,911	1,155,236,266
Loan funds			
Secured loans	3	2,851,869,952	1,752,014,312
Unsecured loans	4	152,039,084	241,878,717
		3,003,909,036	1,993,893,029
Mobilisation advances from customers (Refer note B(21) to Schedule 20)			
		398,421,819	172,157,047
Deferred tax liabilities (net) (Refer note B(17) to Schedule 20)			
		49,644,883	27,194,883
Total		5,004,870,649	3,348,481,225
APPLICATION OF FUNDS			
Fixed assets			
Gross block	5	2,514,666,569	2,124,521,397
Less: Accumulated depreciation		455,151,395	254,895,112
Net block		2,059,515,174	1,869,626,285
Capital work-in-progress (including capital advances) (Refer note B(2) and B(3) to Schedule 20)		386,097,235	166,116,241
		2,445,612,409	2,035,742,526
Investments			
	6	122,568,806	20,781,436
Current assets, loans and advances			
Inventories	7	239,617,470	256,366,652
Unbilled work-in-progress	14	400,256,417	156,658,425
Sundry debtors	8	1,846,030,141	932,664,533
Cash and bank balances	9	154,505,487	102,990,510
Loans and advances	10	782,868,485	304,982,712
		3,423,278,000	1,753,662,832
Less : Current liabilities and provisions			
Liabilities	11	900,746,576	418,580,246
Provisions	12	85,841,990	43,125,323
		986,588,566	461,705,569
Net current assets		2,436,689,434	1,291,957,263
Total		5,004,870,649	3,348,481,225
Significant accounting policies and notes to the financial statements	20		

The schedules referred to above form an integral part of the Balance Sheet
As per our report of even date attached

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

Amyr Jassani
Partner

Place: Mumbai
Date: 7th August, 2010

For **Shah & Kathariya**
Chartered Accountants

P. M. Kathariya
Partner

Place: Mumbai
Date: 7th August, 2010

For and on behalf of the Board of Directors

B. H. Sharma
Chairman

Vikas Sharma
Wholetime Director

Place: Mumbai
Date: 7th August, 2010

Vikram Sharma
Managing Director

Mukesh Gupta
Company Secretary

Profit and Loss Account

for the year ended March 31, 2010

	Schedule	Year ended March 31, 2010 Rs.	Year ended March 31, 2009 Rs.
INCOME			
Income from operations	13	5,332,570,880	3,822,498,970
Increase / (decrease) in work-in-progress	14	243,597,992	(3,370,639)
		5,576,168,872	3,819,128,331
Other income	15	34,824,865	11,992,497
		5,610,993,737	3,831,120,828
EXPENDITURE			
Direct contract expenses	16	4,346,320,412	2,969,514,646
Employee cost	17	141,963,797	91,596,606
Administration and other expenses	18	140,856,149	107,090,499
Depreciation		202,126,275	130,584,574
Finance charges	19	220,217,450	171,324,536
		5,051,484,083	3,470,110,861
Profit before tax		559,509,654	361,009,967
Provision for tax			
Current tax		138,850,000	80,000,000
Deferred tax		22,450,000	8,073,644
Fringe benefit tax		-	500,000
Tax adjustment for earlier years		6,200,000	2,540,764
		167,500,000	91,114,408
Profit after tax		392,009,654	269,895,559
Balance brought forward from previous year		535,823,287	313,720,236
Profit available for appropriation		927,832,941	583,615,795
Appropriation			
Transfer to general reserve		20,000,000	27,500,000
Proposed dividend		20,813,718	17,344,765
Corporate dividend tax		3,537,291	2,947,743
		44,351,009	47,792,508
Balance carried forward to Balance Sheet		883,481,932	535,823,287
Earnings per share (Basic and Diluted) (Refer note B(16) to Schedule 20)		28.25	19.45
Nominal value per share (Rs.)		10	10
Significant accounting policies and notes to the financial statements	20		

The schedules referred to above form an integral part of the Profit and Loss Account
As per our report of even date attached

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

Amyr Jassani
Partner

Place: Mumbai
Date: 7th August, 2010

For **Shah & Kathariya**
Chartered Accountants

P. M. Kathariya
Partner

Place: Mumbai
Date: 7th August, 2010

For and on behalf of the Board of Directors

B. H. Sharma
Chairman

Vikas Sharma
Wholtime Director

Place: Mumbai
Date: 7th August, 2010

Vikram Sharma
Managing Director

Mukesh Gupta
Company Secretary

Cash Flow Statements

for the year ended March 31, 2010

	Year ended March 31, 2010 Rs.	Year ended March 31, 2009 Rs.
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	559,509,654	361,009,967
Adjustments for :		
Depreciation	202,126,275	130,584,574
Preliminary expenditure w/off	-	18,621,239
Profit on sale of fixed assets	(18,016,220)	-
Interest income	(8,369,222)	(3,862,668)
Dividend income	(173,966)	-
Interest expense	192,020,209	133,227,207
Operating Profit Before Working Capital Changes	927,096,730	639,580,319
Movement in working capital:		
Increase in inventories	16,749,182	(224,421,301)
Increase in unbilled work in progress	(243,597,992)	3,370,639
Increase in sundry debtors	(913,365,608)	(491,585,958)
Increase in loans and advances	(477,885,773)	(34,345,190)
Increase in current liabilities and provisions	517,380,218	5,719,120
Cash generated from operations	(173,623,243)	(101,682,371)
Direct taxes paid	(112,015,547)	(68,062,150)
Net cash used in Operating Activities	(285,638,790)	(169,744,521)
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets (including advances for capital expenditure)	(698,161,886)	(1,047,887,552)
Proceeds from sale of fixed assets	20,000,000	-
Purchase of investments	(100,187,370)	-
Investment in subsidiary and joint venture	(1,600,000)	-
Interest received	8,369,222	3,862,668
Dividend received	173,966	-
Net Cash used in from Investing Activities	(771,406,068)	(1,044,024,884)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share warrants	30,000,000	-
Receipt of secured loans	1,154,447,413	1,111,895,740
(Repayment)/Receipt of unsecured loans	(89,839,633)	83,266,180
Receipt of mobilisation advances	226,264,772	172,157,047
Interest paid	(192,020,209)	(133,227,207)
Dividend paid	(17,344,765)	(20,813,718)
Payment of corporate dividend tax	(2,947,743)	(3,537,291)
Net Cash generated from Financing Activities	1,108,559,835	1,209,740,751
Net Increase/(Decrease) in cash and cash equivalents (A+B+C)	51,514,977	(4,028,654)
Cash and cash equivalents at the beginning of the year	102,990,510	107,019,164
Cash and cash equivalents at the end of the year (refer to Schedule 9)	154,505,487	102,990,510

Notes to the Cash Flow Statement

1 Cash and cash equivalents as stated above includes fixed deposits of Rs. 85,489,554 (Previous year - Rs. 36,296,113) placed with banks against guarantee

As per our report of even date attached

For **Walker, Chandiook & 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
Vikas Sharma
Wholetime Director

Vikram Sharma
Managing Director
Mukesh Gupta
Company Secretary

Place: Mumbai
Date: 7th August, 2010

Place: Mumbai
Date: 7th August, 2010

Place: Mumbai
Date: 7th August, 2010

Schedules

Schedules forming part of the Balance Sheet as at 31st March, 2010

	As at March 31, 2010 Rs.	As at March 31, 2009 Rs.
SCHEDULE 1		
Capital		
Authorised		
48,000,000 (Previous year - 15,000,000) equity shares of Rs. 10 each	480,000,000	150,000,000
2,000,000 (Previous Year Nil) preference shares of Rs. 10 each	20,000,000	-
	500,000,000	150,000,000
Issued, subscribed and paid up		
13,875,812 (Previous year - 13,875,812) equity shares of Rs. 10 each, fully paid up (Out of the above, 7,500,000 equity shares of Rs. 10 each are allotted as fully paid up bonus shares by capitalisation of securities premium and accumulated profits)	138,758,120	138,758,120
	138,758,120	138,758,120
SCHEDULE 2		
Reserves and surplus		
Securities premium account		
Balance as per last account	397,372,376	430,629,576
Less: Share issue expenses written off	-	33,257,200
	397,372,376	397,372,376
General reserve		
Balance as per last account	83,282,483	55,782,483
Add: Transfer from Profit and Loss Account	20,000,000	27,500,000
	103,282,483	83,282,483
Profit and Loss Account	883,481,932	535,823,287
	1,384,136,791	1,016,478,146
SCHEDULE 3		
Secured loans		
From Banks		
External commercial borrowings (Refer note B(1)(a) to Schedule 20)	371,502,200	422,903,369
Term loans from banks (Refer note B(1)(b) and (c) to Schedule 20)	692,258,160	293,679,698
Cash credit facilities from banks (Refer note B(1)(e) to Schedule 20)	1,520,179,110	793,614,286
From Others		
Loans from financial institution (Refer note B(1)(d) to Schedule 20)	267,930,482	241,816,959
	2,851,869,952	1,752,014,312
Amount repayable within one year	1,063,290,243	241,342,121
SCHEDULE 4		
Unsecured loans		
Loans from		
- Directors	47,366,182	46,365,658
- Others	104,672,902	195,513,059
(Repayable on demand)		
	152,039,084	241,878,717

Schedules

Schedules forming part of the Balance Sheet as at 31st March, 2010

SCHEDULE 5 Fixed assets

Description	Gross Block - At Cost		Accumulated Depreciation		Net Block	
	As at April 1, 2009	As at March 31, 2010	As at April 1, 2009	As at March 31, 2010	As at March 31, 2010	As at March 31, 2010
Land						
A) Freehold land (*)	676,178,991	676,178,991	-	-	676,178,991	676,178,991
B) Leasehold land	5,470,000	5,470,000	-	-	5,470,000	5,470,000
Buildings						
A) Guest house at Gurgaon	7,885,500	7,885,500	622,349	363,158	6,899,993	7,263,151
B) Office premises	4,411,000	9,238,585	1,772,887	235,101	9,100,589	2,638,113
Ready Mix Concrete and Asphalt plant	325,404,701	325,404,701	76,344,650	34,644,253	214,415,798	249,060,051
Construction equipments						
A) Machinery	974,713,094	1,354,111,119	125,633,050	146,060,423	1,082,417,646	849,080,044
B) Vehicles	112,856,309	114,453,896	44,112,416	18,070,115	52,271,365	68,743,893
Furniture and fixtures	7,123,419	8,181,190	2,812,567	933,745	4,434,878	4,310,852
Office equipments	4,110,297	5,925,897	1,326,878	513,786	4,085,233	2,783,419
Computer and peripherals	3,815,073	5,096,045	1,811,101	1,014,447	2,270,497	2,003,972
Plant Shade	2,553,013	2,720,645	459,214	291,247	1,970,184	2,093,799
Total	2,124,521,397	2,514,666,569	254,895,112	202,126,275	455,151,395	1,869,626,285
Previous year	1,151,620,390	2,124,521,397	124,310,538	130,584,574	254,895,112	1,869,626,285

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

Schedules

Schedules forming part of the Balance Sheet as at 31st March, 2010

	As at March 31, 2010 Rs.	As at March 31, 2009 Rs.
SCHEDULE 6		
Investments		
I. Long Term (unquoted, at cost)		
Trade		
A. In Subsidiary Companies		
10,000 (Previous year - Nil) equity shares of Rs. 10 each fully paid-up in Supreme Infrastructure BOT Private Limited (acquired during the year)	100,000	-
B. Joint Venture		
50% share (Previous year - Nil) in Supreme Siddhi JV (acquired during the year)	1,500,000	-
C. Others		
390,625 (Previous year - Nil) equity shares of Rs. 10 each fully paid-up in Kalyan Sangam Infratech Limited (acquired during the year)	39,062,500	-
609,375 (Previous year - Nil) 10% cumulative preference shares of Rs. 10 each fully paid-up in Kalyan Sangam Infratech Limited	60,937,500	-
Non trade		
2,500 (Previous year - 2,500) equity shares of Rs. 10 each fully paid up in The Saraswat Co-op Bank Ltd.	50,836	50,836
50,000 (Previous year - 50,000) units of Rs. 10 each of S.B.I. Capital Protection Oriental Fund Series - I	500,000	500,000
1,000,000 (Previous year - 1,000,000) units of Rs. 10 each of S.B.I. Infrastructure Fund - I-Growth	10,000,000	10,000,000
1,180,000 (Previous year - 1,180,000) units of Rs. 10 each of UTI Infrastructure Advantage Fund -Series I - Growth Plan	10,230,600	10,230,600
National Savings Certificates (acquired during the year)	30,000	-
II. Current (non trade, unquoted)		
157.16 units of Rs. 1,000 each in Reliance Money Manager Fund-Institutional option-Daily Dividend Plan {(34,960.27 Units purchased, 168.744 Units cumulated, 34,971.854 Units sold during the year) (Previous year - Nil)}	157,370	-
Market value of current investments {Rs. 157,370 (Previous year -Nil)}		
	122,568,806	20,781,436
SCHEDULE 7		
Inventories		
(As valued and certified by the Management)		
Construction materials	239,617,470	256,366,652
	239,617,470	256,366,652
SCHEDULE 8		
Sundry debtors		
(Unsecured, considered good)		
Debts outstanding for a period exceeding six months (Refer Note 1 below)	742,815,235	114,559,705
Other debts (Refer Note 2 below)	1,103,214,906	818,104,828
	1,846,030,141	932,664,533

Notes:

1. Includes Rs. 408,741,657 (Previous year - Rs. 58,068,719) retention money not due
2. Includes Rs. 31,765,995 (Previous year - Rs. 352,409,094) retention money not due
3. Includes amount due from company under the same management Rs. 110,463,023 (Previous year -Nil)
4. Includes amount due from company under the same management Rs. 47,597,065 (Previous year -Nil)

Schedules

Schedules forming part of the Balance Sheet as at 31st March, 2010

	As at March 31, 2010 Rs.	As at March 31, 2009 Rs.
SCHEDULE 9		
Cash and bank balances		
Cash on hand	5,365,954	3,000,995
Balance with scheduled banks:		
on current accounts	63,649,979	63,693,402
{Includes Rs. 104,963 (Previous year Rs. 104,963) being unutilised money out of the public issue}		
on deposit accounts *	85,489,554	36,296,113
* Pledged against guarantee Rs. 85,489,554 (Previous year - Rs. 36,296,113)		
	154,505,487	102,990,510
SCHEDULE 10		
Loans and advances		
(Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received	160,218,160	204,685,648
Due from Supreme Infrastructure BOT Private Limited	1,321,000	-
Advance against equity	427,900,000	-
Advance for materials and expenses	55,848,797	-
Deposits	137,580,528	100,297,064
	782,868,485	304,982,712
SCHEDULE 11		
Liabilities		
Sundry creditors		
- for materials and expenses (Refer note B(18) to Schedule 20)	785,699,873	248,747,169
- for fixed assets	23,321,297	52,911,472
Due to Supreme MBL JV	35,969,186	86,397,893
Advance from customers	16,896,502	7,872,863
Book overdraft	-	1,007,908
Other liabilities	38,859,718	21,642,941
	900,746,576	418,580,246
SCHEDULE 12		
Provisions		
Income tax {net of advance tax of Rs. 222,980,840 (Previous year - Rs.110,221,992)}	55,312,623	22,278,170
Proposed dividend	20,813,718	17,344,765
Corporate dividend tax	3,537,291	2,947,743
Gratuity	6,178,358	554,645
	85,841,990	43,125,323

Schedules

Schedules forming part of the Profit and Loss Account

	Year ended March 31, 2010 Rs.	Year ended March 31, 2009 Rs.
SCHEDULE 13		
Income from operations		
Sales and contract revenue	5,332,570,880	3,822,498,970
	5,332,570,880	3,822,498,970
SCHEDULE 14		
Increase / (decrease) in work-in-progress		
Opening work-in-progress	156,658,425	160,029,064
Less: Closing work-in-progress	400,256,417	156,658,425
	243,597,992	(3,370,639)
SCHEDULE 15		
Other income		
Interest on fixed deposits (gross) {Tax deducted at source Rs. 869,826 (Previous year -850,661)}	8,369,222	3,862,668
Dividend	173,966	-
Profit on sale of assets	18,016,220	-
Miscellaneous income (gross)	8,265,457	8,129,829
	34,824,865	11,992,497
SCHEDULE 16		
Direct contract expenses		
Contract materials consumed		
Opening stock	256,366,652	31,945,351
Add: Purchases	1,695,837,219	1,265,818,708
Less: Closing stock	239,617,470	256,366,652
	1,712,586,401	1,041,397,407
Labour and subcontracting	2,355,421,908	1,656,097,025
Power and fuel	61,301,461	31,971,676
Repairs and maintenance -Plant and machinery	21,308,533	10,251,675
Rent	1,188,000	-
Transportation and hire charges	82,678,753	137,497,002
Other direct costs	111,835,356	92,299,861
	4,346,320,412	2,969,514,646
SCHEDULE 17		
Employee cost		
Salaries, wages and bonus	127,721,291	89,235,789
Contribution to provident and other funds	2,577,971	446,715
Gratuity	5,623,713	-
Workmen and staff welfare expenses	6,040,822	1,914,102
	141,963,797	91,596,606

Schedules

Schedules forming part of the Profit and Loss Account

	Year ended March 31, 2010 Rs.	Year ended March 31, 2009 Rs.
SCHEDULE 18		
Administration and other expenses		
Electricity	13,796,575	5,167,213
Rent	851,169	699,324
Repairs and maintenance:		
- Machinery	936,654	-
- Others	70,781	-
Insurance	16,451,926	3,187,215
Rates and taxes	6,488,303	-
Legal and professional	35,256,310	19,952,864
Directors' remuneration (Refer note B(8) to Schedule 20)	4,500,000	4,500,000
Travelling	5,575,670	2,453,604
Communication	3,437,389	2,673,339
Auditors' remuneration (Refer note B(9) to Schedule 20)	1,951,921	252,810
Miscellaneous expenses	51,539,451	68,204,130
	140,856,149	107,090,499
SCHEDULE 19		
Finance charges		
Interest on		
- External commercial borrowings	17,948,645	3,737,318
- Term loans	64,600,596	39,444,978
- Cash credit facilities	109,470,968	90,044,911
Bank charges	28,197,241	38,097,329
	220,217,450	171,324,536

Schedules

Significant accounting policies and notes to the financial statements

Schedule 20 – Significant accounting policies and notes to the financial statements

Background

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

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

d. Depreciation

Depreciation on assets 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. Individual assets costing less than Rs 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 Profit and Loss Account 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 Profit and Loss Account in the year in which it is accrued.

g. Investments

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

h. Inventories

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

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 is a defined contribution plan and contribution paid or

Schedules

Significant accounting policies and notes to the financial statements

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 less the fair value of plan assets, 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 Profit and Loss Account 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 Company does not have a policy for compensating absences.

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 extent work is executed.
- b. In respect of contracts executed in Integrated Joint Ventures under profit sharing arrangement (assessed as Association of Persons under Income tax laws), the services rendered to the Joint Ventures are accounted as income on accrual basis. The profit /

loss is accounted for, as and when it is determined by the Joint Venture and the net investment in the Joint Venture is reflected as investments, loans and advances or current liabilities.

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

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

k. Leases

Lease of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss Account 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 profit and loss account except in cases 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 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

Schedules

Significant accounting policies and notes to the financial statements

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. 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 its present value and are determined based on management 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.

B. Notes to financial statements

1. Secured loans

- External commercial borrowings are 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 loan obtained from consortium bankers is secured by hypothecation charge on all movable fixed assets of the Company and mortgage of Company's office premise, other premise which is in the name of one of the director and personal guarantee of Company's promoter directors.
- Term loans obtained from other banks is secured by additional equitable mortgage of plots at IIT Powai and Bhiwandi, hypothecation of equipments financed by financial institution.
- Term loan from financial institutions are secured by first charge on the specific equipment financed by the Company and personal guarantee of the promoter director.

- Cash Credit facilities availed from consortium 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 director, 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.

- Capital work-in-progress includes capital advances of Rs. 47,278,730 (Previous year – Rs. 31,265,495)
- During the year, the Company has capitalized borrowing costs of Rs. 14,271,428 (Previous year – Rs. 9,171,624) in capital work-in-progress.
- Contracts remaining to be executed on capital account (net of advances) not provided for Rs. 2,211,876 (Previous year Rs. Nil).
- On September 24, 2009, the Income Tax authorities had conducted search under section 132 of the Income tax act, 1961. Auditors have expressed reservation in their audit report in respect of certain records and files containing invoices being seized, which were not available for their inspection and the additional tax liability, if any, consequent to the search and the reopening of Company's assessments for the financial years 2003-04 to 2008-09. Management believes that provision for tax is adequate and no additional tax liability is anticipated consequent to the reopening of the assessments.

6. Contingent liabilities:

Particulars	As at	As at
	March 31, 2010	March 31, 2009
	Rs.	Rs.
Income tax demand in respect of earlier year(s) under dispute	5,500,383	5,500,383

- The current assets, loans and advances are stated at the value, which in the opinion of the Board, are realisable in the ordinary course of the business. Current liabilities and provisions are stated at the value payable in the ordinary course of the business.

Schedules

Significant accounting policies and notes to the financial statements

8. Directors' remuneration

Particulars	As at March 31, 2010 Rs.	As at March 31, 2009 Rs.
Salaries, allowances and bonus	4,500,000	4,500,000
Total	4,500,000	4,500,000

Note – Provision for gratuity is computed on actuarial valuation basis, for the Company as a whole and therefore cannot be determined on an individual basis.

9. Auditors' remuneration

Particulars	Year ended March 31, 2010 Rs.	Year ended March 31, 2009 Rs.
Audit fees	1,675,000	225,000
Tax audit fees	25,000	25,000
Other services	251,921	2,810
Total	1,951,921	252,810

10. Value of imports on CIF basis

Particulars	Year ended March 31, 2010 Rs.	Year ended March 31, 2009 Rs.
Capital goods	27,348,750	Nil
Total	27,348,750	Nil

11. Expenditure in foreign currency

Particulars	Year ended March 31, 2010 Rs.	Year ended March 31, 2009 Rs.
Interest on external commercial borrowings	17,948,645	3,737,318
Total	17,948,645	3,737,318

12. Disclosures pursuant to Accounting Standard 7 (AS - 7) "Construction Contracts"

Sr. No.	Particulars	Year ended March 31, 2010 Rs.	Year ended March 31, 2009 Rs.
A	Amount of contract revenue recognized as revenue during the year	5,576,168,872	3,819,128,331
B	Aggregate amount of cost incurred and recognized profits less recognized losses upto the reporting date	5,914,721,280	2,736,379,043
Balances as at year end			
C	Amount of customer advances outstanding as on reporting date	398,421,819	172,157,047
D	Amount of retentions	440,507,652	410,477,813
E	Gross amount due from customers for contract work	1,405,522,489	522,186,720
F	Gross amount due to customers for contract work	16,896,502	7,872,863

13. Employee Benefits

As per Accounting Standard – 15 "Employee Benefits" the disclosure of employee benefits is given below:

- a) Defined Contribution Plan: The amount of contribution to provident fund and ESIC recognized as expenses during the year is Rs.2,577,971(Previous Year - Rs.446,715)

Schedules

Significant accounting policies and notes to the financial statements

b) Defined Benefit Plan for Gratuity:

Particulars	Year ended March 31, 2010	Year ended March 31, 2009
Change in Defined Benefit Obligation :		
Defined benefit obligation as at the beginning of the year	554,645	743,301
Current service cost	2,672,922	371,193
Interest cost	45,758	57,606
Actuarial (gain)/loss on obligations	2,905,033	(617,455)
Present value of defined benefit obligation at the year end (A)	6,178,358	554,645
Change in Plan Assets :		
Opening plan assets, at fair value	-	-
Expected return on plan assets	-	-
Actuarial gain/(loss) on plan assets	-	-
Contributions	-	-
Benefit paid	-	-
Fair Value of plan assets at the end (B)	-	-
Cost for the year		
Service cost	2,672,922	371,193
Interest cost	45,758	57,606
Expected return on plan assets	-	-
Actuarial gain/(loss)	2,905,033	(617,455)
Total net cost recognized as employee remuneration	5,623,713	(188,656)
Reconciliation of benefit obligation and plan assets		
Present value of defined obligation as at year end (A)	6,178,358	554,645
Fair value of plan assets as at year end (B)	-	-
Net asset/ (liability) as at year end recognized in Balance Sheet (A) – (B)	(6,178,358)	(554,645)
Investment details of plan assets :		
Expected return on plan assets	-	-
Actuarial gain/(loss) on plan assets	-	-
Actual return on plan assets	-	-
Assumptions		
Discount rate	8.25%	7.75%
Salary escalation	4%	6.5%
Estimated rate of return	-	-

14. Segment information

The activities of the Company comprises of only one business segment viz Construction. The Company operates in only one geographical segment viz India. Hence the Company's financial statement also represents the segmental information.

15. Related party disclosures

i. Name of the related party and description of relationship

A Enterprise where control exists

- | | |
|-----------------|--|
| i) Subsidiaries | <ul style="list-style-type: none"> - Supreme Infrastructure BOT Private Limited - Supreme Manor Wada Bhiwandi Infrastructure Private Limited |
|-----------------|--|

Schedules

Significant accounting policies and notes to the financial statements

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

- | | |
|---|--|
| i) Joint ventures | - Supreme - MBL JV
- Petron - Supreme JV
- Supreme - Siddhi JV |
| ii) Key management personnel (KMP) | - Mr. Bhawanishankar Sharma
- Mr. Vikram Sharma
- Mr. Vikas Sharma |
| iii) Company in which (ii) above have significant influence | - Supreme Housing & Hospitality Private Limited |
| ii. Transactions with related parties | |

Transactions during the year	Subsidiaries	Joint ventures	Key management personnel	Company in which KMP is interested
Contract revenue				
- Supreme Housing & Hospitality Private Limited	- (-)	- (-)	- (-)	701,213,698 (465,828,378)
- Supreme MBL JV	- (-)	176,024,243 (208,552,972)	- (-)	- (-)
- Petron Supreme JV	- (-)	53,143,004 (1,308,488)	- (-)	- (-)
Purchases				
- Supreme Siddhi JV	- (-)	57,976,435 (-)	- (-)	- (-)
Expenses reimbursed to				
- Supreme MBL JV	- (-)	163,280,623 (251,945,813)	- (-)	- (-)
Investments				
- Supreme Siddhi JV	- (-)	1,500,000 (-)	- (-)	- (-)
- Supreme Infrastructure BOT Private Limited	100,000 (-)	- (-)	- (-)	- (-)
Advance against equity- Supreme Infrastructure BOT Private Limited	427,900,000 (-)	- (-)	- (-)	- (-)
Receipt of unsecured loan				
- Mr. Bhawanishankar Sharma	- (-)	- (-)	63,262,142 (49,443,074)	- (-)
- Mr. Vikram Sharma	- (-)	- (-)	13,714,329 (8,505,122)	- (-)
- Mr. Vikas Sharma	- (-)	- (-)	25,156,356 (13,302,459)	- (-)
Receipt of Mobilisation advance				
- Supreme Housing & Hospitality Private Limited	- (-)	- (-)	- (-)	40,975,874 (20,000,000)
Repayment of unsecured loan				
- Mr. Bhawanishankar Sharma	- (-)	- (-)	62,261,618 (63,124,054)	- (-)
- Mr. Vikram Sharma	- (-)	- (-)	13,714,329 (8,505,122)	- (-)

Schedules

Significant accounting policies and notes to the financial statements

Transactions during the year	Subsidiaries	Joint ventures	Key management personnel	Company in which KMP is interested
- Mr. Vikas Sharma	-	-	25,156,356	-
	(-)	(-)	(13,302,459)	(-)
Adjustment of Mobilisation advance				
- Supreme Housing & Hospitality Private Limited	-	-	-	90,706,979
	(-)	(-)	(-)	(23,126,203)
Remuneration	-	-	4,500,000	-
	(-)	(-)	(4,500,000)	(-)
Issue of convertible share warrants to Mr. Vikram Sharma	-	-	15,000,000	-
	(-)	(-)	(-)	(-)
Balance as at year end				
Balance receivable				
- Supreme Housing & Hospitality Private Limited	-	-	-	158,060,088
	(-)	(-)	(-)	(82,591,375)
- Supreme MBL JV	-	181,622,982	-	-
	(-)	(184,472,917)	(-)	(-)
- Supreme Infrastructure BOT Private Limited	1,321,000	-	-	-
	(-)	(-)	(-)	(-)
- Petron Supreme JV	-	9,862,108	-	-
	(-)	(-)	(-)	(-)
Balance payable				
- Mr. Bhawanishankar Sharma	-	-	47,366,182	-
	(-)	(-)	(46,365,658)	(-)
- Supreme Housing & Hospitality Private Limited	-	-	-	47,142,691
	(-)	(-)	(-)	(96,873,797)
- Petron Supreme JV	-	4,000,000	-	-
	(-)	(1,079,930)	(-)	(-)
- Supreme MBL JV	-	68,801,186	-	-
	(-)	(119,229,893)	(-)	(-)
- Supreme Siddhi JV	-	10,013,775	-	-
	(-)	(-)	(-)	(-)

16. Earnings per share

Particulars	Year ended	Year ended
	March 31, 2010	March 31, 2009
	Rs.	Rs.
Net profit after tax	392,009,654	269,895,559
Weighted average number of equity shares	13,875,812	13,875,812
Basic earnings per share	28.25	19.45
Diluted earnings per share	28.25	19.45
Nominal value of equity shares	10.00	10.00

The potential equity shares on conversion of share warrants are considered to be anti-dilutive in nature for the year ended March 31, 2010. Hence these have not been adjusted to arrive at diluted earning per share.

17. Deferred tax balances

The components of deferred tax assets and liabilities arising on account of timing differences between taxable income and book income are as follows:

Particulars	As at	As at
	March 31, 2010	March 31, 2009
	Rs.	Rs.
Deferred tax liabilities		
On timing difference between book depreciation and depreciation as per Income Tax Act, 1961.	77,196,008	27,194,883
Total deferred tax liabilities (A)	77,196,008	27,194,883

Schedules

Significant accounting policies and notes to the financial statements

Particulars	As at	As at
	March 31, 2010 Rs.	March 31, 2009 Rs.
Deferred tax assets		
Exchange gain on reinstatement of financial liability	18,134,022	-
Gratuity	2,052,296	-
Others	7,364,807	-
Total deferred tax assets (B)	27,551,125	-
Net deferred tax liability (A-B)	49,644,883	27,194,883

18. 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, 2010. 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.

19. Joint venture disclosure

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

Name of the Company	Description of interest	Company's Share
Supreme - MBL JV	Lead partner	60%
Supreme - Chawla Interbuild	Lead partner	75%
Petron - Supreme JV	Minority partner	45%

20. a) The Company allotted 2,000,000 warrants of Rs.10 each at a premium of Rs. 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. The warrant holders shall be entitled to apply for converting these warrants at anytime after the date of allotment of warrants but before the expiry of 18 months from the date of allotment of such warrants. Upon exercise of the right to apply for equity shares, the warrant holders will be liable to make the payment of 75% of the issue price. The Board upon receipt of the entire amount will allot one equity share per warrant.

b) An amount of Rs. 30,000,000 (equivalent to 25% of the issue price) is received on account of allotment of 2,000,000 share warrants of face value of Rs.10 each. The issue proceeds have been utilised for meeting the fund requirements of the existing and new businesses and for working capital requirements.

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

22. Foreign currency transactions of the Company are not hedged by derivative instruments or otherwise.

Balances	Currency	As at	As at
		March 31, 2010	March 31, 2009
External commercial borrowings	USD	8,230,000	8,230,000
	INR	371,502,200	422,903,369

23. Previous year's figures have been regrouped, wherever considered necessary. The audit for the previous year was carried out solely by one of the joint auditors, M/s Shah & Kathariya, Chartered Accountants.

Signatures to Schedules 1 to 20

For and on behalf of the Board of Directors

B. H. Sharma

Chairman

Vikram Sharma

Managing Director

Vikas Sharma

Wholetime Director

Mukesh Gupta

Company Secretary

Place: Mumbai

Date: 7th August, 2010

Balance Sheet Abstract

and Company's General Business Profile Part IV

I	Registration Details	Registration No.	State Code
	Balance Sheet Date	L74999MH1983PLC029752	11
		31 03 10	
II	Capital Raised during the Year (Amount in Rs. Thousands)	Public Issue	Right Issue
		NIL	NIL
		Bonus Issue	Private Placement
		NIL	NIL
III	Position of Mobilisation & Deployment of Funds (Amount in Rs. Thousands)	Total Liabilities	Total Assets
		5004870649	5004870649
	Sources of Funds	Paid up Capital	Reserves & Surplus
		138758120	1384136791
		Secured Loans	Unsecured Loans
		2851869952	152039084
	Application of Funds	Share Application Money	
		30000000	
		Net Fixed Assets	Investments
		2445612409	122568806
		Net Current Assets	Misc Expenditure
		2436689434	NIL
		Accumulated Losses	
		NIL	
IV	Performance of Company (Amount in Rs. Thousands)	Turnover	Total Expenditure
		5332570880	5051484083
		Profit/(Loss) before tax	Profit/(Loss) after tax
		9509654	392009654
	(Please tick appropriate box + for profit - for loss)	Earning per share in Rs	Dividend rate %
	+ -	28.25	15
	<input type="checkbox"/> + <input type="checkbox"/> -		
V	Generic Names of Three Principal products/Services of Company (As per monetary terms)	Item Code No.	Product Description
	(ITC CODE)	NA	NA

For and on behalf of the Board of Director

Vikram Sharma
Managing Director

Vikas Sharma
Wholetime Director

Supreme Infrastructure India Limited

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO COMPANY'S INTEREST IN SUBSIDIARY COMPANIES.

1. Name of the Subsidiary Company	Supreme Infrastructure BOT Private Limited	*Supreme Manor Wada Bhiwandi Infrastructure Private Limited
2. Financial Year ended on	31/03/2010	31/03/2010
3. Date on which it became the Subsidiary of the Company	31/10/2010	18/12/2009
4. Shares of the Subsidiary held by the Company as on the above date (a) Number and face value (b) Extent of Holding	10000 Equity Shares of Rs. 10/- each 100%	49000 Equity Shares of Rs. 10/- each 49%
5. 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, 2010 2. For previous financial year of the Subsidiary since it became a Subsidiary Company	NIL Not Applicable	NIL Not Applicable
6. Net aggregate amount of Profit/(Loss) of the Subsidiary so far as it concerns the members of the Holding Company and is not dealt with in account of Holding Company 1. For financial year ended March 31, 2010 2. For previous financial year of the Subsidiary since it became a Subsidiary Company	100% Not Applicable	49% Not Applicable
7. 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
8. 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 (b) its investments (c) moneys lent by the Subsidiary Company (d) the money borrowed by it for any purpose other than that of meeting current liabilities	} Not applicable	} Not applicable

Note:

*The Company has become a subsidiary company due to control of constitution of board is vested with Supreme Infrastructure BOT Private Limited, a subsidiary of the Company.

FOR & ON BEHALF OF THE BOARD OF DIRECTORS

Vikram Sharma
Managing Director

Vikas Sharma
Wholetime Director

Place: Mumbai

Date: 7th August, 2010

Consolidated 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, (the 'Group') as at March 31, 2010, and also the Consolidated Profit and Loss Account 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 financial statements based on our audit.
2. *Subject to our comments in paragraph 4 below*, 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. We did not audit the financial statements of subsidiaries, whose audited financial statements reflect Group's share of total assets of Rs. 1,767,221, total revenue of Rs. Nil and net cash inflow of Rs. 446,221 as at March 31, 2010. 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. *As stated in note B. 5 of Schedule 21 to the Consolidated Financial Statements, a search was conducted on September 24, 2009 at the premises of the Company by the Income tax authorities under section 132 of the Income tax act, 1961. Further certain records and files containing invoices were seized and are not available for our inspection. Subsequent to the search, the Company's assessments for the financial years 2003-04 to 2008-09 have been reopened. Pending completion of these assessments, the impact of the additional tax liability, if any, is presently not ascertainable.*
5. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21, Consolidated Financial Statements, as notified pursuant to the Companies (Accounting Standards) Rules, 2006.
6. In our opinion and to the best of our information and according to the explanations given to us, *subject to our comments in paragraph 4 above* the consolidated financial statements 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 Group as at March 31, 2010;
 - ii) the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date; and
 - iii) the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

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

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

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

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

Place: Mumbai
Date: 7th August, 2010

Place: Mumbai
Date: 7th August, 2010

Consolidated Balance Sheet

as at 31st March, 2010

	Schedule	As At March 31, 2010 Rs.
SOURCES OF FUNDS		
Shareholders' funds		
Capital	1	138,758,120
Reserves and surplus	2	1,384,136,791
Share warrants (pending allotment) (Refer note B(18) to Schedule 21)		30,000,000
		1,552,894,911
Minority interest		
Loan funds		
Secured loans	3	2,851,869,952
Unsecured loans	4	152,039,084
		3,003,909,036
Mobilisation advances from customers {Refer note B(19) to Schedule 21}		398,421,819
Deferred tax liabilities (net) (Refer note B(15) to Schedule 21)		49,644,883
Total		5,005,341,685
APPLICATION OF FUNDS		
Fixed assets		
Gross block	5	2,514,666,569
Less: Accumulated depreciation		455,151,395
Net block		2,059,515,174
Capital work-in-progress (including capital advances) (Refer note B(2) and B(3) to Schedule 21)		386,097,235
		2,445,612,409
Investments		
	6	122,468,806
Current assets, loans and advances		
Inventories	7	239,617,470
Unbilled work-in-progress	15	400,256,417
Sundry debtors	8	1,846,030,141
Cash and bank balances	9	156,372,708
Loans and advances	10	781,557,785
		3,423,834,521
Less : Current liabilities and provisions		
Liabilities	11	900,856,876
Provisions	12	85,841,990
		986,698,866
Net current assets		2,437,135,655
Miscellaneous expenditure (to the extent not written off or adjusted)	13	124,815
Total		5,005,341,685
Significant accounting policies and notes to the consolidated financial statements		
	21	

The schedules referred to above form an integral part of the Consolidated Balance Sheet
As per our report of even date attached

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

For **Shah & Kathariya**
Chartered Accountants

B. H. Sharma
Chairman

Vikram Sharma
Managing Director

Amyr Jassani
Partner

P. M. Kathariya
Partner

Vikas Sharma
Wholetime Director

Mukesh Gupta
Company Secretary

Place: Mumbai
Date: 7th August, 2010

Place: Mumbai
Date: 7th August, 2010

Place: Mumbai
Date: 7th August, 2010

Consolidated Profit and Loss Account

for the year ended March 31, 2010

	Schedule	Year ended March 31, 2010 Rs.
INCOME		
Income from operations	14	5,332,570,880
Increase / (decrease) in work in progress	15	243,597,992
		5,576,168,872
Other income	16	34,824,865
		5,610,993,737
EXPENDITURE		
Direct contract expenses	17	4,346,320,412
Employee cost	18	141,963,797
Administration and other expenses	19	140,856,149
Depreciation		202,126,275
Finance charges	20	220,217,450
		5,051,484,083
Profit before tax		559,509,654
Provision for tax		
Current tax		138,850,000
Deferred tax		22,450,000
Tax adjustment for earlier years		6,200,000
		167,500,000
Profit after tax		392,009,654
Balance brought forward from previous year		535,823,287
Profit available for appropriation		927,832,941
Appropriation		
Transfer to general reserve		20,000,000
Proposed dividend		20,813,718
Corporate dividend tax		3,537,291
		44,351,009
Balance carried forward to Balance Sheet		883,481,932
Earnings per share (Basic and Diluted) (Refer note B(14) to Schedule 21)		28.25
Nominal value per share (Rs.)		10
Significant accounting policies and notes to the consolidated financial statements	21	

The schedules referred to above form an integral part of the Profit and Loss Account
As per our report of even date attached

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

For **Shah & Kathariya**
Chartered Accountants

B. H. Sharma
Chairman

Vikram Sharma
Managing Director

Amyr Jassani
Partner

P. M. Kathariya
Partner

Vikas Sharma
Wholetime Director

Mukesh Gupta
Company Secretary

Place: Mumbai
Date: 7th August, 2010

Place: Mumbai
Date: 7th August, 2010

Place: Mumbai
Date: 7th August, 2010

Consolidated Cash Flow Statements

for the year ended March 31, 2010

	Year ended March 31, 2010 Rs.
A CASH FLOW FROM OPERATING ACTIVITIES	
Profit before taxation	559,509,654
Adjustments for :	
Depreciation	202,126,275
Profit on sale of fixed assets	(18,016,220)
Interest income	(8,369,222)
Dividend income	(173,966)
Interest expense	192,020,209
Operating Profit Before Working Capital Changes	927,096,730
Movement in working capital:	
Decrease in inventories	16,749,182
Increase in unbilled work in progress	(243,597,992)
Increase in sundry debtors	(913,365,608)
Increase in loans and advances	(476,575,073)
Increase in current liabilities and provisions	517,490,518
Cash generated from operations	(172,202,243)
Direct taxes paid	(112,015,547)
Net cash used in Operating Activities	(284,217,790)
B CASH FLOW FROM INVESTING ACTIVITIES	
Purchase of fixed assets (including capital advances)	(698,161,886)
Proceeds from sale of fixed assets	20,000,000
Purchase of investments	(100,187,370)
Investment in joint venture	(1,500,000)
Interest received	8,369,222
Dividend received	173,966
Net Cash used in from Investing Activities	(771,306,068)
C CASH FLOW FROM FINANCING ACTIVITIES	
Proceeds from issue of share warrants	30,000,000
Proceeds from issue of equity shares to minority shareholders	510,000
Receipt of secured loans	1,154,447,413
Repayment of unsecured loans	(89,839,633)
Receipt of mobilisation advances	226,264,772
Interest paid	(192,020,209)
Payment of preliminary / pre-operative expenditure	(163,779)
Dividend paid	(17,344,765)
Payment of corporate dividend tax	(2,947,743)
Net Cash generated from Financing Activities	1,108,906,056
Net Increase/(Decrease) in cash and cash equivalents (A+B+C)	53,382,198
Cash and cash equivalents at the beginning of the year	102,990,510
Cash and cash equivalents at the end of the year (refer to schedule 9)	156,372,708

Notes to the Cash Flow Statement

1 Cash and cash equivalents as stated above includes fixed deposits of Rs. 85,489,554 (Previous year - Rs. 36,296,113) placed with banks against guarantee

As per our report of even date attached

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

Vikas Sharma
Wholetime Director

Vikram Sharma
Managing Director

Mukesh Gupta
Company Secretary

Place: Mumbai
Date: 7th August, 2010

Place: Mumbai
Date: 7th August, 2010

Place: Mumbai
Date: 7th August, 2010

Consolidated Schedules

Schedules forming part of the Consolidated Balance Sheet

	As At March 31, 2010 Rs.
SCHEDULE 1	
Capital	
Authorised	
48,000,000 equity shares of Rs. 10 each	480,000,000
2,000,000 preference shares of Rs. 10 each	20,000,000
	500,000,000
Issued, subscribed and paid up	
13,875,812 equity shares of Rs. 10 each, fully paid up (Out of above 7,500,000 equity shares of Rs. 10 each are allotted as fully paid up bonus shares by capitalisation of securities premium and accumulated profits)	138,758,120
	138,758,120
SCHEDULE 2	
Reserves and surplus	
Securities premium account	
Balance as per last account	397,372,376
Less: Share issue expenses	-
	397,372,376
General reserve	
Balance as per last account	83,282,483
Add: Transfer from Profit and Loss Account	20,000,000
	103,282,483
Profit and Loss Account	883,481,932
	1,384,136,791
SCHEDULE 3	
*Secured loans	
From Banks	
External commercial borrowings (Refer note B(1)(a) of Schedule 21)	371,502,200
Term loans from Banks (Refer note B(1)(b) and (c) of Schedule 21)	692,258,160
Cash credit facilities from banks (Refer note B(1)(e) of Schedule 21)	1,520,179,110
From Others	
Loans from financial institution (Refer note B(1)(d) of Schedule 21)	267,930,482
	2,851,869,952
*Amount repayable within one year	1,063,290,243
SCHEDULE 4	
Unsecured loans	
Loans from	
- Directors	47,366,182
- Others	104,672,902
(Repayable on demand)	
	152,039,084

Consolidated Schedules

Schedules forming part of the Balance Sheet

	As At March 31, 2010 Rs.
SCHEDULE 6	
Investments	
I. Long Term (unquoted, at cost)	
Trade	
A. Joint Venture	
50% share in Supreme Siddhi J V	1,500,000
B. Others	
390,625 equity shares of Rs. 10 each fully paid-up in Kalyan Sangam Infratech Limited	39,062,500
609,375 10% cumulative preference shares of Rs. 10 each fully paid-up in Kalyan Sangam Infratech Limited	60,937,500 30,000
Non trade	
2,500 equity shares of Rs. 10 each fully paid up in The Saraswat Co-op Bank Ltd .	50,836
50,000 units of Rs. 10 each of S.B.I. Capital Protection Oriental Fund Series - I	500,000
1,000,000 units of Rs. 10 each of S.B.I. Infrastructure Fund - I-Growth	10,000,000
1,180,000 units of Rs. 10 each of UTI Infrastructure Advantage Fund -Series I - Growth Plan	10,230,600
National Savings Certificates	30,000
Infrastructure Advantage Fund -Series I - Growth Plan	
II. Current (non trade, unquoted)	
157.16 units of Rs. 1,000 each in Reliance Money Manager Fund-Institutional option-Daily Dividend Plan	157,370
{(34,960.27 Units purchased, 168.744 Units cumulated, 34,971.854 Units sold during the year)}	
Market value of current investments - Rs. 157,370	
	122,468,806
SCHEDULE 7	
Inventories	
(As valued and certified by the Management)	
Construction materials	239,617,470
	239,617,470
SCHEDULE 8	
Sundry debtors	
(Unsecured, considered good)	
Debts outstanding for a period exceeding six months (Refer Note 1 and 3 below)	742,815,235
Other debts (Refer Note 2 and 4 below)	1,103,214,906
	1,846,030,141

Notes:

1. Includes Rs. 408,741,657 retention money not due
2. Includes Rs. 31,765,995 retention money not due
3. Includes amount due from Supreme Housing & Hospitality Private Limited (Company under the same management)
Rs. 110,463,023
4. Includes amount due from Supreme Housing & Hospitality Private Limited (Company under the same management)
Rs. 47,597,065

Consolidated Schedules

Schedules forming part of the Balance Sheet

	As At March 31, 2010 Rs.
SCHEDULE 9	
Cash and bank balances	
Cash on hand	5,829,954
Balance with scheduled banks:	
on current accounts	65,053,200
{Includes Rs. 104,963 being unutilised money out of the public issue}	
on deposit accounts *	85,489,554
* Pledged against guarantee Rs. 85,489,554	
	156,372,708
SCHEDULE 10	
Loans and advances	
(Unsecured, considered good)	
Advances recoverable in cash or in kind or for value to be received	588,128,460
Advance for materials and expenses	55,848,797
Deposits	137,580,528
	781,557,785
SCHEDULE 11	
Liabilities	
Sundry creditors	
- for materials and expenses (Refer note B(16) to Schedule 21)	785,799,143
- for fixed assets	23,321,297
Due to Supreme MBL JV	35,969,186
Advance from customers	16,896,502
Other liabilities	38,870,748
	900,856,876
SCHEDULE 12	
Provisions	
Income tax (net of advance tax of Rs. 222,980,8400)	55,312,623
Proposed dividend	20,813,718
Corporate dividend tax	3,537,291
Gratuity	6,178,358
	85,841,990
SCHEDULE 13	
Miscellaneous expenditure	
(to the extent nor written off or adjusted)	
Preliminary expenditure	50,315
Pre-operative expenses	74,500
	124,815

Consolidated Schedules

Schedules forming part of the Profit and Loss Account

	Year ended March 31, 2010 Rs.
SCHEDULE 14	
Income from operations	
Sales and contract revenue	5,332,570,880
	5,332,570,880
SCHEDULE 15	
Increase / (decrease) in work in progress	
Opening work-in-progress	156,658,425
Less: Closing work-in-progress	400,256,417
	243,597,992
SCHEDULE 16	
Other income	
Interest on fixed deposits (gross)	8,369,222
(Tax deducted at source Rs. 869,826)	
Dividend	173,966
Profit on sale of assets	18,016,220
Miscellaneous income (gross)	8,265,457
	34,824,865
SCHEDULE 17	
Direct contract expenses	
Contract materials consumed	
Opening stock	256,366,652
Add: Purchases	1,695,837,219
Less: Closing stock	239,617,470
	1,712,586,401
Labour and subcontracting	2,355,421,908
Power and fuel	61,301,461
Repairs and maintenance -Plant and machinery	21,308,533
Rent	1,188,000
Transportation and hire charges	82,678,753
Other direct costs	111,835,356
	4,346,320,412

Consolidated Schedules

Schedules forming part of the Profit and Loss Account

	Year ended March 31, 2010 Rs.
SCHEDULE 18	
Employee cost	
Salaries, wages and bonus	127,721,291
Contribution to provident and other funds	2,577,971
Gratuity	5,623,713
Workmen and staff welfare expenses	6,040,822
	141,963,797
SCHEDULE 19	
Administration and other expenses	
Electricity	13,796,575
Rent	851,169
Repairs and maintenance:	
- Machinery	936,654
- Others	70,781
Insurance	16,451,926
Rates and taxes	6,488,303
Legal and professional	35,256,310
Directors' remuneration (Refer note B(8) to Schedule 21)	4,500,000
Travelling	5,575,670
Communication	3,437,389
Auditors' remuneration (Refer note B(9) to Schedule 21)	1,951,921
Miscellaneous expenses	51,539,451
	140,856,149
SCHEDULE 20	
Finance charges	
Interest on	
- External commercial borrowings	17,948,645
- Term loans	64,600,596
- Cash credit facilities	109,470,968
Bank charges	28,197,241
	220,217,450

Schedules

Schedules forming part of the Consolidated Financial Statements

Schedule 21 - Significant accounting policies and notes to the consolidated financial statements

A. Significant Accounting Policies

a. Basis of consolidation

The consolidated financial statements include the financial statements of Supreme Infrastructure India Limited (the 'Company') and its subsidiaries, (refer note B. 19.a) and are prepared in accordance with accounting principles generally accepted in India under the historical cost convention on the accrual basis of accounting and comply in all material aspects with the notified Accounting Standards under Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956 (the 'Act'). The accounting policies applied are consistent with those used in the previous years. The consolidated financial statements are presented in the general format specified in Schedule VI to the Act. However, as these consolidated financial statements are not statutory financial statements required under the Act, these consolidated financial statements do not reflect all disclosure requirements of the Act.

The consolidated financial statements are prepared in accordance with the principles and procedures required for the preparation and presentation of consolidated financial statements as laid down under Accounting Standard ('AS') 21, 'Consolidated Financial Statements'. The financial statements of the Company and its subsidiaries (the 'Group') are consolidated on a line to line basis by adding together like items of assets, liabilities, income and expenses. Any excess of the cost to the parent company of its investment in a subsidiary and the parent company's portion of equity of the subsidiary at the date, at which investment in the subsidiary is made, is described as goodwill and recognized separately as an asset in the consolidated financial statements. All significant inter-company transactions and balances between the entities included in the consolidated financial statements have been eliminated.

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.

d. Depreciation

Depreciation on assets 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. Individual assets costing less than Rs 5,000 are depreciated in full in the year they are put to use.

e. Impairment of assets

The carrying amounts of the Group'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 Profit and Loss Account 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 Profit and Loss Account 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

Schedules

Schedules forming part of the Consolidated Financial Statements

carried at lower of cost and net realizable value determined on an individual investment basis.

h. Inventories

Inventory 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

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 is a defined contribution plan 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 less the fair value of plan assets, 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 Profit and Loss Account 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 investments, loans and advances or current liabilities.

- ii. Dividend is recognized when the right to receive the payment is established.

- iii. 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 Profit and Loss Account 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 Profit and Loss Account except in cases 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

Schedules

Schedules forming part of the Consolidated Financial Statements

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.

n. 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 its present value and are determined based on management 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.

B. Notes to financial statements

1. Secured loans

- (a) External commercial borrowings are secured by first charge on assets procured from this loan and pari passu second charge on the current assets of the Group and personal guarantee of the promoter directors.
- (b) Term loan obtained from consortium bankers is secured by hypothecation charge on all movable fixed assets of

the Group and mortgage of Group's office premise and other premise which is in the name of one of the director and personal guarantee of Group's promoter directors.

- (c) Term loans obtained from other banks is secured by additional equitable mortgage of freehold land at IIT Powai and Bhiwandi, hypothecation of equipments financed by financial institution.
- (d) Term loan from financial institutions are secured by first charge on the specific equipment financed and personal guarantee of the promoter director.
- (e) Cash Credit facilities availed from consortium bankers are secured by first pari passu charge on the current assets of the Group and equitable mortgage of Group's office premises and property of one of the director, extension of hypothecation charge on pari passu basis on fixed assets of the Group and assets created out of equipment loans and personal guarantee of Group's directors.

2. Capital work-in-progress includes capital advances of Rs. 47,278,730.

3. During the year, the Group has capitalized borrowing costs of Rs. 14,271,428 in capital work-in-progress.

4. Contracts remaining to be executed on capital account (net of advances) not provided for Rs. 2,211,876.

5. On September 24, 2009, the Income Tax authorities had conducted search under section 132 of the Income tax act, 1961. Auditors have expressed reservation in their audit report in respect of certain records and files containing invoices being seized, which were not available for their inspection and the additional tax liability, if any, consequent to the search and the reopening of the Company's assessments for the financial years 2003-04 to 2008-09. Management believes that provision for tax is adequate and no additional tax liability is anticipated consequent to the reopening of the assessments.

6. Contingent liabilities

Nature	As at March 31, 2010
Income Tax Demand in respect of earlier year(s) under dispute	5,500,383

7. The current assets, loans and advances are stated at the value, which in the opinion of the management, are realisable in the ordinary course of the business.

Schedules

Schedules forming part of the Consolidated Financial Statements

Current liabilities and provisions are stated at the value payable in the ordinary course of the business.

8. Directors' remuneration

Particulars	Year ended March 31, 2010 Rs.
Salaries, allowances and bonus	4,500,000
Total	4,500,000

Note - Provision for gratuity is computed on actuarial valuation basis, for the Group as a whole and therefore cannot be determined on an individual basis.

9. Auditors' remuneration

Particulars	Year ended March 31, 2010 Rs.
Audit fees	1,775,000
Tax audit fees	25,000
Other services	251,921
Total	2,051,921

* - Includes audit fees of Rs. 100,000 paid by the subsidiaries, included in Pre-operative expenses.

10. Disclosures pursuant to Accounting Standard 7 (AS - 7) "Construction Contracts"

Sr. Particulars No.	Year ended March 31, 2010 Rs.
A Amount of contract revenue recognized as revenue during the year	5,576,168,872
B Aggregate amount of cost incurred and recognized profits less recognized losses upto the reporting date	5,914,721,280
Balances as at year end	
C Amount of customer advances outstanding as on reporting date	398,421,819
D Amount of retentions	440,507,652
E Gross amount due from customers for contract work	1,405,522,489
F Gross amount due to customers for contract work	16,896,502

11. Employee Benefits

As per Accounting Standard – 15 "Employee Benefits" the disclosure of employee benefits is given below:

- Defined Contribution Plan: The amount of contribution to provident fund and ESIC recognized as expenses during the year is Rs.2,577,971(Previous Year - Rs.446,715)
- Defined Benefit Plan for Gratuity:

Particulars	Year ended March 31, 2010 Rs.
Change in Defined Benefit Obligation :	
Defined benefit obligation as at the beginning of the year	554,645
Current service cost	2,672,922
Interest cost	45,758
Actuarial (gain)/loss on obligations	2,905,033
Present value of defined benefit obligation at the year end (A)	6,178,358
Change in Plan Assets :	
Opening plan assets, at fair value	-
Expected return on plan assets	-
Actuarial gain/(loss) on plan assets	-

Schedules

Schedules forming part of the Consolidated Financial Statements

Particulars	Year ended March 31, 2010 Rs.
Contributions	-
Benefit paid	-
Fair Value of plan assets at the end (B)	-
Cost for the year	
Service cost	2,672,922
Interest cost	45,758
Expected return on plan assets	-
Actuarial gain/(loss)	2,905,033
Total net cost recognized as employee remuneration	5,623,713
Reconciliation of benefit obligation and plan assets	
Presents value of defined obligation as at year end (A)	6,178,358
Fair value of plan assets as at year end (B)	-
Net asset/ (liability) as at year end recognized in Balance Sheet (A) – (B)	(6,178,358)
Investment details of plan assets :	
Expected return on plan assets	-
Actuarial gain/(loss) on plan assets	-
Actual return on plan assets	-
Assumptions	
Discount rate	8.25%
Salary escalation	4%
Estimated rate of return	-

12. Segment information

The activities of the Group comprises of only one business segment viz Construction. The Group operates in only one geographical segment viz India. Hence the Group's financial statement also represents the segmental information.

13. Related party disclosures

i. Name of the related party and description of relationship

A Other related parties with whom the Group had transactions	
i) Integrated joint ventures	- Supreme - MBL JV - Petron - Supreme JV - Supreme - Siddhi JV
ii) Key management personnel (KMP)	- Mr. Bhawanishankar Sharma - Mr. Vikram Sharma - Mr. Vikas Sharma
iii) Company in which (ii) above have significant influence	- Supreme Housing & Hospitality Private Limited

Schedules

Schedules forming part of the Consolidated Financial Statements

ii. Transactions with related parties

Transactions during the year	Integrated Joint ventures	Key management personnel	Company in which KMP have significant influence
Contract revenue			
- Supreme Housing & Hospitality Private Limited	-	-	701,213,698
- Supreme MBL JV	176,024,243	-	-
- Petron Supreme JV	53,143,004	-	-
Purchases			
- Supreme Siddhi JV	57,976,435	-	-
Expenses reimbursed to			
- Supreme MBL JV	163,280,623	-	-
Investments			
- Supreme Siddhi JV	1,500,000	-	-
Receipt of unsecured loan			
- Mr. Bhawanishankar Sharma	-	63,262,142	-
- Mr. Vikram Sharma	-	13,714,329	-
- Mr. Vikas Sharma	-	25,156,356	-
Receipt of Mobilisation advance			
- Supreme Housing & Hospitality Private Limited	-	-	40,975,874
Repayment of unsecured loan			
- Mr. Bhawanishankar Sharma	-	62,261,618	-
- Mr. Vikram Sharma	-	13,714,329	-
- Mr. Vikas Sharma	-	25,156,356	-
Adjustment of Mobilisation advance			
- Supreme Housing & Hospitality Private Limited	-	-	90,706,979
Remuneration			
- Mr. B.H. Sharma	-	1,500,000	-
- Mr. Vikram Sharma	-	1,500,000	-
- Mr. Vikas Sharma	-	1,500,000	-
Issue of convertible share warrants to			
Mr. Vikram Sharma	-	15,000,000	-
Balance as at year end			
Balance receivable			
- Supreme Housing & Hospitality Private Limited	-	-	158,060,088
- Supreme MBL JV	181,622,982	-	-
- Petron Supreme JV	9,862,108	-	-
Balance payable			
- Mr. Bhawanishankar Sharma	-	47,366,182	-
- Supreme Housing & Hospitality Private Limited	-	-	47,142,691
- Petron Supreme JV	4,000,000	-	-
- Supreme MBL JV	68,801,186	-	-
- Supreme Siddhi JV	10,013,775	-	-

Schedules

Schedules forming part of the Consolidated Financial Statements

14. Earnings per share

	Year ended March 31, 2010
Profit after tax (Rs.)	392,009,654
Weighted average number of equity shares	13,875,812
Basic earnings per share	28.25
Diluted earnings per share	28.25
Nominal value of equity shares	10.00

The potential equity shares on conversion of share warrants are considered to be anti-dilutive in nature for the year ended March 31, 2010. Hence these have not been adjusted to arrive at diluted earning per share.

15. Deferred tax balances

The components of deferred tax assets and liabilities arising on account of timing differences between taxable income and book income are as follows:

Particulars	As at March 31, 2010 Rs.
Deferred tax liabilities	
On timing difference between book depreciation and depreciation as per Income Tax Act, 1961.	77,196,008
Total deferred tax liabilities (A)	77,196,008
Deferred tax assets	
Exchange gain on reinstatement of financial liability	18,134,022
Gratuity	2,052,296
Others	7,364,807
Total deferred tax assets (B)	27,551,125
Net deferred tax liability (A-B)	49,644,883

16. There are no Micro, Small and Medium Enterprises, to whom the Group owes dues, which are outstanding for more than 45 days as at March 31, 2010. 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 Group. This has been relied upon by the statutory auditors.

17. a) Details of subsidiaries whose financial statements have been consolidated as at March 31, 2010 are given below:

Name of the Subsidiaries	Country of Incorporation	Proportion of ownership interest either directly or indirectly March 31, 2010
Supreme Infrastructure BOT Private Limited ('SIBPL')	India	100%
Supreme Manor Wada Bhiwandi Infrastructure Private Limited	India	49% (held through SIBPL)

Schedules

Schedules forming part of the Consolidated Financial Statements

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

Name of the Joint ventures	Description of interest	Company's Share
Supreme - MBL JV	Lead partner	60%
Supreme - Chawla Interbuild	Lead partner	75%
Petron - Supreme JV	Minority partner	45%

18. a) The Company allotted 2,000,000 warrants of Rs.10 each at a premium of Rs. 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. The warrant holders shall be entitled to apply for converting these warrants at anytime after the date of allotment of warrants but before the expiry of 18 months from the date of allotment of such warrants. Upon exercise of the right to apply for equity shares, the warrant holders will be liable to make the payment of 75% of the issue price. The Board upon receipt of the entire amount will allot one equity share per warrant.
- b) An amount of Rs. 30,000,000 (equivalent to 25% of the issue price) is received on account of allotment of 2,000,000 share warrants of face value of Rs.10 each. The issue proceeds have been utilised for meeting the fund requirements of the existing and new businesses and for working capital requirements.
19. Mobilisation advances include amounts taken from customers for project related expenses. These advances are subsequently adjusted at pre-determined rates from the bills raised on the customers.
20. Foreign currency transactions of the Company are not hedged by derivative instruments or otherwise.

Balances	Currency	At at March 31, 2010	At at March 31, 2009
External commercial borrowings	USD	8,230,000	8,230,000
	INR	371,502,200	422,903,369

21. The Company did not have any subsidiary in previous year and this is the first year of preparing consolidated financial statements. Accordingly, there are no figures for previous year in the Consolidated Financial Statements.

Signatures to Schedules 1 to 21

For and on behalf of the Board of Directors

B. H. Sharma
Chairman

Vikram Sharma
Managing Director

Vikas Sharma
Wholetime Director

Mukesh Gupta
Company Secretary

Place: Mumbai

Date: 7th August, 2010

Directors' Report

Dear Members,

Your Directors have pleasure in presenting their 1st Annual Report of the Company for the period commencing from March 25, 2009 to the period ended March 31, 2010.

Operations

As it was the first year of incorporation of the Company, there were no activities which could generate profits or losses for the Company.

Dividend and transfer to Reserves

In absence of any commercial activity, hence absence of profits, your directors do not recommend any dividend for the period under review. No amount is proposed to be transferred to reserves.

Directors:

Your Directors continue to be on the Board and as per the provisions of the Companies Act, 1956, Vikram Sharma, Director of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. Your Directors recommend their reappointment as Director of the Company.

Auditors:

M/s. Laxmikant Kabra & Co., Chartered Accountants, the statutory auditor of the Company retire at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

The Company has duly received communication from the proposed statutory auditors that their appointment if made shall be within the limits prescribed under section 224 of the Companies Act, 1956 and they do not suffer any disqualifications as laid down in Section 226 of the Act.

Auditors' Report:

The Auditors' Report does not contain any reservation, qualification or adverse remarks and hence, does not call for any comments under Section 217 of the Companies Act, 1956.

Particulars of Employees:

There are no employees drawing remuneration more than the limit prescribed in Section 217 (2A) of the Companies

Act, 1956, read with the Companies (Particulars in the Report of Board of Directors) Rules, 1988. Thus the Board is unable to furnish the prescribed details in this report.

Public Deposits:

Your Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the Companies Act, 1956.

Energy Conservation, Technology Absorption and Foreign Exchange:

The information required under Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988, is as follows:

Conservation of Energy

The operations of the company are not energy intensive. However measures are taken to reduce energy consumption by purchasing and using energy efficient equipment.

Research and Development

Considering the current business activities of the company, information under this heading is not applicable.

Technology Absorption, Adaptation and Innovation

The company endeavors to use modern technology to carry out its operations.

Foreign Exchange Earnings and Outgo:

Foreign Exchange Earnings :	Nil
Foreign Exchange Outgo :	Nil

Directors' Responsibility Statement:

Pursuant to the provisions of Section 217 (2AA) of the Companies Act, 1956, Directors of the Company confirm that:

- In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with the proper explanations relating to material departures;
- They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the

end of the financial year and of the profit of the Company for that period;

- iii. They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for the preventing and detecting fraud and other irregularities;
- iv. They have prepared the annual accounts on a going concern basis.

Acknowledgement:

Your Directors acknowledge with gratitude and wish to place on record, their deep appreciation of the continued support and cooperation received by the Company from the various Government authorities, Shareholders, Bankers, and Business

Associates of the Company. Your Directors place on record their deep appreciation of the dedication and commitment of your Company's employees at all levels and look forward to their continued support in the future as well.

For and on behalf of the Board of Directors

Vikram Sharma
Director

Vikas Sharma
Director

Place: Mumbai

Date: 28th July, 2010

Registered Office:

Supreme City, Hiranandani Complex,
Powai, Mumbai - 400 076.

Auditors' Report

REPORT TO THE MEMBERS OF SUPREME INFRASTRUCTURE BOT PVT. LTD.

We have audited the attached Balance Sheet of **SUPREME INFRASTRUCTURE BOT PVT. LTD.**, as on 31st March 2010 and the annexed Profit and Loss Account for the year ended on that date. 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.

1. We conducted our audit in accordance with the auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from any material misstatement. An audit includes, examining on 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 the management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.
2. As required by Companies (Auditor's Report) Order, 2004 issued by the Central Govt. in terms of Sec.227 (4A) of the Companies Act, 1956, a statement on the matters specified in paragraphs 4 and 5 of the said order is not applicable to the company.
3. Further to our comments in the Annexure referred to above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - (ii) 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 the books of the Company;
 - (iii) The Balance Sheet dealt with by this report are in agreement with the books of account of the Company;
 - (iv) With references to note no. 16 of schedule 18,

our verification of related party disclosures as required under Accounting Standard 18-related party disclosures has been based on the information made available to us by the company. Subject to that in our opinion, the Balance Sheet dealt with by this report complied with Accounting Standards referred to in Sub Section (3c) of Section 211 of The Companies Act, 1956;

- (v) Based on the representation made by the Directors as on 31st March 2010 and taken on record by the Board of Directors of the Company and the information and explanation given to us, none of the Directors is, as at 31st March 2010, prima-facie disqualified from being appointed as a Director in terms of clause (g) of Sub Section (1) of Section 274 of the Companies Act, 1956;
- (vi) In our Opinion and to the best of our information and according to the explanation given to us, the said financial statement and read together with other notes thereon, give the information required by the Companies Act, 1956, in the manner so required and present a true and fair view in conformity with the accounting principles generally accepted in India:
 - In the case of Balance Sheet, of the State of affairs of the Company as at 31st March, 2010.

For Laxmikant Kabra & Co.
Chartered Accountants

Laxmikant Kabra
Proprietor
Membership No.: 101839
Firm Regn. No.: 117183W

Place: Mumbai
Date: 28th July, 2010

Balance Sheet

as at 31st March, 2010

	Schedule	As at March 31, 2010 Rs.
SOURCES OF FUNDS		
Shareholders' funds		
Share Capital	1	100,000
		100,000
Unsecured loans	2	1,521,000
		1,521,000
	TOTAL Rs.	1,621,000
APPLICATION OF FUNDS :		
INVESTMENT		
	3	490,000
		490,000
CURRENT ASSETS , LOANS & ADVANCES		
Cash & Bank Balances	4	893,621
Loans & Advances	5	427,905,150
		428,798,771
Less : CURRENT LIABILITIES & PROVISIONS	6	427,755,150
NET CURRENT ASSETS		1,043,621
MISCELLANEOUS EXPENDITURE:		
(To the extent not written off or adjusted)	7	87,379
		87,379
	TOTAL Rs.	1,621,000
SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS	8	

As per our report of even date attached hereto:

For Laxmikant Kabra & Co.
Chartered Accountants

For and on behalf of Board of Directors

Laxmikant Kabra
Proprietor
Membership No.: 101839
Firm Regn. No.: 117183W

Vikram Sharma
Director

Vikas Sharma
Director

Place: Mumbai

Date: 28th July, 2010

Schedules

Schedules forming part of the Balance Sheet as at 31st March, 2010

	As at March 31, 2010 Rs.
SCHEDULE 1 - SHARE CAPITAL	
(A) Authorised Capital	
10,000 Equity Shares of Rs. 10/- each	100,000
Total	100,000
(B) Issued, Subscribed & Paid-up Capital :	
10,000 Equity Shares of Rs. 10/- each	100,000
Total	100,000
SCHEDULE 2 - UNSECURED LOANS	
Supreme Infrastructure India Ltd. (Holding Co.)	1,521,000
Total	1,521,000
SCHEDULE 3 - INVESTMENT (At Cost, unquoted)	
49,000 Equity Shares of Rs. 10/- each of Supreme Manor Wada Bhiwandi Pvt. Ltd	490,000
Total	490,000
SCHEDULE 4 - CASH AND BANK BALANCE	
Balance with Scheduled Banks in Current Accounts	893,621
Total	893,621
SCHEDULE 5 - LOANS AND ADVANCES	
(Unsecured , considered good)	
Advance recoverable in cash or in kind for value to be received	260,000,000
Share Application Money Paid	167,900,000
Others	5,150
Total	427,905,150
SCHEDULE 6 - CURRENT LIABILITIES & PROVISIONS	
A) Current Liabilities	
Share Application Money Received	427,700,000
Duties & Taxes	5,515
B) Provisions	
Audit Fees Payable	49,635
Total	427,755,150
SCHEDULE 7 - MISCELLANEOUS EXPENDITURE	
(To the extend not written off or adjusted)	
Preliminary Expenditure	37,379
Preoperative Expenses	50,000
Total	87,379

Schedules

Schedules forming part of the Financial Statements

Schedule 8 – Significant accounting policies and notes to the financial statements

1. Background:

This is the first Financial Report of the company which is for the period from 25th March 2009 to 31st March 2010.

Since there are no items of Income & Expenditure, no Profit & Loss A/c has been prepared.

2. Basis of accounting and preparation of financial statements :

The financial statements are prepared under the historical cost convention, on an accrual basis of accounting in accordance with the applicable provisions of the Companies Act, 1956 and comply in all material aspects with Accounting Standards notified by the Central Government in accordance with the Companies Act 1956, to the extent applicable.

3. Fixed Assets & Depreciation:

There are no Fixed Assets in the company, hence no depreciation has been charged.

4. Provisions and Contingent Liabilities:

In the opinion of the management and based on the available information, there are no contingent liabilities.

5. Loans and Advances:

The current assets, loans and advances are stated at the value, which in the opinion of the management, are realisable in the ordinary course of the business. Current liabilities and provisions are stated at the value payable in the ordinary course of the business.

6. Related party disclosures

Name of the related party and description of relationship:

i) Supreme Infrastructure India Ltd.	- Holding Company
ii) Supreme Manor Wada Bhiwandi Infrastructure Pvt. Ltd.	- Subsidiary Company
iii) Key Management Personnel	- Mr. B.H.Sharma - Director - Mr. Vikram B.Sharma - Director - Mr. Vikas B.Sharma – Director
iv) Enterprises in which (iii) above have significant influence	- Supreme Infrastructure India Ltd. - Supreme Housing & Hospitality Pvt.Ltd. - Supreme Manor Wada Bhiwandi Infrastructure Pvt. Ltd.

Transactions with Related Parties:

(Rs.)

	Holding Company	Subsidiary Company	Key Management Personnel	Enterprises in which (iii) above have significant influence
Transactions during the year	Share Application money received	Share Application money given	-	-
	42,77,00,000	16,79,00,000	-	-
Balance as at year end	42,77,00,000	16,79,00,000	-	-

Schedules

Significant accounting policies and notes to the financial statements

7. Auditor's Remuneration: 2009-10

Audit Fees	55,150
(Including Service Tax)	

8. Management Estimates:

The financial statements are prepared in conformity with generally accepted accounting principles and applicable accounting standards, which may require management to make estimates and assumptions. These may affect the reported amount of Assets, Liabilities & disclosure of Contingent Liabilities on the date of the financial statements.

9. This being first year of the Company no previous year figures have been given.

For and on behalf of
Laxmikant Kabra & Co.
 Chartered Accountants

For and on behalf of Board of Directors

Laxmikant Kabra
 Proprietor
 Membership No.: 101839
 Firm Regn. No.: 117183W

Vikram Sharma
 Director

Vikas Sharma
 Director

Place: Mumbai
 Date: 28th July, 2010

Balance Sheet Abstract

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

I	Registration Details	Registration No.	State Code
	Balance Sheet Date	U45202MH2009PTC191231 31 03 10	11
II	Capital Raised during the Year (Amount in Rs. Thousands)	Public Issue	Right Issue
		NIL	NIL
		Bonus Issue	Private Placement
		NIL	100000
III	Position of Mobilisation & Deployment of Funds (Amount in Rs. Thousands)	Total Liabilities	Total Assets
		1621000	1621000
		Paid up Capital	Reserves & Surplus
		100000	NIL
		Secured Loans	Unsecured Loans
		NIL	1521000
		Share Application Money	
		NIL	
		Net Fixed Assets	Investments
		NIL	490000
Net Current Assets	Misc Expenditure		
1043621	87379		
Accumulated Losses			
NIL			
IV	Performance of Company (Amount in Rs. Thousands)	Turnover	Total Expenditure
		NIL	NIL
		Profit/(Loss) before tax	Profit/(Loss) after tax
		NIL	NIL
	(Please tick appropriate box + for profit - for loss)		
	+ -	Earning per share in Rs	Dividend rate %
	<input type="checkbox"/> <input type="checkbox"/>	NIL	NIL
V	Generic Names of Three Principal products/Services of Company (As per monetary terms) (ITC CODE)	Item Code No.	Product Description
		NA	NA

For and on behalf of the Board of Director

Vikram Sharma
Director

Vikas Sharma
Director

Directors' Report

Dear Members,

Your Directors have pleasure in presenting their 1st Annual Report of the Company for the period commencing from January 4, 2010 to the period ended March 31, 2010.

Operations

As it was the first year of incorporation of the Company, there were no activities which could generate profits or losses for the Company.

Dividend and transfer to Reserves

In absence of any commercial activity, hence absence of profits, your directors do not recommend any dividend for the period under review. No amount is proposed to be transferred to reserves.

Directors:

Your Directors continue to be on the Board and as per the provisions of the Companies Act, 1956, Vikas Sharma, Director of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Your Directors recommend his re-appointment as Director of the Company.

Auditors:

M/s. Laxmikant Kabra and Co. Chartered Accountants, Mumbai, the statutory auditors of the Company retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

The Company has duly received communication from the proposed statutory auditors that their appointment if made shall be within the limits prescribed under section 224 of the Companies Act, 1956 and they do not suffer any disqualifications as laid down in Section 226 of the Act.

Auditors' Report:

The Auditors' Report does not contain any reservation, qualification or adverse remarks and hence, does not call for any comments under Section 217 of the Companies Act, 1956.

Particulars of Employees:

There are no employees drawing remuneration more than the limit prescribed in Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars in the Report of Board of Directors) Rules, 1988. Thus the Board is unable to furnish the prescribed details in this report.

Public Deposits:

Your Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the Companies Act, 1956.

Energy Conservation, Technology Absorption and Foreign Exchange:

The information required under Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988, is as follows:

Conservation of Energy

The operations of the company are not energy intensive. However measures are taken to reduce energy consumption by purchasing and using energy efficient equipment.

Research and Development

Considering the current business activities of the company, information under this heading is not applicable.

Technology Absorption, Adaptation and Innovation

The company endeavors to use modern technology to carry out its operations.

Foreign Exchange Earnings and Outgo:

Foreign Exchange Earnings:	Nil
Foreign Exchange Outgo:	Nil

Directors' Responsibility Statement:

Pursuant to the provisions of Section 217 (2AA) of the Companies Act, 1956, Directors of the Company confirm that:

- In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with the proper explanations relating to material departures;
- They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for the preventing and detecting fraud and other irregularities;

iv. They have prepared the annual accounts on a going concern basis.

Secretarial Compliance Certificate:

Pursuant to Section 383A of the Companies Act, 1956, a certificate from M/s. Kothari H & Associates, a firm of Company Secretary in Whole Time Practice, regarding status on compliance of the provisions of the Companies Act, 1956 by the Company has been annexed along with this report.

Acknowledgement:

Your Directors acknowledge with gratitude and wish to place on record, their deep appreciation of the continued support and cooperation received by the Company from the various Government authorities, Shareholders, Bankers, and Business Associates of the Company. Your Directors place on record their deep appreciation of the dedication and commitment

of your Company's employees at all levels and look forward to their continued support in the future as well.

For and on behalf of the Board of Directors

Vikram Sharma
Director

Vikas Sharma
Director

Place: Mumbai

Date: 26th July, 2010

REGISTERED OFFICE:

Supreme City, Hiranandani Complex,
Powai, Mumbai - 400 076

Compliance Certificate

To,

**The Members,
SUPREME MANOR WADA BHIWANDI
INFRASTRUCTURE PRIVATE LIMITED,**

Supreme City, Hiranandani Complex,
Powai, Mumbai - 400 076.

We have examined the registers, records, books and papers of **SUPREME MANOR WADA BHIWANDI INFRASTRUCTURE PRIVATE LIMITED**, (the Company) as particularly required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the period commencing from January 4, 2010 to period ended 31st March, 2010. In our opinion, and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in **Annexure 'A'** to this certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been recorded.
2. The Company has not filed any forms and returns with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.
3. The Company being a Private Limited Company but subsidiary of Public Limited Company has the minimum prescribed paid-up capital and its maximum number of members within the limit of the Act, and the Company during the year under scrutiny:
 - (i) has not invited public to subscribe for its shares or debentures; and
 - (ii) has not invited or accepted any deposits from persons other than its members, directors or their relatives.
4. The Board of Directors met on the every quarter interval in respect of which meetings notices were given and the proceedings were recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The Company has not closed its Register of Members during the financial year.
6. As this is the first year of incorporation of the Company, it is first Annual General Meeting of the Company.
7. During the Year, One Extra Ordinary General Meeting was held on 29th March, 2010.
8. As per explanation and information given to us, the Company has not violated the provisions of section 295 of the Act.
9. The Company has not entered into contracts, which are falling within the purview of Section 297 of the Act.
10. The Company has made the necessary entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of directors, members or Central Government, as the case may be.
12. The Company has not issued any duplicate certificates during the financial year.
13. During the financial year;
 - i. There were no allotment / transfer / transmission expect allotment on subscribe shares during the year.
 - ii. The Company has not deposited any amount in a separate bank account as no dividend was declared.
 - iii. The Company has not posted warrants to any member of the Company as no dividend was declared.
 - iv. There was no amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued which have remained unclaimed or unpaid for a period of seven years be transferred to Investor Education and Protection Fund.
 - v. The Company has not required to comply with the requirements of Section 217 of the Act as this is first financial year of the Company.
14. The Board of Directors of the Company is properly constituted. There was no appointment of additional directors, alternate directors and directors to fill casual vacancy during the financial year.
15. The Company did not appoint any Managing Director/ Whole Time Director/ Manager for the period under review.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company has complied with the Central Government, Company Law Board, Regional Director, Registrar of Companies and/or such authorities prescribed under the various provisions of the Act.
18. The Directors have disclosed their interest in other firms/ companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.

19. The Company has not issued any shares during the financial year.
20. The Company has not bought back any shares during the period under review.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/ accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
24. The Company has not obtained any secured loan during the period under review and hence provisions of Section 293(1)(d) of the Act are not applicable.
25. The interoperate investment made by the Company is within the limit approved by the members under the provision of Section 372A of the Act is not applicable.
26. The Company has not altered the provisions of the Memorandum of Association with respect to situation of the Company's registered office from one state to another during the period under scrutiny.
27. The Company has not altered the provisions of the Memorandum of Association with respect to the objects of the Company during the period scrutiny.
28. The Company has not altered the provisions of the Memorandum of Association with respect to name of the Company during the period under scrutiny.
29. The Company has not altered the provisions of the Memorandum of Association with respect to share capital of the company during the period under scrutiny.
30. The Company has not altered its Articles of Association during the period under scrutiny.
31. There was no prosecution initiated against or show cause notices received by the Company, during the period under scrutiny for offences under the Act.
32. The Company has not received any money as security from its employees during the period under scrutiny.

33. The Company has not deducted any contribution towards Provident Fund during the period under scrutiny in terms of Section 418 of the Act as the said Section is not applicable to the Company.

FOR KOTHARI H. & ASSOCIATES

Company Secretaries

Hitesh Kothari

Proprietor

C. P. No. 5502

Place: Mumbai

Date: 26th July, 2010

Annexure – A

Registers as maintained by the Company

1. Register of members under Section 150
2. Register of Share Transfers
3. Register of particulars of contracts in which directors are interested under Section 301
4. Register of directors, managing director, manager and secretary under Section 303.
5. Register of director's shareholding under Section 307.
6. Minutes book of General Meetings and Board Meetings under Section 193.
7. Register of Director's Attendance
8. Register of Investment 49

FOR KOTHARI H. & ASSOCIATES

Company Secretaries

Hitesh Kothari

Proprietor

C. P. No. 5502

Place: Mumbai

Date: 26th July, 2010

Auditors' Report

REPORT TO THE MEMBERS OF SUPREME MANOR WADA BHIWANDI INFRASTRUCTURE PVT. LTD.

We have audited the attached Balance Sheet of **SUPREME MANOR WADA BHIWANDI INFRASTRUCTURE PVT. LTD.**, as on 31st March 2010. 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.

1. We conducted our audit in accordance with the auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from any material misstatement. An audit includes, examining on 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 the management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.
 2. As required by Companies (Auditor's Report) Order, 2004 issued by the Central Govt. in terms of Sec.227 (4A) of the Companies Act, 1956, a statement on the matters specified in paragraphs 4 and 5 of the said order is not applicable to the company.
 3. Further to our comments in the Annexure referred to above, we report that :
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - (ii) 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 the books of the Company;
 - (iii) The Balance Sheet dealt with by this report are in agreement with the books of account of the Company;
- (iv) With references to note no. 16 of schedule 18, our verification of related party disclosures as required under Accounting Standard 18-related party disclosures has been based on the information made available to us by the company. Subject to that in our opinion, the Balance Sheet dealt with by this report complied with Accounting Standards referred to in Sub Section (3c) of Section 211 of The Companies Act, 1956;
 - (v) Based on the representation made by the Directors as on 31st March 2010 and taken on record by the Board of Directors of the Company and the information and explanation given to us, none of the Directors is, as at 31st March 2010, prima-facie disqualified from being appointed as a Director in terms of clause (g) of Sub Section (1) of Section 274 of the Companies Act, 1956.
 - (vi) In our Opinion and to the best of our information and according to the explanation given to us, the said financial statement and read together with other notes thereon, give the information required by the Companies Act, 1956, in the manner so required and present a true and fair view in conformity with the accounting principles generally accepted in India :
 - In the case of Balance Sheet, of the State of affairs of the Company as at 31st March, 2010.

For Laxmikant Kabra & Co.
Chartered Accountants

Laxmikant Kabra
Proprietor
Membership No.: 101839
Firm Regn. No.: 117183W

Place: Mumbai
Date: 26th July, 2010

Balance Sheet

as at 31st March, 2010

	Schedule	As at March 31, 2010 Rs.
SOURCES OF FUNDS		
Shareholders' funds		
Share Capital	1	1,000,000
TOTAL Rs.		1,000,000
APPLICATION OF FUNDS :		
CURRENT ASSETS , LOANS & ADVANCES		
Cash & Bank Balances	2	973,600
Loans & Advances	3	167,905,150
TOTAL Rs.		168,878,750
Less : CURRENT LIABILITIES & PROVISIONS	4	167,955,150
NET CURRENT ASSETS		923,600
MISCELLANEOUS EXPENDITURE:		
(To the extent not written off or adjusted)	5	76,400
TOTAL Rs.		76,400
TOTAL Rs.		1,000,000
SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS	6	

As per our report of even date attached hereto:

For Laxmikant Kabra & Co.

Chartered Accountants

For and on behalf of the Board of Directors

Laxmikant Kabra

Proprietor

Membership No.: 101839

Firm Regn. No.: 117183W

Vikram Sharma

Director

Vikas Sharma

Director

Place: Mumbai

Date: 26th July, 2010

Schedules

Schedules forming part of the Balance Sheet as at 31st March, 2010

	As at March 31, 2010 Rs.
SCHEDULE 1 - SHARE CAPITAL	
(A) Authorised Capital	
1,00,000 Equity Shares of Rs. 10/- each	1,000,000
Total	1,000,000
(B) Issued, Subscribed & Paid-up Capital :	
1,00,000 Equity Shares of Rs. 10/- each	1,000,000
Total	1,000,000
SCHEDULE 2 - CASH AND BANK BALANCE	
Cash in hand	464,000
Balance with Scheduled Banks in Current Accounts	509,600
Total	973,600
SCHEDULE 3 - LOANS AND ADVANCES	
(Unsecured , considered good)	
Advance recoverable in cash or in kind for value to be received	167,900,000
Others	5,150
Total	167,905,150
SCHEDULE 4 - CURRENT LIABILITIES & PROVISIONS	
A) Current Liabilities	
Share Application Money Received	167,900,000
Duties & Taxes	5,515
B) Provisions	
Audit Fees Payable	49,635
Total	167,955,150
SCHEDULE 5 - MISCELLANEOUS EXPENDITURE	
(To the extend not written off or adjusted)	
Preliminary Expenditure	26,400
Preoperative Expenses	50,000
Total	76,400

Schedules

Schedules forming part of the Financial Statements

Schedule 6 – Significant accounting policies and notes to the financial statements

1. Background:

This is the first Financial Report of the company which is for the period from 4th Jan 2010 to 31st March 2010.

Since there are no items of Income & Expenditure, no Profit & Loss A/c has been prepared.

2. Basis of accounting and preparation of financial statements :

The financial statements are prepared under the historical cost convention, on an accrual basis of accounting in accordance with the applicable provisions of the Companies Act, 1956 and comply in all material aspects with Accounting Standards notified by the Central Government in accordance with the Companies Act 1956, to the extent applicable.

3. Fixed Assets & Depreciation:

There are no Fixed Assets in the company, hence no depreciation has been charged.

4. Provisions and Contingent Liabilities:

In the opinion of the management and based on the available information, there are no contingent liabilities not provided for.

5. Loans and Advances:

The current assets, loans and advances are stated at the value, which in the opinion of the Board, are realisable in the ordinary course of the business. Current liabilities and provisions are stated at the value payable in the ordinary course of the business.

6. Related party disclosures

Name of the related party and description of relationship:

i) Supreme Infrastructure India Ltd.	- Parent Company
ii) Supreme Infrastructure BOT Pvt. Ltd.	- Holding Company
iii) Key Management Personnel	- Mr. B.H.Sharma - Director - Mr. Vikram B.Sharma - Director - Mr. Vikas B.Sharma – Director
iv) Enterprises in which (iii) above have significant influence	- Supreme Infrastructure India Ltd. - Supreme Housing & Hospitality Pvt.Ltd. - Supreme Infrastructure BOT Pvt. Ltd.

Transactions with Related Parties:

(Rs.)

	Parent Company	Holding Company	Key Management Personnel	Enterprises in which (iii) above have significant influence
Transactions during the year	-	Share Application money received	-	-
	-	16,79,00,000	-	-
Balance as at year end	-	16,79,00,000	-	-

Schedules

Significant accounting policies and notes to the financial statements

7. Auditor's Remuneration: 2009-10

Audit Fees 55,150
(Including Service Tax)

8. Management Estimates:

The financial statements are prepared in conformity with generally accepted accounting principles and applicable accounting standards, which may require management to make estimates and assumptions. These may affect the reported amount of Assets, Liabilities & disclosure of Contingent Liabilities on the date of the financial statement.

9. This being first year of the Company no previous year figures have been given.

For and on behalf of
Laxmikant Kabra & Co.
Chartered Accountants

For and on behalf of the Board of Directors

Laxmikant Kabra
Proprietor
Membership No.: 101839
Firm Regn. No.: 117183W

Vikram Sharma
Director

Vikas Sharma
Director

Place: Mumbai
Date: 26th July, 2010

Balance Sheet Abstract

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

I	Registration Details	Registration No.	State Code
	Balance Sheet Date	U45202MH2010PTC198376 31 03 10	11
II	Capital Raised during the Year (Amount in Rs. Thousands)	Public Issue	Right Issue
		NIL	NIL
III	Position of Mobilisation & Deployment of Funds (Amount in Rs. Thousands)	Bonus Issue	Private Placement
		NIL	1000000
Sources of Funds	SOURCES OF FUNDS	Total Liabilities	Total Assets
		1000000	1000000
Application of Funds	APPLICATION OF FUNDS	Paid up Capital	Reserves & Surplus
		1000000	NIL
		Secured Loans	Unsecured Loans
		NIL	NIL
		Share Application Money	
		NIL	
		Net Fixed Assets	Investments
		NIL	NIL
		Net Current Assets	Misc Expenditure
		923600	76400
		Accumulated Losses	
		NIL	
IV	Performance of Company (Amount in Rs. Thousands)	Turnover	Total Expenditure
		NIL	NIL
		Profit/(Loss) before tax	Profit/(Loss) after tax
		NIL	NIL
	(Please tick appropriate box + for profit - for loss)	Earning per share in Rs	Dividend rate %
		NIL	NIL
V	Generic Names of Three Principal products/Services of Company (As per monetary terms) (ITC CODE)	Item Code No.	Product Description
		NA	NA

For and on behalf of the Board of Director

Vikram Sharma
Director

Vikas Sharma
Director



Forward-Looking Statement

In this annual report we have disclosed forward looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements, written and oral, that we periodically make 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', 'estimate', 'expects', 'project', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Investors should bear this in mind. We undertake no obligation to publicly update any forward looking statements, whether as a result of new information, future information or otherwise.

Supreme Infrastructure India Limited
www.supremeinfra.com