



SUPREME INFRASTRUCTURE INDIA LTD.

Annual Report 2010-11



THE POWER OF EXCELLENCE

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## THE POWER OF EXCELLENCE

We strive for excellence. We believe that the pursuit to excel yields better results and makes the company stronger and better. At Supreme, we believe in the power of excellence. It is through this excellence that we will create strong visible growth and even stronger shareholder value.

At Supreme, there is more behind the numbers.

At heart, we are an infrastructure company. And yet, our soul is different. Excellence is in our DNA, and it is this

that enables us to deliver excellence even in tough times.

### Consider this:

- We started as an aggregate supplier company to the road builders and therefore, even today, being backward integrated is our biggest strength.
- We have invested in the gross block much ahead of execution to ensure that execution is always in time. We have never been penalised ever for delay in execution of projects.
- We have an order book

that is balanced and de-risked. We won't be much affected even if one segment we serve goes through a lean phase.

- We have a team of over 200 engineers that micro manage every site and ensure timely execution.
- We have diversified our geographical exposure and are today executing in West, North and East.
- We have generated cash and used that cash to build a strong BOT asset book, providing strong annuity income in years to come.

The power of excellence

can be measured in the way we have conducted our business. Over the last few years, our EBIDTA margins have been amongst the highest in the industry, ranging from 17% to 21%.

We delivered a ROCE and ROE of 19 % and 29% in 2010-11. We have enough visibility to deliver substantially higher revenue CAGR in the next 24 months. And all this because we strive to excel.

All this, because we believe in the power of excellence.

# Excellence In Pedigree





## The Supreme pedigree to strive for excellence is part of its culture

Supreme is not just any other infrastructure player that started business because it saw India spending heavily on infrastructure. Supreme has been supporting the Indian infrastructure needs much before many even started.

Our history and pedigree are part of our culture that makes us strive to be excellent in whatever we do. We have been in the industry ever since even a ₹ 25 lac contract was considered very big. Our founder, Mr. B.S.Sharma spotted an opportunity to own assets that supplied the 'aggregates' for the road

builders. Supreme recognised the importance of having the consistent supply of all inputs and it's pricing.

In the infrastructure business, three principles are of paramount importance:

One, being competitive so that you get the order.

Two, since our margins are fixed, it is our ability to manage aggregate and personnel cost that determine profitability.

Three, executing in time and within costs.

The strive for excellence in all these three principles started since 1983.

After being an aggregate supplier for two decades, the second generation at Supreme - Mr. Vikram Sharma (B.Tech Civil), the Managing Director and Mr. Vikas Sharma (MBA), the Whole Time Director, took the company forward from aggregate supplier to infrastructure builders.

Supreme began with small contracts worth ₹ 50 lacs and graduated to much larger ones as the infrastructure space and the country was evolving. One thing didn't change though : the Supreme pedigree to strive for excellence and ensure that the three principles

of being competitive, having inputs under control and execution never got compromised.

Supreme today has come far. Supreme today has executed single contract worth ₹ 200 crores.

We believe that our pedigree of being in this business since 1983 has helped us where we are. It has helped us always recognise and respect the principles on which this business was run efficiently and effectively. And we remain committed to driving this excellence further and leave a pedigree for generations to follow.

# Business Model Excellence



## We like to control our destiny. Our resource integrated business model has been built to satisfy customers and delight investors.

Our resource integrated business model has been built on strong foundations of our pedigree and principles outlined earlier. The business model that was chosen has set the company into a virtuous cycle of growth through excellence.

Let us explain: Supreme is today an infrastructure company that builds roads, bridges, buildings and power distribution platforms. This is what you see. The deliverables. The business model that we have used to deliver the infrastructure is a minimal out-sourcing model with all inputs supplied internally. Besides, we have a concentrated and a cluster approach to lead. Once a cluster is identified, and project commences, we acquire input assets and integrate resources.

We keep acquiring new projects in the same cluster and ensure that the fixed costs get apportioned over a larger base. This helps us get more competitive and deliver better margins.

We like to control our destiny.

For this, it is essential that we invest in our input assets. Supreme has invested in its assets to ensure that it has quarrying assets that supply aggregates, ready mix concrete (RMC) plants and crushers. Supreme has one of the higher gross block to sales ratio in the industry. We have control over input costs. We also have uninterrupted supply of raw materials that shortens our project

execution cycle. We believe that none of our projects have ever got delayed is a testimony to our business model. Besides, we have not compromised on our margins. We have one of the highest EBIDTA margins too in the industry.

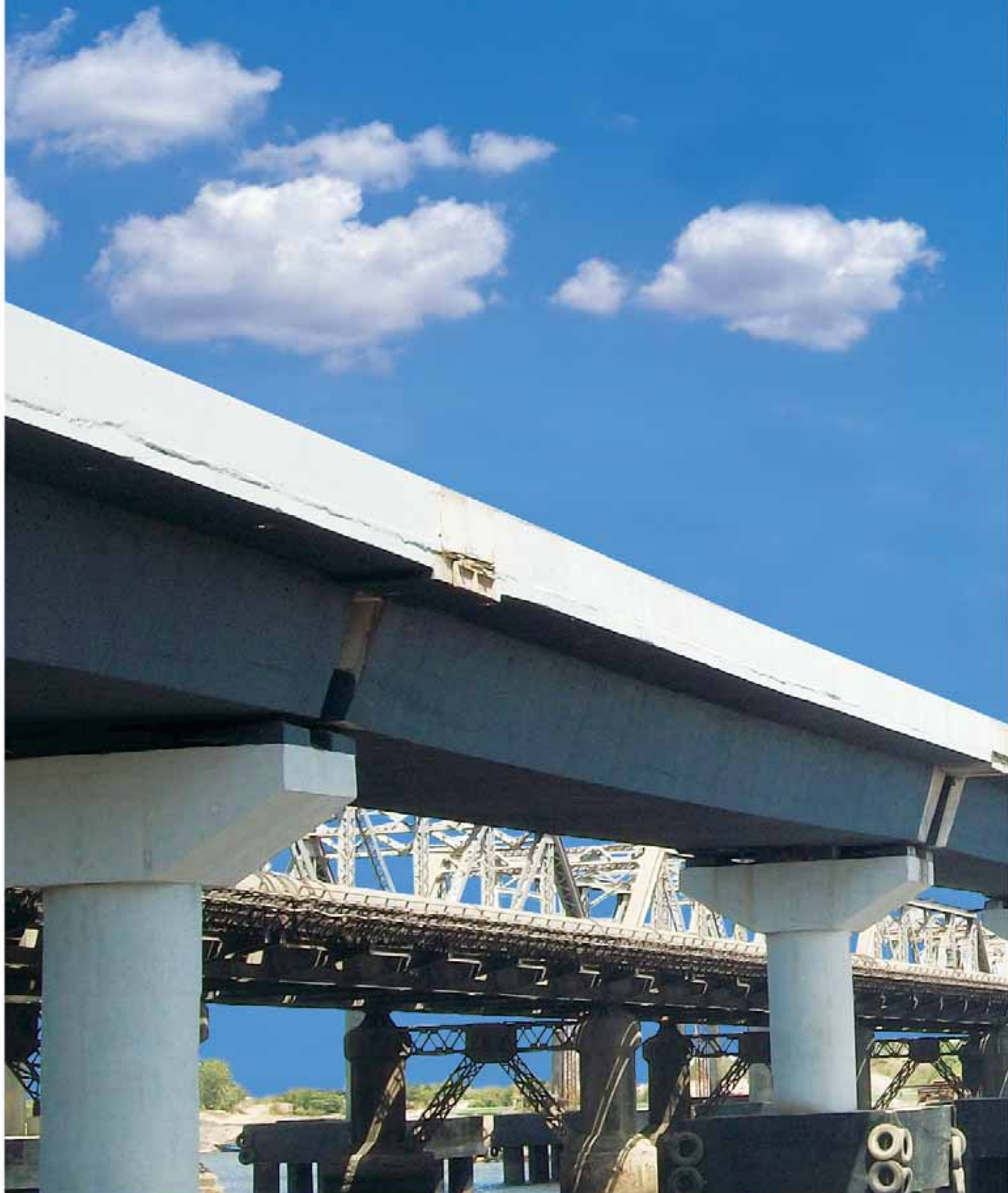
We invested over ₹ 60 crores for plant and land at Padga where we have setup our In-House Quarrying, RMC, Asphalt and Crusher plants. We have a quarrying license till 2017 at the Padga plant which not only ensures the resource availability, but also insulates the company from any price fluctuations of aggregate

supplies which are on the rise. Besides, it has made us one of most competitive players in the Maharashtra infrastructure cluster. Our order from this cluster stands at ₹ 2,372 crores now.

As we were in the investment phase to build our resource integration assets, our gross block surged and our ROIC showed a declining curve. This was temporary. As we move ahead and execute the current order book without any substantial investment in gross block, we see ROIC increasing.



# Excellence In Order Book





Our order book is a reflection of not just what we will deliver, but also of what we have achieved thus far.

We look at our order book differently.

At Supreme, order book is not just a number. Looking at an order book just like a number doesn't reflect everything. Our order book is a reflection of our competitiveness, our competence, our capabilities and our capacity to execute.

Our order book is across segments.

Over the years, we have learnt, built expertise and executed orders across different segments of the

infrastructure space. Though we principally started as road executors, we enhanced our capabilities by executing more complex road projects that have difficult terrain, route and have multiple bridges. Our EPC road margins are amongst the highest in the industry. We are replicating this in the real estate, irrigation, railway and power distribution segments. We see power distribution as another growth segment and we have outstanding orders worth ₹ 241 crores

Our order book includes BOT projects and private sector projects

BOT projects have now become the new order for growing the order book. The importance of having BOT projects pipeline is that projects can commence after financial closure, and therefore, advances are faster and delays are much lesser. This enhances our competitiveness. Our BOT order book currently stands at ₹ 1,063 crores.

Private sector is fast emerging as an important

supplier of orders for the segments Supreme represents. The order book from government stands at ₹ 2,021 crores and balance is from private sector projects. The margins are generally higher in private sector.

Our current order book of about ₹ 3117 crores is spread across 7 verticals and 5 states. Our Order Book to Sales ratio is at 3.4x FY11 revenues and thus provides visibility for the next two years as the current execution cycle is around 24-30 months.

### Order Book Snapshot

Category	Total Order Book (₹ crores)	% of Order Book
Roads	1215	39.0%
Bridges	110	3.5%
Railways	23	0.8%
Buildings	1482	47.5%
Irrigation	16	0.5%
Power	241	7.7%
Sewerage	2	0.1%
Others	28	0.9%
<b>Total</b>	<b>3117</b>	

#### BOT vs Non BOT Projects

Region	% Order Book
BOT	34.2%
Non BOT	65.8%

#### Govt vs Non-Govt Orders

Region	% Order Book
Govt Orders	64.8%
Non-Govt Orders	35.2%

# Excellence In De-Risking



We have built a business model that insulates itself from segmental cyclicality as well as geographic cyclicality. It's a de-risked business model.

Supreme started in the western region of India, more particularly in Maharashtra and within Maharashtra, in Mumbai. It is therefore natural that Maharashtra continues to be a large driver of order book, revenue and margins for the company. However, we recognised that from a long term perspective, it was important to move into other areas and reduce the geographical risk.

We have added two

important regions - North and East.

We have a healthy and growing order book of ₹ 662 crores from North that includes Haryana, Punjab and Uttar Pradesh. We have asset ownership here and we believe that soon Supreme will have a sizable order book to execute in North. We have set up a Quarrying Mine for Aggregate Supplies and Crushing plant at Pathankot which will cater to the regions

of NCR, Punjab, Haryana and Rajasthan.

Last year, we have also entered east in West Bengal. We see infrastructure a huge opportunity in the East and North-East. With the change in political leadership in West Bengal, we expect eastern India to catch up on its infrastructure. Currently, we have an order book of only ₹ 71 crores from West Bengal, but this is just the beginning.

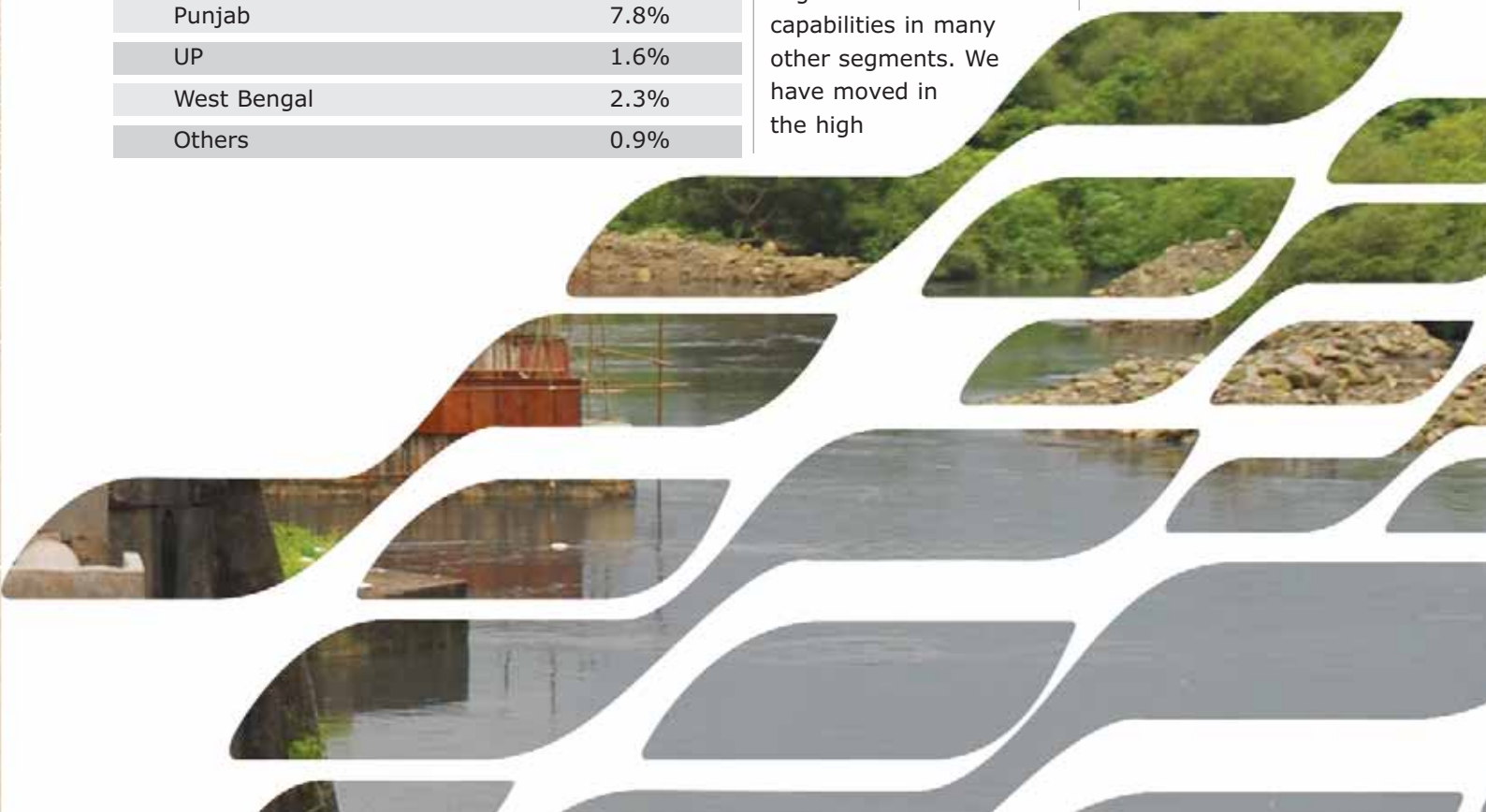
As with geographical de-risking, we have also de-risked our segments. Today, we are not over dependent on any one segment. We have built capabilities in many other segments. We have moved in the high

growth power distribution segment which, we believe, will add considerably to our order book in time to come.

As we look ahead, this is what we have to submit: If India continues to grow at 8%, the infrastructure sector will not just be a supporter of the growth, but will also have to drive the growth. We expect infrastructure spend to increase. We have built expertise across seven segments. We have extended our presence to North and East India. We have a pedigree and a business model that excels in resource integration, costs and execution.

Geographical Order Book

Region	% Order Book
Maharashtra	75.6%
Haryana	11.8%
Punjab	7.8%
UP	1.6%
West Bengal	2.3%
Others	0.9%



# Excellence In BOT Assets





## BOT is offering interesting investment opportunities to those who can execute in time and bid for the right BOT assets.

The Government's PPP initiative was the right step to ensure faster infrastructure build-up of the country. Build-Own-Transfer emerged as an opportunity in the Indian infrastructure space. It led to capital driving opportunity and many entered this space.

Though the BOT opportunity remains the same today, its ability to deliver returns is a

function of understanding the variables that deliver IRR. Traffic volume increases once a good infrastructure is built. We have also seen the willingness of users to pay toll. Supreme understands BOT and entered this space through its 100% subsidiary, Supreme Infrastructure BOT Pvt. Ltd. (Supreme BOT). We believe that in times to come Supreme BOT will

have very strong annuity incomes and valuable assets.

Supreme BOT is different for many reasons:

- We execute projects in-house through the parent company, Supreme Infrastructure and thus our execution, which is key for IRR for every project, is under our control.
- All BOT projects of the

company are in high growth region or have substantial existing traffic. There is sufficient traffic data available to ensure that we have bid right and these projects will deliver the bid IRR.

Supreme currently has four BOT projects across Roads and Bridges in various stages of development from which would lead to sustainable Cash Flows from FY 2013.

# Chairman's Letter



## Dear Shareholders,

At Supreme, we have always believed in the power of excellence. We strive for excellence in our performance and results by building upon the excellence of pedigree. We strive for excellence through our integrated business model de-risked by geographic and sectoral diversification of our projects. We pursue excellence by enhancing our capabilities and moving up the value chain - from roads to railways, and from irrigation to power and railway projects.


Supreme Infra has had a very profitable 2010-11. During the

year, your company reported ₹ 917.85 crores revenues and a profit after tax of ₹ 75.95 crores. This represents a revenue growth of over 72% and profit after tax growth of over 93% respectively. Our backward integration model has ensured EBITDA margins to the tune of 17.6 % resulting in EBITDA of ₹ 161.47 crores. Our PAT margin stood at 8.3 % for FY10-11. Our order book currently stands at ₹ 3,117 crores, a growth of 94% during the year.

FY10-11 has been a game-changing and a challenging year for the industry. Game

changing because, the Government has renewed its focus on the Infrastructure sector, and is leaving no stone unturned to ensure a right infrastructure set up for the country. Challenging, because the huge surge in opportunity in this sector has led to increased competition, which if it continues for some more time may affect return ratios for the industry players.

Our company has marched ahead in FY10-11. We have forayed in North India and East India with a view to further diversify our geographical presence. We are on the verge



of completing large orders in our portfolio which will result in greater acceptance of our skills and delivery amongst our existing and prospective clients.

Your company currently has an order book of ₹ 3,117 crores and we expect to execute this within the next 24 to 30 months. This provides visibility to consistent and growing earnings, and with it, higher ROI. We have added significant orders in the Roads, Road - BOT, and Real estate sectors. We have added West Bengal in our area of operations and firmly believe that this geography will result in large orders owing to the industrial and economic development planned for the state.

In our Road BOT segment, we have achieved financial closure for our Manor-Wada Bhiwandi road project. Work on this project started during the year and we have achieved significant progress on this patch. During FY10-11, We bagged two BOT projects. Our company is declared L1 for Ahmednagar-Karmala-Tembhurni Road BOT project. We have also been awarded Panvel-Indapur Road BOT project. These wins are prestigious additions to our portfolio and we believe we will add enormous shareholder value by way of our BOT projects. Our company would

continue to bid for such BOT projects.

We have also made forays into other high-margin segment of the infrastructure space like power distribution, irrigation, railways and real-estate. We have an outstanding order book for power distribution projects to the tune of ₹ 241 crores.

We have always stressed on execution. Execution of projects within time and within costs remains one of our core strengths as well as key differentiator. We have built a large and strong resource base of assets to ensure that for all our projects, we have the raw materials within our control. We have invested substantially to develop our resource integrated model which is reflected in our gross block. We are now in a position to execute most of our order book without any further heavy investments.

Supreme Infra is not just any other infrastructure company in India. Supreme Infra has been built carefully and has transformed quite significantly over the last few years. This transformation, in essence, is why Supreme Infra will deliver robust earnings growth and a growing ROI.

Simply put, even though we appear to be like any other infrastructure company, we are not. There is a lot hidden

beneath in the way Supreme Infra has been built. We are happy where we stand. As we look ahead, we see ourselves further transforming from a mid-size infrastructure company into a large infrastructure player. The team is young. Our approach towards future possibilities fortifies our vision to go beyond the present. With the power of excellence and the aim to stay ahead SUPREME INFRASTRUCTURE INDIA LIMITED is all poised to go for end to end model of operations in executing projects in different verticals of infrastructure.

We are committed to deliver strong execution and with it above-industry average margins and a high ROI and cash flow. And fortunately, India is also just getting started on its second phase of aggressive infrastructure investment phase.

Before I conclude, I want to thank every shareholder, team member, the hundreds of workers, various state governments and the banks for trusting us.

Thank you,  
Sincerely,

B. H. Sharma  
Executive Chairman

# Our Visiting Card

## Pedigree

Supreme Infrastructure India Limited (SIIL) is one of the fastest growing companies in India in the burgeoning infrastructure space. Built of a solid foundation, SIIL was promoted by Mr. Bhawanishankar H. Sharma over 25 years ago. It became a public limited company in 2007 and is today listed on BSE and NSE.

## Vision

- To be amongst the leading construction / contracting company in India
- End to end construction company
- Presence across Infrastructure sectors
- Most preferred contractor

## Values

- Excellence
- Expediency
- Economy

## Mission

Strive to constantly to evolve, led by a culture of quality, empowerment and teamwork to become an innovative pioneer in infrastructure development competing globally.



## Integrated business model

Supreme prefers the integrated business model having its own aggregate assets and execution team. Supreme believes in minimal out-sourcing.

## Margin leadership

Supreme has over the last ten years demonstrated margin leadership in the industry, thanks to its integrated business model. EBIDTA margin stood at 17%.

## Recognition

Excellence is at the heart of SIIL. We received the Excellence Award for contribution in the field of Economic Development. Our Promoter and Executive Chairman, Mr. Bhawanishankar H. Sharma has been awarded the 'Udyog Ratna Award' from one of the country's premier research institutes 'Institute of Economic Studies' (IES) for his contribution to economic development. During the year, Mr. Vikram Sharma, our Managing Director was awarded 'Young Entrepreneur of the Year 2010' by EPC World Awards 2010.





## Business Segments

- Roads
- Bridges and Flyovers
- Railway
- Power Distribution
- Irrigation
- Sewerage and Pipelines
- Buildings

## Presence

Supreme is headquartered in Mumbai but its business presence extends to West, North and recently West India. Supreme is geographically well diversified.

## Gross Block

Supreme has invested aggressively in ownership of quarrying assets and earth moving equipments that have enabled the company deliver projects in time and within the costs. Investment in gross block totalled ₹ 326.8 crores.

## BOT Asset portfolio

As on March 31, 2011 the company has four BOT projects that include Manor-Wada-Bhiwandi, Panvel-Indapur, Kasheli Bridge and Haji Malang. We have been declared L1 for Ahmednagar-Karmala-Tembhurni project.

### Top Projects

NHAI Chitradurga Road Project - Karnataka

Part of the Western Transport Corridor - 18kms. with 6 major bridges

Value - ₹ 125 crores

Bhiwandi Nasik Highway - Maharashtra

4 lane widening for 510-530kms. Vadep-Gonde section of NH-3 (sub-contracted from Sadbhav Engineering)

Value - ₹ 50 crores

Kasheli Bridge Project - Maharashtra

Project to replace the existing 85 year old bridge and includes 2 bridges with carriageway of approximately 13 mts. width

Value - ₹ 250 crores

Supreme Business Park - Powai - Mumbai

Uniquely built in 3 stacks with central core supporting cantilever slab of 50 ft. span

Value - ₹ 217 crores

### BOT Projects

Manor - Wada - Bhiwandi Road

Project to widen the existing 2 lane to 4 lane highway on NH-8. Length - approximately 64.32kms.

Value - ₹ 430 crores

Concession Period - 22 years + 10 months EPC Value - ₹ 330 crores

Panvel - Indapur - Maharashtra

Widening the existing 2 lane highway in NH-17 into a 4 lane highway

Value - ₹ 1200 crores

Concession Period - 21 years EPC Value - ₹ 415 crores (Supreme's share)

# Financial Snapshot



₹ in Million

Particulars	FY11	FY10	FY09	FY08	FY07
<b>Results of Operations</b>					
Income from Operations	9178.5	5332.5	3822.8	1563.0	783.3
EBIDTA	1614.7	981.8	662.9	360.5	191.5
Profit after Tax (PAT)	759.5	392.0	269.8	191.8	127.5
<b>Financial Position</b>					
Share Capital	167.4	138.7	138.7	138.7	104.0
Reserves & Surplus	2400.5	1384.1	1016.4	800.1	292.0
Net Worth	2567.9	1522.8	1155.2	905.6	396.0
Gross Block	3268.1	2890.6	2290.6	1189.8	391.1
Net Block	2578.0	2433.6	2035.7	1065.5	335.4
Net Current Assets	4934.5	2420.3	1291.9	610.3	471.1
<b>Ratios</b>					
EBIDTA Margin	17.6%	18.4%	16.3%	22.6%	20.7%
PAT Margin	8.3%	7.4%	6.6%	12.0%	13.8%



# Corporate Information

## Board of Directors

Mr. B.H. Sharma	Executive Chairman
Mr. Vikram Sharma	Managing Director
Mr. Vikas Sharma	Whole Time Director
Mr. Mukul Agrawal	Independent Director
Mr. V.P. Singh	Independent Director
Mr. Vinod Agarwala	Independent Director
Mr. Pramod Kasat	Independent Director
Mr. H.D. Sharma	Independent Director <i>(ceased w.e.f. 27th July, 2011)</i>
Mr. Dakshendra Agrawal	Non Executive Director <i>(appointed w.e.f. 13th Nov, 2010)</i>

## Company Secretary and Compliance Officer

Mr. Vijay Joshi

## Statutory Auditors

Walker, Chandiok & Co  
Chartered Accountants

Shah & Kathariya  
Chartered Accountants

## Bankers and Financial Institutions

State Bank of India  
State Bank of Patiala  
Axis Bank Ltd.  
The Saraswat Co-Operative Bank Ltd.  
SREI Infrastructure Finance Ltd.

## Registered Office

Supreme House, Plot No.94/C Pratap Gad,  
Opp. I.I.T Main Gate, Powai, Mumbai - 400 076  
Tel: +91 22 6128 9700  
Fax: +91 22 6128 9711  
Email: [investor@supremeinfra.com](mailto:investor@supremeinfra.com)  
[www.supremeinfra.com](http://www.supremeinfra.com)

## Registrar and Transfer Agent

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

## DIRECTORS' REPORT

To  
The Members of  
**SUPREME INFRASTRUCTURE INDIA LIMITED**

Your Directors have pleasure in presenting their Twenty Eighth Annual Report and the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2011.

### FINANCIAL PERFORMANCE SUMMARY

(₹ in Cr.)

Particulars	31/3/2011	31/3/2010
Income from operation	917.85	533.26
Profit before Interest, Depreciation & Tax	161.47	98.18
Less: Interest/ Finance Charges	40.82	22.02
Depreciation	24.61	20.21
Profit before Tax	96.04	55.95
Less: Provision for Tax		
Current Tax	20.30	13.89
Deferred Tax	(1.88)	2.24
Tax adjustment for earlier years	1.67	0.62
Profit After Tax	75.95	39.20
Add: Profit at the beginning of the year	88.35	53.58
Profit available for appropriation	164.30	92.78
Appropriations		
Proposed Dividend (includes short provision of earlier year 2010-11, Rs.0.43Cr, Previous Year- Rs. Nil)	2.52	2.08
Corporate Dividend Tax (includes short provision of earlier year 2010-11, Rs.0.07 Cr, Previous Year- Rs. Nil)	0.42	0.35
Transfer to General Reserve	2.00	2.00
Balance carried to Balance Sheet	159.36	88.35

### OPERATION AND PERFORMANCE REVIEW

During the year under review, the Company's overall financial performance significantly improved on all fronts as compared to the previous year. Total Income during the year was ₹ 917.85 Crores as compared to ₹ 533.26 Crores in the previous year, registering a growth of 72.1%. The Net Profit before Interest, Depreciation and Tax during the year under review was ₹ 161.47 Crores as compared to ₹ 98.18 Crores in the previous year, registering a growth of 64.5 %. The Net Profit after

Tax was ₹ 75.95 Crores as compared to ₹ 39.20 Crores in the previous year registering a growth of 93.8%.

### DIVIDEND AND TRANSFER TO RESERVES

Your Directors are pleased to recommend for the approval of the members a dividend at the rate of 12.50% on Equity Shares of ₹10/- i.e. ₹1.25 per Equity Share on the Equity Capital of 16742087 Equity Shares of ₹ 10 each. The said Dividend, if approved by the members would involve a cash outflow of ₹ 2.44 Crores including dividend distribution tax. The Company transferred ₹ 2.00 Crores to General Reserves. Short provisioning of earlier year amounting to ₹ 0.50 Crores have been provided in the current year.

### FINANCE

During the financial year, the Company allotted 8,66,275 Equity Shares of ₹ 10/- each at a premium of ₹ 215/- per shares on preferential basis aggregating to ₹ 19,49,11,875/- and 20,00,000 Equity Shares of ₹ 10/- each at a premium of ₹ 50/- per Share aggregating to ₹ 12,00,00,000/- pursuant to the exercise of convertible warrants allotted on preferential basis, in compliance with the applicable Securities and Exchange Board of India (SEBI) Regulations/ Guidelines on preferential issues.

The Company, on May 13, 2011 also allotted 25,00,000 (Twenty Five Lakhs) 1% Non Cumulative Redeemable Preference Shares of ₹ 10/- each at a premium of ₹ 90/- per shares aggregating to ₹ 25 Crores, to the Company belonging to the Promoters.

The proceeds of the above referred issues were utilized for the purpose for which it were raised as stated in the explanatory statements to the notices for considering issues of shares in respect of the relevant resolutions.

### CREDIT RATING

The Company has been assigned CARE Rating "CARE BBB-" for the long term facilities of the Company as compared to earlier rating of "BB+". The rating is applicable to facilities having tenure of more than one year. Facilities with "CARE BBB-" are considered to offer moderate safety for timely servicing of the debt obligations. Such facilities carry moderate Credit Risk.

The Company has also been assigned CARE Rating "PR3" by CARE as compared to earlier rating of "PR4". This rating is applicable to facilities having tenure up to one year. Facilities with "PR3" rating would have moderate capacity for timely repayment of short term debt obligations.

## SUBSIDIARY COMPANIES

As on March 31, 2011, the Company has following subsidiaries:

1. Supreme Infrastructure BOT Private Limited
2. Supreme Panvel Indapur Tollways Private Limited
3. Supreme Mega Structures Private Limited

### 1. SUPREME INFRASTRUCTURE BOT PRIVATE LIMITED

As part of the Company's strategy to diversify its activities and enormous opportunities being available in view of the Government initiative to develop roads and highway infrastructure in the Country, the Company is focusing on building up the BOT portfolio. The Company's 100% Subsidiary Company, Supreme Infrastructure BOT Private Limited ('the BOT Company') undertakes various Build Own Transfer (BOT) projects along with its holding Company. The BOT projects are executed in the Special Purpose Vehicle Company (SPV Company) incorporated for the purpose.

The following subsidiary company incorporated by BOT Company is presently executing the BOT project, the details of which is given hereunder :

#### **Supreme Manor Wada Bhiwandi Infrastructure Private Limited**

Incorporated as SPV Company for execution of the Project of 'widening of Manor- Wada (24.25 Kms.) and Wada Bhiwandi Road (40.07 Kms.) on SH-34 and SH-35 respectively in the State of Maharashtra and to convert it into a 4 lane highway on BOT basis' at an estimated cost of ₹ 430 Crores. The total length of the project aggregates to 64.32 Kms. The project corridor plays an important role in connecting Northern India & South Gujarat to industrial areas of Bhiwandi, Thane & Ulhasnagar, JNPT and also traffic from north India towards NH3 for Pune & Bangalore highway. It would reduce the distance by 90 Kms. thereby substantially saving fuel and time for the Vehicles. The starting point of the project corridor is Manor which is at the junction of NH-8 along Ahmedabad-Mumbai Highway. The Concession period of the project is for 22 years and 10 months from the date of Work Order. The equity stake of the BOT Company in the SPV is 49%. The Company is the subsidiary of the BOT Company by virtue of control of management. The project is under implementation and is expected to be completed before scheduled time of completion.

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

Incorporated as SPV Company for execution of the Project of Panvel - Indapur section of NH-17 from Km.0.00 to Km.84.00 in the State of Maharashtra by widening the existing 2-lane dual carriageway to a 4-lane dual carriageway on BOT basis at an estimated cost of project of ₹ 1206 Crores. Supreme Infrastructure India Limited (SIIL) holds 26% and its 100% Subsidiary viz. Supreme Infrastructure BOT Private Limited holds 38% Equity in the SPITPL.

The Project road is starting point for the NH17 which goes to Kochi through Goa and carries both local and inter-state traffic. The project corridor plays an important role in connecting Northern India to Goa and Kochi.

The concession has been granted to SPITPL for a period of 21 years including the construction period of 910 days from the Appointed Date.

The investment made in the above referred BOT projects would provide steady cash flows to the Company over a period of time upon completion of the various BOT projects and commencement of the toll collection of the BOT sites.

### 3. SUPREME MEGA STRUCTURES PRIVATE LIMITED

Supreme Infrastructure India Limited is holding 60% Equity in the above Company. The Company is carrying out the business of rentals of staging, scaffolding, shuttering steel pipes and structural fabrication, steel fabrication work & job work.

With a view to increasing the productivity and cost effectiveness and as a strategy to concentrate on its core business activities, during the year, the Company sold its shuttering materials to its subsidiary Company viz. Supreme Infrastructure India Limited on a sale consideration of ₹ 790 Lakhs. Substantial part of the Company's shuttering and fabrication job is now being undertaken by Supreme Mega Structures Private Limited.

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



the Registered Office of the Company and that of the respective subsidiary companies. The Consolidated Financial Statements presented by the Company include the financial results of its subsidiary companies.

## **INVESTMENT IN RUDRANEE INFRASTRUCTURE LIMITED**

Rudranee Infrastructure Limited ('Rudranee') is Aurangabad based Construction & Infrastructure Company promoted by Mr. Vivek Deshpande, a technocrat. The Company has wide experience in executing various infrastructure projects having specialization in Pipeline and Power Transmission segment. As on 31<sup>st</sup> March, 2011, the Networth of Rudranee was ₹ 23.41 Crores and Bookvalue of ₹ 25.86. For the year ended 31<sup>st</sup> March, 2011, the Company recorded a turnover of ₹ 125.30 Crores and profit after tax of ₹ 3.45 Crores. In order to utilize the expertise, experience and manpower of Rudranee for developing another vertical for Supreme, the Company decided to invest its funds as a strategic partner/ investor. Accordingly, the Company subscribed to 1,21,83,648 Equity Shares of ₹ 10/- each at a price of ₹ 14.77 per share aggregating to ₹ 18 Crores. Supreme now holds 51% of the paid up capital in the said Company and as such, Rudranee has become subsidiary of the Company in June 2011.

## **DIRECTORS**

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

Mr. Dakshendra Agrawal was appointed as Additional Director by the Board of Directors of the Company w.e.f. 13<sup>th</sup> November, 2010. Pursuant to the provisions of Section 260 of the Companies Act, 1956, he holds office as Director up to the date of ensuing Annual General Meeting. The Company has received the notice from a member in term of Section 257 of the Companies Act, 1956 proposing the candidature of Mr. Dakshendra Agrawal as Director of the Company.

Mr. Dakshendra Agrawal is presently a Non-Executive Director of the Company. He is a Chartered Accountant by profession having rich and varied experience in the field of finance, banking and corporate taxation.

Mr. H.D. Sharma, the Independent Director, resigned as Director of the Company due to personal reason. The Directors placed on record their appreciation for the contribution made by Mr. H.D. Sharma in development and growth of the Company as also his valuable advice and guidance received from him during his tenure as Director of the Company.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

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

## **CONSOLIDATED FINANCIAL STATEMENTS**

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

## **AUDITORS AND THEIR REPORT**

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

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

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

## **UTILISATION OF FUNDS**

Out of the proceeds of the IPO, Utilization of funds up to March 31, 2011 is as under:

<b>Particulars</b>	<b>Proposed Amount (₹ In Lacs)</b>	<b>Utilized Amount (₹ In Lacs)</b>
Purchase and/or up-gradation of Plant and Machinery	1626.11	1533.72
Long Term Working Capital Requirement	1790	1790
Initial Public Offering (IPO) Expenses	337.77	429.12
<b>Total</b>	<b>3753.88</b>	<b>3752.84</b>
Balance of unutilized funds have been temporarily invested in Bank Fixed Deposits/ IPO Bank Account		1.04

## **PARTICULARS OF EMPLOYEES**

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

**FIXED DEPOSITS**

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

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Board of Directors reports that:

- (i) In preparation of Annual Accounts, the applicable accounting standards have been followed and there are no material departures;
- (ii) The Accounting policies applied has been consistent and judgments and estimates made are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of financial year and of the profits of the Company for the year under review;
- (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**

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

**LISTING**

Equity Shares of the Company are listed on National Stock Exchange of India Limited and Bombay Stock Exchange Limited. The Company has paid listing fees for the year 2011-12.

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

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

**CONSERVATION OF ENERGY**

The Company's main activity is of construction which does not require any utilities. However, Power is required for (a) running the crushing unit,

(b) operating the ready mix concrete plant (c) operating the asphalt plant and (d) at the various project sites for operating the machinery/equipment and lighting. The power requirement of manufacturing units is met from local distribution sources and from generator sets. The power required at the project sites for operating the machinery/equipment and lighting are met from the regular distribution sources and is arranged by the clients who award the contracts. At the project sites where the power supply cannot be arranged, Diesel Generator sets are used to meet the requirement of power.

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

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

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

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

**FOREIGN EXCHANGE EARNINGS AND OUT GO**

During the year under review, there was foreign exchange outgo of ₹ 7,63,55,522/-. There was no foreign exchange earnings by the Company during the year under review.

**ACKNOWLEDGEMENTS**

Your Directors wish to place on record their sincere appreciation for the encouragement and co-operation by its stakeholders, including bankers and business associates, Government Authorities, Local Bodies, and also by its Employees for their dedicated services and contribution to the Company during the year.

**ON BEHALF OF THE BOARD OF DIRECTORS**

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

Place: Mumbai  
Date: 30<sup>th</sup> August, 2011

**Registered Office:**  
Supreme House, Plot.No.94/C,  
Opp. I.I.T., Pratap Gad, Powai,  
Mumbai- 400 076

## MANAGEMENT DISCUSSION AND ANALYSIS

### ECONOMIC OVERVIEW

The Indian economy has continued its growth momentum to achieve an impressive 8.6% growth in GDP in the year 2010. This growth was driven by strong consumer demand, increase in government spending and higher confidence levels in the overall economy. There was a healthy growth in manufacturing, services as well as agricultural sectors. Inflation continue to be a drawback. The Government is trying its best to control it, as witnessed by continuous increase in interest rates. In spite of the headwinds, the Indian economy is expected to grow at over 8% in 2011 as estimated by International Monetary Fund (IMF).

India, along with China continues to remain an attractive FDI destination and preferred investment destination among Emerging countries. A survey conducted in 2010 by Ernst and Young rates India as 4<sup>th</sup> amongst the top five most attractive FDI destinations.

The global economy is still not out of the clutches of the economic imbalance caused in 2008-09. However, slow revival has continued and led to some consolidation globally. According to the World Economic Outlook report of IMF, global GDP is estimated to have grown by 4.2% during the year 2010, which is well above the forecasted trend rate and may lead to a stabilised world economy than currently. However, Economic concerns in the US, coupled with credit rating downgrades in the US as well as European countries may affect the confidence level of investors at large. This may however benefit emerging countries such as India, in terms of increased FDI, lower commodity prices, providing sufficient levers to manage a 8% + GDP growth rate.

### INDUSTRY OVERVIEW

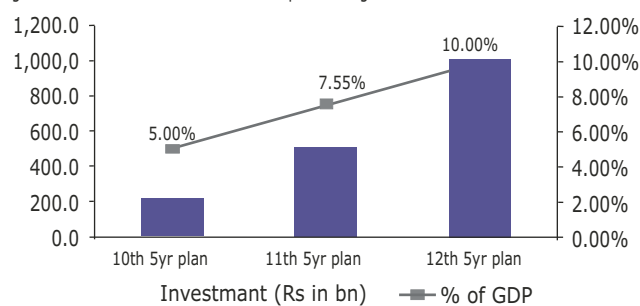
The Indian infrastructure industry is a key industry that will provide immense scope and opportunity for growth as this space has not developed in line with the overall economic development of the country. According to the Global Competitiveness Report, 2010 issued by of the World Economic Forum (WEF), India's basic infrastructure ranks 86<sup>th</sup> in the world out of a total of 139 countries. It has fallen by 10 places and is lower than even countries like Rwanda, Latvia, El Dorado and Trinidad and Tobago. The lack of development of basic infrastructure has been identified as one of the key drawbacks affecting India's economic growth. The Indian Government has prioritised infrastructure development as one of the key areas for development in the Eleventh and Twelfth Five year plans.

In the recent years, the increased focus on the Indian infrastructure space has led to increased Governmental initiatives, policies, and spending with a view to encouraging inclusive and rapid growth and development. This view has led to sectors such as construction, engineering, IT and utilities experiencing bumper growth and improved operational efficiencies.

Renewed thrust and initiatives by the Government has led to the sector witnessing investments both from the domestic as well as foreign players. The total outlay on infrastructure in the Union Budget of 2010-11 stands at ₹ 2,14,000 crores, which is significantly higher by 23.3% when compared to the budget of 2009-10, re-emphasizing the Government's top priority for the infrastructure space. This is not the end of the road. The Planning Commission has reported that the total investment in infrastructure would have to increase to 10% of GDP, amounting to roughly USD 1025 billion for the economy to continue its GDP growth of around 9% in the coming years.

A brief overview of the important sectors of the infrastructure space is as under:

Figure 17: Infrastructure Investment as percentage of GDP



Source: Planning Commission

### Roads

- India has the second largest road network in the world at 4.24 million kms. However, the India's road network continues to be inadequate.
- It has a road density of 2.83 kms. per 1000 people compared to global road density of 6.7 kms. per 1000 people. India has 770 kms. of roads per 1000 sq.kms. compared to a world average of 840 kms. per 1000 sq.kms.
- According to industry estimates, more than 70% of freight and 85% of passenger traffic is handled by roads in India.

Roads and Highways play a very important role in the overall economic development of any country. In India roads and highways will ensure a better supply chain, access of goods to a larger audience,

birth of towns and cities along the roads, and many such factors which will lead to a stronger backbone for the Indian economy. The heavy investments seen in the last decade has resulted in a significant increase in vehicular traffic on the back of rising disposable income. It is estimated that the vehicular growth in India has grown at a CAGR of 8% in the past five years.

National Highway Development Project (NHDP) - The National Highways have a total length of 70,934 kms. The highways and expressways,

although merely account for 2% of total roads, but carry almost 40% of traffic, putting them under tremendous strain. Realising this the Government launched the National Highway Development Project (NHDP) to strengthen and upgrade the National Highways. NHDP is one of the largest road development initiatives taken by a single authority in the world and involves widening, upgrading and improvements of about 54,000 kms. at an estimated investment of ₹ 300,000 crores. (Source -NHAI)

Indian Road Network		
Indian road network of 33 lacs Kms is second largest in the world and consists of :		
Types	Length (In Km)	%Share to total Length
National Highways/Expressways	70,748	2%
State Highways	131,899	4%
Major District Roads	467,763	14%
Rural and Other Roads	2,650,000	80%
<b>Total Length</b>	<b>3,320,410</b>	<b>100%</b>

Source NHAI

The Government understands the need and importance of Roads and Highways and has therefore created a new ministry ensuring utmost focus and speedy progress in the development of this sector. A target of building 20 kms. of national highway every day has been set up.

- In 2010-11, the NHAI awarded projects approximately 5,000 kms. of Highways and Roads compared to 624 kms. in 2008-09 and 3,360 kms. in 2009-10.
- According to the revised work plan proposed by NHAI, in the year 2010-11, projects of approximately 7,300 kms. was to be awarded compared to 15,716 kms awarded during the period 2002-2009.
- 9 mega projects of approximately ₹ 5,000 crores each and conversion of almost 10,000 kms. of state highways to National Highways, are some of the important plans of the Government in this sector.

To achieve the ambitious goal, the Government has identified the Public Private Partnership (PPP) route as one of the main modes of road development in future. Most of the projects under development by the NHDP are on the PPP basis through the Built Operate Transfer (BOT) mode. All projects under Phase II to Phase VII would be developed through the PPP on BOT mode. This method of participation will ensure considerable improvement in the road and highway network of India ultimately leading to sustainable and inclusive economic development.

### Urban Development - Water and Sewage

Under the Jawaharlal Nehru National Urban Renewal Mission (JNNURM) (launched in December 2005), water and sewerage have been identified as key areas for renewal. JNNURM has identified a total 63 cities and has a planned outlay of ₹1.20 lac crores to be invested over a seven years period. PPP is expected to play a pivotal role in implementation of projects in this segment. Major players are expected to participate and leverage opportunity under the JNNURM, particularly in the water and sewerage management and redevelopment schemes.

### Power

Power is an important growth engine of the economy. The power and energy sector is poised for a big growth in the coming years. Under the Accelerated Power Development and Reforms Programme 2002-2012 (APDRP), almost 22,000 MW has been added during the last five years. It is estimated that during the next five years, a capacity addition of nearly 78,000 MW will be set up. To sustain a GDP growth of around 8% in the coming few years, economists and industry experts believe that the power sector has to grow at 1.8 - 2 times the GDP growth rate. This would mean an additional capacity of 18,000 - 20,000 MW every year. The target mission of the Government - Power for all by 2012 would mean achieving a target of 1000 KwHr of per capita consumption by 2012.

According to the Central Electric Authority, the annual growth in energy generation during the year 2010-11 was 5.5%.

The Details of generation and growth rates are given below.  
Table 1 : Annual Electric Energy Generation Targets and Achievement

Category	Targeted 2010-11 (BU)	Actual 2010-11* (BU)	%of Target	Actual Last Year 2009-10 (BU)	Growth (%)
Thermal	690.9	664.9	96.24	640.6	3.81
Nuclear	22.0	26.3	119.48	18.6	41.04
Hydro	111.4	114.3	102.64	103.9	10.01
Bhutan Import	6.5	5.6	85.68	5.4	4.69
Total	830.8	811.1	97.63	768.4	5.55

\*Generation excludes generation from plants up to 25 MW Capacity.

## Railways

Railways will play an important part in the overall delivery chain mechanism in India and so is a key area of focus for the Government. The Government has ambitious plans to further expand both the passenger as well as freight carrying capacities in the eleventh and twelfth five-year plans. Public Private Partnerships (PPP) has emerged as a serious option over the last few years to augment development. Sizeable investment for expansion of network, port connectivity, augmenting manufacturing capacity as well as improvements in existing stations and facilities are high on the agenda.

Mega plans include new Dedicated Freight Corridors (DFC) covering a total network of 2,700 kms. at an initial cost of ₹ 28,000 crores have been finalised. These include two DFC a) Eastern corridor connecting Ludhiana to Kolkata and b) Western corridor connecting Mumbai with New Delhi.

Modernisation and revamping of stations is also a top priority with Indian Railways. As many as 22 stations have been identified for joint PPP development to modernise these into world class stations.

## Real Estate

The thrust on infrastructure development has led to increased demand for real estate. This market in India has witnessed a meaningful recovery after passing through two difficult years in 2008 and 2009. Overall revival of confidence in the economy, better job security, rise in disposable incomes and improvements in affordability has led to better prospects for the sector which will ensure buoyancy in demand over the next few years.

According to a report by Cushman & Wakefield,

- The pan-India residential demand is expected to rise to 4.25 million units by 2014.

- The residential segment is expected to grow at a CAGR of 15% till 2014. 60% of this demand is expected to come from the top seven cities of India. 40% of this demand is estimated to be concentrated in Tier I cities of Mumbai and National Capital Region (NCR).
- Mumbai is expected to witness a cumulative growth of 24% in demand, followed by NCR with a cumulative growth in demand of 20%.

In the commercial space segment, there was a marginal revival of demand as business sentiments improved. Cushman & Wakefield estimates the pan-India commercial space demand to be 240.7 million sq.ft. by 2014. The Indian commercial office sector has been dominated by the Information Technology and the Information Technology enabled Services segment - IT/ITeS, which has been the driving force for commercial real estate growth in India. Post the downturn in 2009, there was a renewed impetus on spatial expansion by the IT/ITeS occupiers, as well as those belonging to the new economy sectors such as Telecom, Pharmaceuticals, Biotech and Manufacturing. The overall absorption for 2010 pan India stood at 33 million sq.ft., as compared to 20 million sq.ft. in 2009. NCR (Gurgaon), Bangalore, Hyderabad and Mumbai led the country in spatial absorption, with more than 32 million sq ft being absorbed across the top 7 cities in 2010.

## FUTURE OUTLOOK

After targeting to spend around USD 500 billion in the Eleventh five-year plan, the Twelfth five-year plan (2012-17) is likely to see an investment of about USD 1 trillion in development of the country's physical infrastructure to sustain the growing demand. Of this, more than USD 150 billion is earmarked for the development of country's road and highway infrastructure.

Sector (Rs. billion)	XII Five Year Plan	% of Total Spend
Electricity	12,364	30.20%
Roads & Bridges	6,764	16.50%
Telecom	6,477	15.80%
Railways	4,007	9.80%
Irrigation	4,914	12.00%
Water Supply & Sanitation	2,229	5.40%
Ports	811	2.00%
Airports	721	1.80%
Storage	179	0.40%
Oil & gas pipelines	2,540	6.20%
Total	41,006	

## BUSINESS OVERVIEW

Supreme Infrastructure India Limited (SIIL) has been in the business of infrastructure for more than 25 years. It has a strong backward integration model ensuring greater control over projects with higher margins. It has successfully implemented and executed projects across sectors and verticals in the infrastructure space from roads and railways to power and bridges. The Company has a diversified portfolio of projects that are spread across verticals and geographies, giving the Company a much higher degree of flexibility and lower risks. The Company has various range of projects including Roads, Bridges, Railways, Power, Real Estate, Irrigation and Sewerage. The Company has recently expanded its footprint and taken exposure in the BOT space.

With backward integration model, the Company has access to captive Quarry and Crushing plants, Ready Mix Concrete (RMC) plants, Asphalt plants and Wet Mix plants. This not only insulates the Company against any fluctuations in input prices, but also ensures a smooth and uninterrupted supply of raw materials, enabling the Company to execute all its projects within stipulated time thereby ensuring higher margins. All plants are strategically located, thus benefitting projects in the company portfolio. Almost all construction projects require about 25-35% aggregates. Usage of these aggregates from the captive units in construction projects contributes to higher margins.

To strengthen its position in the infrastructure space and capitalise on the growth, the Company has invested a net amount of ₹ 180 million in Rudranee Infrastructure Limited (RIL), an Aurangabad based infrastructure Company with a strong presence in pipeline and power transmission segments for a 51% stake. The Company believes that would further diversify its presence across verticals and strengthen its execution capabilities.

The Company's current order book of ₹ 3,117 crore (including L1 orders) is spread across 7 states with Maharashtra constituting 75% of the total order book. However, going forward the Company plans to increase its geographic presence to Northern & Eastern part of the country. The Company has a growing order book of ₹ 662 crore from North that includes Haryana, Punjab and Uttar Pradesh.

## Supreme's BOT Foray

The Company has further moved up the value chain by foraying into BOT projects through its 100% subsidiary viz. Supreme Infrastructure BOT Pvt. Ltd (Supreme BOT). As on 31st March, 2011, we have 4 BOT projects across roads and bridges which are in various stages of development and 1 BOT Project where we have been declared L1.

By further moving up the value chain, the Company has de-risked its business model as the EPC portion for the BOT projects would be executed by the parent company which would boost the EPC order book of the parent Company and it would also reduce the execution risk for Supreme BOT since the parent company has strong execution capabilities in the roads and bridges segment.

BOT projects have been the main driver for the strong EPC order Book. Currently, EPC orders from the BOT projects constitute 34.22% of the total EPC order book for the Company.

The BOT projects awarded to the Company are in high growth regions or have substantial existing traffic.

Supreme Infrastructure has its projects in Maharashtra, Rajasthan, Karnataka, Haryana, Uttar Pradesh and Punjab. The Company has recently entered West Bengal region by taking up a project in Kolkata. The Company believes the economic development likely to take place in this region will be enormous and will help us create a sizeable order book over the next 2-3 years.

Some of the notable projects under execution during the year:

- 1) Kasheli Creek Bridge under marine condition  
Construction of South and North Kasheli Bridge along with its approaches on Thane Bhiwandi - Wadapa Road in Km 0/000 to 8/090 in Thane district.
- 2) A million sq.ft. IT Business Park  
Construction of IT Business Park known as Supreme City at Hiranandani Complex, Powai, Mumbai 76.
- 3) Jaipur Transport Nagar Flyover  
Construction of flyover at Transport Nagar Chouraha in Jaipur.

#### 4) Western Transport Corridor NH4 Chitradurga Bypass.

Western Transport Corridor - Tumkur- Haveri NH - 4 Project Pkg - 3 Rehabilitation and upgradation of Chitradurgah Section (Km 189 to Km 207).

### STRENGTHS AND OPPORTUNITIES

#### Quarrying sites

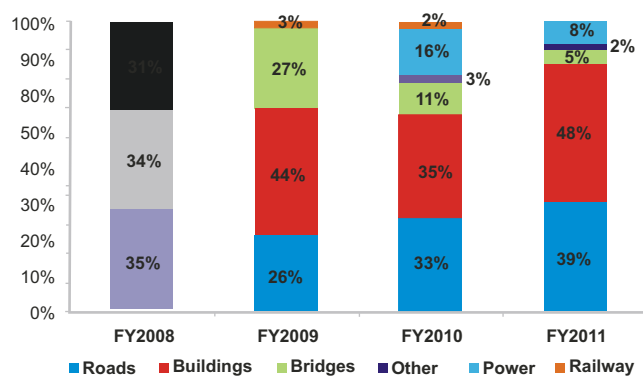
The Company has access to 4 quarry sites at: Padga in Maharashtra, Chitradurga in Karnataka, Kotpulli in Rajasthan and Pathankot in Punjab. All the quarrying sites are within 100-150 kms. radius from the project sites. These sites have sufficient raw materials which will encourage the Company to take more projects in the region and be competitively placed in its peer group.

#### Vertical led focus

The Company follows a vertical led focus. Every vertical has its own team and team leader. Each vertical works as a Strategic Business Unit (SBU) thereby ensuring deep knowledge of the vertical and access to a pool of highly talented and skilled workforce which provides us with an edge over our peer group.

#### Diversified Order Book

The Company has built and developed expertise to move away from the historical segments like roads and bridges to new, more complex and higher margin areas like power, railways, marine projects and road BOT projects. This has helped the Company to de-risk itself from getting into concentrated segments as well as move higher up the value chain. The Company presently has over 40 projects (including L1) in hand, of which 30 projects are under execution.



#### Cluster Based Strategy

The Company follows a Cluster Based Strategy by trying to identify the raw material sources and bids for more projects in and around the quarry acquired by it. This leads to resource integration

benefits and lowers cost. Control over raw materials makes the Company's bid competitive and it gets maximum projects, which in turn help the Company better utilize its resources.

### Owned Construction Equipment and Machinery

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

### Moving up the value by foraying into BOT segment

In the recent past, the Company has forayed into the BOT projects through its 100% subsidiary viz. Supreme Infrastructure BOT Private Limited. As on 31st March, 2011 we have 4 BOT projects in roads and bridges which are under various stages of development and 1 BOT Project where we have been declared L1. This has helped the Company to de-risk its business model as the EPC portion of the BOT projects would be executed by the company.

### THREATS

#### a. Rising Interest Rates

Inflation is on an upward bias forcing the Reserve Bank of India (RBI) to increase rates. RBI has raised rates many times in the last 18 months. Further increase in interest rates may adversely affect the margins and profitability of the Company.

#### b. Policies

Large part of order book comes from Government agencies. Any change in the Government's policy may have impact on the Company's future plans and performance.

#### c. Rise in Competition

The recent success of the PPP initiative of the Government has attracted more private players to enter the segment. While this has increased competition within the infrastructure industry, the Company believes that it is fairly insulated against this risk by virtue of its captive control over the quarrying sites as well as by virtue of the experience in the industry.

#### d. Execution Risks in BOT Projects

Being a new entrant in the BOT space, the Company does face a risk in execution. The Company has joined hands with few

experienced partners and is confident of executing projects in a timely and efficient manner.

#### **e. Traffic Risk in BOT Projects**

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

#### **f. External Macro Conditions**

The infrastructure industry, like any other industry is also exposed and vulnerable to the risk of any adverse change in macro economic situation. In case of prolonged recessionary conditions leading to a slowdown of economic growth, the Company may also be affected. However, this seems unlikely as the Indian economy is expected to grow at the rate of at least 8% for the next few years.

### **Risk Mitigation Strategy**

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

### **FINANCIAL AND OPERATIONAL OVERVIEW**

The order book of the Company stood at ₹ 3117 crores as of 31<sup>st</sup> March 2011 (including L1 orders) compared to ₹ 1604 crores as of 31<sup>st</sup> March 2010, a growth of 94.3%.

The income from operation stood at ₹ 917.85 crores for the year ended 31<sup>st</sup> March, 2011 as compared to ₹ 533.26 crores in the previous year ended 31<sup>st</sup> March, 2010, an increase of 72.1%.

The Company achieved an EBIDTA of ₹ 161.47 crores for the year ended 31<sup>st</sup> March, 2011 as compared to ₹ 98.18 crores in the previous year ended 31<sup>st</sup> March, 2010, an increase of 64.5 %.

The PAT of the Company stood at ₹ 75.95 crores for the year ended 31<sup>st</sup> March, 2011 as compared to ₹ 39.2 crores in the previous year ended 31<sup>st</sup> March, 2010, an increase of 93.8 %

The Earnings Per Share (EPS) of the company has also increased by 70.8% from ₹ 28.25 to ₹ 48.26 for the financial year ended March 31,2011 over the corresponding last year.

### **INTERNAL CONTROL**

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

### **HUMAN RESOURCES**

The Company recognises that its people are its most important resources. The Company's work force comprises highly skilled and qualified employees and the Company strives to provide the best working conditions. No compromise is made for the health and safety of its people at its offices or its project sites. The Company has the work-culture, based on sincerity, hard-work and a penchant for perfection and excellence. The Company encourages development of skills of its people and regularly holds training sessions. The Company also has a system of recognising and rewarding exceptional performance with commensurate incentives. As on 31<sup>st</sup> March, 2011, the company had over 1500 employees.

### **CAUTIONARY STATEMENT**

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



## **COPORATE GOVERNANCE REPORT**

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

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

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

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

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

The Board along with its committees undertake its fiduciary and trusteeship responsibilities to all its stakeholders by ensuring transparency, fair play and independence in its decision making. Your Company provides access to the Board of all relevant information and resources to enable it to carry out its role effectively. Your Company has complied fully with all the mandatory requirements of the Corporate Governance in all material aspects. Your Company is committed to upholding the

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

### **2. BOARD OF DIRECTORS:**

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

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

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

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

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

# Ceased to be Director w.e.f. 27<sup>th</sup> July, 2011

### Board Procedure

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

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

Six Board Meetings were held during the financial year 2010-2011 on 14-05-2010, 07-08-2010, 13-11-2010, 09-12-2010, 24-01-2011 and 12-02-2011.

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

During the financial year ended March 31, 2011, Six Board Meetings were held. The gap between two Board Meetings did not exceed four months.

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

Name of the Director	No. of Board Meeting attended	Attendance of last AGM held on 20th September, 2010
Mr. Bhawanishankar Sharma	5	Yes
Mr. Vikram Sharma	5	Yes
Mr. Vikas Sharma	6	Yes
#Mr. H.D. Sharma	1	No
Mr. V. P. Singh	4	Yes
Mr. Mukul Agrawal	3	No
Mr. Vinod Agarwala	1	No
Mr. Pramod Kasat	2	Yes
Mr. Dakshendra Agrawal	3	N.A.

# Ceased to be Director w.e.f. 27<sup>th</sup> July, 2011

### 3. AUDIT COMMITTEE

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

#### Composition of the Audit Committee

Presently, the Audit Committee comprises Five Directors of which Four Directors are independent Directors. The members of the Committee are financially literate and have accounting and financial management

expertise in terms of Clause 49 of the Listing Agreement. The Chairman of the Audit Committee is Independent Director. The meetings are usually held in Mumbai and are attended by Chief Financial Officer (CFO), senior executives, the Statutory Auditors and the Internal Auditors as and when necessary.

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

The Composition of the Directors and the details of Meetings held during the Year 2010-11.

Name of the Director	Designation	Category	No. of Audit Committee Meetings attended
Mr. V. P. Singh	Chairman	Non Executive Independent Director	4
# <sup>1</sup> Mr. H. D. Sharma	Member	Non Executive Independent Director	1
Mr. Mukul Agarwal	Member	Non Executive Independent Director	3
# <sup>2</sup> Mr. Vikas Sharma	Member	Executive Whole Time Director	4
# <sup>2</sup> Mr. Vinod Agarwala	Member	Non Executive Independent Director	-
# <sup>3</sup> Mr. Pramod Kasat	Member	Non Executive Independent Director	-

Note :

#1 Mr. H.D. Sharma Ceased to be Director w.e.f. 27<sup>th</sup> July, 2011

# 2 Mr. Vikas Sharma and Mr. Vinod Agarwala were appointed as Members of the Audit Committee on 7<sup>th</sup> August, 2010.

#3 Mr. Pramod Kasat was appointed as a Member of the Audit Committee on 12<sup>th</sup> February, 2011.

Four meetings of the Audit committee were held during the year 2010-11 on 14-05-2010, 06-08-2010, 13-11-2010 and 12-02-2011.

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 Directors' Responsibility Statement to be included in the Board's Report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
  - (b) Changes, if any, in accounting policies and practices and reasons for the same.
  - (c) Major accounting entries involving estimates based on the exercise of judgments by management.
  - (d) Significant adjustments made in the financial statements arising out of audit findings.
  - (e) Compliance with listing and other legal requirements relating to financial statements.
  - (f) Disclosure of any related party transactions.
  - (g) Qualifications in the draft audit report.
- vi) Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- vii) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- viii) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- ix) Discussion with internal auditors on any significant findings and follow up there on.
- x) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.

- xi) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- xii) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- xiii) Review of information as prescribed under Clause 49 (II)(E) of the listing agreement.

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

#### 4. REMUNERATION COMMITTEE

##### i). TERMS OF REFERENCE

The Remuneration Committee of the Company is empowered to review the overall compensation policies, service agreements and other employment conditions of Managing Director / Whole time Directors and distribution of commission to Non Executive Directors based on the criteria fixed by the Board, to deal with the matters pertaining to Employees' Stock Option Scheme, if any and such other functions as may be delegated to it by the Board of Directors.

##### ii). COMPOSITION

The composition of the Remuneration Committee is as follows:

Name of the Director	Designation	Category	No. of Audit Committee Meetings attended
#Mr. H. D. Sharma	Chairman	Non Executive Independent Director	-
Mr. Vinod Agarwala	Member	Non Executive Independent Director	1
Mr. Mukul Agarwal	Member	Non Executive Independent Director	1

# Ceased to be Director w.e.f. 27<sup>th</sup> July, 2011

One meeting of the Remuneration Committee was held on 15<sup>th</sup> July, 2011.

##### Remuneration Policy

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

##### Remuneration to Non Executive Directors: -

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

The details of the remuneration paid to Executive Directors for the year ended 31<sup>st</sup> March, 2011 is as follows :

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

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

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

Name of the Director	Sitting Fees ₹	Commission ₹	Total ₹
Mr. V. P. Singh	1,20,000	7,50,000	8,70,000
Mr. Vinod Agarwala	-	7,50,000	7,50,000
Mr. H. D. Sharma	-	7,50,000	7,50,000
Mr. Mukul Agrawal	40,000	7,50,000	7,90,000
Mr. Pramod Kasat	20,000	7,50,000	7,70,000
Mr. Dakshendra Agrawal	20,000	6,50,000	6,70,000

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

#### 5. INVESTORS' GRIEVANCE COMMITTEE

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

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

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

- The Committee has powers to approve/authenticate all the Share transfers/transposition/transmission 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 normally resolves the complaints received from the Investors/Shareholders within 7 days of receipt of the same.

The Company Secretary places before the Board the status of various complaints received by the Committee at every Board meeting.

During the year, four Committee meetings were held.

#### Compliance Officer

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

#### Complaints from Investors

During the year under review, the Company had received six complaints from the investors and resolved six complaints of the investors. There were no investor complaints pending as at the end of the year as on 31<sup>st</sup> March 2011.

#### 6. GENERAL BODY MEETINGS:

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

AGM	Year	Location	Date	Time
27th	2010	Kohinoor Continental, Andheri-Kurla Road, J.B. Nagar, Andheri (East), Mumbai-400 059.	20/09/2010	11.30 A.M
26th	2009	"RODAS Hotel", Central Avenue, Hiranandani Garderns, Powai, Mumbai – 400 076.	26/09/2009	04.30 P.M
25th	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

#### During the year two Extra Ordinary General Meetings were held:

EGM	Location	Date	Time
1	"The Beagle Hotel" JMJ House, Orchard Avenue, Hiranandani Garderns, Powai, Mumbai-400076	22/07/2010	11.30 A.M
2	RODAS Hotel, Central Avenue, Hiranandani Garderns, Powai, Mumbai – 100 076.	29/03/2011	03:30 P.M

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

Financial Year	Particulars of Special Resolutions Passed
2008-09	a) Alteration in the Article of Association. b) To Offer, Issue and allot shares by way of Qualified Institutional Placement(QIP) to Qualified Institutional Buyers(QIB)
2009-10	a) Reappointment of Mr. Bhawanishankar Sharma as Executive Chairman of the Company and to fix his remuneration. b) Reappointment of Mr. Vikram Sharma as Managing Director of the Company and to fix his remuneration. c) Reappointment of Mr. Vikas Sharma as Whole time Director of the Company and to fix his remuneration. d) To authorize Board of Directors to fix the remuneration of the Non-Executive Directors. e) Alteration of Clause 208 of Article of Association. f) To Authorize the Board of Directors to issue & offer further Shares.

#### 7. DISCLOSURES

- Details of related part transactions entered into by the Company are included in the Notes to Accounts. Material individual transactions with related parties are in the normal course of business and do not have potential conflict with the interests of the Company at large. Transactions with related parties entered into by the Company in the normal course of Business are placed before the Audit Committee.
- The Company has complied with various rules and regulations prescribed by the Stock Exchanges, Securities and Exchange Board of India or any other statutory authority relating to the capital market during the last 3 years. No penalties or strictures have been imposed by them on the Company.
- The Audit Committee and the Board have adopted a Whistle-Blower policy which provides a formal mechanism for all employees of the Company to approach to the Management of the Company (Audit

Committee in case where the matter concern involves the Senior Management) and make protective disclosures to the Management about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The disclosures reported are addressed in the manner and within the time frames prescribed in the Policy. The Company affirms that no employee of the Company has been denied access to the Audit Committee.

## 8. MEANS OF COMMUNICATION

- **Quarterly Disclosures:** The Company communicates the quarterly financial results to the Stock Exchanges immediately after its approval by the Board. Quarterly Results are

## 9. GENERAL SHAREHOLDER INFORMATION

also published in the 'The Economic Times' (English Daily) and "Navshakti" (Marathi Daily) newspapers.

- **Website:** The Company's website [www.supremeinfra.com](http://www.supremeinfra.com) contains a separate dedicated section "investors" where shareholders information is available. Full Annual Reports are also available on the website in user friendly and downloadable forms.
- **Annual Report:** Annual Report containing, inter-alia, Directors' Report, Auditors' Report, Audited Annual Accounts and other important information is circulated to Members of the Company and others entitled thereto. The Management's Discussion and Analysis Report forms part of the Annual Report.

<b>1. Annual General Meeting</b> Date, Time and Venue	30 <sup>th</sup> September, 2011, 3.30 PM. The Beatle Hotel, J M J House Orchard Avenue, Hiranandani Gardens, Powai, Mumbai - 400 076
<b>2. Financial Year</b>	2010-2011
<b>3. Tentative Financial Calendar</b>  Quarterly results will be declared as per the following tentative Schedule	
Financial reporting for the quarter ending 30th June, 2011:	by 15th August 2011
Financial reporting for the half year ending 30th September, 2011:	by 15th November 2011
Financial reporting for the quarter ending 31st December, 2011:	by 15th February 2012
Financial reporting for the year ending 31st March, 2012:	by 15th May 2012
<b>4. Dates of Book Closure</b>	From Friday 23 <sup>rd</sup> September, 2011 to Friday 30 <sup>th</sup> September, 2011 (both days inclusive)
<b>5. Dividend</b>	Dividend of ₹ 1.25 per Equity Share for F.Y.2010-11 on the paid-up Equity Share Capital of the Company.
<b>6. Dividend Payment date</b>	Dividend @ ₹ 1.25 per Equity Share will be paid/despached on or after 1 <sup>st</sup> October, 2011 subject to the approval by the Shareholders at the forthcoming Annual General Meeting of the Company.
<b>7. Listing on Stock Exchanges</b>	The Equity Shares of your Company are listed on: Bombay Stock Exchange Limited (BSE) Add:- Floor 25, P.J. Towers, Dalal Street, Fort, Mumbai-400 001  And National Stock Exchange of India Limited (NSE). Add:- Exchange Plaza, Bandra-Kurla Complex, Bandra, Mumbai-400 051.  You Company has paid Annual Listing Fees for the financial year 2011-12 to both the Exchanges.

<b>8. Stock Code</b>	Bombay Stock Exchange Limited (BSE):- "532904" National Stock Exchange of India Limited (NSE) :- "SUPREMEINF"
<b>9. Registrar &amp; Transfer Agents</b>	Bigshare Services Private Limited Add.:- E- 2, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri(East), Mumbai 400 072. Tel: + 91 22 2847 3747/3474 Fax: + 91 22 2847 5207 Website:www.bigshareonline.com Email: investor@bigshareonline.com
<b>10. Share Transfer System</b>	The Board of Directors has delegated the power of share transfer to the M/s Bigshare Services Private Limited, Registrar and Share Transfer Agent of the Company. Share Transfer Agent attends to share transfer formalities once in a fortnight.
<b>11. Address for Correspondence</b>	Mr. Vijay Joshi Company Secretary Supreme Infrastructure India Limited Add.:- Supreme House, Plot No.94/C, Opp. I.I.T. Main Gate, Pratap Gad, Powai, Mumbai- 400 076 Tel: + 91 22 6128 9700 Fax: + 91 22 6128 9711 Website:www.supremeinfra.com Email:vijayj@supremeinfra.com
<b>12. Dematerialization of Shares and liquidity</b>	As on 31 <sup>st</sup> March, 2011 1,45,77,026 Equity Shares of the Company constituting 87.07% of the Equity Shares Capital are held in Dematerialized form. The equity shares of the Company are in compulsory dematerialized trading for all investors.
<b>13. Electronic clearing services (ECS)</b>	Members are requested to update their bank account details with their respective Depository Participants for Shares held in the electronic form or write to the Company's Registrar and Share Transfer Agent M/s Bigshare Services Private Limited for the shares held in physical form.
<b>14. Investor Complaints to be addressed to</b>	Registrar and Share Transfer Agent M/s Bigshare Services Private Limited or to Mr. Vijay Joshi, Company Secretary at the address mentioned earlier.
<b>15. Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity.</b>	The Company has not issued any GDRs/ ADRs/Warrants. There are no outstanding convertible instruments as on 31st March, 2011.

## Distribution of Share Holding

Face value: ₹ 10/- each (as on 31<sup>st</sup> March 2011)

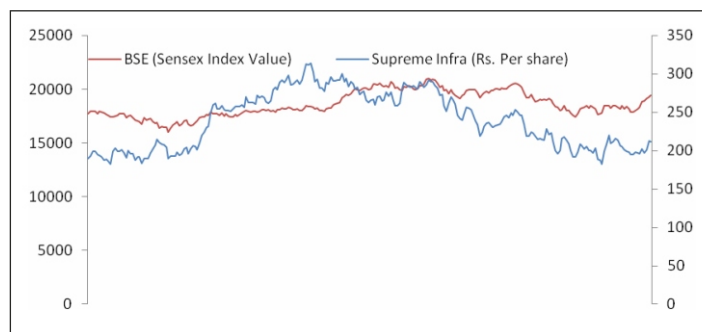
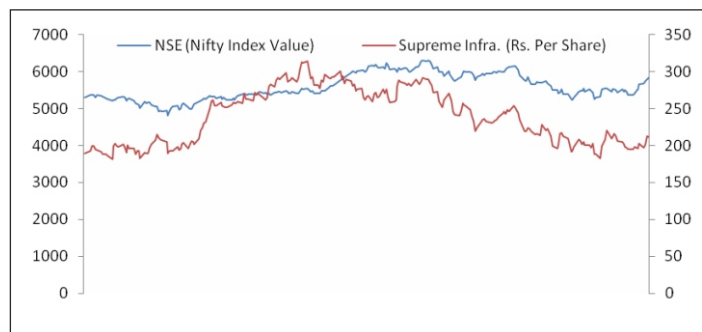
Slab of shares	Number of Shareholders	Percentage of shareholder	Total Holding in Rupees	Percentage of Total Capital
1 - 5000	8592	92.47	7543830	4.51
5001 - 10000	302	3.25	2446050	1.46
10001 - 20000	178	1.92	2734360	1.63
20001 - 30000	50	0.54	1300070	0.78
30001 - 40000	27	0.29	958460	0.57
40001 - 50000	28	0.30	1347540	0.80
50001 - 100000	45	0.48	3383060	2.02
Above 100000	70	0.75	147707500	88.23
	<b>9292</b>	<b>100.00</b>	<b>167420870</b>	<b>100.00</b>

## Shareholding Pattern as on 31<sup>st</sup> March, 2011

Sr. No.	Category of Shareholders	No. of Shares held	Percentage of Shareholding
1.	Promoters & Promoters Group	9,47,800	56.61
2.	Director and their Relatives	2,35,000	1.40
3.	Mutual fund/ UTI	7,87,276	4.70
4.	Government Companies, Financial Institutions, Banks and Insurance Companies	5060	0.03
5.	Foreign Institutional Investors (FIIs)	10,00,000	5.97
6.	Bodies Corporate	26,83,638	16.03
7.	NRI's	91,821	0.55
8.	Indian Public (Other than above)	24,46,450	14.62
	<b>Total</b>	<b>1,67,42,087</b>	<b>100.00</b>

## Market Price Data

Months	The Bombay Stock Exchange Limited (BSE)		The National Stock Exchange of India Limited (NSE)	
	High Price (₹)	Low Price (₹)	High Price (₹)	Low Price (₹)
April 2010	209.15	175.00	209.45	179.15
May 2010	223.00	181.05	222.50	181.00
June 2010	277.80	192.05	277.50	192.20
July 2010	291.65	250.25	291.30	248.00
August 2010	319.80	275.00	321.00	276.00
September 2010	303.00	259.00	309.00	258.60
October 2010	298.70	253.50	298.90	255.05
November 2010	299.90	220.00	305.00	220.10
December 2010	260.00	208.15	260.90	208.00
January 2011	257.35	186.00	264.00	175.30
February 2011	220.00	178.00	225.00	180.00
March 2011	229.15	179.00	229.50	177.15



## 10. CODE OF CONDUCT:

The Board of Directors has adopted the Code of Conduct for the Board of Directors and Senior Management of the Company and have been posted on the Company's website [www.supremeinfra.com](http://www.supremeinfra.com). As required by Clause 49(I)(D) of the Listing Agreement with the Stock Exchange(s), it is hereby declared that all the Board members and senior management personnel have affirmed compliance with the Code of Conduct of the Company for the year ended 31st March, 2011.

## B. Non-mandatory requirements

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



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

As per the requirements of Clause 49(I)(D)(ii) of the Listing Agreement, I, Vikram Sharma, Managing Director, hereby declare that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Business Conduct and Ethics for the Financial Year 2010-11.

**VIKRAM SHARMA  
MANAGING DIRECTOR**

Place: Mumbai  
Date: 30<sup>th</sup> August, 2011

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**CORPORATE GOVERNANCE REPORT CERTIFICATE**

To  
The Members,  
Supreme Infrastructure India Limited

We have examined the compliance of conditions of Corporate Governance by Supreme Infrastructure India Limited ("the Company"), for the year ended 31st March, 2011 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, 2011 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

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

Place: Mumbai  
Dated: 30th August, 2011

## **CERTIFICATION BY THE MANAGING DIRECTOR ON FINANCIAL STATEMENTS OF THE COMPANY**

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

- (a) I have reviewed the financial statements and the cash flow statement for the year 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 and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We are responsible for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the

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

- (d) We have indicated to the auditors and the Audit Committee:
  - (i) significant changes in internal control during the year;
  - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

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

Place: Mumbai  
Date : 30th August, 2011

## 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, 2011, 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. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (the 'Order') (as amended), issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 (the 'Act'), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
4. Further to our comments in the Annexure referred to above, we report that:
  - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. The financial statements dealt with by this report are in agreement with the books of account;
  - d. On the basis of written representations received from the directors, as at March 31, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as at March 31, 2011 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 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, 2011;
    - 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, Chandiok & Co**  
Chartered Accountants  
Firm Registration No: 001076N

per **Amyr Jassani**  
Partner  
Membership No: F-46447  
Place: Mumbai  
Date: 27 July, 2011

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

per **P. M. Kathariya**  
Partner  
Membership No: F-31315  
Place: Mumbai  
Date: 27 July, 2011

**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, 2011**

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) In our opinion, a substantial part of fixed assets has not been disposed off during the year.
- (ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly, the provisions of clauses 4(iii)(b) to (d) of the Order are not applicable.
- (e) The Company has taken interest free unsecured loans from a director and a company covered in the register maintained under section 301 of the Act. The maximum amount outstanding during the year was Rs 372,835,917 and the year-end balance was Rs 29,436,545.
- (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 inventory and fixed assets and for the sale of goods and services.
- (v) (a) In our opinion, the particulars of all contracts or arrangements that need to be entered into the register maintained under section 301 of the Act have been so entered.
- (b) In our opinion, the transactions made in pursuance of such contracts or arrangements and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) 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) In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- (viii) To the best of our knowledge and belief, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Act, in respect of Company's products. Accordingly, the provisions of clause 4(viii) of the Order are not applicable.
- (ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service-tax, customs duty,

**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, 2011**

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) There are no dues in respect of income tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess that have not been deposited with the appropriate authorities on account of any dispute.
- (x) In our opinion, the Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and the immediately preceding financial year.
- (xi) In our opinion, the Company has not defaulted in repayment of dues to a financial institution or a bank or debenture holders during the year.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4(xii) of the Order are not applicable.
- (xiii) The Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Accordingly, the provisions of clause 4(xiii) of the Order are not applicable.

(xiv) The Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable.

(xv) 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.

(xvi) In our opinion, the Company has applied the term loans for the purpose for which the loans were obtained.

(xvii) In our opinion, no funds raised on short-term basis have been used for long-term investment.

(xviii) The Company has made preferential allotment of shares to a party covered in the register maintained under section 301 of the Act. In our opinion, the price at which shares have been issued is not prejudicial to the interest of the Company.

(xix) The Company has neither issued nor had any outstanding debentures during the year. Accordingly, the provisions of clause 4(xix) of the Order are not applicable.

(xx) The Company has not raised any money by public issues during the year. Accordingly, the provisions of clause 4(xx) of the Order are not applicable.

(xxi) No fraud on or by the Company has been noticed or reported during the period covered by our audit.

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

per **Amyr Jassani**  
Partner  
Membership No: F-46447  
Place: Mumbai  
Date: 27 July, 2011

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

per **P. M. Kathariya**  
Partner  
Membership No: F-31315  
Place: Mumbai  
Date: 27 July, 2011

**BALANCE SHEET AS AT MARCH 31, 2011**

	Schedule	As at March 31, 2011 ₹	As at March 31, 2010 ₹
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' funds</b>			
Capital	1	167,420,870	138,758,120
Reserves and surplus	2	2,400,501,715	1,384,136,791
<b>Share application money pending allotment</b> (Refer note B(22) to Schedule 20)		250,000,000	-
<b>Share warrants</b> (Refer note B(20) (a) to Schedule 20)		-	30,000,000
<b>Loan funds</b>			
Secured loans	3	4,470,297,882	2,851,869,952
Unsecured loans	4	78,256,496	152,039,084
		<b>4,548,554,378</b>	<b>3,003,909,036</b>
<b>Mobilisation advances from customers</b> (Refer note B(19) to Schedule 20)		834,311,016	398,421,819
<b>Deferred tax liabilities (net)</b> (Refer note B(16)(a) to Schedule 20)		87,543,983	49,644,883
<b>Total</b>		<b>8,288,331,962</b>	<b>5,004,870,649</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed assets</b>			
Gross block	5	3,268,152,909	2,514,666,569
Less: Accumulated depreciation		690,121,820	455,151,395
<b>Net block</b>		2,578,031,089	2,059,515,174
Capital work-in-progress (including capital advances) (Refer note B(2) and B(4) to Schedule 20)		73,635,537	386,097,235
		<b>2,651,666,626</b>	<b>2,445,612,409</b>
<b>Investments</b>	6	<b>702,078,206</b>	<b>122,568,806</b>
<b>Current assets, loans and advances</b>			
Inventories	7	475,843,232	239,617,470
Unbilled work-in-progress	14	694,192,826	400,256,417
Sundry debtors	8	2,825,801,101	1,899,126,262
Cash and bank balances	9	334,801,904	154,505,487
Loans and advances	10	2,050,363,816	729,772,364
		<b>6,381,002,879</b>	<b>3,423,278,000</b>
<b>Less : Current liabilities and provisions</b>			
Liabilities	11	1,247,823,390	900,746,576
Provisions	12	198,592,359	85,841,990
		<b>1,446,415,749</b>	<b>986,588,566</b>
<b>Net current assets</b>		<b>4,934,587,130</b>	<b>2,436,689,434</b>
<b>Total</b>		<b>8,288,331,962</b>	<b>5,004,870,649</b>
<b>Significant accounting policies and notes to the financial statements</b>	20		

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

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

For **Shah & Kathariya**  
Chartered Accountants

For and on behalf of the Board of Directors

**Amya Jassani**  
Partner

**P. M. Kathariya**  
Partner

**B. H. Sharma**  
Chairman

**Vikram Sharma**  
Managing Director

**Vikas Sharma**  
Wholetime Director

**Vijay Joshi**  
Company Secretary

Place: Mumbai  
Date: 27 July, 2011

Place: Mumbai  
Date: 27 July, 2011

Place: Mumbai  
Date: 27 July, 2011

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011**

	Schedule	Year ended March 31, 2011 ₹	Year ended March 31, 2010 ₹
<b>INCOME</b>			
Income from operations	13	9,178,547,668	5,332,570,880
Increase / (decrease) in work-in-progress	14	293,936,409	243,597,992
		9,472,484,077	5,576,168,872
Other income	15	55,438,307	34,824,865
		<b>9,527,922,384</b>	<b>5,610,993,737</b>
<b>EXPENDITURE</b>			
Direct contract expenses	16	7,392,089,225	4,346,320,412
Employee cost	17	272,629,777	146,463,797
Administration and other expenses	18	248,494,869	136,356,149
Depreciation		246,090,338	202,126,275
Finance charges	19	408,169,755	220,217,450
		<b>8,567,473,964</b>	<b>5,051,484,083</b>
<b>Profit before tax</b>		<b>960,448,420</b>	<b>559,509,654</b>
<b>Provision for tax</b>			
Current tax		203,000,000	138,850,000
Deferred tax (credit)/ charge		(18,841,950)	22,450,000
Tax adjustment for earlier years (Refer note B(16)(b) to Schedule 20)		16,741,050	6,200,000
		200,899,100	167,500,000
<b>Profit after tax</b>		<b>759,549,320</b>	<b>392,009,654</b>
Balance brought forward from previous year		883,481,932	535,823,287
<b>Profit available for appropriation</b>		<b>1,643,031,252</b>	<b>927,832,941</b>
<b>Appropriation</b>			
Proposed dividend [Includes short provision of earlier Year ₹ 4,299,413 (Previous year - ₹ Nil)]		25,227,022	20,813,718
Corporate dividend tax [Includes short provision of earlier year ₹ 730,685 (Previous year - ₹ Nil)]		4,206,499	3,537,291
Transfer to general reserve		20,000,000	20,000,000
		<b>49,433,521</b>	<b>44,351,009</b>
<b>Balance carried forward to Balance Sheet</b>		<b>1,593,597,731</b>	<b>883,481,932</b>
Earnings per share (Basic and Diluted) (Refer note B(15) to Schedule 20)		48.26	28.25
Nominal value per share (₹)		10.00	10.00
<b>Significant accounting policies and notes to the financial statements</b>	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, Chandniok & Co**  
Chartered Accountants

For **Shah & Kathariya**  
Chartered Accountants

For and on behalf of the Board of Directors

**Amya Jassani**  
Partner

**P. M. Kathariya**  
Partner

**B. H. Sharma**  
Chairman

**Vikram Sharma**  
Managing Director

**Vikas Sharma**  
Wholetime Director

**Vijay Joshi**  
Company Secretary

Place: Mumbai  
Date: 27 July, 2011

Place: Mumbai  
Date: 27 July, 2011

Place: Mumbai  
Date: 27 July, 2011

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011**

	Year ended March 31, 2011 ₹	Year ended March 31, 2010 ₹
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit before taxation</b>	<b>960,448,420</b>	<b>559,509,654</b>
Adjustments for :		
Depreciation	246,090,338	202,126,275
Profit on sale of fixed asset	(40,685,828)	(18,016,220)
Provision for doubtful advances	21,300,000	-
Profit on redemption of mutual funds	(2,407,799)	-
Dividend income	(502,423)	(173,966)
Interest income	(5,693,332)	(8,369,222)
Interest expense	356,914,103	192,020,209
<b>Operating Profit Before Working Capital Changes</b>	<b>1,535,463,479</b>	<b>927,096,730</b>
Movement in working capital:		
(Increase) / Decrease in inventories	(236,225,762)	16,749,182
(Increase) in unbilled work in progress	(293,936,409)	(243,597,992)
(Increase) in debtors	(926,674,839)	(913,365,608)
(Increase) in loans and advances	(1,242,039,210)	(49,985,773)
Increase in current liabilities and provisions	351,396,854	517,380,218
Cash (used in) /generated from operations	(812,015,887)	254,276,757
Direct taxes paid	(58,890,061)	(112,015,547)
<b>Net cash (used in) / generated from Operating Activities</b>	<b>(870,905,948)</b>	<b>142,261,210</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets(including advances for capital expenditure)	(490,656,781)	(698,161,886)
Proceeds from sale of fixed assets	79,198,054	20,000,000
Sale of investments	432,638,399	-
Purchase of investments	(448,600,000)	(100,187,370)
Investment in subsidiaries and joint ventures	(561,140,000)	(1,600,000)
Subscription money pending allotment	(99,852,242)	(427,900,000)
Interest received	5,693,332	8,369,222
Dividend received	502,423	173,966
<b>Net Cash (used in) Investing Activities</b>	<b>(1,082,216,815)</b>	<b>(1,199,306,068)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of share warrants	-	30,000,000
Proceeds from issue of shares and conversion of share warrants	284,911,875	-
Receipt of secured loans	1,618,427,930	1,154,447,413
Repayment of unsecured loans	(73,782,588)	(89,839,633)
Increase in mobilisation advance	435,889,197	226,264,772
Interest paid	(356,914,103)	(192,020,209)
Share application money received	250,000,000	-
Dividend paid	(25,113,131)	(17,344,765)
Payment of corporate dividend tax	-	(2,947,743)
<b>Net Cash generated from Financing Activities</b>	<b>2,133,419,180</b>	<b>1,108,559,835</b>
<b>Net Increase in cash and cash equivalents (A+B+C)</b>	<b>180,296,417</b>	<b>51,514,977</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>154,505,487</b>	<b>102,990,510</b>
<b>Cash and cash equivalents at the end of the year (refer to Schedule 9)</b>	<b>334,801,904</b>	<b>154,505,487</b>

**Notes to the Cash Flow Statement**

- 1 Cash and cash equivalents as stated above includes fixed deposits of ₹ 166,676,194 (Previous year - ₹ 85,489,554) pledged with banks against guarantee.

As per our report of even date attached

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

For **Shah & Kathariya**  
Chartered Accountants

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

**Amy Jassani**  
Partner

**P. M. Kathariya**  
Partner

**B. H. Sharma**  
Chairman

**Vikram Sharma**  
Managing Director

**Vikas Sharma**  
Wholtime Director

**Vijay Joshi**  
Company Secretary

Place: Mumbai  
Date: 27 July, 2011

Place: Mumbai  
Date: 27 July, 2011

Place: Mumbai  
Date: 27 July, 2011



## SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at March 31, 2011 ₹	As at March 31, 2010 ₹
<b>SCHEDULE 1</b>		
<b>Capital</b>		
<b>Authorised</b>		
30,000,000 (Previous year - 48,000,000) equity shares of ₹ 10 each	300,000,000	480,000,000
20,000,000 (Previous year 2,000,000) non cumulative redeemable preference shares of ₹10 each	200,000,000	20,000,000
	<b>500,000,000</b>	<b>500,000,000</b>
<b>Issued, subscribed and paid up</b>		
16,742,087 (Previous year - 13,875,812) equity shares of ₹ 10 each, fully paid up	167,420,870	138,758,120
(Out of the above, 7,500,000 equity shares of ₹ 10 each are allotted as fully paid up bonus shares by capitalisation of securities premium and accumulated profits)		
	<b>167,420,870</b>	<b>138,758,120</b>
<b>SCHEDULE 2</b>		
<b>Reserves and surplus</b>		
Securities premium account:		
Balance as per last account	397,372,376	397,372,376
Add: Amount arising on preferential allotment and conversion of share warrants	286,249,125	-
	683,621,501	397,372,376
General Reserve		
Balance as per last account	103,282,483	83,282,483
Add: Transfer from Profit and Loss Account	20,000,000	20,000,000
	123,282,483	103,282,483
Profit and Loss Account	1,593,597,731	883,481,932
	<b>2,400,501,715</b>	<b>1,384,136,791</b>
<b>SCHEDULE 3</b>		
<b>Secured loans</b>		
<b>From Banks</b>		
External commercial borrowings (Refer note B(1)(a) to Schedule 20)	352,288,500	371,502,200
Term loans from banks (Refer note B(1)(b) and (c) to Schedule 20)	770,857,772	692,258,160
Cash credit facilities from banks (Refer note B(1)(e) to Schedule 20)	2,801,450,896	1,520,179,110
<b>From Others</b>		
Loans from financial institutions (Refer note B(1)(d) to Schedule 20)	545,700,714	267,930,482
	<b>4,470,297,882</b>	<b>2,851,869,952</b>
Amount repayable within one year	637,365,526	1,063,290,243
<b>SCHEDULE 4</b>		
<b>Unsecured loans</b>		
Loans from		
- Directors	18,538,956	47,366,182
- Others	59,717,540	104,672,902
(Repayable on demand)		
	<b>78,256,496</b>	<b>152,039,084</b>

**SCHEDULES FORMING PART OF THE BALANCE SHEET****SCHEDULE 5****Fixed assets**

Particulars	Gross block (at cost)				Accumulated depreciation			Net block	
	As at April 1, 2010	Additions/ Adjustments	Deletions/ Adjustments	As at March 31, 2011	As at April 1, 2010	For the year	Deletions/ adjustments	As at March 31, 2011	As at March 31, 2010
Land									
A) Freehold land *	676,178,991	3,888,235	-	680,067,226	-	-	-	680,067,226	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	985,507	345,000	-	1,330,507	6,554,993
B) Office premises	9,238,585	357,791,049	-	367,029,634	137,996	7,170,847	-	7,308,843	359,720,791
Ready Mix Concrete and Asphalt plant	325,404,701	-	-	325,404,701	110,988,903	29,825,238	-	140,814,141	184,590,560
Construction equipments									
A) Machinery	1,354,111,119	433,028,988	49,632,139	1,737,507,968	271,693,473	191,566,347	11,119,913	452,139,907	1,285,368,061
B) Vehicles	114,453,896	475,560	-	1,14,929,456	62,182,531	13,595,322	-	75,777,853	39,151,603
Office equipments	5,925,897	1,641,039	-	7,566,936	1,840,664	812,939	-	2,653,603	4,913,333
Computer and peripherals	5,096,045	2,669,395	-	7,765,440	2,825,548	1,494,924	-	4,320,472	3,444,968
Furniture and fixture	8,181,190	3,624,213	-	11,805,403	3,746,312	1,005,668	-	4,751,980	7,053,423
Plant Shade	2,720,645	-	-	2,720,645	750,461	274,053	-	1,024,514	1,696,131
<b>Total</b>	<b>2,514,666,569</b>	<b>803,118,479</b>	<b>49,632,139</b>	<b>3,268,152,909</b>	<b>455,151,395</b>	<b>246,090,338</b>	<b>11,119,913</b>	<b>690,121,820</b>	<b>2,578,031,089</b>
<b>Previous year</b>	<b>2,124,521,397</b>	<b>448,590,717</b>	<b>58,445,545</b>	<b>2,514,666,569</b>	<b>254,895,112</b>	<b>202,126,275</b>	<b>1,869,992</b>	<b>455,151,395</b>	<b>2,059,515,174</b>

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

## SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at March 31, 2011 ₹	As at March 31, 2010 ₹
<b>SCHEDULE 6</b>		
<b>Investments</b>		
<b>I. Long Term</b> (unquoted, at cost)		
<b>Trade</b>		
<b>A. In Subsidiary Companies</b>		
10,000 (Previous year - 10,000) equity shares of ₹ 10 each fully paid-up in Supreme Infrastructure BOT Private Limited	100,000	100,000
56,000,000 (Previous year - Nil) optionally convertible cumulative debentures of ₹ 10 each fully paid-up in Supreme Infrastructure BOT Private Limited (acquired during the year)	560,000,000	-
26,000 (Previous year - Nil) equity shares of ₹ 10 each fully paid-up in Supreme Panvel Indapur Tollways Private Limited (acquired during the year)	260,000	-
6,000 (Previous year - Nil) equity shares of ₹ 10 each fully paid-up in Supreme Mega Structures Private Limited (acquired during the year)	60,000	-
<b>B. Joint Venture</b>		
50% Share (Previous year - 50%) in Supreme Siddhi JV	2,300,000	1,500,000
<b>C. Others</b>		
390,625 (Previous year - 390,625) equity shares of ₹ 10 each fully paid-up in Kalyan Sangam Infratech Limited	39,062,500	39,062,500
609,375 (Previous year - 609,375) 10% cumulative preference shares of ₹ 10 each fully paid-up in Kalyan Sangam Infratech Limited	60,937,500	60,937,500
<b>Non trade</b>		
<b>A. In Government Securities</b>		
National savings certificates	50,000	30,000
<b>B. In Mutual Funds</b>		
50,000 (Previous year - 50,000) units of ₹ 10 each of S.B.I. Capital Protection Oriental Fund Series - I	500,000	500,000
Nil (Previous year - 1,000,000) units of ₹ 10 each of S.B.I. Infrastructure Fund - I-Growth	-	10,000,000
Nil (Previous year - 1,180,000) units of ₹ 10 each of UTI Infrastructure Advantage Fund -Series I - Growth Plan	-	10,230,600
3,360,000 (Previous year - Nil) units of ₹ 10 each in S.B.I Debt Fund	33,600,000	-
250,000 (Previous year - Nil) units of ₹ 10 each in Axis Mid Cap Fund	2,500,000	-
250,000 (Previous year - Nil) units of ₹ 10 each in Axis Triple Advantage Fund	2,500,000	-
<b>C. Others</b>		
2,500 (Previous year - 2,500) equity shares of ₹ 10 each fully paid up in The Saraswat Co-op Bank Ltd.	50,836	50,836
<b>II. Current</b> (unquoted)		
<b>Non Trade</b>		
157.16 (Previous year-157.16) units of ₹1,000 each in Reliance Money Manager Fund-Institutional option-Daily Dividend Plan	157,370	157,370
Market value of current investments {₹ 157,370 (Previous year - ₹ 157,370)}	<b>702,078,206</b>	<b>122,568,806</b>
<b>The following current investments were purchased and sold during the year</b>		
SBI PSU Fund - I - Growth {1,000,000 units purchased and 1,000,000 units sold during the year}	-	-
SBI Magnum Insta Cash Fund - Daily Dividend Option {23,880,169. 31 units purchased, 29,397.69 units cumulated and 23,909,567 units sold during the year}	-	-

**SCHEDULES FORMING PART OF THE BALANCE SHEET**

	As at March 31, 2011 ₹	As at March 31, 2010 ₹
<b>SCHEDULE 7</b>		
<b>Inventories</b>		
(As valued and certified by the Management)		
Construction materials	475,843,232	239,617,470
	<b>475,843,232</b>	<b>239,617,470</b>
<b>SCHEDULE 8</b>		
<b>Sundry debtors</b>		
(Unsecured, considered good)		
Debts outstanding for a period exceeding six months (Refer Note 1 and 3 below)	582,352,153	795,350,563
Other debts (Refer Note 2 and 4 below)	2,243,448,948	1,103,775,699
	<b>2,825,801,101</b>	<b>1,899,126,262</b>
Notes:		
1. Includes ₹ 281,193,575 (Previous year - ₹ 461,276,985) retention money not due		
2. Includes ₹ 110,995,985 (Previous year - ₹ 32,326,788) retention money not due		
3. Includes amount due from Company under the same Management ₹ 77,869,068 (Previous year - ₹ 110,463,023 )		
4. Includes amount due from Company under the same Management ₹ 123,400,470 (Previous year - ₹ 47,597,065)		
<b>SCHEDULE 9</b>		
<b>Cash and bank balances</b>		
Cash on hand	22,241,092	5,365,954
Balance with scheduled banks:		
on current accounts	123,386,418	63,649,979
{Includes ₹ 104,963 (Previous year - ₹ 104,963) being unutilised money out of the public issue}		
on deposit accounts *	189,174,394	85,489,554
* Pledged against guarantee ₹ 166,676,194 (Previous year - ₹ 85,489,554)		
	<b>334,801,904</b>	<b>154,505,487</b>
<b>SCHEDULE 10</b>		
<b>Loans and advances</b>		
(Unsecured, considered good unless stated otherwise)		
Advances recoverable in cash or in kind or for value to be received		
- Good	857,927,369	160,218,160
- Doubtful	21,300,000	-
	879,227,369	160,218,160
Less: Provision for doubtful advances	21,300,000	-
	857,927,369	160,218,160
Due from Supreme Infrastructure BOT Private Limited	-	1,321,000
Due from Supreme MBL JV	59,725,486	-
Subscription money pending allotment	527,752,242	427,900,000
Advance for materials and expenses	471,992,197	55,848,797
Deposits	132,966,522	84,484,407
	<b>2,050,363,816</b>	<b>729,772,364</b>

**SCHEDULES FORMING PART OF THE BALANCE SHEET**

	<b>As at March 31, 2011 ₹</b>	<b>As at March 31, 2010 ₹</b>
<b>SCHEDULE 11</b>		
<b>Liabilities</b>		
Sundry creditors		
- for materials and expenses (Refer note B(17) to Schedule 20)	1,234,316,091	785,699,873
- for fixed assets	-	23,321,297
Due to Supreme MBL JV	-	35,969,186
Advance from customers	6,601,700	16,896,502
Book overdraft	-	-
Other liabilities	6,905,599	38,859,718
	<b>1,247,823,390</b>	<b>900,746,576</b>
<b>SCHEDULE 12</b>		
<b>Provisions</b>		
Income tax , net of advance tax	159,422,562	55,312,623
Proposed dividend	20,927,609	20,813,718
Corporate dividend tax	7,743,790	3,537,291
Gratuity	10,498,398	6,178,358
	<b>198,592,359</b>	<b>85,841,990</b>

## SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

	Year ended March 31, 2011 ₹	Year ended March 31, 2010 ₹
<b>SCHEDULE 13</b>		
<b>Income from operations</b>		
Sales and contract revenue	9,178,547,668	5,332,570,880
	<b>9,178,547,668</b>	<b>5,332,570,880</b>
<b>SCHEDULE 14</b>		
<b>Increase / (decrease) in work-in-progress</b>		
Closing work-in-progress	694,192,826	400,256,417
Less: Opening work-in-progress	400,256,417	156,658,425
	<b>293,936,409</b>	<b>243,597,992</b>
<b>SCHEDULE 15</b>		
<b>Other income</b>		
Interest on fixed deposits (gross)	5,693,332	8,369,222
{Tax deducted at source ₹ 537,616 (Previous year - ₹ 869,826)}		
Dividend	502,423	173,966
Profit on sale of fixed asset	40,685,828	18,016,220
Profit on redemption of mutual funds	2,407,799	-
Miscellaneous income	6,148,925	8,265,457
	<b>55,438,307</b>	<b>34,824,865</b>
<b>SCHEDULE 16</b>		
<b>Direct contract expenses</b>		
Contract materials consumed		
Opening stock	239,617,470	256,366,652
Add: Purchases	3,198,722,586	1,695,837,219
Less: Closing stock	475,843,232	239,617,470
	2,962,496,824	1,712,586,401
Labour and subcontracting	3,994,311,351	2,355,421,908
Power and fuel	99,640,703	61,301,461
Repairs and maintenance -Plant and machinery	17,113,726	21,308,533
Rent	1,420,000	1,188,000
Transportation and hire charges	160,255,650	82,678,753
Other direct costs	156,850,971	111,835,356
	<b>7,392,089,225</b>	<b>4,346,320,412</b>
<b>SCHEDULE 17</b>		
<b>Employee cost</b>		
Salaries, wages and bonus (Refer note B(7) to Schedule 20)	251,630,705	132,221,291
Contribution to provident and other funds	5,562,629	2,577,971
Gratuity	4,320,040	5,623,713
Workmen and staff welfare expenses	11,116,403	6,040,822
	<b>272,629,777</b>	<b>146,463,797</b>

**SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT**

	Year ended March 31, 2011 ₹	Year ended March 31, 2010 ₹
<b>SCHEDULE 18</b>		
<b>Administration and other expenses</b>		
Electricity	18,148,108	13,796,575
Rent	17,474,784	851,169
Repairs and maintenance:		
- Machinery	892,814	936,654
- Others	1,136,118	70,781
Insurance	13,961,081	16,451,926
Rates and taxes	5,385,874	6,488,303
Legal and professional	42,107,461	35,256,310
Travelling	8,476,109	5,575,670
Communication	3,931,553	3,437,389
Non executive directors' commission (Refer note B(7) to Schedule 20)	4,400,000	-
Directors' sitting fees	200,000	-
Auditors' remuneration (Refer note B(8) to Schedule 20)	3,250,000	1,951,921
Provision for doubtful advances	21,300,000	-
Miscellaneous expenses	107,830,967	51,539,451
	<b>248,494,869</b>	<b>136,356,149</b>
<b>SCHEDULE 19</b>		
<b>Finance charges</b>		
Interest on		
- External commercial borrowings	15,392,276	17,948,645
- Term loans	99,778,319	64,600,596
- Cash credit facilities	234,572,871	109,470,968
- Others	7,170,637	-
Bank charges	51,255,652	28,197,241
	<b>408,169,755</b>	<b>220,217,450</b>

## SCHEDULE FORMING PART OF 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, other than pantoon and truss, is provided on written down value method, pro rata from the period of use of assets, at the

rates stipulated in Schedule XIV of the Companies Act, 1956. Pantoon and truss is depreciated over the period of 5 years based on the management's estimate of useful life of the asset. Individual assets costing less than ₹ 5,000 are depreciated in full in the year they are put to use.

##### e. Impairment of assets

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



## SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS

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 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 of long term foreign currency monetary items where they relate to acquisition of fixed assets in which case they are adjusted to the carrying cost of such assets.

### m. **Taxation**

#### Current tax

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

#### Deferred tax

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences between the financial statements' carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using the enacted tax rates or tax rates that are substantively enacted at the Balance Sheet

## SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS

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 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

- (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 Company 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 Company and mortgage of Company's office premise, other premise which is in the name of one of the director, pledge of shares held by a promoter director and personal guarantee of Company's promoter directors.
- (c) 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.

- (d) Term loan from financial institutions are secured by first charge on the specific equipment financed by the Company, pledge of shares held by a promoter director and personal guarantee of the promoter directors.
- (e) 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.

2. Capital Work in Progress includes capital advances of ₹ Nil (Previous Year - ₹ 47,278,730)
3. During the year, the Company has capitalized borrowing costs of ₹ 30,659,057 (Previous year ₹ 14,271,428) in capital work-in-progress.
4. Contracts remaining to be executed on capital account (net of advances) not provided for ₹ Nil (Previous year - ₹ 2,221,876).

#### 5. Contingent liabilities:

a)

Particulars	As at	As at
	March 31, 2011	March 31, 2010
	₹	₹
Income tax demand in respect of earlier year(s) under dispute	Nil	5,500,383

- b) On September 24, 2009, the Income Tax Authorities had conducted search under section 132 of the Income tax act, 1961. Consequent to the search, the assessments for the financial years 2003-04 to 2008-09 have been reopened. The Company has filed the revised return without acceptance of any additional tax liability. Management is confident that aggregate provision for tax made is adequate and no additional tax liability is expected consequent to the reopening of the assessments.
6. 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.

## SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS

### 7. Directors' remuneration

a) Particulars	Year ended March 31, 2011 ₹	Year ended March 31, 2010 ₹
Salaries, allowances and bonus	28,800,000	4,500,000
Non executive directors' commission	4,400,000	-
<b>Total</b>	<b>33,200,000</b>	<b>4,500,000</b>

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.

- b) Computation of Net Profit in accordance with section 349 of the Companies Act, 1956 for calculation of commission payable to directors

Particulars	Year ended March 31, 2011 ₹
Profit before tax as per Profit and Loss Account	960,448,420
Add : Directors' remuneration	28,800,000
Non executive directors' commission	4,400,000
Directors' sitting fees	200,000
Provision for doubtful advances	21,300,000
Depreciation charged in financial statements	246,090,338
Less: Depreciation as per the Act	246,090,338
Profit on sale of fixed asset	40,685,828
Profit on redemption of mutual funds	2,407,799
<b>Net Profit for the purpose of Directors' Commission</b>	<b>972,054,793</b>
Maximum remuneration permissible to whole- time directors under the Act @10%	97,205,479
Maximum commission payable to non executive directors @ 1%	9,720,548
Commission payable to non executive directors restricted to ₹	4,400,000

### 8. Auditors' remuneration (excluding service tax)

Particulars	Year ended March 31, 2011 ₹	Year ended March 31, 2010 ₹
Audit fees	2,325,000	1,675,000
Tax audit fees	25,000	25,000
Other services	900,000	251,921
<b>Total</b>	<b>3,250,000</b>	<b>1,951,921</b>

### 9. Value of imports on CIF basis

Particulars	Year ended March 31, 2011 ₹	Year ended March 31, 2010 ₹
Capital goods	Nil	27,348,750
Construction material	60,963,246	Nil
<b>Total</b>	<b>60,963,246</b>	<b>27,348,750</b>

### 10. Expenditure in foreign currency

Particulars	Year ended March 31, 2011 ₹	Year ended March 31, 2010 ₹
Interest on external commercial borrowings	15,392,276	17,948,645
<b>Total</b>	<b>15,392,276</b>	<b>17,948,645</b>

## SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS

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

Sr. No.	Particulars	Year ended March 31, 2011 ₹	Year ended March 31, 2010 ₹
A	Amount of contract revenue recognized as revenue during the year	9,472,484,077	5,576,168,872
B	Aggregate amount of cost incurred and recognized profits less recognized losses upto the reporting date	6,647,812,911	5,914,721,280
	<b>Balances as at year end</b>		
C	Amount of customer advances outstanding as on reporting date	834,311,016	398,421,819
D	Amount of retentions	392,189,560	493,603,773
E	Gross amount due from customers for contract work	2,433,611,541	1,405,522,489
F	Gross amount due to customers for contract work	-	16,896,502

### 12. 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 ₹ 5,562,629 (Previous Year - ₹ 2,577,971)
- b) Defined Benefit Plan for Gratuity:

Particulars	Year ended March 31, 2011 ₹	Year ended March 31, 2010 ₹
<b>Change in Defined Benefit Obligation :</b>		
Defined benefit obligation as at the beginning of the year	6,178,358	554,645
Current service cost	3,894,206	2,672,922
Interest cost	509,714	45,758
Actuarial (gain)/loss on obligations	(83,881)	2,905,033
Present value of defined benefit obligation at the year end (A)	10,498,398	6,178,358
<b>Change in Plan Assets :</b>		
Opening plan assets, at fair value	-	-
Expected return on plan assets	-	-
Actuarial gain/(loss) on plan assets	-	-
Contributions	-	-
Benefits paid	-	-
Fair Value of plan assets at the end (B)	-	-
<b>Cost for the year</b>		
Service cost	3,894,206	2,672,922
Interest cost	509,714	45,758
Expected return on plan assets	-	-
Actuarial (gain)/loss	(83,881)	2,905,033
Total net cost recognized as employee remuneration	<b>4,320,040</b>	<b>5,623,713</b>
<b>Reconciliation of benefit obligation and plan assets</b>		
Present value of defined benefit obligation as at year end (A)	10,498,398	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)	(10,498,398)	(6,178,358)

## SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	Year ended March 31, 2011 ₹	Year ended March 31, 2010 ₹
Investment details of plan assets		
Expected return on plan assets	-	-
Actuarial gain/(loss) on plan assets	-	-
Actual return on plan assets	-	-
<b>Assumptions</b>		
Discount rate	8.25%	8.25%
Salary escalation	9%	4%
Estimated rate of return	-	-

### 13. Segment information

The activities of the Company comprise of only one business segment viz Construction. The Company operates in only one geographical segment viz India. Hence the Company's financial statements also represent the segmental information.

### 14. 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"> <li>- Supreme Infrastructure BOT Private Limited</li> <li>- Supreme Manor Wada Bhiwandi Infrastructure Private Limited</li> <li>- Supreme Infra Projects Private Limited (w.e.f. 15 December 2010)</li> <li>- Supreme Panvel Indapur Tollways Private Limited (w.e.f. 18 November 2010)</li> <li>- Supreme Mega Structures Private Limited (w.e.f. 23 September 2010)</li> <li>- Supreme Kolhapur (Shiroli) Sangli Tollways Private Limited (w.e.f. 25 November 2010) (w.e.f. 14 April 2011 known as Supreme Best Value Kolhapur (Shiroli) Sangli Tollways Private Limited)</li> <li>- Supreme Ahmednagar Karmala Tembhurni Tollways Private Limited (w.e.f. 29 November 2010)</li> </ul> |
|-----------------|--|

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

- |   |   |
|---|---|
| i) Joint ventures   | <ul style="list-style-type: none"> <li>- Supreme - MBL JV</li> <li>- Petron - Supreme JV</li> <li>- Supreme - Siddhi JV</li> <li>- Supreme Zanders JV (w.e.f. 30 March 2011)</li> <li>- HGCL -Niraj-Supreme Infrastructure Private Limited</li> </ul> |
| ii) Key management personnel (KMP)  | <ul style="list-style-type: none"> <li>- Mr. Bhawanishankar Sharma</li> <li>- Mr. Vikram Sharma</li> <li>- Mr. Vikas Sharma</li> </ul>  |
| iii) Relatives of key management personnel  | <ul style="list-style-type: none"> <li>- Ms. Rita Sharma</li> </ul>   |
| iv) Companies in which key management personnel or their relatives have significant influence | <ul style="list-style-type: none"> <li>- Supreme Housing And Hospitality Private Limited</li> <li>- BHS Housing Private Limited</li> </ul>  |

## SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS

### ii. Transactions with related parties

Transaction during the year	Subsidiaries	Joint ventures	Key management personnel (KMP)	Relative of key management personnel	Companies in which KMP or their relatives have significant influence
<b>Contract revenue</b>					
Supreme Housing And Hospitality Private Limited	- (-)	- (-)	- (-)	- (-)	804,958,616 (701,213,698)
Supreme Manor Wada Bhiwandi Infrastructure Private Limited	582,897,449 (-)	- (-)	- (-)	- (-)	- (-)
Supreme MBL JV	- (-)	377,941,587 (176,024,243)	- (-)	- (-)	- (-)
Petron Supreme JV	- (-)	366,640,415 (53,143,004)	- (-)	- (-)	- (-)
HGCL Niraj Supreme Infrastructure Private Limited	- (-)	315,251,030 (-)	- (-)	- (-)	- (-)
<b>Sale of assets</b>					
Supreme Mega Structures Private Limited	78,999,999 (-)	- (-)	- (-)	- (-)	- (-)
<b>Purchases</b>					
Supreme Siddhi JV	- (-)	56,532,685 (57,976,435)	- (-)	- (-)	- (-)
<b>Transportation and hire charges</b>					
Supreme Mega Structures Private Limited	15,356,802 (-)	- (-)	- (-)	- (-)	- (-)
<b>Labour and subcontracting</b>					
Supreme Mega Structures Private Limited	6,723,980 (-)	- (-)	- (-)	- (-)	- (-)
<b>Expenses reimbursed to</b>					
Supreme MBL JV	- (-)	218,835,983 (163,280,623)	- (-)	- (-)	- (-)
Supreme Petron JV	- (-)	331,068,291 (-)	- (-)	- (-)	- (-)
HGCL Niraj Supreme Infrastructure Private Limited	- (-)	374,499,965 (-)	- (-)	- (-)	- (-)
<b>Advance against equity</b>					
Supreme Infrastructure BOT Private Limited	276,029,887 (427,900,000)	- (-)	- (-)	- (-)	- (-)
<b>Investments</b>					
Supreme Siddhi JV	- (-)	800,000 (1,500,000)	- (-)	- (-)	- (-)
Supreme Infrastructure BOT Private Limited	560,000,000 (100,000)	- (-)	- (-)	- (-)	- (-)
Supreme Panvel Indapur Tollways Private Limited	260,000 (-)	- (-)	- (-)	- (-)	- (-)
Supreme Mega Structures Private Limited	60,000 (-)	- (-)	- (-)	- (-)	- (-)

## SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS

Transaction during the year	Subsidiaries	Joint ventures	Key management personnel (KMP)	Relative of key management personnel	Companies in which KMP or their relatives have significant influence
<b>Receipt of unsecured loan</b>					
Mr. Bhawanishankar Sharma	-	-	6,172,487	-	-
	(-)	(-)	(63,262,142)	(-)	(-)
Mr. Vikram Sharma	-	-	-	-	-
	(-)	(-)	(13,714,329)	(-)	(-)
Mr. Vikas Sharma	-	-	-	-	-
	(-)	(-)	(25,156,356)	(-)	(-)
Ms. Rita Sharma	-	-	-	36,000,000	-
	(-)	(-)	(-)	(-)	(-)
BHS Housing Private Limited	-	-	-	-	602,125,000
	(-)	(-)	(-)	(-)	(-)
<b>Repayment of unsecured loan</b>					
Mr. Bhawanishankar Sharma	-	-	34,999,713	-	-
	(-)	(-)	(62,261,618)	(-)	(-)
Mr. Vikram Sharma	-	-	-	-	-
	(-)	(-)	(13,714,329)	(-)	(-)
Mr. Vikas Sharma	-	-	-	-	-
	(-)	(-)	(25,156,356)	(-)	(-)
Ms. Rita Sharma	-	-	-	26,000,000	-
	(-)	(-)	(-)	(-)	(-)
BHS Housing Private Limited	-	-	-	-	341,227,411
	(-)	(-)	(-)	(-)	(-)
<b>Receipt of mobilisation advance</b>					
Supreme Housing And Hospitality Private Limited	-	-	-	-	22,317,741
	(-)	(-)	(-)	(-)	(40,975,874)
Supreme Zanders JV	-	10,626,761	-	-	-
	(-)	(-)	(-)	(-)	(-)
<b>Adjustment of mobilisation advance</b>					
Supreme Housing And Hospitality Private Limited	-	-	-	-	3,217,212
	(-)	(-)	(-)	(-)	(90,706,979)
<b>Conversion of warrant</b>					
Mr. Vikram Sharma	-	-	45,000,000	-	-
	(-)	(-)	(-)	(-)	(-)
<b>Issue of convertible warrants</b>					
Mr. Vikram Sharma	-	-	-	-	-
	(-)	(-)	(15,000,000)	(-)	(-)
<b>Share Application money pending allotment</b>					
BHS Housing Private Limited	-	-	-	-	250,000,000
	(-)	(-)	(-)	(-)	(-)

## SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS

Transaction during the year	Subsidiaries	Joint ventures	Key management personnel (KMP)	Relative of key management personnel	Companies in which KMP or their relatives have significant influence
<b>Directors' remuneration</b>					
Mr. Bhawanishankar Sharma	- (-)	- (-)	9,600,000 (1,500,000)	- (-)	- (-)
Mr. Vikram Sharma	- (-)	- (-)	9,600,000 (1,500,000)	- (-)	- (-)
Mr. Vikas Sharma	- (-)	- (-)	9,600,000 (1,500,000)	- (-)	- (-)
<b>Balance as at year end</b>					
<b>Balance payable</b>					
Mr. Bhawanishankar Sharma	- (-)	- (-)	18,538,956 (47,366,182)	- (-)	- (-)
Supreme Housing And Hospitality Private Limited	- (-)	- (-)	- (-)	- (-)	29,419,711 (47,142,691)
Petron Supreme JV	- (-)	129,007,629 (4,000,000)	- (-)	- (-)	- (-)
Supreme MBL JV	- (-)	(-) (68,801,186)	- (-)	- (-)	- (-)
Supreme Siddhi JV	- (-)	- (10,013,775)	- (-)	- (-)	- (-)
Ms. Rita Sharma	- (-)	- (-)	- (-)	10,000,000 (-)	- (-)
BHS Housing Private Limited	- (-)	- (-)	- (-)	- (-)	10,897,589 -
<b>Balance receivable</b>					
Supreme MBL JV	- (-)	59,725,486 (181,622,982)	- (-)	- (-)	- (-)
Supreme Siddhi JV	- (-)	27,221,207 (-)	- (-)	- (-)	- (-)
Supreme Infrastructure BOT Private Limited	- (1,321,000)	- (-)	- (-)	- (-)	- (-)
Petron Supreme JV	- (-)	- (9,862,108)	- (-)	- (-)	- (-)
Supreme Mega Structures Private Limited	52,019,659 (-)	- (-)	- (-)	- (-)	- (-)
Supreme Housing And Hospitality Private Limited	- (-)	- (-)	- (-)	- (-)	176,986,134 (158,060,088)

### 15. Earnings per share

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



## SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	Year ended March 31, 2011 ₹	Year ended March 31, 2010 ₹
Net profit after tax	759,549,320	392,009,654
Weighted average number of equity shares(numbers)	15,739,301	13,875,812
Basic earnings per share	48.26	28.25
Diluted earnings per share	48.26	28.25
Nominal value of equity shares	10.00	10.00

### 16. Deferred tax balances

- a) 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, 2011 ₹	As at March 31, 2010 ₹
<b>Deferred tax liabilities</b>		
On timing difference between book depreciation and depreciation as per Income Tax Act, 1961.	103,300,603	77,196,008
<b>Total deferred tax liabilities (A)</b>	<b>103,300,603</b>	<b>77,196,008</b>
<b>Deferred tax assets</b>		
Exchange gain on reinstatement of financial liability	-	18,134,022
Gratuity	3,406,205	2,052,296
Others	12,350,415	7,364,807
<b>Total deferred tax assets (B)</b>	<b>15,756,620</b>	<b>27,551,125</b>
<b>Net deferred tax liability (A-B)</b>	<b>87,543,983</b>	<b>49,644,883</b>

- b) Tax adjustment for earlier years includes deferred tax charge for ₹ 56,741,050 and reversal of excess provision for current tax of earlier year for ₹ 40,000,000.

17. 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, 2011. 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.

### 18. 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 JV partner	60%
Supreme - Chawla Interbuild	Lead JV partner	75%
Petron - Supreme JV	Minority JV partner	45%
Supreme Siddhi JV (India)	Lead JV Partner	50%
Supreme Zanders JV	Lead JV Partner	51%
HGCL -Niraj-Supreme Infrastructure Private Limited	Equal JV Partners	50%

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

20. a) The Company allotted 2,000,000 warrants of ₹ 10 each at a premium of ₹ 50 per warrant on preferential basis to promoter and one of the existing share holders pursuant to the approval of the members by special resolution at the Extra Ordinary General Meeting of the Company held on June 26, 2009. During the year, these have been converted into equity shares on August 7, 2010.

## SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS

- b) On August 6, 2010, the Company has made preferential allotment of 416,275 equity shares to Supreme Construction & Developers Private Limited and 450,000 equity shares to Pivotal Securities Private Limited of Rs. 10 each at a premium of ₹ 215 per share.

- 21.** Foreign currency transactions of the Company that are not hedged by derivative instruments or otherwise.

	<b>Currency</b>	<b>As at March 31, 2011</b>	<b>As at March 31, 2010</b>
External commercial borrowings	\$	7,890,000	8,230,000
	₹	352,288,500	371,502,200

- 22. Subsequent event:**

Subsequent to the balance sheet date, on 13 May 2011, the Company has allotted 2,500,000 non cumulative redeemable preference shares of ₹ 10 each at a premium of ₹ 90 per share to BHS Housing Private Limited.

- 23.** The Company is primarily engaged in construction activities. The sale of such service cannot be expressed in any generic unit. Hence, it is not possible to give the quantitative details of sales and certain information as required under paragraph 3, 4C and 4D of Part II of Schedule VI to the Companies Act, 1956.
- 24.** Previous year's figures have been regrouped, wherever considered necessary.

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

**Vijay Joshi**  
Company Secretary

Place : Mumbai  
Date : 27 July, 2011

## 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     
dd mm yy

### II Capital Raised during the Year (Amount in Rs.)

#### Public Issue

N I L

#### Bonus Issue

N I L

#### Right Issue

N I L

#### Private Placement

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

#### Total Liabilities

#### Sources of Funds

#### Secured Loans

#### Share Application Money

#### Total Assets

#### Unsecured Loans

#### Application of Funds

#### Net Fixed Assets

#### Net Current Assets

#### Accumulated Losses

N I L

#### Investments

#### Misc Expenditure

N I L

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

#### Turnover

#### Profit/(Loss) before tax

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

+ -

#### Earning per share in Rs

.

#### Total Expenditure

#### Profit/(Loss) after tax

#### Dividend rate %

.

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

Item Code No.   
 (ITC CODE)

Product Description

For and on behalf of the Board

Vikram B. Sharma  
 Managing Director

Vikas B. Sharma  
 Whole Time Director

## SUMMARY OF FINANCIAL INFORMATION OF SUBSIDIARY COMPANIES

(₹ in Lakhs)

Sr. No.	Name of the Subsidiary Company	Supreme Infrastructure BOT Pvt. Ltd.	Supreme Panvel Indapur Tollways Pvt. Ltd.	Supreme Mega Structures Pvt. Ltd.	Supreme Manor Wada Bhiwandi Infrastructure Pvt. Ltd.	Supreme Infra Projects Pvt. Ltd.	Supreme Best Value Kolhapur (Shiroli) Sangli Tollways Pvt. Ltd.	Supreme Ahmednagar Karmala Tembhurani Tollways Pvt. Ltd.
1	Country of Incorporation	India	India	India	India	India	India	India
2	Reporting Currency	INR	INR	INR	INR	INR	INR	INR
3	Share Capital	1.00	10.00	1.00	10.00	1.00	5.00	1.00
4	Reserves *	(71.94)	-	21.48	-	(270.89)	-	-
5	Share Application Money Pending Allotment	1,720.95	-	-	3,356.42	-	-	70.00
6	Total Assets	10,259.31	44.46	1,138.21	21,959.29	765.23	5.00	76.08
7	Total Liabilities	8,609.30	34.46	1,138.21	21,961.48	1,035.12	0.47	76.55
8	Investments (Except investments in Subsidiaries)	-	-	-	-	-	-	-
10	Turnover/ Total Income	-	-	443.45	-	-	-	-
11	Profit/ (Loss) Before Taxation	(71.93)	(1.43)	31.94	(2.19)	(0.47)	(0.47)	(0.47)
12	Provision For Taxation	-	-	10.46	-	-	-	-
13	Profit After Taxation	(71.93)	(1.43)	21.48	(2.19)	(0.47)	(0.47)	(0.47)
14	Proposed Dividend	-	-	-	-	-	-	-

\*Includes Profit and Loss A/c Debit balance.

# 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, 2011, 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. 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 ₹ 2,582,399,572, total revenue of ₹ 44,345,925 and net cash inflow of ₹ 232,393,158 as at March 31, 2011. These financial statements and other financial information have been audited by other auditors, whose reports have been furnished to us, and our opinion is based solely on the report of the other auditors.

4. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21, Consolidated Financial Statements, as notified pursuant to the Companies (Accounting Standards) Rules, 2006.
5. In our opinion and to the best of our information and according to the explanations given to us, the 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, 2011;
  - 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

per **Amy Jassani**  
Partner  
Membership No: F-46447  
Place: Mumbai  
Date: August 30, 2011

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

per **Hemant Mahawar**  
Partner  
Membership No: A-102841  
Place: Mumbai  
Date: August 30, 2011

## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2011

	Schedule	As at March 31, 2011 ₹	As at March 31, 2010 ₹
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' funds</b>			
Capital	1	167,420,870	138,758,120
Reserves and surplus	2	2,353,580,884	1,384,136,791
<b>Share application money pending allotment</b> (Refer note B(18) (b) to Schedule 21)		250,000,000	-
<b>Share warrants (Refer note B(18) (a) to Schedule 21)</b>		-	30,000,000
<b>Minority interest</b>		1,651,307	471,036
<b>Loan funds</b>			
Secured loans	3	5,756,504,190	2,851,869,952
Unsecured loans	4	84,756,496	152,039,084
		<b>5,841,260,686</b>	<b>3,003,909,036</b>
<b>Mobilisation advances from customers</b> (Refer note B(19) to Schedule 21)		<b>834,311,016</b>	<b>398,421,819</b>
<b>Deferred tax liabilities (net)</b> (Refer note B(15) to Schedule 21)		<b>88,273,912</b>	<b>49,644,883</b>
<b>Total</b>		<b>9,536,498,675</b>	<b>5,005,341,685</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed assets</b>			
Gross block	5	3,380,452,721	2,514,666,569
Less: Accumulated depreciation		707,997,435	455,151,395
Net block		2,672,455,286	2,059,515,174
Capital work-in-progress (including capital advances) (Refer note B(2) and B(4) to Schedule 21)		1,053,925,779	386,097,235
		<b>3,726,381,065</b>	<b>2,445,612,409</b>
<b>Investments</b>	6	<b>141,658,206</b>	<b>122,468,806</b>
<b>Current assets, loans and advances</b>			
Inventories	7	475,843,232	239,617,470
Unbilled work-in-progress	15	694,192,826	400,256,417
Sundry debtors	8	2,794,318,187	1,899,126,262
Cash and bank balances	9	569,062,282	156,372,708
Loans and advances	10	2,930,122,453	728,461,664
		<b>7,463,538,980</b>	<b>3,423,834,521</b>
<b>Less : Current liabilities and provisions</b>			
Liabilities	11	1,644,578,287	900,856,876
Provisions	12	199,010,994	85,841,990
		<b>1,843,589,281</b>	<b>986,698,866</b>
<b>Net current assets</b>		<b>5,619,949,699</b>	<b>2,437,135,655</b>
<b>Miscellaneous expenditure</b> (to the extent not written off or adjusted)	13	48,509,705	124,815
<b>Total</b>		<b>9,536,498,675</b>	<b>5,005,341,685</b>
<b>Significant accounting policies and notes to the consolidated financial statements</b>	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, Chandiook & Co**  
Chartered Accountants

**Amyr Jassani**  
Partner

Place: Mumbai  
Date: 30 August, 2011

For **Shah & Kathariya**  
Chartered Accountants

**Hemant Mahawar**  
Partner

Place: Mumbai  
Date: 30 August, 2011

For and on behalf of the Board of Directors

**B. H. Sharma**  
Chairman  
**Vikas Sharma**  
Wholetime Director

Place: Mumbai  
Date: 30 August, 2011

**Vikram Sharma**  
Managing Director  
**Vijay Joshi**  
Company Secretary

## CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

	Schedule	Year ended March 31, 2011 ₹	Year ended March 31, 2010 ₹
<b>INCOME</b>			
Income from operations	14	9,200,812,811	5,332,570,880
Increase / (decrease) in work-in-progress	15	293,936,409	243,597,992
		<b>9,494,749,220</b>	<b>5,576,168,872</b>
Other income	16	14,752,479	34,824,865
		<b>9,509,501,699</b>	<b>5,610,993,737</b>
<b>EXPENDITURE</b>			
Direct contract expenses	17	7,400,834,746	4,346,320,412
Employee cost	18	273,046,842	146,463,797
Administration and other expenses	19	256,745,500	136,356,149
Depreciation		252,652,455	202,126,275
Finance charges	20	410,854,696	220,217,450
		<b>8,594,134,239</b>	<b>5,051,484,083</b>
<b>Profit before tax</b>		<b>915,367,460</b>	<b>559,509,654</b>
<b>Provision for tax</b>			
Current tax		203,418,635	138,850,000
Deferred tax (credit)/ charge		(18,112,021)	22,450,000
Tax adjustment for earlier years (Refer note B(15)(b) to Schedule 21)		16,741,050	6,200,000
		<b>202,047,664</b>	<b>167,500,000</b>
<b>Profit after tax and before minority interest</b>		<b>713,319,796</b>	<b>392,009,654</b>
Less: Minority interest		691,307	-
<b>Profit after tax and minority interest</b>		<b>712,628,489</b>	<b>392,009,654</b>
Balance brought forward from previous year		883,481,932	535,823,287
<b>Profit available for appropriation</b>		<b>1,596,110,421</b>	<b>927,832,941</b>
<b>Appropriation</b>			
Proposed dividend [Includes short provision of earlier year ₹ 4,299,413 (Previous year - ₹ Nil)]		25,227,022	20,813,718
Corporate dividend tax [Includes short provision of earlier year ₹ 730,685 (Previous year - ₹ Nil)]		4,206,499	3,537,291
Transfer to general reserve		20,000,000	20,000,000
		<b>49,433,521</b>	<b>44,351,009</b>
<b>Balance carried forward to Balance Sheet</b>		<b>1,546,676,900</b>	<b>883,481,932</b>
Earnings per share (Basic and Diluted) (Refer note B(14) to Schedule 21)		45.28	28.25
Nominal value per share (₹)		10.00	10.00
Significant accounting policies and notes to the consolidated financial statements	21		

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

For **Walker, Chandiook & Co** Chartered Accountants      For **Shah & Kathariya** Chartered Accountants      For and on behalf of the Board of Directors

**Amyr Jassani**  
Partner

**Hemant Mahawar**  
Partner

**B. H. Sharma**  
Chairman  
**Vikas Sharma**  
Wholtime Director

**Vikram Sharma**  
Managing Director  
**Vijay Joshi**  
Company Secretary

Place: Mumbai  
Date: 30 August, 2011

Place: Mumbai  
Date: 30 August, 2011

Place: Mumbai  
Date: 30 August, 2011

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

	Year ended March 31, 2011 ₹	Year ended March 31, 2010 ₹
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	915,367,460	559,509,654
Adjustments for :		
Depreciation	252,652,455	202,126,275
Preliminary expenditure w/off	38,964	-
Profit on sale of fixed assets	-	(18,016,220)
Provision for doubtful advances	21,300,000	-
Profit on redemption of mutual funds	(2,407,799)	-
Interest income	(5,693,332)	(8,369,222)
Dividend income	(502,423)	(173,966)
Interest expense	359,542,788	192,020,209
Operating Profit Before Working Capital Changes	1,540,298,113	927,096,730
Movement in working capital:		
(Increase) / Decrease in inventories	(236,225,762)	16,749,182
(Increase) in unbilled work in progress	(293,936,409)	(243,597,992)
(Increase) in debtors	(895,191,925)	(913,365,608)
(Increase) in loans and advances	(1,971,238,434)	(476,575,073)
Increase in current liabilities and provisions	748,041,451	517,490,518
(Increase) in miscellaneous expenditure	(48,384,890)	-
Cash (used in) operations	(1,156,637,856)	(172,202,243)
Direct taxes paid	(58,890,061)	(112,015,547)
Net cash (used in) Operating Activities	<b>(1,215,527,917)</b>	<b>(284,217,790)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets (including advances for capital expenditure)	(1,537,381,070)	(698,161,886)
Proceeds from sale of fixed assets	3,959,959	20,000,000
Purchase of investments	(448,620,000)	(100,187,370)
Investment in joint venture	(800,000)	(1,500,000)
Subscription money pending allotment	(251,722,355)	-
Sale of Investments	432,638,399	-
Interest received	5,693,332	8,369,222
Dividend received	502,423	173,966
Net Cash (used in) Investing Activities	<b>(1,795,729,312)</b>	<b>(771,306,068)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of share warrants	-	30,000,000
Share application money received	250,000,000	-
Proceeds from issue of shares and conversion of share warrants	284,911,875	-
Proceeds from issue of equity shares to minority shareholders	450,000	510,000
Receipt of secured loans	2,904,634,238	1,154,447,413
Repayment of unsecured loans	(67,282,588)	(89,839,633)
Increase in mobilisation advances	435,889,197	226,264,772
Interest paid	(359,542,788)	(192,020,209)
Payment of preliminary expenditure	-	(163,779)
Dividend paid	(25,113,131)	(17,344,765)
Payment of corporate dividend tax	-	(2,947,743)
Net Cash generated from Financing Activities	3,423,946,803	1,108,906,056
<b>Net Increase in cash and cash equivalents (A+B+C)</b>	<b>412,689,574</b>	<b>53,382,198</b>
Cash and cash equivalents at the beginning of the year	156,372,708	102,990,510
Cash and cash equivalents at the end of the year (refer to Schedule 9)	<b>569,062,282</b>	<b>156,372,708</b>

Notes to the Consolidated Cash Flow Statement

- 1 Cash and cash equivalents as stated above includes fixed deposits of ₹ 166,676,194 (Previous year - ₹ 85,489,554) pledged with banks against guarantee.

As per our report of even date attached

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

**Amyr Jassani**  
Partner

Place: Mumbai  
Date: 30th August, 2011

**For Shah & Kathariya**  
Chartered Accountants

**Hemant Mahawar**  
Partner

Place: Mumbai  
Date: 30th August, 2011

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

**B. H. Sharma**  
Chairman

**Vikas Sharma**  
Wholtime Director

Place: Mumbai  
Date: 30th August, 2011

**Vikram Sharma**  
Managing Director

**Vijay Joshi**  
Company Secretary



## SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

	As at March 31, 2011 ₹	As at March 31, 2010 ₹
<b>SCHEDULE 1</b>		
<b>Capital</b>		
<b>Authorised</b>		
30,000,000 (Previous year - 48,000,000) equity shares of ₹ 10 each	300,000,000	480,000,000
20,000,000 (Previous year 2,000,000) non cumulative redeemable preference shares of ₹10 each	200,000,000	20,000,000
	<b>500,000,000</b>	<b>500,000,000</b>
<b>Issued, subscribed and paid up</b>		
16,742,087 (Previous year - 13,875,812) equity shares of ₹ 10 each, fully paid up	167,420,870	138,758,120
(Out of the above, 7,500,000 equity shares of ₹ 10 each are allotted as fully paid up bonus shares by capitalisation of securities premium and accumulated profits)	<b>167,420,870</b>	<b>138,758,120</b>
<b>SCHEDULE 2</b>		
<b>Reserves and surplus</b>		
Securities premium account		
Balance as per last account	397,372,376	397,372,376
Add: Amount arising on preferential allotment and conversion of share warrants	286,249,125	-
	<b>683,621,501</b>	<b>397,372,376</b>
<b>General reserve</b>		
Balance as per last account	103,282,483	83,282,483
Add: Transfer from Profit and Loss Account	20,000,000	20,000,000
	123,282,483	103,282,483
Profit and Loss Account	1,546,676,900	883,481,932
	<b>2,353,580,884</b>	<b>1,384,136,791</b>
<b>SCHEDULE 3</b>		
<b>Secured loans</b>		
<b>From Banks</b>		
External commercial borrowings (Refer note B(1)(a) to Schedule 21)	352,288,500	371,502,200
Term loans from banks (Refer note B(1)(b) and (c) to Schedule 21)	2,010,834,395	692,258,160
Cash credit facilities from banks (Refer note B(1)(e) to Schedule 21)	2,801,450,896	1,520,179,110
<b>From Others</b>		
Loans from financial institution (Refer note B(1)(d) to Schedule 21)	591,930,399	267,930,482
	<b>5,756,504,190</b>	<b>2,851,869,952</b>
Amount repayable within one year	652,002,225	1,063,290,243
<b>SCHEDULE 4</b>		
<b>Unsecured loans</b>		
Loans from		
- Directors	18,538,956	47,366,182
- Others	66,217,540	104,672,902
(Repayable on demand)	<b>84,756,496</b>	<b>152,039,084</b>

## SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

### SCHEDULE 5 Fixed assets

Particulars	Gross block (at cost)			Accumulated depreciation			Net block		
	As at April 1, 2010	Additions/ Adjustment	Deletions/ Adjustment	As at March 31, 2011	As at April 1, 2010	For the year	Deletions/ Adjustments	As at March 31, 2011	As at March 31, 2010
A. Tangible assets									
Land									
A) Freehold land	676,178,991	3,888,235	-	680,067,226	-	-	-	680,067,226	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	985,507	345,000	-	6,554,993	6,899,993
B) Office premises	9,238,585	357,791,049	-	367,029,634	137,996	7,170,847	-	7,308,843	9,100,589
Ready Mix Concrete and Asphalt plant	325,404,701	-	-	325,404,701	110,988,903	29,825,238	-	140,814,141	214,415,798
Construction equipments									
A) Machinery	1,354,111,119	471,074,256	3,959,959	1,821,225,416	271,693,473	198,128,464	-	469,821,937	1,082,417,646
B) Vehicles	114,453,896	1,940,560	-	116,394,456	62,182,531	13,771,977	-	75,954,508	52,271,365
Office equipments	5,925,897	1,655,543	-	7,581,440	1,840,664	817,735	-	2,658,399	4,085,233
Computer and peripherals	5,096,045	2,669,395	-	7,765,440	2,825,548	1,494,924	-	4,320,472	2,270,497
Furniture and fixture	8,181,190	3,684,613	-	11,865,803	3,746,312	1,017,802	-	4,764,114	4,434,878
Plant Shade	2,720,645	-	-	2,720,645	750,461	274,053	-	1,024,514	1,970,184
B. Intangible assets									
Goodwill	-	27,042,460	-	27,042,460	-	-	-	27,042,460	-
<b>Total (A + B)</b>	<b>2,514,666,569</b>	<b>869,746,111</b>	<b>3,959,959</b>	<b>3,380,452,721</b>	<b>455,151,395</b>	<b>252,846,040</b>	<b>-</b>	<b>707,997,435</b>	<b>2,672,455,286</b>
<b>Previous year</b>	<b>2,124,521,397</b>	<b>448,590,717</b>	<b>58,445,545</b>	<b>2,514,666,569</b>	<b>254,895,112</b>	<b>202,126,275</b>	<b>1,869,992</b>	<b>455,151,395</b>	<b>2,059,515,174</b>

Notes:

- 1) The Company is in process of getting the title deeds in respect of land at Powai, Mumbai transferred in its name
- 2) Depreciation amounting to ₹ 193,585 (Previous year ₹ Nil) has been capitalised along with the toll collection rights.
- 3) Goodwill of ₹ 27,042,460 (Previous year ₹ Nil) arises on account of acquisition of step down subsidiary.

## SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

	As at March 31, 2011 ₹	As at March 31, 2010 ₹
<b>SCHEDULE 6</b>		
<b>I. Long Term (unquoted, at cost)</b>		
<b>Trade</b>		
<b>A. Joint Venture</b>		
50% Share (Previous year - 50%) in Supreme Siddhi JV	2,300,000	1,500,000
<b>B. Others</b>		
390,625 (Previous year - 390,625) equity shares of ₹ 10 each fully paid-up in Kalyan Sangam Infratech Limited	39,062,500	39,062,500
609,375 (Previous year - 609,375) 10% cumulative preference shares of ₹ 10 each fully paid-up in Kalyan Sangam Infratech Limited	60,937,500	60,937,500
<b>Non trade</b>		
<b>A. In Government Securities</b>		
National savings certificates	50,000	30,000
<b>B. In Mutual Funds</b>		
50,000 (Previous year - 50,000) units of ₹ 10 each of S.B.I. Capital Protection Oriental Fund Series - I	500,000	500,000
Nil (Previous year - 1,000,000) units of ₹ 10 each of S.B.I. Infrastructure Fund - I-Growth	-	10,000,000
Nil (Previous year - 1,180,000) units of ₹ 10 each of UTI Infrastructure Advantage Fund -Series I - Growth Plan	-	10,230,600
3,360,000 (Previous year - Nil) units of ₹ 10 Each in S.B.I Debt Fund	33,600,000	-
250,000 (Previous year - Nil) units of ₹ 10 each in Axis Mid Cap Fund	2,500,000	-
250,000 (Previous year - Nil) units of ₹ 10 each in Axis Triple Advantage Fund	2,500,000	-
<b>C. Others</b>		
2,500 (Previous year - 2,500) equity shares of ₹ 10 each fully paid up in The Saraswat Co-op Bank Ltd.	50,836	50,836
<b>II. Current (unquoted)</b>		
<b>Non Trade</b>		
157.16 (Previous year - 157.16) units of ₹ 1,000 each in Reliance Money Manager Fund-Institutional option-Daily Dividend Plan	157,370	157,370
Market value of current investments {₹ 157,370 (Previous year - ₹157,370)}		
	<b>141,658,206</b>	<b>122,468,806</b>
The following current investments were purchased and sold during the year		
SBI PSU Fund - I - Growth {1,000,000 units purchased and 1,000,000 units sold during the year}	-	-
SBI Magnum Insta Cash Fund - Daily Dividend Option {23,880,169. 31 units purchased, 29,397.69 units cumulated and 23,909,567 units sold during the year}	-	-
<b>SCHEDULE 7</b>		
<b>Inventories</b>		
(As valued and certified by the Management)		
Construction materials	475,843,232	239,617,470
	<b>475,843,232</b>	<b>239,617,470</b>

## SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

	As at March 31, 2011 ₹	As at March 31, 2010 ₹
<b>SCHEDULE 8</b>		
<b>Sundry debtors</b>		
(Unsecured, considered good)		
Debts outstanding for a period exceeding six months	582,352,153	795,350,563
(Refer Note 1 and 3 below)		
Other debts (Refer Note 2 and 4 below)	2,211,966,034	1,103,775,699
	<b>2,794,318,187</b>	<b>1,899,126,262</b>
<b>Notes:</b>		
1. Includes ₹ 281,193,575 (Previous year - ₹ 461,276,985) retention money not due		
2. Includes ₹ 110,995,985 (Previous year - ₹ 32,326,788) retention money not due		
3. Includes amount due from Company under the same Management ₹ 77,869,068 (Previous year - ₹ 110,463,023 )		
4. Includes amount due from Company under the same Management ₹ 91,917,557 (Previous year - ₹ 47,597,065)		
<b>SCHEDULE 9</b>		
<b>Cash and bank balances</b>		
Cash on hand	23,413,020	5,829,954
Balance with scheduled banks:		
on current accounts	196,368,868	65,053,200
{Includes ₹ 104,963 (Previous year - ₹ 104,963) being unutilised money out of the public issue}		
on deposit accounts *	349,280,394	85,489,554
* Pledged against guarantee ₹ 166,676,194 (Previous year - ₹ 85,489,554)		
	<b>569,062,282</b>	<b>156,372,708</b>
<b>SCHEDULE 10</b>		
<b>Loans and advances</b>		
(Unsecured, considered good unless stated otherwise)		
Advances recoverable in cash or in kind or for value to be received		
- Good	2,026,152,640	588,128,460
- Doubtful	21,300,000	-
	2,047,452,640	588,128,460
Less: Provision for doubtful advances	21,300,000	-
	2,026,152,640	588,128,460
Due from Supreme MBL JV	59,725,486	-
Subscription money pending allotment	251,722,355	-
Advance for materials and expenses	451,455,450	55,848,797
Deposits	141,066,522	84,484,407
	<b>2,930,122,453</b>	<b>728,461,664</b>

## SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

	As at March 31, 2011 ₹	As at March 31, 2010 ₹
<b>SCHEDULE 11</b>		
<b>Liabilities</b>		
Sundry creditors		
- for materials and expenses (Refer note B(16) to Schedule 21)	1,604,361,895	785,799,143
- for fixed assets	-	23,321,297
Due to Supreme MBL JV	-	35,969,186
Advance from customers	6,601,700	16,896,502
Book overdraft	58,553	-
Other liabilities	33,556,139	38,870,748
	<b>1,644,578,287</b>	<b>900,856,876</b>
<b>SCHEDULE 12</b>		
<b>Provisions</b>		
Income tax , net of advance tax	159,841,197	55,312,623
Proposed dividend	20,927,609	20,813,718
Corporate dividend tax	7,743,790	3,537,291
Gratuity	10,498,398	6,178,358
	<b>199,010,994</b>	<b>85,841,990</b>
<b>SCHEDULE 13</b>		
<b>Miscellaneous expenditure</b>		
(to the extent not written off or adjusted)		
Preliminary expenditure	69,903	50,315
Loan processing charges	48,439,802	74,500
	<b>48,509,705</b>	<b>124,815</b>

## SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

	Year ended March 31, 2011 ₹	Year ended March 31, 2010 ₹
<b>SCHEDULE 14</b>		
<b>Income from operations</b>		
Sales and contract revenue	9,200,812,811	5,332,570,880
	<b>9,200,812,811</b>	<b>5,332,570,880</b>
<b>SCHEDULE 15</b>		
<b>Increase / (decrease) in work-in-progress</b>		
Closing work-in-progress	694,192,826	400,256,417
Less: Opening work-in-progress	400,256,417	156,658,425
	<b>293,936,409</b>	<b>243,597,992</b>
<b>SCHEDULE 16</b>		
<b>Other income</b>		
Interest on fixed deposits (gross)	5,693,332	8,369,222
{Tax deducted at source ₹ 537,616 (Previous year - ₹ 869,826)}		
Dividend	502,423	173,966
Profit on sale of fixed asset	-	18,016,220
Profit on redemption of mutual funds	2,407,799	-
Miscellaneous income	6,148,925	8,265,457
	<b>14,752,479</b>	<b>34,824,865</b>
<b>SCHEDULE 17</b>		
<b>Direct contract expenses</b>		
Contract materials consumed		
Opening stock	239,617,470	256,366,652
Add: Purchases	3,218,602,693	1,695,837,219
Less: Closing stock	475,843,232	239,617,470
	2,982,376,931	1,712,586,401
Labour and subcontracting	3,998,150,052	2,355,421,908
Power and fuel	99,640,703	61,301,461
Repairs and maintenance -Plant and machinery	17,113,726	21,308,533
Rent	1,420,000	1,188,000
Transportation and hire charges	145,260,352	82,678,753
Other direct costs	156,872,982	111,835,356
	<b>7,400,834,746</b>	<b>4,346,320,412</b>
<b>SCHEDULE 18</b>		
<b>Employee cost</b>		
Salaries, wages and bonus (Refer note B(7) to Schedule 21)	252,004,702	132,221,291
Contribution to provident and other funds	5,562,629	2,577,971
Gratuity	4,320,040	5,623,713
Workmen and staff welfare expenses	11,159,471	6,040,822
	<b>273,046,842</b>	<b>146,463,797</b>

## SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

	Year ended March 31, 2011 ₹	Year ended March 31, 2010 ₹
<b>SCHEDULE 19</b>		
<b>Administration and other expenses</b>		
Electricity	18,148,108	13,796,575
Rent	17,485,134	851,169
Repairs and maintenance:		
- Machinery	892,814	936,654
- Others	1,136,118	70,781
Insurance	13,961,081	16,451,926
Rates and taxes	5,385,874	6,488,303
Legal and professional	42,802,461	35,256,310
Travelling	8,526,572	5,575,670
Communication	3,946,563	3,437,389
Non executive directors' commission Refer note B(7) to Schedule 21)	4,400,000	-
Directors' sitting fees	200,000	-
Auditors' remuneration (Refer note B(8) to Schedule 21)	3,568,690	1,951,921
Provision for doubtful advances	21,300,000	-
Preliminary and loan processing charges written off	7,107,856	-
Miscellaneous expenses	107,884,229	51,539,451
	<b>256,745,500</b>	<b>136,356,149</b>
<b>SCHEDULE 20</b>		
<b>Finance charges</b>		
Interest on		
- External commercial borrowings	15,392,276	17,948,645
- Term loans	102,407,004	64,600,596
- Cash credit facilities	234,572,871	109,470,968
- Others	7,170,637	-
Bank charges	51,311,908	28,197,241
	<b>410,854,696</b>	<b>220,217,450</b>

## SCHEDULE 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

- (i) The consolidated financial statements include the financial statements of Supreme Infrastructure India Limited (the 'Company') and its subsidiaries, (refer note B. 17.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.
- (ii) 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.
- (iii) The BOT contracts are governed by Service concession agreements with government authorities (grantor). Under these agreements, the operator does not own the road, but gets "toll collection rights" against the cost incurred for construction services. Since the construction cost incurred by the operator is considered as exchanged with the grantor against toll collection rights, profit from such contracts is considered as realized.

Accordingly, BOT contracts awarded to group companies (operator), where work is subcontracted to the Company, the inter group transactions on BOT contracts and the profits arising thereon are taken as realised and not eliminated.

- (iv) Goodwill on consolidation arising out of acquisition of subsidiary company is not amortized and is tested for impairment.
- (v) Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholder at the dates on which investment are made by the company in the subsidiary companies and further movement in their share in equity, subsequent to the dates of investments.

##### 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, and 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 and impairment losses, if any. Cost includes inward freight, duties, taxes, and incidental expenses related to acquisition and installation up to the point the asset is ready for its intended use.

Capital work in progress represents expenditure incurred in respect of capital projects under development and are carried at cost. Cost includes related acquisition expenses, construction cost, borrowing costs capitalized and other direct expenditure.

##### Intangible Assets

###### Toll Collection Rights

Intangibles are stated at cost, less accumulated amortization and impairment losses, if any. Costs for acquired toll rights include acquisition and incidental expenses related to such acquisition.



## SCHEDULE FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

### **d. Depreciation**

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

### **e. Impairment of assets**

The carrying amounts of the 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. Costs incurred in raising funds are amortised equally over the period for which the funds are acquired. 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**

The Group makes contribution to statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 and Employee State Insurance Fund in accordance with Employees State Insurance Corporation Act, 1948 which are defined contribution plans and contributions 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

## SCHEDULE FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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.

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 of long term foreign currency monetary items where they relate to acquisition of fixed assets in which case they are adjusted to the carrying cost of such assets.

### m. Taxation

#### Current tax

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

#### Deferred tax

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences between the financial statements' carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using the enacted tax rates or tax rates that are substantively enacted at the Balance Sheet dates. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the period that includes the enactment date. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognized only if there is virtual certainty 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.

## SCHEDULE FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 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, pledge of shares held by a promoter director and personal guarantee of Group's promoter directors. In addition to this, security given by one of its subsidiary for its immovable, intangible assets, toll rights, first charges on receivables, first charge on company Escrow account and pledge of 51% shares of the paid up capital of the company.
- (c) 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.
- (d) Term loan from financial institutions are secured by first charge on the specific equipment financed by the financial institutions, pledge of shares held by a promoter director and personal guarantee of the promoter directors.
- (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 directors, 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. During the year, the group has incurred construction cost of ₹ 1,053,925,779 (Previous year - ₹ Nil) under the BOT contract towards Toll Collection Rights, which is disclosed under capital work in progress, which will be capitalized on completion of road construction and receipt of "provisional collection certificate" from grantor.
3. During the year, the Group has capitalized borrowing costs of ₹ 30,659,057 (Previous year - ₹ 14,271,428) in capital work-in-progress.
4. Contracts remaining to be executed on capital account (net of advances) not provided for ₹ 3,910,080,725 (previous year - ₹ 2,211,876).

#### 5. Contingent liabilities:

a)

Particulars	As at March 31, 2011 ₹	As at March 31, 2010 ₹
Income tax demand in respect of earlier year(s) under dispute	Nil	5,500,383

- b) On September 24, 2009, the Income Tax Authorities had conducted search under section 132 of the Income tax act, 1961. Consequent to the search, the assessments for the financial years 2003-04 to 2008-09 have been reopened. The Company has filed the revised return without acceptance of any additional tax liability. Management is confident that aggregate provision for tax made is adequate and no additional tax liability is expected consequent to the reopening of the assessments.

6. 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.

#### 7. Directors' remuneration

Particulars	As at March 31, 2011 ₹	As at March 31, 2010 ₹
Salaries, allowance and bonus	28,800,000	4,500,000
Non-executive directors commission	4,400,000	-
Total	33,200,000	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.

#### 8. Auditors' remuneration

Particulars	Year ended March 31, 2011 ₹	Year ended March 31, 2010 ₹
Audit fees	2,643,690	1,775,000
Tax audit fees	25,000	25,000
Other services	900,000	151,921
Total	3,568,690	1,951,921

## SCHEDULE FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

Sr. No.	Particulars	Year ended March 31, 2011 ₹	Year ended March 31, 2010 ₹
A	Amount of contract revenue recognized as revenue during the year	9,472,484,077	5,576,168,872
B	Aggregate amount of cost incurred and recognized profits less recognized losses upto the reporting date	6,647,812,911	5,914,721,280
	<b>Balances as at year end</b>		
C	Amount of customer advances outstanding as on reporting date	834,311,016	398,421,819
D	Amount of retentions	392,189,560	493,603,773
E	Gross amount due from customers for contract work	2,433,611,541	1,405,522,489
F	Gross amount due to customers for contract work	-	16,896,502

### 10. Intra-group Turnover and Profits on BOT Construction Contracts

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

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

The revenue and profit in respect of these transactions during the year is ₹ 582,897,449/- (Previous Year - ₹ Nil) and ₹ 79,508,157/- (Previous Year - ₹ Nil) respectively.

### 11. 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 ₹ 5,562,629 (Previous Year - ₹ 2,577,971)

#### b) Defined Benefit Plan for Gratuity:

Particulars	Year ended March 31, 2011 ₹	Year ended March 31, 2010 ₹
<b>Change in Defined Benefit Obligation :</b>		
Defined benefit obligation as at the beginning of the year	6,178,358	554,645
Current service cost	3,894,206	2,672,922
Interest cost	509,714	45,758
Actuarial (gain)/loss on obligations	(83,881)	2,905,033
Present value of defined benefit obligation at the year end (A)	10,498,398	6,178,358
<b>Change in Plan Assets :</b>		
Opening plan assets, at fair value	-	-
Expected return on plan assets	-	-
Actuarial gain/(loss) on plan assets	-	-
Contributions	-	-
Benefits paid	-	-
Fair Value of plan assets at the end (B)	-	-

## SCHEDULE FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	Year ended March 31, 2011 ₹	Year ended March 31, 2010 ₹
<b>Cost for the year</b>		
Service cost	3,894,206	2,672,922
Interest cost	509,714	45,758
Expected return on plan assets	-	-
Actuarial (gain)/loss	(83,881)	2,905,033
Total net cost recognized as employee remuneration	<b>4,320,040</b>	<b>5,623,713</b>
<b>Reconciliation of benefit obligation and plan assets</b>		
Present value of defined benefit obligation as at year end (A)	10,498,398	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)	(10,498,398)	(6,178,358)
<b>Investment details of plan assets</b>		
Expected return on plan assets	-	-
Actuarial gain/(loss) on plan assets	-	-
Actual return on plan assets	-	-
<b>Assumptions</b>		
Discount rate	8.25%	8.25%
Salary escalation	9%	4%
Estimated rate of return	-	-

### 12. Segment information

- (a) The Company has disclosed Business Segment as the primary segment. Segments have been identified taking into account the nature of the services, the differing risks and returns, the organization structure and internal reporting system.
- (b) The Company's operations predominantly relate to Engineering, Procurement and Construction ('EPC') segment and Road Infrastructure Projects.
- (c) The Company's activities are restricted within India and hence no separate geographical segment disclosure is considered necessary.
- (d) For the purpose of reporting, business segment is the primary segment and the geographic segment is a secondary segment.
- (e) Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis.
- (f) The net expenses, which are not directly attributable to the Business Segment, are shown as unallocated corporate cost.
- (g) Assets and Liabilities that cannot be allocated between the segments are shown as a part of unallocated corporate assets and liabilities respectively.

## SCHEDULE FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Details of Business Segment information is presented below:

Particulars	Road Infrastructure Projects		EPC		Others		Total	
	March 31, 2011 ₹	March 31, 2010 ₹	March 31, 2011 ₹	March 31, 2010 ₹	March 31, 2011 ₹	March 31, 2010 ₹	March 31, 2011 ₹	March 31, 2010 ₹
<b>REVENUE</b>								
Total External Revenue	-	-	9,472,484,077	5,576,168,872	22,265,143	-	9,494,749,220	5,576,168,872
Inter Segment Revenue	-	-	-	-	-	-	-	-
Total Revenue	-	-	9,472,484,077	5,576,168,872	22,265,143	-	9,494,749,220	5,576,168,872
<b>RESULT</b>								
<b>Segment Results</b>								
Unallocated Corporate Expenses	(7,150,401)	-	1,621,038,705	968,267,701	(9,624,213)	-	1,604,264,091	968,267,701
<b>Operating Profit</b>								
Other Income	-	-	-	-	-	-	40,141,959	21,239,187
Financial Expenses*	-	-	-	-	-	-	1,564,122,132	947,028,514
<b>Profit Before Tax</b>								
Current Tax	-	-	-	-	-	-	410,854,696	220,217,450
Deferred Tax	-	-	-	-	-	-	203,418,635	138,850,000
Tax Adjustment for earlier years	-	-	-	-	-	-	(18,112,021)	22,450,000
Net profit after Tax but before Minority Interest	-	-	-	-	-	-	16,741,050	6,200,000
Less: Minority Interest	-	-	-	-	-	-	713,319,796	392,009,654
<b>Net profit</b>								
	-	-	-	-	-	-	691,307	-
	-	-	-	-	-	-	<b>712,628,489</b>	<b>392,009,654</b>

\* Financial expenses include charges incurred for Segment EPC, Road Infrastructure Projects and others for ₹ 408,169,754 (Previous Year - ₹ 220,217,450), ₹ 56,229 (Previous Year - ₹ Nil) and ₹ 2,628,713 (Previous Year ₹ Nil) respectively.

Particulars	Road Infrastructure Projects		EPC		Others		Total	
	March 31, 2011 ₹	March 31, 2010 ₹	March 31, 2011 ₹	March 31, 2010 ₹	March 31, 2011 ₹	March 31, 2010 ₹	March 31, 2011 ₹	March 31, 2010 ₹
<b>OTHER INFORMATION</b>								
Segment assets	2,412,165,067	429,577,521	8,457,556,420	5,562,338,215	73,135,020	-	10,942,856,507	5,991,915,736
Unallocated corporate assets	-	-	-	-	-	-	437,231,449	124,815
<b>Total assets</b>	<b>2,412,165,067</b>	<b>429,577,521</b>	<b>8,457,556,420</b>	<b>5,562,338,215</b>	<b>73,135,020</b>	<b>-</b>	<b>11,380,087,956</b>	<b>5,992,040,551</b>
Segment Liabilities	384,477,812	110,300	2,082,134,406	1,299,168,395	12,277,085	-	2,478,889,303	1,299,278,695
Unallocated corporate liabilities	-	-	-	-	-	-	6,130,196,899	3,139,866,945
<b>Total liabilities</b>	<b>384,477,812</b>	<b>110,300</b>	<b>2,082,134,406</b>	<b>1,299,168,395</b>	<b>12,277,085</b>	<b>-</b>	<b>8,609,086,202</b>	<b>4,439,145,640</b>
Capital Expenditure	1,008,872,606	-	490,656,781	668,571,711	38,045,268	-	1,537,574,655	668,571,711
Depreciation and Amortisation	-	-	246,090,338	202,126,275	6,562,117	-	252,652,455	202,126,275
Non- cash expenses other than Depreciation and Amortisation	38,964	-	21,300,000	-	-	-	21,338,964	-

## SCHEDULE FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 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) Subsidiary company                                      | - | Supreme Manor Wada Bhiwandi Infrastructure Private Limited  |
| ii) Integrated joint ventures                              | - | Supreme - MBL JV<br>Petron - Supreme JV<br>Supreme - Siddhi JV<br>Supreme Zanders JV (w.e.f. 30 March 2011)<br>HGCL -Niraj-Supreme Infrastructure Private Limited |
| iii) Key management personnel                              | - | Mr. Bhawanishankar Sharma<br>Mr. Vikram Sharma<br>Mr. Vikas Sharma<br>Mr. Shishir Bhargav<br>Mr Rajesh Upadhyaya  |
| iv) Relatives of key management personnel                  | - | Ms. Rita Sharma   |
| v) Company in which (iii) above have significant influence | - | Supreme Housing And Hospitality Private Limited<br>BHS Housing Private Limited  |

#### ii. Transactions with related parties

Transaction during the year	Subsidiaries	Integrated Joint ventures	Key management personnel	Relative of key management personnel	Companies in which (iii) above have significant influence
<b>Contract revenue</b>					
Supreme Manor Wada Bhiwandi Infrastructure Private Limited (Refer note B(10) to Schedule 21)	582,897,449 (-)	- (-)	- (-)	- (-)	- (-)
Supreme Housing And Hospitality Private Limited	- (-)	- (-)	- (-)	- (-)	804,958,616 (701,213,698)
Supreme MBL JV	- (-)	377,941,587 (176,024,243)	- (-)	- (-)	- (-)
Petron Supreme JV	- (-)	366,640,415 (53,143,004)	- (-)	- (-)	- (-)
HGCL Niraj Supreme Infrastructure Private Limited	- (-)	315,251,030 (-)	- (-)	- (-)	- (-)
<b>Purchases</b>					
Supreme Siddhi JV	- (-)	56,532,685 (57,976,435)	- (-)	- (-)	- (-)
<b>Expenses reimbursed to</b>					
Supreme MBL JV	- (-)	218,835,983 (163,280,623)	- (-)	- (-)	- (-)
Supreme Petron JV	- (-)	331,068,291 (-)	- (-)	- (-)	- (-)
HGCL Niraj Supreme Infrastructure Private Limited	- (-)	374,499,965 (-)	- (-)	- (-)	- (-)

## SCHEDULE FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Transaction during the year	Subsidiaries	Integrated Joint ventures	Key management personnel	Relative of key management personnel	Companies in which (iii) above have significant influence
<b>Investments</b>					
Supreme Siddhi JV	- (-)	800,000 (1,500,000)	- (-)	- (-)	- (-)
<b>Proceeds on Issue of Share Capital</b>					
Mr. Rajesh Upadhyaya	- (-)	- (-)	40,000 (-)	- (-)	- (-)
<b>Receipt of unsecured loan</b>					
Mr. Bhawanishankar Sharma	- (-)	- (-)	6,172,487 (63,262,142)	- (-)	- (-)
Mr. Vikram Sharma	- (-)	- (-)	- (13,714,329)	- (-)	- (-)
Mr. Vikas Sharma	- (-)	- (-)	- (25,156,356)	- (-)	- (-)
Ms. Rita Sharma	- (-)	- (-)	- (-)	36,000,000 (-)	- (-)
BHS Housing Private Limited	- (-)	- (-)	- (-)	- (-)	602,125,000 (-)
<b>Repayment of unsecured loan</b>					
Mr. Bhawanishankar Sharma	- (-)	- (-)	34,999,713 (62,261,618)	- (-)	- (-)
Mr. Vikram Sharma	- (-)	- (-)	- (13,714,329)	- (-)	- (-)
Mr. Vikas Sharma	- (-)	- (-)	- (25,156,356)	- (-)	- (-)
Ms. Rita Sharma	- (-)	- (-)	- (-)	26,000,000 (-)	- (-)
BHS Housing Private Limited	- (-)	- (-)	- (-)	- (-)	341,227,411 (-)
<b>Receipt of mobilisation advance</b>					
Supreme Housing And Hospitality Private Limited	- (-)	- (-)	- (-)	- (-)	22,317,741 (40,975,874)
Supreme Zanders JV	- (-)	10,626,761 (-)	- (-)	- (-)	- (-)
<b>Adjustment of mobilisation advance</b>					
Supreme Housing And Hospitality Private Limited	- (-)	- (-)	- (-)	- (-)	3,217,212 (90,706,979)
<b>Conversion of warrant</b>					
Mr. Vikram Sharma	- (-)	- (-)	45,000,000 (-)	- (-)	- (-)
<b>Issue of convertible warrants</b>					
Mr. Vikram Sharma	- (-)	- (-)	- (15,000,000)	- (-)	- (-)
<b>Share Application money pending allotment</b>					
BHS Housing Private Limited	- (-)	- (-)	- (-)	- (-)	250,000,000 (-)



## SCHEDULE FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Transaction during the year	Subsidiaries	Integrated Joint ventures	Key management personnel	Relative of key management personnel	Companies in which (iii) above have significant influence
<b>Directors remuneration</b>					
Mr. Bhawanishankar Sharma	- (-)	- (-)	9,600,000 (1,500,000)	- (-)	- (-)
Mr. Vikram Sharma	- (-)	- (-)	9,600,000 (1,500,000)	- (-)	- (-)
Mr. Vikas Sharma	- (-)	- (-)	9,600,000 (1,500,000)	- (-)	- (-)
<b>Balance as at year end</b>					
<b>Balance payable</b>					
Mr. Bhawanishankar Sharma	- (-)	- (-)	18,538,956 (2,366,182)	- (-)	- (-)
Supreme Housing And Hospitality Private Limited	- (-)	- (-)	- (-)	- (-)	29,419,711 (47,142,691)
Petron Supreme JV	- (-)	129,007,629 (4,000,000)	- (-)	- (-)	- (-)
Supreme MBL JV	- (-)	- (68,801,186)	- (-)	- (-)	- (-)
Supreme Siddhi JV	- (-)	- (10,013,775)	- (-)	- (-)	- (-)
Ms. Rita Sharma	- (-)	- (-)	- (-)	10,000,000 (-)	- (-)
BHS Housing Private Limited	- (-)	- (-)	- (-)	- (-)	- 10,897,589
<b>Balance receivable</b>					
Supreme MBL JV	- (-)	59,725,486 (181,622,982)	- (-)	- (-)	- (-)
Supreme Siddhi JV	- (-)	27,221,207 (-)	- (-)	- (-)	- (-)
Petron Supreme JV	- (-)	- (9,862,108)	- (-)	- (-)	- (-)
Supreme Housing And Hospitality Private Limited	- (-)	- (-)	- (-)	- (-)	176,986,134 (158,060,088)

### 14. Consolidated earnings per share

Particulars	Year ended March 31, 2011 ₹	Year ended March 31, 2010 ₹
Net profit after tax and before minority interest (₹)	713,319,796	392,009,654
Less: Minority Interest	691,307	-
Profit after tax (₹)	712,628,489	392,009,654
Weighted average number of equity shares	15,739,301	13,875,812
Basic earnings per share	45.28	28.25
Diluted earnings per share	45.28	28.25
Nominal value of equity shares	10	10

## SCHEDULE FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 15. Deferred tax balances

- a) 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, 2011 ₹	As at March 31, 2010 ₹
<b>Deferred tax liabilities</b>		
On timing difference between book depreciation and depreciation as per Income Tax Act, 1961.	104,030,532	77,196,008
<b>Total deferred tax liabilities (A)</b>	<b>104,030,532</b>	<b>77,196,008</b>
<b>Deferred tax assets</b>		
Exchange gain on reinstatement of financial liability	-	18,134,022
Gratuity	3,406,205	2,052,296
Others	12,350,415	7,364,807
<b>Total deferred tax assets (B)</b>	<b>15,756,620</b>	<b>27,551,125</b>
<b>Net deferred tax liability (A-B)</b>	<b>88,273,912</b>	<b>49,644,883</b>

- b) Tax adjustment for earlier years includes deferred tax charge for ₹ 56,741,050 and reversal of excess provision for current tax of earlier year for ₹ 40,000,000.

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, 2011. 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, 2011 are given below:

Sr. No.	Name of Company	Proportion of ownership interest either directly or indirectly	
		As at March 31, 2011	As at March 31, 2010
	<b>Subsidiaries and sub-subsidiaries:</b>		
1	Supreme Infrastructure BOT Private Limited ('SIBPL')	100%	100%
2	Supreme Manor Wada Bhiwandi Infrastructure Private Limited (Subsidiary of SIBPL)	49%	49%
3	Supreme Ahmednagar Karmala Tembhurni Tollways Private Limited (Subsidiary of SIBPL)	100%	-
4	Supreme Kolhapur (Shiroli) Sangli Tollways Private Limited (wef 14 April 2011 known as Supreme Best Value Kolhapur (Shiroli) Sangli Tollways Private Limited)(Subsidiary of SIBPL)	90%	-
5	Supreme Panvel Indapur Tollways Private Limited	64% (38% held through SIBPL)	-
6	Supreme Infra Projects Private Limited (Subsidiary of SIBPL)	100%	-
7	Supreme Mega Structures Private Limited	60%	-
	Each of the above entities is incorporated in India.		

## SCHEDULE 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 Company	Description of interest	Company's share
Supreme - MBL JV	Lead JV partner	60%
Supreme - Chawla Interbuild	Lead JV partner	75%
Petron - Supreme JV	Minority JV partner	45%
Supreme Siddhi JV (India)	Lead JV Partner	50%
Supreme Zanders JV	Lead JV Partner	51%
HGCL -Niraj-Supreme Infrastructure Private Limited	Equal JV Partners	50%

18. a) The Company allotted 2,000,000 warrants of ₹ 10 each at a premium of ₹ 50 per warrant on preferential basis to promoter and one of the existing share holders pursuant to the approval of the members by special resolution at the Extra Ordinary General Meeting of the Company held on June 26, 2009. During the year, these have been converted into equity shares on August 7, 2010.
- b) On August 6, 2010, the Company has made preferential allotment of 416,275 equity shares to Supreme Construction & Developers Private Limited and 450,000 equity shares to Pivotal Securities Private Limited of ₹ 10 each at a premium of ₹ 215 per share.
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 are given below:

	Currency	As at March 31, 2011	As at March 31, 2010
External commercial borrowings	\$	7,890,000	8,230,000
	₹	352,288,500	371,502,200

21. Subsequent to the balance sheet date, on 13 May 2011, the Company has allotted 2,500,000 non cumulative redeemable preference shares of ₹ 10 each at a premium of ₹ 90 per share to BHS Housing Private Limited.
22. Previous year's figures have been regrouped, wherever considered necessary.

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

**Vijay Joshi**  
Company Secretary

Place : Mumbai  
Date : 30 August, 2011

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

Sr. No.	Name of the Subsidiary Company	Supreme Infrastructure BOT Pvt. Ltd. (SIBPL)	Supreme Panvel Indapur Tollways Pvt Ltd	Supreme Mega Structures Pvt Ltd	Supreme Manor Wada Bhiwandi Infrastructure Pvt Ltd	Supreme Infra Projects Pvt Ltd	Supreme Best Value Kolhapur (Shiroli) Sangli Tollways Pvt Ltd.	Supreme Ahmednagar Karmala Tembhurani Tollways Pvt Ltd.
1	Financial Year ended on	31/3/2011	31/3/2011	31/3/2011	31/3/2011	31/3/2011	31/3/2011	31/3/2011
2	Number of Shares and face value of the Subsidiary held by the Company as on the above date	9999 Equity Shares of Rs. 10/- each.	26000 Equity Shares (38000 holding by SIBPL) of Rs.10/- each.	6000 Equity Shares of Rs.10/- each.	49000 Equity Shares of Rs.10/- each holding by the SIBPL.	9999 Equity Shares of Rs.10/- each holding by the SIBPL.	45000 Equity Shares of Rs.10/- each holding by the SIBPL.	9999 Equity Shares of Rs.10/- each holding by the SIBPL
3	Extent of Holding	100%	26% (38% held through SIBPL)	60%	49%	100%	90%	100%
4	The net aggregate amount of Profit/(Loss) of the Subsidiary so far as it concerns the members of the Holding Company and is dealt with in account of Holding Company:							
	1. For financial year ended on March 31, 2011	(7,193,448)	(143,800)	2,148,255	(218,669)	(47,060)	(47,060)	(47,060)
	2. For previous financial year of the Subsidiary since it became a Subsidiary Company	NIL	NIL	NIL	NIL	NIL	NIL	NIL
5	Changes in the Holding Company's interest in the Subsidiary between the end of the financial year of the Subsidiary and the end of the Holding Company's financial year.	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
6	Material Changes which have occurred between the end of the aforesaid financial year of the Subsidiary and the end of the Holding Company's financial year in respect of							
	(a) the Subsidiaries fixed assets	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
	(b) its investments	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
	(c) moneys lent by the Subsidiary Company	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
	(d) the money borrowed by it for any purpose other than that of meeting current liabilities	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

## Disclaimer

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, may 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 words such as '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.



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