

4<sup>th</sup> June, 2021

To,  
The General Manager,  
Department of Corporate Services  
BSE Limited  
1<sup>st</sup> Floor, P. J. towers,  
Dalal Street, Mumbai 400 001

To,  
The Manager,  
Listing Department,  
The National Stock Exchange of India Ltd.  
Bandra- Kurla Complex,  
Mumbai – 400 051

Dear Sir,

**Scrip Code -SUPREMEINFRA/532904**

**Sub: Submission of Annual Report for the F.Y 2019-20**

Pursuant to the Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, we enclose herewith the Annual Report 2019-2020 duly adopted at the 37<sup>th</sup> Annual General Meeting of the Company held on Friday, June 4, 2021 at 12.30 P.m. through Video Conferencing (VC) / Other Audio Visual Means (OAVM) and along with Statement on Impact of Audit Qualifications.

We request you to kindly take above on record and oblige.

Thanking You.

Yours faithfully,

**FOR SUPREME INFRASTRUCTURE INDIA LIMITED**



**ANIL GUPTA  
DY. COMPANY SECRETARY**

**Encl: as above**

**SUPREME INFRASTRUCTURE INDIA LIMITED**

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CIN: L74999MH1983PLC029752; Tel: + 91 22 6128 9700 Fax : + 91 22 6128 9711 Website :  
[www.supremeinfra.com](http://www.supremeinfra.com)



# SECOND INNINGS

DISCIPLINE. DETERMINATION. DEDICATION.

Supreme Infrastructure India Limited | Annual Report 2019-20



## Forward-looking statement

This report and other statements – written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', '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 realised, 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 materialise, 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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## SECOND INNINGS

In some matches, there is the luxury of a second innings.

A second innings where one gets the opportunity to correct the mistakes of the first innings. Bat better. Bat focused. Fight back. Win the match.

At Supreme Infrastructure, we are engaged in the second innings of our existence. We believe that this second innings will be more productive than the first. When we bat with more discipline, determination and dedication. Coupled with the objective to bat safest, longest and turn the match around.

Our time starts now.



## Supreme Infrastructure India Limited.

Was among the fastest growing infrastructure companies in the early part of the last decade.

Engaged in construction across some of the fastest growing infrastructure segments in India.

Respected for its commitment to deliver on time and within cost.

The company is engaged in kicking its reinvestment cycle to emerge responsible, profitable and sustainable.

With the objective to re-emerge as a dynamic proxy of a vibrant sector in one of the world's fastest growing major economies.

### Vision

Leading by the philosophy of pursuing excellence, Supreme Group envisions being an innovative player in infrastructure development in India today; with the hunger to grow and the attitude to compete globally tomorrow.

### Mission

- To develop strengths and be amongst the leading construction and contracting companies in India
- To provide end to end Construction Solutions
- To increase presence across various Infrastructure sectors
- To be the most preferred contractor
- To proliferate and become a global player

### Values

- Excellence
- Expansion
- Expediency
- Economy

### Board of Directors

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

**Mr. Vikram Sharma**  
Managing Director

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

**Mr. Vinod Agarwal**  
Independent Director

**Mr. S.K.Mishra**  
Independent Director

**Mrs. Payal Agarwal**  
Independent Director

**Mr. Dakshendra Agarwal**  
Independent Director

## Positioning

Supreme Infrastructure is a committed Indian infrastructure construction company.

The company was one of the fastest growing infrastructure construction companies in India until the early part of the last decade.

The company was respected for timely and credible construction delivery.

## Background

The company is focused on the growth coming out of some of the fastest growing segments within India's infrastructure sector – roads, buildings, power, bridges, marine infrastructure and mining.

The company has executed projects across 13 States in India.

The company has executed projects for marquee clients across the public and private sector comprising Airports Authority of India (AAI), Bhabha Atomic Research Centre (BARC), Brihanmumbai Municipal Corporation (BMC) and Public Works Department (PWD), among others.

The Company provides design, fabrication, construction and maintenance services

## People capital

Supreme Infrastructure India Limited (employee base 160 as on 31 March 2020) prides itself on being an equal opportunity employer.

Nearly 100% of its employees comprise graduates and diploma engineers, 10% are MBAs while the rest possess CAs, CS, and other academic qualifications.

## Listing and market capitalisation

The equity shares of the company are listed on the Bombay and National Stock Exchanges with the promoters holding a 34.68 percent stake in the equity share capital.

\* The Company's market capitalisation (free float) stood at ₹29.30 crores as on 31 March 2020.

## Location

Supreme Infrastructure India Limited is headquartered in Mumbai (Maharashtra) with extensive operations in Maharashtra, Himachal Pradesh, Haryana, Uttar Pradesh, Delhi & NCR, Jharkhand, West Bengal, Assam, Orissa, Bihar and Karnataka

The Company has managed projects across 13 Indian states over the last few years

## Sectoral credentials

**Roads and bridges vertical:** Single project certificate of more than ₹1200 crore (USD 172 million) (NHAI work)

**Building vertical:** Single project work certificate of more than ₹300 crore (USD 43 million)

**Power vertical:** Single work done certificate of more than ₹130 crore (USD 19 million) from MSEDCL

**Other infrastructure vertical:** Work done of more than ₹30 crore (USD 4 million) from municipal corporation in H tanks and pumping boosting stations.

## Awards and recognition

Fastest Growing Construction Company (mid-size category to first rank) at the 10th Construction World Annual Awards 2012.

Industry Honour for Outstanding Contribution in Specialized Construction (EPC category) at the 3rd EPC World Awards 2012.

Fastest Growing Construction Company (small size category to 2nd rank) at the 9th Construction World Annual Awards 2011.

Fastest Growing Construction Company (small size category to 2nd rank) at the 8th Construction World Annual Awards 2010.

Young Entrepreneur of the year 2010 to Mr. Vikram Sharma, Managing Director by EPC World Awards, 2010.

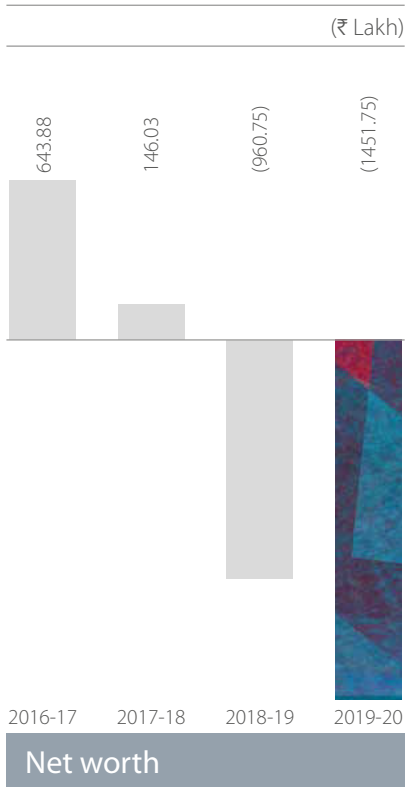
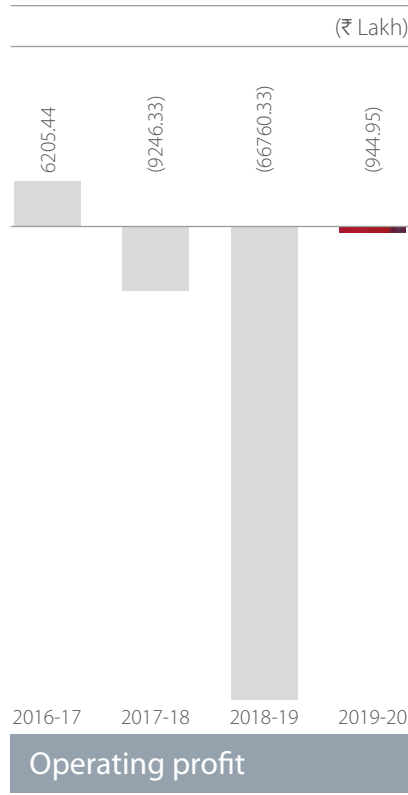
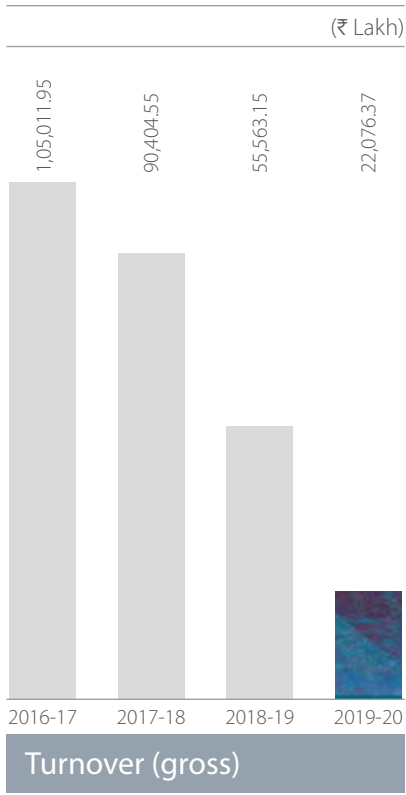
Certificate of Recognition from Essar Steel's Infrastructure Excellence Awards 2010.

Most Admired Corporate in Infrastructure Development in 2010 from Infrastructure Excellence Awards 2010.

Udyog Ratna Award to Mr. Bhawanishankar Sharma, Executive Chairman, by Institute of Economic Studies.



# Our financial track record



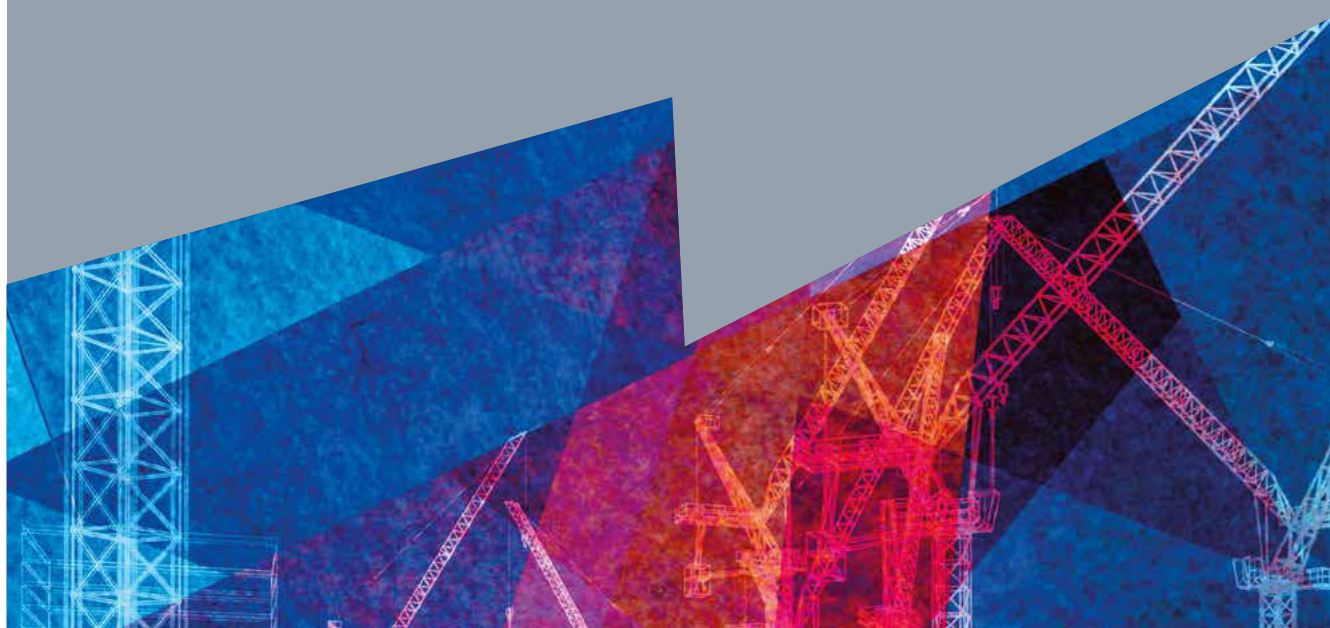
## Our biggest achievement

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Most Indian infrastructure companies who turn loss-making seldom return to active business; they disappear.

Our biggest achievement is that we accepted reality, learned from mistakes, created a stronger business model and are returning to active business.

Our biggest achievement is that we have padded up for our second innings.







We have invested in our second innings so that Supreme Infrastructure gets better even as it gets larger.

## Overview

The overarching communication is that in an infrastructure sector marked by extensive shake-out affecting players of all sizes and capabilities, there is an unprecedented opportunity for medium-sized companies like Supreme Infrastructure to grow in its second innings.

There is a rare coming together of positive realities: weaker Balance Sheets of some of the larger players are affecting their prequalification credentials for new projects, while a restructured company like Supreme Infrastructure possesses a credible financial foundation and a widening sectorial landscape in terms of new and larger project opportunities.

The evidence is in the numbers: the government announced an infrastructure allocation of ₹5.54 lakh crore in the 2021-22 Union Budget that was 26 per cent higher than in the previous year. This provides evidence that the government is serious about growing the country's infrastructure, validating our aspirations. The signal is clear that infrastructure

# 26%

Growth in India's infrastructure outlay in Union Budget 2021-22

growth is perhaps the biggest national story; in fact, I would go to the extent of stating that India's infrastructure story is gradually emerging as possibly among the largest such stories anywhere in the world.

The big question is whether Supreme Infrastructure is prepared.

The answer is yes for some good reasons.

Let us start with the most important consideration of preparedness: our evolved culture. There was a time when we were engaged in risk mitigation; the time has come when we are prepared to embrace challenges in a structured manner. We are optimistic of responding with speed to opportunities, delivering projects faster, investing increasingly in equipment and training, capturing a larger slice of the value chain and embracing challenging projects marked by lower competitive bidding and superior margins.

Besides, we made increased investments in technology, enunciated a common agenda that aligns every single employee with our organizational goal, strengthening our monitoring system across geographies and investing in a common knowledge pool to make relevant information easily accessible.

A number of companies are unable to respond to emerging opportunities on account of weak Balance Sheets. This is affecting their prequalification credentials to address progressively larger and profitable opportunities. At Supreme Infrastructure, we possess excellent

prequalification credentials despite possessing a smaller Balance Sheet, which we believe is a robust foundation.

We have taken a conscious decision to engage in controlled and monitorable growth that protects the integrity of our projects and Balance Sheet, qualifying us for progressively larger and more profitable projects – a cycle of attractive sustainability.

We will focus on growing our turnover 15 per cent each year, which is in line with our desired risk appetite and Balance Sheet size. We will focus increasingly on road building projects that generate superior margins. We will concentrate on projects that generate quicker cash flows and are not strapped by the withholding of retention money that could affect our accrual projections. We will increasingly grow our business through earnings than external borrowings, strengthening our sustainability.

Even though these are early days yet, we are optimistic that in its second innings Supreme Infrastructure will get stronger even as it gets larger.

B.H.Sharma, Non-Executive Chairman

**India is among the most attractive infrastructure opportunities in the world. There is a growing conviction that the Indian economic growth story, for decades a consumption-driven economy, will henceforth be driven by infrastructure growth.**



Infrastructure growth is not likely to be a by-product of the Indian economic transformation; it is expected to be the principal driver of this phenomenon.

There is no aspect of the country's infrastructure that is not expected to grow across the foreseeable future.

India's airports are being privatized with the objective to catalyse aviation infrastructure in line with global standards of availability and quality. The government will provide a five-year income tax holiday to private sector development finance institutions (DFIs) to build a robust system for funding infrastructure. The National Highways Authority of India is ramping up the pipeline of projects to be awarded, rising to a record 5000 kilometres of highways.

Around 65,000 km of national highways are to be constructed under the Bharatmala Pariyojana; under its first phase, the National Highways Authority of India will build 34,800 km of highways by 2022. Awards for the phase-I of Bharatmala are expected to be completed by FY23, while execution is expected to be completed by FY25.

Some segments of India's will grow faster than others; some segments will be more remunerative than others; some segments will attract government support in a bigger way than the others. As a resource-respecting company, we will focus on projects that address some of the fastest-moving infrastructure sectors marked by superior margins. We believe that an ongoing challenge will lie in correcting the portfolio mix with the objective to enhance the hurdle profit margin on the one hand and moderate working capital intensity on the other, resulting in a lower interest proportion of revenues, strengthening overall sustainability.

### **National infrastructure opportunity**

At Supreme Infrastructure, we believe that in the emerging scenario, there will be considerable work for most infrastructure construction companies. Interestingly, even as the market will widen, the number of infrastructure players may not increase



substantially on account of impaired Balance Sheets.

Besides, the sectorial reality is improving on account of a sensitive and engaged government that is removing operational bottlenecks with the objective to accelerate workflows, strengthen cash flows and accelerate reinvestments. The conclusion is that there has been no better time in the history of the country's infrastructure sector than the prevailing environment, marked by the size of the opportunity on the one hand and the possibility to report attractive year-on-year surplus on the other.

At Supreme Infrastructure, we believe that the improving sectorial reality has been matched with a reinvention of our company.

There has been a fundamental shift: a deeper desire for success exceeding a fear of failure. This desire has been catalysed by the transforming sectorial reality, the ability of the company to protect its talent capital, the ability to clear regulatory and forensic filters, enquiries of partnership from resource providers and the fact that despite the challenges of the last few years, the company's respect as a service provider that delivers has been largely protected. A sequence of various positives indicate that the worst is over for the company.

### Attitude made the difference

Given the vastness of India's infrastructure opportunity, there would be an evident temptation to grow the fastest in the shortest time and emerge as a considerably larger organization across the foreseeable future.

At Supreme Infrastructure, we believe that there is a more sustainable way of capitalizing on the opportunity.

There is a relevant line that we believe completely in: to finish first, one needs to first finish. Our principal learning of the last few years is that sustainability is best derived from the capacity to focus on becoming the best; once this has been achieved, the rest follows from this.

In view of this, the company will provide no multi-year guidance and will spell out no numerical long-term vision. The company's vision will continue to remain qualitative: to emerge as among the most disciplined and rigorously controlled infrastructure companies in the country.

We believe that the value that we create for our stakeholders will be derived out of this discipline and not the other way around.

### Power of governance

No overview can be complete without a reference to the biggest driver of our growth journey from this point onwards.

The power of governance will be the company's cornerstone during its second innings.

In our business, this governance will comprise a strategic clarity of why we are in business, what infrastructure spaces we will occupy, how we expect to keep our operations sustainable and our Balance Sheet liquid, how we can communicate this clarity to the last person in our organization, and how the company will live its operational discipline through a knowledge of what to do and what to avoid at all times.

Most importantly, we will continue to recognise that we are in business to enhance value for all our stakeholders. To our employees, we promise an intellectually enriching and financially remunerative engagement; to our vendors we promise increased procurement and revenues; to our customers we promise on-time and as-promised delivery; to our shareholders we promise an appreciation in the long-term value of their holdings; to our lenders we promise timely repayment; to our communities we promise responsible operations.

We believe that in this commitment to enhance value in a holistic manner lies the key to our long-term sustainability.

**VIKRAM SHARMA,**  
Managing Director



- We believe that adversity is the best teacher
- There will be a deeper focus on monitoring discipline
- There will be a deeper process investment in planning and monitoring
- There will be a clearer perspective of what can be executed and what can be monitored
- There will be discipline of focusing on specific verticals, marked by synergic knowledge
- There will be a complete bidding clarity in bidding for projects from which superior margins can be extracted (through a better hurdle rate or monitoring economies)





Supreme Infrastructure is an existing and running business

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The company is on the verge of clearing the biggest challenge in its existence

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The company has protected its most precious capital – knowledge bandwidth – through the downturn

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The company has protected its respect and brand as a company that delivers projects against all odds



The company enjoys attractive prequalification credentials that takes years to build

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The company intends to return to active bidding in 2021-22

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The company expects to grow profitably and sustainably across the coming years

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The company's long second innings has just begun

**8 principal messages that we wish to communicate in this annual report**





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## At Supreme Infrastructure, the story of our turnaround begins with environment-social-governance (ESG)

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### Overview

There is a growing priority the world over on the need to conduct oneself in business like a responsible corporate citizen.

In a world marked by unexpected and unforeseen changes of magnitude, there is a conviction that governance commitment will make it possible to smoothen the corporate curve: it will abbreviate downcycles complemented by extended up-cycles. Besides, we believe that companies with deep governance will inevitably enhance stakeholder confidence leading to the creation of long-term shareholder value.

## Supreme Infrastructure and ESG

At Supreme Infrastructure, we believe that a commitment to environment-social-governance (ESG) represents the heart of our reinvented business.

This is particularly so in a business where we need to construct with speed and quality on the one hand and build to last for national benefit on the other.

**Our environment commitment** addresses the priority that our business consume environmentally responsible resources, consume an optimal quantum, recycle

waste, consume a modest quantum of finite fossil fuels and build resistance to climate change, leading to a declining carbon footprint.

**Our social component** addresses the need to invest in our people and organisational culture, customer relationships and community responsibility.

**Our governance component** enunciates strategic clarity, prioritises the values with which our business is conducted, highlights the role of operational

discipline, explains Board composition and indicates alignment with UNGC principles, evoking a responsible expectation across stakeholders.

The combination – environment, social and governance – provides a platform for doing the right things the right way leading to secure, scalable and sustainable long-term growth.

## Environment : How we will protect the earth

Our environment approach has been woven around the elements of Plan-Mitigate-Adapt-Resilience.

There is a growing commitment to environmental management systems, environmental due diligence and disaster planning & response systems across our construction sites. At Supreme

Infrastructure, we believe that growth can be best derived when the promoter charts out a strategic direction and leaves day-to-day management cum monitoring to professionals and systems. The company deepened an investment in processes, especially information technology. Besides, it strengthened an audit-driven and

compliance-driven approach, enhancing the predictability of processes. There is a commitment to reduce energy intensity, reduce greenhouse gas emission intensity and graduate to cleaner processes and fuels

## Social: How we will enrich our people (vendors, customers, employees, community)

At Supreme Infrastructure, we believe that business transformation is accelerated by a passionate and knowledgeable team that reconciles youth and experience. In the last few years, this people-driven ferment has enriched.

**Employees:** At Supreme Infrastructure, we have invested in a culture directed at the predictable delivery of projects. We

made prudent investments (recruitment, retention and training) to enhance effectiveness across our business functions. We invested in practices that enhanced safety – training, protocols, certifications, investment in supports and awareness-building.

**Customers and vendors:** The company deepened relationships with vendors (who

provided capital equipment and spares as well as with customers.

**Community:** The company engaged with the community around its construction sites to widen the circle of prosperity through relevant interventions in line with the United Nations' Sustainable Development Goals.

## Governance: How we expect to conduct business in a measured manner

At Supreme Infrastructure, our governance platform comprises clarity on the way we intend to do business.

**Controlled monitored growth:** At Supreme Infrastructure, we believe that business sustainability in our second innings will be derived from monitored and calibrated revenue growth – estimated at 15% CAGR - as opposed to one-off profitability spikes.

**Desired structure:** Our objective will be to balance a desired EBIDTA hurdle rate of 15% or net profit margin of 8% on the P&L account coupled with a gearing (debt-equity ratio) not exceeding 0.25. We believe that this combination will protect our profitability across market and liquidity cycles.

**Clarity:** Our objective will be to be the best in our business; the scale could be

a logical extension of this reality. This clarity will provide the company with a platform for seeking excellence across all functions and business, translating into cost management, project acceleration and predictable project handover.

**Culture:** We will seek to deepen an organizational culture around 'best over biggest', ensuring that there is a complete alignment in strategic direction from the

promoter management to ground level workers and executives.

**Integrity:** Our objective will be to not just to do the right things but to do them in the right way. We will continue to put the highest priority in reporting credible financials. It would be pertinent to indicate that the company generated approvals of two ratings for bankers to implement; it completed three forensics successfully despite being in the complex infrastructure businesses, paving the way for the decisive bank resolution.

**Conservative:** We will continue to invest in a culture of extensive documentation on the one hand and making a conservative interpretation of our financials on the other, marked by adequate provisions. The result is that what stakeholders see in our numbers is what they will get.

**Long-term:** At Supreme Infrastructure, we have selected to build the business around a long-term commitment. This approach will influence our investments in assets, technologies, talent and customers.

**Balanced approach:** At Supreme Infrastructure, we will balance caution and aggression (strategic aggression and tactical conservatism), a relatively de-risked approach. As a part of this approach, we will sweat capital investments around

an attractively short-term payback. Our strategic balance will be reflected in long-term debt sized with our bank funding lines and prequalification credentials.

**Promoter stake:** At Supreme Infrastructure, much stakeholder confidence will be generated from our promoter stake of 34.68% in the company's equity. Our promoter will continue to be hands-on and involved in the operations, providing a credible face to stakeholders.

**Trust:** At Supreme Infrastructure, we believe that there is one word that encapsulates all that we are and all that we do – 'trust' around committed delivery. Trust will continue to be the underlying element why customers will contract us, why employees will engage us, why vendors will market to us, why investors will provide us risk capital, why bankers will lend debt and why communities will support us.

**Data-driven:** At Supreme Infrastructure, we are an analytics-driven organisation that generates data on ground realities of our projects across the country resulting in informed project monitoring and decision-making.

**Funding discipline:** We will exercise a strict fiscal discipline were we resist the temptation to borrow to accelerate or

sustain site progress. In the event of slow receivables from the client, we would be open to exercising a 'stop loss', leading to a temporary suspension of site construction until cash flows resume

**Calibrated project management:** We will embrace and manage only a specific number of projects that are sized with the company's Balance Sheet and managerial bandwidth; it will not spread itself thin and move to another project unless at least 75 per cent completion has been achieved across its previous projects with a visible completion clarity

**Contingency planning:** We will assume that there will unplanned and unforeseen deviations from our time and cash budgets, prompting adequate systemic buffers and redundancies that make it possible to absorb them without Balance Sheet impairment

**Project selection:** We will bid for projects backed by sound multi-lateral funding agencies or credible partners with liquid Balance Sheets, which protects our milestone-based cash flows. We will concentrate on projects and business segments that are not affected by the withholding of retention money that could affect our cash flows.



At Supreme Infrastructure, we have selected to build the business around a long-term commitment. This approach will influence our investments in assets, technologies, talent and customers.





## Environmental

- Moderate carbon footprint
- Protect bio-diversity
- Use 5R's (replace, re-use, renewable, recycle, reduce)
- Superior environmental rating
- Ongoing audit and investment in environment compliance
- Disclose environment performance



## Social

- Large workforce
- Focus on knowledge, experience and retention
- Investment in training
- Culture of passion
- Servicing marquee customers



## Governance

### **Code and values**

- Code of Conduct
- Whistle blower policy
- Anti-bribery and anti-slavery policy
- Remuneration policy
- Corporate-Environment-Health-And-Safety Policy
- ESG commitment
- Employee care and fairness
- Prevention of Sexual Harassment (POSH)
- Code of Practices for Fair Disclosure
- Code of Internal Procedures and Conduct for Insider Trading

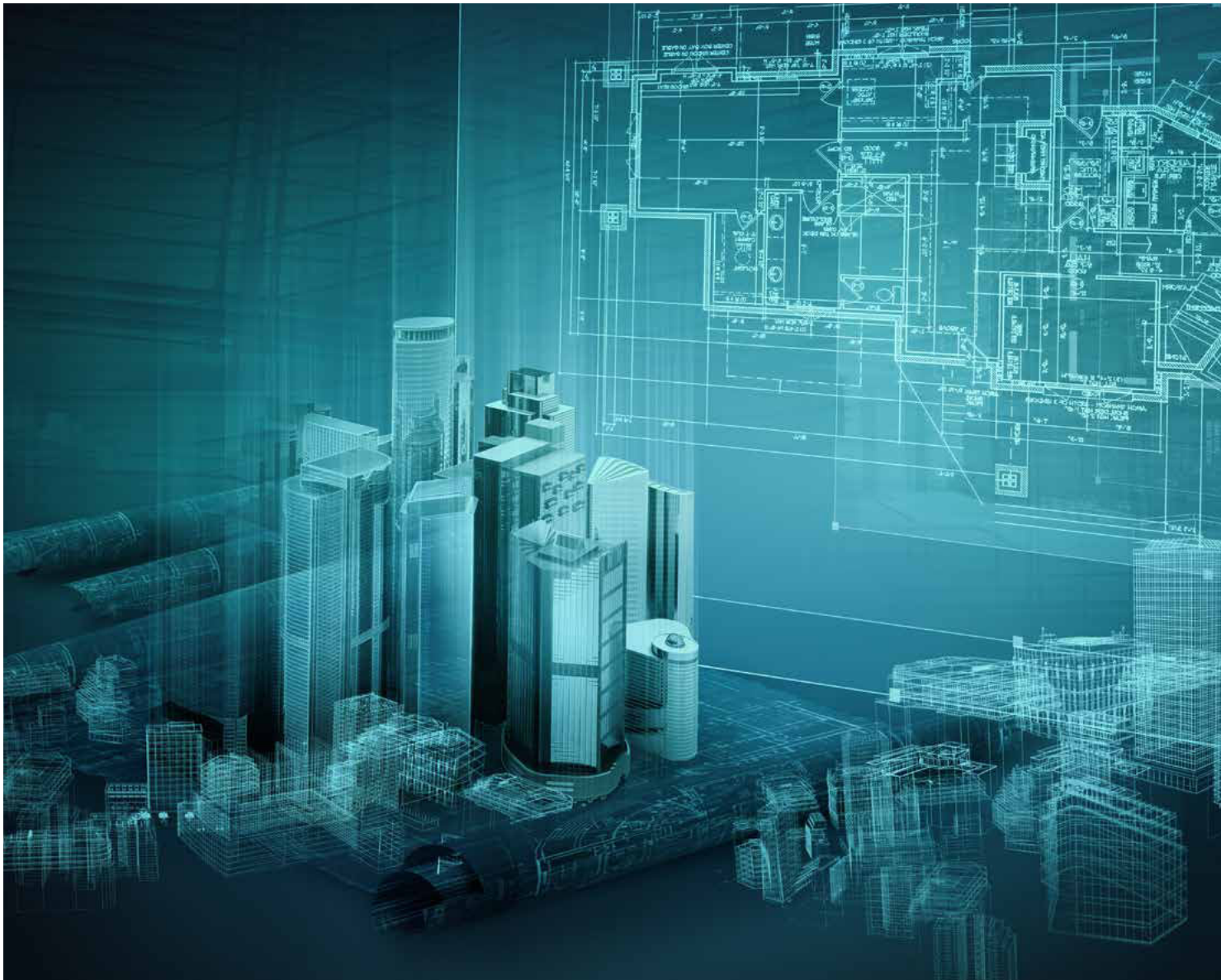
### **Structure and oversight**

- Board with strong independence
- Business Responsibility Policy
- Fully Independent Audit Committee
- Risk Management Policy

### **Transparency and reporting**

- Material event policy
- Related party transactions
- Quarterly self- declarations on the website

# Our ESG commitment



## How our sector is becoming increasingly attractive

### Sectoral landscape

**Unprecedented opportunity:** The Indian construction sector addresses an unprecedented opportunity in building infrastructure, marked by the largest Budget outlay for infrastructure

**Shakeout:** Even as the industry address this unprecedented opportunity, there is a sectoral shakeout transpiring with a number of large players being unable to put together adequate prequalification credential to be able to address larger construction projects



**Margins:** The hurdle rate for margins is rising in the infrastructure construction space on account of relatively lower competition and increasing project sizes

**Respect for modest growth:** The shakeout in India's infrastructure building sector has generated a new respect for steady-growth construction companies on account of their business sustainability

**Rising prequalification:** The prequalification criteria for participating in larger projects is correspondingly increasing, raising the bar for intending entrants and benefiting those with experience and adequate funding lines

**Tightening deadlines:** India is graduating from a phase when it was acceptable for infrastructure projects to be delivered across a long tenure; there is an increasing need for urgency, marked by corresponding investments in project-accelerating equipment

**Rising environment standards:** There is a rising standard for environment compliance in project delivery, making it imperative for service providers to invest in people, processes and practices

## Our responsiveness

### Vision

Supreme Infrastructure's vision is to be a high ROE player focused on complex projects in fast-growing business verticals, protecting the company from commodity margins.

**Growth outlook:** The company has structured its business to report sustainable year-on-year revenue growth of 15 per cent with enhanced profitability.

**Project selection:** The company is bottom line-driven and bidding only for profitable orders backed by multi-lateral lending agencies or the government or municipal corporation in specific business segments that can be delivered on schedule

### Integrated

The company is positioned as a standalone EPC contractor specialising in adequate asset ownership leading to efficient resource mobilization; this has helped extend the company's value chain

### Segment selection

The company is a volume-cum-value player bidding for projects in spaces relatively protected from extensive competition, strengthening its bottomline focus

### Focus

The company continues to focus on some of the fastest growing verticals within the Indian economy – roads and civil construction. Within the roads segment, the company has selected to position itself as an EPC contractor

### Value chain

The company has graduated to end-to-end solutions for customers as opposed to working as a project manager or as a sub-vendor to a larger company. The company intends to independently address projects (without alliance partners)

### Partnerships

The company will enter into alliances only when the partner possesses complementary capabilities (technical or financial) that could facilitate larger orders through stronger pre-qualification credentials.

Supreme Infrastructure's vision is to be a high ROE player focused on complex projects in fast-growing business verticals, protecting the company from commodity margins.



# The strengths that we are bringing to the table in our second innings

**Talent capital:** The company has retained most of its talent capital; its experienced senior management team is supported by capable professional employees

**Continuous improvement:** The company will continuously strengthen frequently used systems across its project sites

**Equipment optimization:** The company will seek to maximise the utilisation of owned assets through high operational uptime, improved effectiveness and efficiency

**Technology:** The company has invested in digitalization with objective to access multi-site operational realities in real time

**Expertise:** The company possesses a rich experience of five infrastructure spaces, leveraging this insight to enter the attractive mining sector

**Research:** The company will invest in exploring improvements in methods and processes in construction and operational monitoring

# A structured approach to how we intend to revive our business from this point onwards

**Focus:** We will focus completely and exclusively on opportunities arising out of India's infrastructure construction sector

**Sub-focus:** We will focus on scalable infrastructure platforms (roads, bridges, buildings, mining, power and marine infrastructure)

**Engagement:** We will extend from initial sub-contracting and EPC projects to a complete focus on EPS contracts in our own name

**Debt:** We will grow our business to the extent possible through accruals, minimizing the role of long-term or working capital debt (presenting a sustainable Balance Sheet)

**Monitoring:** We will continue to invest in customized and digitalized information dashboards that strengthen our real-time control on the company's business

**Sweat assets:** We possesses assets with an initial value of ₹200 crore (extensively written down in value over time) that should empower the company to scale to annual project construction outlay of ₹4,000 crore; for projects beyond this size, the company could rent assets, growing its business in an asset-light manner

**Funding:** We will leverage our available pipeline of bank funding to grow our business

**Recall:** We will leverage our contract credentials; in the roads business, the Company's work-in-progress credentials stand at ₹1740 crore; the aggregate work-in-progress value of the Company's presence in all segments was ₹2159 crore as on 31 March 2020

**Bidding:** The company will enhance its active bidding presence from the later part of 2021

# Stakeholder trust: The platform of Supreme Infrastructure's projected recovery

One of the most compelling reasons for the projected revival of Supreme Infrastructure is that during the challenging last decade, the company protected its stakeholder eco-system.

The company's lenders continue to engage closely with the company, one of the most decisive reasons for the company's ability to close a bankers' resolution and look ahead to an optimistic future.

Prominent equity holders continued to stay invested in the company; Kitara Capital invested in Supreme Infrastructure in 2012 at a share price of ₹250 per share and the Middle East-headquartered fund continues to remain invested on account of confidence in Supreme Infrastructure's promoter and a long-term conviction in India's infrastructure story.

The company's talent capital has been with the Company through a challenging decade; a majority of the company's senior management has been with the Company for more than 12 years.

The company's financial partners and key suppliers continued to work with the company during the downtrend of the last few years, protecting the eco-system.



# Our projects

## Our completed projects

### POWER PROJECTS

#### Power Project, T-95

Client: MSEDCL

Cost of project: ₹92.00 crore

#### Power Project, T-79

Client: MSEDCL

Cost of project: ₹69.00 crore

#### Power Project, T-74

Client: MSEDCL

Cost of project: ₹107.00 crore

### ROAD BUILDING PROJECTS

#### Western Express Highway – Eastern Express Highway - Andheri Flyover to JVLR Junction

Client: MMRDA

Cost of project: ₹42.00 crore

#### Chitradurga NH-4 Road Project

Client: National Highway  
Authority of India)

Cost of project: ₹103.00  
crore

#### Anik Wadala Link Road

Client: BMC

Cost of project: ₹13.00 crore

#### West Express Highway - Airport junction to Andheri flyover, Mumbai

Client: MMRDA

Cost of project: ₹12.00 crore

#### MCGM - W 224, Concrete Road

Client: Municipal Corporation  
of Greater Mumbai

Cost of project: ₹18.00 crore

#### Majipada - Mandapada roads, Thane

Client: Thane Municipal  
Corporation

Cost of project: ₹56.13 crore

#### Nagpur, Aurangabad, Sinnar, Ghoti, Mumbai Road

Client: MSRDC

Cost of project: ₹20 crore

#### Shirsad - Ambadi road

Client: MMRDA

Cost of project: ₹95 crore

### BUILDINGS CONSTRUCTION

#### 100 bed general hospital at MCH plot, Sector 3 Airoli, Navi Mumbai

Client: Navi Mumbai  
Municipal Corporation

Cost of project: ₹42 crore

#### Kamla Business Park, Mumbai

Client: Kamlashmi Realities

Cost of project: ₹6.00 crore

#### DGMAP - Barrackpore, Kakinara

Client: DGMAP

Cost of project: ₹71 crore

#### Supreme Business Park, Mumbai

Client: Supreme Housing &  
Hospitality Pvt. Ltd., Mumbai

Cost of project: ₹250 crore

#### Supreme Business Park, Mumbai

Client: Supreme Housing &  
Hospitality Pvt. Ltd., Mumbai

Cost of project: ₹250 crore

#### RCC Building, Tulsidham under BSUP

Client: TMC

Cost of project: ₹72 crore

#### ISKCON School, Mumbai

Client: ISKCON

Cost of project: ₹8 crore

#### 100-bed general hospital at MCH plot, Sector-15, Nerul, Navi Mumbai

Client: Navi Mumbai  
Municipal Corporation

Cost of project: ₹42 crore

### WATER INFRASTRUCTURE

#### Reservoir, Chetla, Kolkata

Client: Kolkata Municipal  
Corporation

Cost of project: ₹16 crore

#### Reservoir at Anadapur, Kolkata

Client: KMC

Cost of project: ₹6 crore

#### Water Treatment Plant, Chetla

Client: Kolkata Municipal  
Corporation



## BRIDGES

### Flyover at Transport Nagar, Jaipur

Client: Jaipur Development Authority

Cost of project: ₹65 crore

### Kasheli Bridge, Thane

Client: PWD Maharashtra, Concessionaire - Kalyan Sangam

Cost of project: ₹250 crore

## PROJECT COMPLETED IN FY19-20

Feedback Infra Pvt. Ltd.: Four-laning of Panvel-Indapur section of NH-17 from 0 km to 84 km in Maharashtra under NHDP Phase III on a BOT basis

Cost of flyover: ₹125 crore

## Our ongoing projects

## ROADS

NHA: Design, Engineering, Finance, Construction, Operation & Maintenance of Panvel Indapur section of NH-17 from 0 to 84 km for four-laning in Maharashtra under NHDP Phase III

Work value: ₹1135 crore

## BRIDGES / FLYOVERS

PWD: Four-laning of road along Sidhwan Canal with underpass, ROBs and canal lining (Doraha to Ludhiana-Ferojpur Road) i.e Southern Bye-pass, Ludhiana.

Work value: ₹318 crore

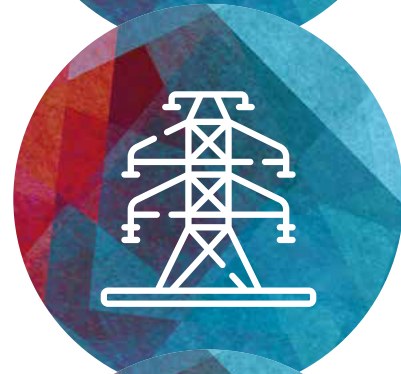
## BUILDINGS

Clean city: Construction of Multistoried High Rise Tower in the proposed project HEX City at Rohinjan Taluke, Panvel, Dist.Raigad, Navi Mumbai

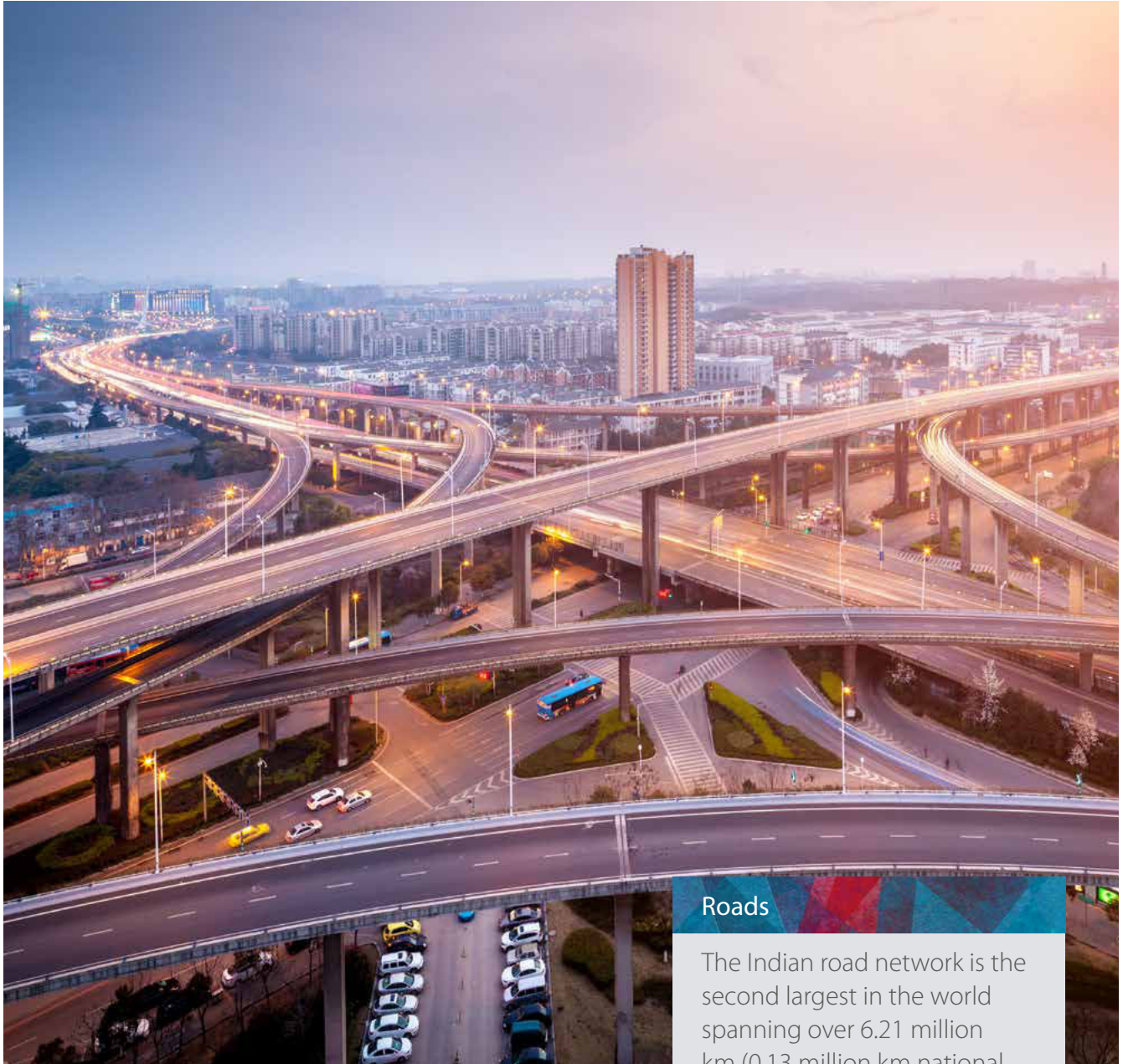
Work value: ₹213 crore

DUSIB building: Construction of 7400 (G+4) five-storeyed EWS houses under JNNURM for slum dwellers at Pocket-II, Bhalaswa, Jahangirpuri.

Work value: ₹157.15 crore



# Roads and bridges



## Roads

The Indian road network is the second largest in the world spanning over 6.21 million km (0.13 million km national highways; 0.17 million km state highways; 5.90 million km other roads) covering over 90% of passenger traffic and 64.5% of freight traffic.

## Growth drivers

- The increasing production of commercial and passenger vehicles catalysed the demand for wider and connected road networks
- Optimized efficiency of freight and passenger movement across the country
- Addressed connectivity needs of backward and tribal areas, economic activity, places of religious and tourist interest, border areas, coastal areas and trade routes with neighbouring countries
- Reduced road congestion of local city traffic with highway traffic. These congestion points could be addressed by separating the city traffic from the highway traffic through development of grade separators, city bypasses, ring roads and lane expansion etc.
- Improved connectivity across key economic centres

## Major national projects

The Government of India launched major initiatives to upgrade and strengthen National Highways through various phases of the National Highways Development project (NHDP). The status of various programmes up to 31.12.2020 were as under:

Phases	Total length in km	Length(km) completed upto 31/12/20
Bharatmala Pariyojana (I+II+III+IV) GQ, Port connection & Upgradation with 2/4/6-laning / Development of North South-East West Corridor	46,278	38,685
V 6-laning of GQ and High density corridor	6,500	4,088
VI Expressways	1,000	219
VII Ring roads, bypasses and flyovers and other structures	700 km of ring roads/ bypass + flyovers etc.	181
Other schemes		
SARDP-NE1 (Phase A+Arunachal Pradesh)	6,418	3,445
LWE2 (including Vijayawada Ranchi Route)	6,014	5,460
EAP3 (WB+JICA+ADB)	1,985	1,206

1. Special Accelerated Road Development Programme in North East
2. Left Wing Extremism
3. Externally Aided Project (West Bengal+ Japan International Co-operation Agency+ Asian Development Bank)

## Bharatmala Phase-I [including subsumed National Highways Development Project (NHDP)]

The Ministry took up detailed review of NHs network with a view to develop the road connectivity to border areas, development of coastal roads including road connectivity for non-major ports, improvement in the efficiency of national corridors, development of economic corridors, inter corridors and feeder routes along with integration with Sagarmala, etc., under Bharatmala Pariyojana.

The Bharatmala Pariyojana envisages the development of about 26,000 km length

of economic corridors, which along with Golden Quadrilateral (GQ) and North-South and East-West (NS-EW) Corridors are expected to carry majority of the freight traffic on roads. Further, about 8,000 km of Inter Corridors and about 7,500 km of feeder routes have been identified for improving effectiveness of economic corridors, GQ and NS-EW Corridors. The programme envisages development of ring roads / bypasses and elevated corridors to decongest the traffic passing

through cities and enhance logistic efficiency; 28 cities have been identified for Ring Roads; 125 choke points and 66 congestion points have been identified for their improvements. Further, in order to reduce congestion on proposed Corridors, enhance logistic efficiency and reduce logistics costs of freight movements, 35 locations have been identified for the development of multimodal logistics parks.



## Projects completed, planned / under progress

**Delhi-Mumbai Expressway:** 1,300 km greenfield access-controlled corridor provides shorter (~140 km vis-à-vis existing route) & faster connectivity. 1,040 km has already been awarded; remaining 260 km will be awarded in the current FY 2020-21.

**Ambala-Kotputli Corridor:** 310 km greenfield trans-Haryana corridor provides direct connectivity between Ambala (on NH 44) to Kotputli (on NH 48) bypassing the congested sections of NH 44 between Ambala and Delhi and NH 48 between Delhi and Kotputli. Contracts for the entire corridor of length 310 km have been awarded.

**Bengaluru-Chennai Expressway:** 278 km access-controlled expressway will provide an alternate and efficient route to the congested NH 48 and will be awarded in the current FY 2020-21.

**Delhi-Dehradun Economic Corridor:** 210 km long corridor providing shorter (~25 km), faster connectivity between Delhi & Dehradun will be awarded in the current FY 2020-21.

**Delhi-Amritsar-Katra Expressway:** 633 km long expressway will improve connectivity to Jammu, Kartarpur and Amritsar. Furthermore, it is planned to develop more than 40 wayside amenities along the highways to enhance rider comfort and safety. 433 km length of this corridor is targeted for Award in FY 2020-21.

**Amritsar-Bhatinda-Jamnagar corridor:** 762 km long access controlled highway will provide direct connectivity to several economic hubs in Punjab, Rajasthan and Gujarat. Contracts for 730 km length have been awarded and remaining length will be awarded shortly.

**Kanpur-Lucknow Expressway:** 63 km access-controlled expressway connecting the two key economic centres of UP, will provide alternate route to the congested NH 27. Entire corridor will be awarded in the FY 2021-22.

**Chennai-Salem Corridor:** 277 km access controlled corridor will provide 60 km shorter and faster connectivity between industrial districts of western Tamil Nadu and Chennai. Entire corridor will be awarded in the FY 2021-22.

**Raipur-Vishakhapatnam Corridor:** 464 km corridor connecting Raipur to the East Coast through Chhattisgarh, Orissa and North Andhra Pradesh will improve connectivity and thrust economic development in the region. 340 km will be awarded in the current FY and the rest 120 km will be awarded in FY 2021-22.

## Bridges

**Dhubri-Phulbari Bridge over Brahmaputra:** The project aims at construction of total 19 Km length 4 - lane bridge over river Brahmaputra on NH-127B with JICA ODA loan. The construction of this bridge project will save huge travel distance from 205.30 KM to only 19.282 KM and saving in time from 5 hrs to 20 minutes between Dhubri in Assam and Phulbari in Meghalaya. Work for construction of 4-lane bridge (length-20 km) over river Brahmaputra between Dhubri on North Bank and Phulbari on South bank on NH 127B has been awarded with date of start as 15th December, 2020 for total amount of ₹4,997 crore with target date of completion of Sept-2028.

**Setu Bharatam (not implemented):** Prime Minister Narendra Modi launched the Setu Bharatam programme for building

bridges for safe and seamless travel on National Highways. The Setu Bharatam programme aims to make all National Highways free of railway level crossings by 2019. This is being done to prevent the frequent accidents and loss of lives at level crossings. 208 Railway Over Bridges (ROB)/Railway Under Bridges (RUB) will be built at the level crossings at a cost of ₹20,800 crore as part of the programme. Setu Bharatam programme was launched to make all National Highways free of railway level crossings in order to prevent the frequent accidents and loss of lives at level crossings. 208 places were identified for construction of rail over-bridges or underpasses under the project at a cost of nearly 10,200 crore rupees around 1,500 bridges that are over 50 to 60 years old are being rebuilt.

State	ROB/RUB
Andhra Pradesh	33
Assam	12
Bihar	20
Chattisgarh	5
Gujarat	8
Haryana	10
Himachal Pradesh	5
Jharkhand	11
Karnataka	17
Kerala	4
Madhya Pradesh	6
Maharashtra	12
Odisha	4
Punjab	10
Rajasthan	9
Tamil Nadu	9
Uttarakhand	2
Uttar Pradesh	9
West Bengal	22

In December 2020, the Ministry of Road Transport and Highways (MoRTH) announced the plan to develop an additional length of 60,000 kms of national highways over the course of next five years out of which 9000 kms will be economic corridors, 2500 kms expressways, 2000 kms coastal and port connectivity highways and 2000 kms will be border road highways. The government also plans to improve connectivity for 100 tourist sites and construct bypasses for 45 towns/cities.

The Ministry took a decision to complete all ongoing projects that had been awarded upto 2015-16 and placed the highest ever target of construction of at least 11,000 kms of National Highways, while aspiring to upscale the construction of about 12,000 kms of National Highways as against 10,237 kms achieved during 2019-20. The total length of national highway construction during 2020-2021 up to 5 February 2021 is 9,242 km, at an average speed of 29.81 km per day the

highest ever speed since last 5 years.

Overall road projects exceeding 55,000 km in length, costing more than ₹6.26 lakh crore, are in progress. National highways of 7,767 km length have been completed in the first nine months of FY 2020-21, as against 6,940 km for the corresponding period during the last financial year. The Ministry has scaled new heights in expanding the highway infrastructure throughout the country, despite nation-wide lockdown due to pandemic Covid-19.

## Principal reforms

- The Union Budget 2021-22 allocated ₹1.18 lakh crore for capital expenditure to the Ministry of Road, Transport and Highways.
- The Ministry has signed a Memorandum of Understanding (MoU) with the Federal Ministry of Climate Action, Environment, Energy, Mobility Innovation and Technology of the Republic of Austria to technology collaborations in road infrastructure.
- In November 2020, the ministry issued the 'Motor Vehicle Aggregator Guidelines 2020' to manage shared mobility and decrease pollution and traffic congestion. Mr. Nitin Gadkari, the Union Minister of Road Transport and Highways released a financial relief package of ₹8000 crore to

cater to the working capital requirements of contractors.

- To enhance NHAI's resource mobilization, the Cabinet has accorded the approval to NHAI to set up Infrastructure Investment Trust (s), to monetize completed National Highways that have a toll collection track record of at least one year. Five operational roads with an enterprise value of ~₹5000 crore are also being transferred to the NHAI infrastructure investment trust
- With a view to expanding the project base available with NHAI for monetization under Toll Operate Transfer (TOT) mode and for raising finance against toll receipts from identified Public Funded/Hybrid Annuity Model (HAM) projects through securitization, the Cabinet Committee on Economic Affairs (CCEA) has accorded the

approval for allowing NHAI to raise long term finance from banks by securitizing the user fee receipts from fee plazas as alternate mode of asset monetization.

- NHAI has been authorized by the Ministry in August, 2020 to form Special Purpose Vehicle (SPV), wholly owned by NHAI, for financing, construction and operation of Delhi-Mumbai Greenfield Expressway under Companies Act 2013, which will work on raising low interest capital through securitization of user fee receipts.
- Following important reforms/ changes relating to BOT (Toll) Model, TOT Model and HAM were undertaken during the year 2020 with the aim of ease of doing business in the road sector:

## Outlook

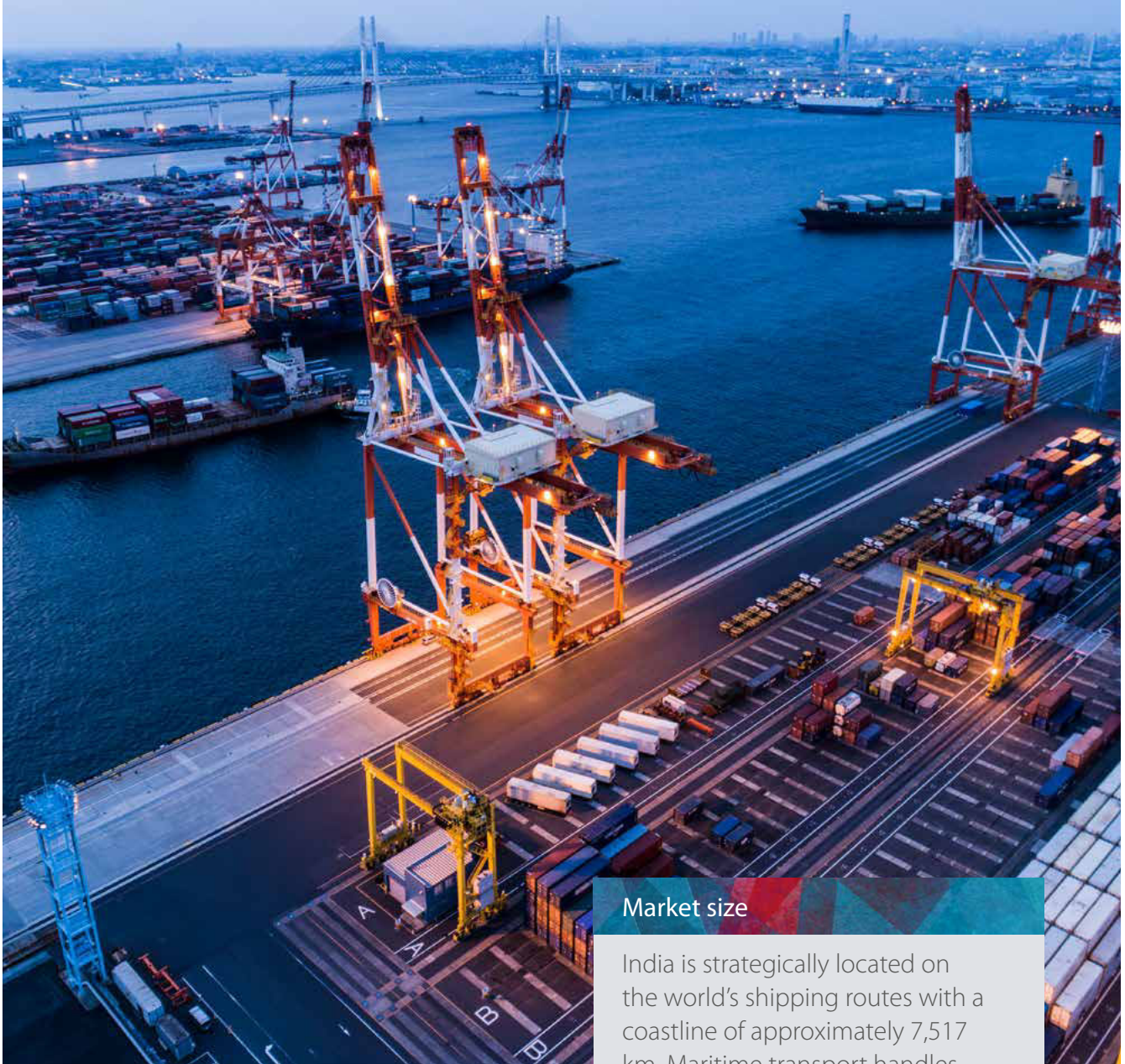
Private sector has emerged as a key player in the development of road infrastructure in India. Increased industrial activities, along with increasing number of two and four wheelers have supported the growth in road transport infrastructure projects. The Government's policy to increase private sector participation has proved to be a boon for the infrastructure industry with many private players entering the business through the public-private partnership (PPP) model.

With the Government permitting 100% Foreign Direct Investment (FDI) in the road sector, several foreign companies have formed partnerships with Indian players to capitalise on the sector's growth. Cumulative FDI in construction development<sup>^</sup> stood at US\$ 25.93 billion between April 2000 and September 2020. The Government's move to cut GST rates on construction equipment from 28% to 18% is expected to give boost to the industry.

The Government of India has allocated ₹111 lakh crore (US\$ 1.4 trillion) under the National Infrastructure Pipeline for FY 2019-25. The roads sector is likely to account for 18% capital expenditure over FY 2019-25

(Source: *ibef.org, MoRTH Annual Report, Indian Express, News on Air, Seminarsonly.com*)

# Marine infrastructure



## Market size

India is strategically located on the world's shipping routes with a coastline of approximately 7,517 km. Maritime transport handles around 70% of India's trading in value terms. The government has also introduced various fiscal and non-fiscal incentives for enterprises that develop, maintain and operate ports, inland waterways and shipbuilding in India. (Source: [Indiaglobalbusiness.com](http://Indiaglobalbusiness.com), Statista)



## Growth drivers

**Technological improvement:** With growing technology investments, India's port efficiency is expected to increase.

**Port efficiency:** There is a growing focus on port efficiency that makes it possible to

turn vessels around with increasing speed, strengthening mutual competitiveness.

**Space productivity:** The shortage of space in existing urban ports is leading to a greater focus on space productivity.

This will result in the increase of India's shipbuilding capacity in the near future. (Source: The wire, Statista, Deloitte)

## National projects

**Sagarmala Programme:** To harness the coastline, 14,500 km of potentially navigable waterways and strategic location on key international maritime trade routes, the Government of India has embarked on the ambitious Sagarmala Programme to promote port-led development in the country. The Sagarmala programme identified 504 projects under four pillars – 211 port modernization projects, 199 port connectivity projects, 32 port-led industrialization projects and 62 coastal community development projects which can unlock the opportunities for port-led development and are expected to mobilize more than ₹3.57 Lakh crore of infrastructure investment.

Between July 2019 to October 2020, 20 Sagarmala projects worth ₹4,543 crore were completed which comprise 9 projects of port modernization worth ₹1,405 crore, seven port connectivity projects worth ₹2,799 crore and 4 Coastal Community Development projects worth ₹339 crore.

**National Highway Project:** The central government has created an outlay budget for national highway projects to the tune of ₹1.18 lakh crore of 8,500 km by March 2022 and an additional 11,000 km of the national highway corridor, which could strengthen port throughput and productivity.

**Maritime India Vision 2030:** The Maritime India Vision-2030, a 10-year blueprint with the aim of overhauling the Indian maritime sector, envisages ₹3 lakh crore investment in port projects that in turn promises to generate employment for 20 lakh persons.

**Inland Water Transport:** Major Inland Water Transport (IWT) projects are under construction in 2020-21 under the Jal Marg Vikas Project (JMVP) on National Waterway-1 (NW-1) (river Ganga) from Haldia to Varanasi. (Source: IBEF, The Hindu, Economic Times)

## Reforms

**National logistics portal:** In October 2020, the Ministry of Shipping in India announced plans to develop a National Logistics Portal (Marine) with end-to-end logistics solutions to help exporters, importers and service providers.

**Budget allocation:** As per Union Budget 2021-22, the total allocation for the Ministry of Shipping was ₹1,800 crore (US\$ 257.22 million). The central government also announced the privatization of seven major ports worth ₹2,000 crore.

**Make in India:** In line with the 'Make in India' policy of the Government of India and to boost shipbuilding, the Ministry of Shipping reviewed the ROFR (Right of First Refusal) licensing conditions on October 22, 2020 for chartering vessels/ships through the tender process for all types of requirements.

**Shipbuilding Financial Assistance policy:** Under the Shipbuilding Financial Assistance policy for Indian shipyards for contracts signed during a ten-year period 2016-2026, an amount of ₹29.02 crores was

released to Indian shipyards for 12 vessels in FY 2018-19; ₹26.97 crores for 7 vessels in FY 2019-20 and ₹5.06 crores was released to Indian shipyards for 3 vessels in 2020-21.

**Reforms:** In February 2021, the Major Port Authorities Bill, 2020 was passed by the Parliament of India. The bill aims to decentralise decision-making and reinforce excellence in major port governance.

(Source: IBEF, The Hindu, Economic Times, pib.gov.in)

## Outlook

Increasing investment and cargo traffic point towards a healthy outlook for the Indian ports sector. Providers of services such as operation and maintenance (O&M), pilotage and harbouring and marine assets such as barges and dredgers are benefiting from these investments.

The capacity addition at ports is expected to grow at a CAGR of 5-6% till 2022, thereby adding 275-325 MT of capacity.

As part of the Sagarmala project, more than 574 projects worth ₹6 lakh crore

(US\$ 82 billion) have been planned for implementation between 2015 and 2035.

In Maritime India Summit 2021, the Ministry of Ports, Shipping and Waterways identified a total of 400 projects worth ₹2.25 lakh crore (US\$ 31 billion) investment potential.

India's cargo traffic handled by ports is expected to reach 1,695 million metric tonnes by 2021-22 according to a report by the National Transport Development Policy Committee.

The government has upped the ante with efforts to improve the scenario through investments in infrastructure development and imbibing more technological solutions. If all goes well, this may turn out to be the best formula to sail past the turmoil, coupled with steps to support trade, policy reforms, efforts to improve hinterland infrastructure, port connectivity and going paperless. (Source: IBEF, logisticsinsider.com)

# Power sector



## Overview

Power is among the most critical component of infrastructure, crucial for the economic growth and welfare of the nation. India's power sector is one of the most diversified in the world. Sources of power generation range from conventional sources such as coal, lignite, natural gas, oil, hydro and nuclear power to viable non-conventional sources such as wind, solar, and agricultural and domestic waste.

## India: Scale and scope of its power sector

India is the third-largest producer and second-largest consumer of electricity in the world, with an installed power capacity of 379.1 GW as of February 2021. A total of 117.9 GW power generation capacity was added between 2015-2021 from conventional and renewable energy sources.

The country generated 1,249,827 BU of electricity in 2020-21 compared to 1,389.10 BU in 2019-20. The PLF in India stood at 53.37% in 2020-21 compared to 55.99% in 2019-20. The government introduced a liquidity infusion of ₹90,000 crores to power discoms for paying pending dues of the generation company. Further, an

additional borrowing limit of 0.25% of GSDP was allowed for specific initiatives in the State power sector.

## Increasing focus on renewable source of energy

Power generation from renewable energy sources in India amounted to 7,356 MW in 2020-21. India's renewable capacity installations reached 94.43 GW as of 31 March, 2021. Solar energy was the biggest contributor in the total renewable energy capacity addition with a share of 30% followed by wind with 17% share. India

managed to add 7,356 MW of total new capacity in the renewable energy sector in 2020-21 compared to 8,711 MW in 2019-20, accounting for 51 per cent of the target (14,380 MW) for 2019-20. Renewable energy accounted for nearly 25% of the total energy mix as against 75% generated from conventional sources (including

electricity imported from Bhutan).

The share of renewable energy (wind, solar, bio-power and small hydro) in installed capacity increased from 11.8 per cent (32 GW in March 2015) to 24.7 per cent (94 GW in March 2020). Renewable energy is estimated at 55% of India's total installed power capacity by 2030.

## Policies and reforms for the power sector

**National Policy on Biofuels:** Launched in May 2018, the government initiated the policy to promote clean environment, employment generation, reduce import dependency, and boost infrastructural investment in rural areas.

**Ultra Mega Power Projects (UMPPs):** UMPP scheme is a tariff-based competitive bidding scheme.

**Saubhagya scheme:** The Pradhan Mantra Sahaj Biji Har Ghar Yojana (Saubhagya) policy was launched by the government with an aim of achieving universal electrification by March 2019. By 2018, a total of 25 states achieved 100% household electrification, which included 23.1 million rural and 844,670 urban households.

**UnnatJyoti by Affordable LEDs for All (UJALA) and Street Lighting National programme (SLNP):** As of December 2020, more than 36.69 crore LED bulbs, 1.14 crore LED tube lights and 23 lakh energy efficient fans were distributed across the country, saving ~47.65 per cent.

**Jawaharlal Nehru National Solar Mission:** Launched in 2010, the government initiated the Jawaharlal Nehru National Solar Mission (JNNSM), which seeks to

promote ecologically sustainable growth while addressing India's energy security challenge. In June 2015, India's Prime Minister Narendra Modi approved setting up the country's solar power capacity target of 100 GW under the JNNSM by 2022. Various incentives such as zero import duty on capital investments and raw materials and low-interest rates and priority lending sector have been set up for 2022 under this mission.

**Green energy corridor:** India received a soft loan of ₹75.26 billion from the German Development Bank for the purpose of implementing the green corridor projects. The aim is to improve the sector framework and conditions for grid integration of renewable energies with conventional power grids. This loan is expected to fund 40% of intrastate and 70% of interstate transmission schemes.

**Ujwal DISCOM Assurance Yojana (UDAY):** This scheme was introduced to improve financial health of DISCOMs and revive power demand. The main focus of this scheme is to ensure sustainability of distribution companies including operational improvement such as AT&C loss reduction. The support for this scheme was estimated at ₹25,913 crore.

**Tariff policy:** It is the mechanism of the renewable purchase obligation (RPO) for the fixation of a minimum percentage of the purchase of energy consumption by the states from renewable energy sources. A special tariff for solar energy among other renewable energies is also provided under this policy.

**Integrated Energy Policy:** This integrated policy recommends focus mainly on renewable energy development and sets specific targets for capacity addition.

**National Smart Grid Mission:** The focus of this mission is to demonstrate smart grid capabilities via a range of initiatives and pilot projects. Total outlay of this mission under 12th Five Year Plan is around ₹980 crore out of which ₹890 crore is allotted to smart grid development and ₹27 crore for micro grid development.



## Union Budget, 2020-21 for the power sector

- The government allocated ₹15,322 crores for the Ministry of Power and ₹5,753 crores for the Ministry of New and Renewable Energy.
- The government proposed to launch a

National Hydrogen Mission for generating hydrogen from green power sources.

- The Union Budget 2021-22 allocated ₹5,300 crores to the Integrated Power Development Scheme (IPDS) and ₹3,600 crores towards the Deen Dayal Upadhyay

Gram Jyoti Yojana (DDUGJY).

- In the Union Budget 2020-21, the government has set a target of installing smart electricity meters in all households across the country by 2023.

## Growth drivers for the power sector

**Rising urbanisation:** India's population is expected to increase from around 1.38 bn presently to 1.52 billion by 2036. This increase in population is expected to increase urbanisation from 34% to 39% by 2036 and increase the demand for cleaner energy.

**Per capita consumption:** India's per capita electricity consumption (1,181 kWh in

FY20) is well below its peers like China and Brazil, indicating headroom for growth.

**FDI inflow:** Total FDI inflow in the power sector reached US\$ 15.23 billion between April 2000 and September 2020.

**NIP:** As per the National Infrastructure Pipeline 2019-25, energy sector projects accounted for the highest share (24%) out

of the total expected capital expenditure of ₹111 lakh crore (US\$ 1.4 trillion).

**Policy support:** Electrification in the country is increasing with support from schemes like Deen Dayal Upadhyay Gram Jyoti Yojana (DDUGJY), Ujwal DISCOM Assurance Yojana (UDAY), and Integrated Power Development Scheme (IPDS).

## Outlook

The power generation capacity is expected to reach 6,19,066 MW by the end of 2026-27 which will include 238,150 MW

from coal, 25,735 MW from gas, 63,301 MW from hydro, 16,880 MW from nuclear and 2,75,000 MW from renewable energy

sources. (Source: Economic Times, IBEF, Mercom, CEA)

# Buildings



## Overview

The global buildings construction market is expected to grow from \$5878.86 billion in 2020 to \$6454.05 billion in 2021 at a compound annual growth rate (CAGR) of 9.8%. The growth is mainly due to the companies rearranging their operations and recovering from the COVID-19 impact, which had earlier led to restrictive containment measures involving social distancing, remote working, and the closure of commercial activities that resulted in operational challenges. The market is expected to reach \$8751.56 billion in 2025 at a CAGR of 8%.



## Indian buildings market at the cusp of growth

Asia Pacific was the largest region in the global buildings construction market, accounting for 44% of the market in 2020. North America was the second largest region accounting for 27% of the global market. Africa was the smallest region in the global buildings construction market. (Sources: the business research company)

The building construction industry in India is expected to record a CAGR of 15% to reach INR 29,782.2 billion by 2024. The residential construction industry in value terms increased at a CAGR of 11.1% during 2015-2019. The commercial building

construction market in value terms is expected to record a CAGR of 16.1% over the forecast period.

Building construction industry in India is expected to record a period of negative / low growth over the next 8 quarters, driven by economic downturn triggered due to COVID-19 outbreak.

While impact across building construction sectors varies, residential, commercial, and industrial segments are expected to be worst affected. Business and consumer sentiment is expected to be on a slow

track to recover due to pandemic, resulting in prolonged distress building construction sectors.

In the residential sector, affordable housing is expected to stay least affected, supported by a mix of public and private spending. Mid-tier and luxury residential construction segments are expected to be severely impacted. Growth across commercial building construction in India, especially office, retail, and entertainment, is expected to record negative growth. (Sources: PR newswire)

## Real estate market size

By 2040, real estate market could grow to ₹65,000 crore (US\$ 9.30 billion) from ₹12,000 crore (US\$ 1.72 billion) in 2019. Real estate sector in India is expected to

reach a market size of US\$ 1 trillion by 2030 from US\$ 120 billion in 2017 and contribute 13% to the country's GDP by 2025. Retail, hospitality, and commercial

real estate are also growing significantly, providing the much-needed infrastructure for India's growing needs. (Sources: IBEF)

## Emerging trends

**Need for larger homes:** People are now looking for larger homes even if they have to move to the peripheries to fit their budgets due to the forced lockdown and the companies preferring work from home model for the employees along with online schooling for children. The public is showing a greater demand for 2.5 BHK and 3.5 BHK residents so that the extra space can be utilised into a makeshift workspace.

**Home layout alteration:** The change in consumer tastes and preferences have led to a change in newer home layouts designed by developers. There is a need of useful and workable homes that can fit in working areas as work from home is the provisional new normal.

**Plotted developments:** Self-owned homes help the residents to maintain better social distancing among themselves as against apartments which has resulted to the increase in demand of plotted developments. There is high demand of smaller plots ranging from 1,500 sq ft to

2,000 sq ft as they are now being offered. As many professionals are working from home at present and will be working in the same mode for a considerable time in the future, one can work from anywhere and is not required to be residing in the main city areas.

**Weekend homes & farmhouses:** The desire to own a second home inside healthy green surroundings has now become the spirit of the urban Indian of course within its financial limitations. If we consider that weekend homes and farmhouses provide greater social distancing then there can be an impeccable rise in demand for such developments. Dehli (NCR) has seen a huge demand for farm houses, and average monthly transactions have increased to 10-12 as against 2-3 in the pre-covid times.

**Luxury projects garnering good interest:** The luxury projects have not been affected much by the pandemic. The developers

are offering a good deal and homebuyers here have a lot of time in their hands to recognize and select the house of their choice.

**Townships traction:** It may be witnessed a growing interest in townships in the coming years owing to the increasing preference to live, work, and play in controlled environments.

**Reverse urbanization:** The increase in reverse migration across the length and breadth of the country due to the choice of urban residents to stay safe with their families is going to boost housing requirements in Tier II-III cities. Work from home being the new normal, working professionals can choose to work from homes as various companies are shifting to work from home mode also resulting to increase in demand of houses in these cities.

**Ready-to-move-in homes:** There is a huge demand for ready to move in homes as



home buyers are looking to buy residential buildings that can be seen, negotiated, evaluated and are readily available.

**Large corporates and branded**

**developers:** Almost 80% of the demand is generated from the end-users and it is significant cater to the deals and offers as per their needs (Source: Financial express)

**Increasing affordability:** Real estate prices have shown an unsatisfactory performance compared to broader per-capita income growth along with consumer price index since 2013. Interest rates on mortgages have also reduced remarkably to very low levels in several decades, which is also very enthusiastic from buyers' point of view. The government through an interest

subvention scheme and tax breaks for developers of low ticket sized housing have concentrated on affordable and mid-income housing. Once Covid-19-related issues are addressed, housing market volumes could enhance over several years on the basis of dormant demand in a supply-deficient market due to emerging affordability specifications.

## Outlook

India has succeeded in keeping the pandemic under control and posting better than expected recovery. The lifting of lockdown and travel restrictions is expected to revive real estate assets, improve income visibility and attract cross-border investments in 2021. Investors are expected to remain moderately cautious and will reposition strategies with improved asset pricing discovery during the year. The low interest rates, and continued monetary stimulus are expected to bring broad-based investment growth. The success of REITs is expected to drive investment momentum with a preference for office assets.

**REITs market to drive investment**

**momentum:** Listing of new REITs is expected to provide opportunities for institutional investors to build asset portfolios or coinvest with existing platforms before the IPO. The evolution of REITs in India has been very successful with all three listed REITs getting

oversubscribed. The recent Brookfield group sponsored REIT, which was opened for subscription on 3rd February 2021, saw a good response with eight times oversubscription. Good sponsor quality, track record, transparency and delivering predictable returns have caught the attention of foreign investors looking for stable yield and regular returns. Landlords owning income yielding core office assets have been forming strategies to list their assets through REITs. The provision of the Union Budget 2021-22, allowing to raise debt from foreign portfolio investors at low cost will lead to more asset acquisitions by REITs. Office assets are expected to the preferred option due to stable rental yields and income visibility.

**Income stability and diversification to**

**gain pace:** The pandemic led uncertainty continues to influence investment outlook. Investors are likely to focus on assets with higher yields and lower rental growth to ensure stability of income. Though

office assets will continue to attract maximum investments, defensive assets like logistics and data centres would provide opportunities and are expected to gain traction. Investments in retail and hospitality would also gain traction in line with economic recovery.

**Higher visibility on asset pricing:**

Asset pricing is expected to improve with resumption of full economic activity during the year. Core office assets with steady incomes are likely to benefit from better price discovery. On the other hand, opportunistic assets are expected to witness more price adjustments as they lack income certainty and entail more risk. Emerging Indian REITs market is expected to attract cross border flows and further improve transparency and asset pricing leading to more mature markets. This loop of increasing maturity and capital flows will lead to investments in Indian real estate scaling new peaks. (Sources: naredco.in)

# Management Discussion & Analysis

## GLOBAL ECONOMY OVERVIEW

The global economy grew at 2.4% in CY 2019, slowing from 3% in CY 2018 amid global trade war, tariff related uncertainties, and Brexit. Chinese growth moderated but held up at 6.1% despite escalation of trade tensions with the United States (US). Amidst trade tensions and Brexit related uncertainty, EU growth also weakened to 1.1%. However, with talks of trade resolution in second half of 2019, Europe started to see some recovery in growth. Brexit, which was a key uncertainty for Europe over the last two years, also saw resolution towards end 2019. The US economy remained relatively strong growing at 2.3%.

Global trade environment remained challenging due to heightened trade tensions. However, negotiations between the US and China since mid-October resulted in Phase One agreement. Partial roll-back of some US tariffs in exchange for Chinese commitments to make additional purchases of US products mark a de-escalation of trade tensions.

Oil prices averaged US\$61/bbl in 2019 supported by continued production cuts and supply constraints from Iran and Venezuela. Global oil demand growth declined to 0.8mbpd in 2019, from 1.2 mbpd in 2018. Oil demand growth continued to be led by China, India and other Asian economies.

Global demand for ethylene increased by 4% y-o-y to 167 MMT in 2019. However, capacity addition across key petrochemical products significantly outpaced demand growth, pushing down prices and margins to multi-year low for these products.

Global growth outlook has changed since the outbreak of COVID-19. There has been coordinated global monetary policy easing and fiscal support from governments. These policy support measures would act as cushions offsetting weakness in growth to some extent. However, global economic activity is likely to contract in 2020 and global growth environment will remain challenging in the short term.

The global economy had its share of upheavals in the year 2019-20. Amid prolonged trade disputes and wide-ranging policy uncertainties, growth suffered broad-based deterioration. Global trade has declined and there has been a marked slowing-down in manufacturing activities, even though the service-sector activity has held up to some extent.

The escalation of tension between the US and China is expected to further dampen global growth. The fall in crude oil prices, occasioned

by changes in the demand supply position and geopolitical events across OPEC+ countries, has also had an impact on commodity prices, which have been largely depressed globally. The pandemic has led to a sharp contraction in the demand for oil and

Commodities and recovery is likely to happen only after global economies tide over the Covid-19 crisis. Fragilities in the financial sector in a number of economies continue to remain a concern, though this has been partly addressed through increased liquidity, which has been boosted by a series of stimulus measures undertaken by all large economies.

## INDIAN ECONOMY OVERVIEW

The Indian economy grew by 4.2% in FY 2019-20 still remaining one of the fastest growing major economies in the world. Industrial activity remained healthy in the beginning of the year, but saw some weakness later. Auto sales suffered due to weak credit conditions, demand softness, and change in regulatory norms. However, services credit averaged at a healthy 10% y-o-y growth even as credit growth deteriorated. Despite weak trade environment amid increasing protectionism, services exports remained resilient at about 8%. On the rural side, with food prices firming up, demand saw some recovery with three-wheeler sales returning to positive growth in December quarter (+8% y-o-y), but reversed the recovery in 4Q.

India's oil demand remained flat in FY 2019-20 as compared to the previous year, with consumption-led demand growth in gasoline (+6.2% y-o-y) and LPG (+6% y-o-y). ATF growth (-3.5% y-o-y) was subdued as air traffic growth remained soft, while diesel demand (-1% y-o-y) was impacted by weaker economic growth. Domestic demand growth for petrochemical products was healthy with polymer and polyester demand growing by 4% and 9.0% respectively.

To improve the economic situation, government took measures to revamp the financial sector by increasing credit outflows by the banks and Non-Banking Financial Companies (NBFC)s, reducing stress in real estate sector, liberalizing foreign direct investment norms, a significant cut in the corporate tax rate, easing tax rules for foreign portfolio investors and start ups and speeding up resolution process under Insolvency and Bankruptcy Code, 2016.

Thrust on policy initiatives continued. FY 2019-20 saw consolidation of Public Sector Banks, which should strengthen the banking sector. Non-performing loans in the banking sector have come down to

9.3% from >10% before FY 2019-20. Resolution under the Insolvency and Bankruptcy Code (IBC) is bringing procedural predictability with higher recovery rates (43% in 2019 vs 14% in 2017). With continued policy initiatives, India further continued its climb in the Ease of Doing Business rankings, climbing up 14 places to reach the 63rd rank. India is the only major country to have moved up by 67 places in just 4 years. FY 2019-20 also saw corporate tax cut being announced, further easing business environment. Government also announced significant rebates for new manufacturing units to attract global supply chains. Outbreak of COVID-19 would make growth environment challenging in first half of FY 2020-21 but liquidity measures announced by the government should help provide support.

Domestic data usage and use of digital platforms continue to gain traction in India. Reliance Jio has become the second largest single-country operator in the world. The extra-ordinary circumstances unfolding in 2020 has underscored the need for strong data networks. Increasingly, digital platforms have become critical for home, business and school connectivity. Digital transactions also continue to accelerate with UPI payments reaching 10% of GDP from just 0.7% of GDP in FY 2017-18, while credit card growth continued to be strong at 24% y-o-y. Similarly, personal credit remained strong at about 17% y-o-y reflective of the underlying consumption demand. While continuing to grow its organised retail platform, Reliance Retail is working to integrate producers/ manufacturers, supply chain, small merchants and consumers in a seamless digital ecosystem that will benefit all elements of the retail chain.

Real GDP growth has slowed down from 6.1 per cent in fiscal 2018-19 to 4.2 per cent in the backdrop of the slowdown in private consumption, lower tax collections, fund allocation challenges at the State and Central Government levels, and a sharp slowdown in credit growth. To overcome the slowdown, various reforms were announced by the Government in FY 2019-20, viz. reduction in corporate tax rates, a scheme to provide a one-time partial credit guarantee to public sector banks

(PSBs) for purchase of pooled assets of financially sound non-banking financial companies (NBFCs), recapitalization of public sector banks, relaxation of external commercial borrowing guidelines for affordable housing, setting up of a Realty Fund for stalled housing projects, merger of 10 public sector banks into four entities and revised Priority Sector Lending (PSL) norms for exports.

Private sector investments continued to be muted in the areas of industrial capex and building infrastructure. Public sector spending, however, remained firm and was robust in the areas of core infrastructure, driven by the Government's commitment to boost investment across multiple infrastructure sectors. The Government also announced the National Infrastructure Pipeline (NIP) of projects worth ₹100+ Lakh Crore up to FY25, with a focus on energy, roads, railways, urban infrastructure and irrigation projects to provide a much-needed productivity boost to the Indian economy and fulfil India's aspiration to become a USD 5 trillion economy by 2025. The NIP, coupled with other 'pro-business' policy initiatives, is expected to lead to a rebound in domestic demand in the medium and long term.

#### **COVID-19 PANDEMIC**

The impact of the COVID-19 pandemic has created significant volatility in the global economy and led to reduced economic

activity. There have been extraordinary actions taken by international, federal, state, and local public health and governmental authorities to contain and combat the outbreak and spread of COVID-19 in regions throughout the world, including travel bans, quarantines, "stay-at-home" orders, and similar mandates for many individuals to substantially restrict daily activities and for many businesses to curtail or cease normal operations. The pandemic has resulted, and may continue to result, in significant economic disruption that has and likely continue to adversely affect our business.

The ultimate impact of the pandemic on our business, results of operations and financial condition will depend on numerous evolving factors and future developments, including the ultimate duration,

Spread severity and repetitiveness of the outbreak; the ultimate extent and duration of its effect on the global economy and how quickly and to what extent normal economic and operating conditions resume.

Consistent with the actions taken by Indian governmental authorities, in late March 2020, our operations were also suspended for a period of time and recently we have resumed operations/projects at all of our projects. In addition, government-imposed restrictions on businesses, operations and travel and the related economic uncertainty have impacted to our projects.

As at March 31, 2020, the Company reviewed its business and operations to take into consideration the estimated impacts and effects of the COVID-19 pandemic, including the estimated impact on the macroeconomic environment, the market outlook and the Company's projects.

The pandemic and the nationwide lockdown that it triggered have dealt both demand and supply shocks to the economy, with wide ramifications on revenue collections and economic growth. It is likely to take quite some time for the consequent stress in the economy to be relieved and for growth to revive. The crisis has prompted the Government to announce a series of monetary and fiscal relief packages designed to inject liquidity into the system and provide relief to stressed sectors. While these stimulus measures will provide relief to the affected people and some industries, the slowdown in economic activity is expected to significantly lower India's GDP growth in FY 2020-21.

Global supply chains have also been threatened by the pandemic. Governments around the world have been quick to respond to the crisis by implementing meaningful stimulus measures through a combination of fiscal and monetary easing, increased health spending and direct support to cover losses in incomes and revenues. Sustained efforts from Governments, focused on these measures could soften the economic impact of the Coronavirus.

Against this backdrop, the Company has undertaken a series of measures to mitigate the crisis, which includes securing the safety and livelihood of its staff and subcontracted labour working at project sites, curtailing and reducing overheads at all operating levels, enhancing liquidity on its Balance Sheet through increased market borrowings and controlling working capital requirements through a mix of judicious cashflow planning and measured project execution.



## INDIA'S INFRASTRUCTURE SECTOR OVERVIEW

Currently the economy is opening up with restrictions on construction activities completely lifted.

The lockdown has led to a reduction in consumption demand in the country, leaving government spending in social sectors as the key driver of economic growth. The opportunities for the business in the upcoming year will be majorly from Healthcare industry, as increased government spending is expected in this segment. Also, there is a negative sentiment about China and many countries currently are looking to move out of China which was their manufacturing base. This is expected to trigger opportunities for the factories segment in B&F as most companies are likely to set up their manufacturing establishments in India. However, the commercial and residential real estate business in the country will witness a prolonged impact of the pandemic. The investments into the development of Airport construction may slow down and are expected to rebound only during the latter part of FY21.

The major challenge for the construction industry will be supply chain disruptions including limited availability of labourers as the migrant workers constituted a very large share of the workforce. The business has already initiated the implementation of long-term solutions to face such challenges like reducing the dependency on human resources by leveraging advanced construction technology.

Also, the business is considering implementation of techniques like Zero Based Budgeting for cutting down unnecessary expenses and optimizing resource utilization.

On the international front, B&F will employ a cautious approach in the Middle East and also while exploring opportunities to enter new geographies like Bangladesh and Africa.

The business is confident of its ability to tide over the challenges arising from subdued demand and executional challenges through its customer-centric approach, construction expertise and technology leadership in the industry.

The Government of India has taken major steps to empower the economic accreditations of the country and make it one of the powerful economies in the world. It is striving to move steadily to reduce structural and political bottlenecks, attract higher investment and improve the overall economic performance.

Infrastructure is the backbone of our economy and society at large, ranging from the roads, rails to electricity that lights or heats our homes to the water we drink by investing in core infrastructure businesses that deliver essential services throughout the economic cycle. The Government of India is extremely keen on developing the infrastructure sector in the country. This is clearly evident through several initiatives announced for this sector as part of the Budget 2019-20. Infrastructure has become the priority segment in the Union Budget.

Presently, the world economy is facing a downturn triggered by the COVID-19 pandemic, which has spread to almost all the countries across the globe. The Infrastructure industry is among one of the badly affected industries due to the contagion-led lockdown and eventual new norms of working. It has also impacted the supply chain and the availability of the workforce.

### Roads & Transportation Sector

India has the second largest road network in the world, constituting

over a total of 5.6 million km in length. Over 65% of all goods in the country are transported via roads, while 90% of the total passenger traffic uses road network to commute on a day to day basis.

The government's ambitious infrastructure development plan aims to provide significant opportunities for investors and market players to help change the sector and partner India's socio-economic progress.

India has surpassed its own capacities by extending its capabilities beyond the national boundaries via road connectivity. The transportation sector has been highly responsible for propelling India's overall development. The Government of India has intensified its focus on this sector by initiating policies that would ensure time-bound creation of world class infrastructure in the country at a breakneck pace.

India's total road length includes National Highways (NHs), Expressways, State Highways (SHs), district roads, PWD roads, and project roads.

The network can be sub-divided into three categories for a total length of 5,600,000 km:

State Highways - They form 3% of the total roads in India totalling a length of 176,166 km.

National Highways - They form merely 2% of the total roads in India envisaging a total length of 115,530 km.

District and Rural Roads - They form 95% of the total roads in India envisaging a total length of 5,326,166 km.

The NHAI has a bid pipeline of ~₹700 bn comprising of roughly equal number of projects on EPC basis and HAM basis. While most of these projects have been in the bid pipeline since the start of 2019 the NHAI is yet to conclude awarding them due to delays in financial closures of previously awarded projects, code of conduct during elections and delays in achieving conditions precedent. Road developers now expect these projects to be awarded starting H2 - 2019 and gain momentum in H2-2020.

The NHAI is targeting to award 3000 km of highway projects on BOT (toll) basis in FY20. The Ministry of Road Transport and Highways (MORTH) has identified these projects as being bankable based on their current traffic counts and growth potential. The NHAI has also held discussions with developers and other stake holders for changes required in the concession agreement for toll projects in order to make them more palatable. Despite this, the participants felt that awarding such a large quantum of projects on BOT basis appears difficult given the challenges of limited number of bidders for such projects and aversion in the banking system for financing such projects. Under the Bharatmala Pariyojana, about 35,000 km of roads will be developed in Phase-I at an estimated cost of ₹5,35,000 Crore The Government is planning to introduce toll system on 'pay as you use' basis.

The government announced that accelerated development of highways would be undertaken, including development of 2,500 km access control highways, 9,000 km of economic corridors, 2,000 km of coastal and land port roads and 2,000 km of strategic highways. The Delhi-Mumbai Expressway and two other packages are targeted to be completed by 2023 and work on the Chennai-Bengaluru Expressway would also be started.

The government also stated that the FASTag mechanism encourages towards greater commercialization of highways enabling the NHAI to raise more resources. It was proposed to monetize at least 12 lots of highway bundles of over 6,000 km before 2024.

While monetization of 12 lots of highway bundles is a welcome move, it would be important to see whether timely monetization is actually achieved in a manner that enables NHAI to decrease its debt burden. Given the tepid response received for the previous TOT bundles, it would be crucial to ascertain whether the Central Government proposes another model for the monetization or amends the TOT model as envisaged by the Cabinet in November 2019. The geographies of the identified bundles would be key.

### **Housing Sector**

Under the "Housing For All by 2022" programme, the Government envisages pucca houses with water connections, toilet facilities, and 24x7 electricity. Under the Pradhan Mantri Awaas Yojana (PMAY), the Government intends to construct 22mn affordable houses by spending ₹3 trillion by 2022. Under this ambitious plan, 12mn units are proposed to be built in urban entailing a cost of ₹1.86 trillion and 10 mn units are proposed to be built in rural entailing a cost of ₹1.27 trillion.

#### **Rural housing**

The Government plans to spend ₹3.5 trillion to build 30mn houses under the National Gramin Awaas Mission (NGAM) for the homeless by 2022 in rural areas.

#### **Urban housing**

The Central Government has a plan to roll out the following schemes for development:

Redevelopment of slums with the participation of private helped by a central grant of ₹1Lakh per beneficiary. State governments can use this grant as viability gap funding for any slum redevelopment scheme.

An interest subsidy of 6.5% on housing loans up to tenure of 15 years to EWS and LIG beneficiaries will be provided for loan amounts up to ₹6 Lakh.

Central assistance of ₹1.50 Lakh per beneficiary to promote housing stock for urban poor with the involvement of private/public sectors.

Subsidy for beneficiary-led individual construction or enhancement, Central assistance of ₹1.50 Lakh each to eligible urban poor beneficiaries to help them build own houses or undertake improvements to existing ones.

#### **Smart Cities Project**

Smart Cities Mission referred to as Smart City Mission is an urban renewal and retrofitting program by the Government of India with the mission to develop 100 cities across the country making them citizen friendly and sustainable.

Smart Cities Mission envisions developing an area within 100 cities in the country as model areas based on an area development plan, which is expected to have a spill-over effect on other parts of the city and nearby cities and towns. Cities will be selected based on the Smart Cities challenge, where cities will compete in a countrywide competition to obtain the benefits from this mission. As of January 2018, 99 cities have been selected to be upgraded as part of the

Smart Cities Mission after they defeated other cities in the challenges.

### **POWER SECTOR**

The Government hinted about the Central Government's intention to provide a push for solarization of farms. The Finance Minister Nirmala Sitharaman (FM) has proposed support to the farmers for setting up solar powered hand pumps and grid connected solar plants on barren lands owned by farmers. The Central Government hopes that the sale of power generated from the farmers' solar power plants through the grid would provide promising income to the farmers.

Acknowledging India's best effort commitments to the Paris Agreement signed in 2015, the FM has recommended that the concerned power utilities close old thermal power plants having high carbon emissions than permitted.

The FM also urged the State Governments and Union Territories to adopt smart metering systems instead of the conventional ones which would not only help in checking payment defaults (due to prepaid metering) but will also provide the customer with the ability to choose the power supplier. This is a welcome move, but many more reforms are required to aid ailing DISCOMs.

In the passing, the FM also spoke about deliberations by the Government on honoring of the terms of its contracts. It may be inferred that this, in part, has to do with the recent arm twisting of power developers by state DISCOMs/State Governments by renegotiating the power tariffs and the terms and conditions of the renewable power purchase agreements.

The FM proposed an allocation of INR 220 billion for the power and renewable energy sector. The FM has proposed to extend the new concessional corporate tax rate of 15% to new domestic companies engaged in the generation of electricity in order to incentivize investment in the power sector.

With respect to the oil and gas sector, the government announced that reforms will be undertaken to make natural gas price discovery more transparent and facilitate ease of transactions. Additionally, the FM also announced that the existing national gas grid will be expanded from 16,200 km to 27,000 km.

While the FM acknowledged the never ending stress over DISCOMs, nothing was proposed on how the Central Government would address the present situation. In her previous budget speech in July 2019, the FM mentioned that the performance of the efforts to address the DISCOM stress including the success of Central Government's UDAY Scheme is being evaluated. However, the FM did not discuss the same in this speech. It may be advisable for the Central Government to focus on the more critical concerns that have been looming over the power sector such as, fuel supply issues, easing the renewable purchase obligations, cross - subsidy surcharge, pilferage and transmission losses, transmission capacity augmentation and open access availability, payment defaults by DISCOMs and compliance of their obligations under the power purchase agreements (such as providing payment securities to the developer/power supplier), the long pending amendments to the Electricity Act, 2003 and the captive power rules, anti-dumping, building indigenous capabilities for renewal equipment and technologies etc.

Indian power sector is undergoing a significant change that has

redefined the industry outlook. Sustained economic growth continues to drive electricity demand in India. The Government of India's focus on attaining 'Power for all' has accelerated capacity addition in the country. At the same time, the competitive intensity is increasing at both the market and supply sides (fuel, logistics, finances, and manpower).

Some initiatives by the Government of India to boost the Indian power sector:

The Ministry of New and Renewable Energy set solar power tariff caps at ₹2.50 (US\$ 0.04) and ₹2.68 (US\$ 0.04) unit for developers using domestic and imported solar cells and modules, respectively.

National Policy on Biofuels, the expected benefits of this policy are cleaner environment, employment generation, reduced import dependency, boost to infrastructural investment in rural areas and additional income to farmers.

The Government of India has released its roadmap to achieve 175 GW capacity in renewable energy by 2022, which includes 100 GW of solar power and 60 GW of wind power. The Union Government of India is preparing a 'rent a roof' policy for supporting its target of generating 40 gigawatts (GW) of power through solar rooftop projects by 2022. Coal-based power generation capacity in India, which currently stands at 191.09 (As of May 2019) GW is expected to reach 330-441 GW by 2040.

#### **WATER INFRASTRUCTURE SEGMENT**

India occupies 2 percent of the world's land area, represents 16 percent of the world population and 15 percent of livestock, whereas it has only 4 percent of the water resources of the world. Water demand in next few years till 2025 is expected to grow by over 20 percent, fuelled primarily by the industrial requirements which have been projected to double from 23.2 trillion litres at present, to 47 trillion litres. Domestic demand is expected to grow by 40 percent from 41 to 55 trillion litres, while irrigation will require 14 percent more to 592 trillion litres up from 517 trillion litres being used currently. The standing subcommittee of Ministry of Water Resources has estimated that the water demand will escalate from 813 billion cubic meters (bcm) in 2010 to 1,093 bcm in 2025 to further 1,447 bcm by the year 2050.

The Central Government has recently integrated the Ministry of Water Resources, River Development and Ganga Rejuvenation with the Ministry of Drinking Water and Sanitation leading to formation of the Jal Shakti Ministry. This initiative seeks to consolidate efforts towards water conservation with delivery of water for drinking and sanitation with a target to have access to piped water supply for all households by 2024. The Government also plans to work closely with states on this programme to integrate projects with the irrigation coverage being targeted by them.

Major water projects being undertaken by the Government are:

Namami Gange Programme focuses on cleaning the Ganga

Atal Mission for Rejuvenation and Urban Transformation (AMRUT)

National Water Quality Sub Mission on Arsenic and Fluoride to provide safe drinking water to about 28,000 affected habitations in the country by March 2021 with an outlay of ₹ billion.

'Har Ghar Jal' (water in every household) is another scheme with a mission to provide piped drinking water supply to all households by 2030.

In order to increase the efficiency of sea-ports, the government proposed to implement a governance framework in line with global benchmarks. Further, it has also been proposed to corporatize at least 1 major port and subsequently list it on the stock exchanges.

As regards inland waterways, the FM announced that the Jal Vikas Marg on the 1,620 km Haldia-Allahabad stretch of river Ganga would be completed. Further, the 890 km Dhubri-Sadiya connectivity was proposed to be done by 2022. The FM announced that in consonance with Arth Ganga, plans are being prepared to energize economic activity along river banks.

Corporatization of ports would go a large way in improving operational efficiencies which has been a challenge with India's major ports. It would be interesting to see the way this would be achieved and to also evaluate the global benchmarks that are introduced by the Central Government.

#### **RAILWAY SEGMENT**

The Indian Railways is among the world's largest rail networks. The Indian Railways route length network is spread over 115,000 km, with 12,617 passenger trains and 7,421 freight trains each day from 7,349 stations plying 23 million travellers and 3 million tonnes (MT) of freight daily. India's railway network is recognised as one of the largest railway systems in the world under single management.

The Government of India has focused on investing on railway infrastructure by making investor-friendly policies. It has moved quickly to enable Foreign Direct Investment (FDI) in railways to improve infrastructure for freight and high-speed trains. At present, several domestic and foreign companies are also looking to invest in Indian rail projects.

The Indian Railway network is growing at a healthy rate. In the next five years, the Indian railway market will be the third largest, accounting for 10 per cent of the global market. Indian Railways, which is one of the country's biggest employers, can generate one million jobs, according to Union Minister for Railways and Coal. Indian Railways is targeting to increase its freight traffic to 3.3 billion tonnes by 2030. It is projected that freight traffic via the Dedicated Freight Corridors will increase at a CAGR of 5.4 per cent to 182 MT in 2021-22.

The Indian Railways is planning its highest outlay of ₹1.61 Lakh Crore for FY 2020-21, an increase of over ~3% on last year's outlay of ₹1.58 Lakh Crore.

The conventional projects of the Indian Railways continue to get a big thrust, backed by strong institutional funding like LIC, IRFC, etc. The Indian Railways is planning to tackle Mainline Capacity constraints through a New Line of ~5,000 km, Capacity Augmentation (Doubling & Tripling) of ~12,000 km and Gauge Conversion of ~2,500 km in the next five years. About 10,000 km of electrification is also expected to be awarded under the banner of 'Mission Electrification' over the next four years.

There is a major thrust on electrification of the entire railway network by 2024. New projects including port connectivity dedicated rail links, etc., are planned to be implemented through SPVs owned by State-Centre JVs.

Tendering for three New Dedicated Freight Corridors is to be initiated in the next 2-3 years. India is well on its way to creating a world-class MRT system as an integral part of community infrastructure development across all metros and major cities, including Tier



1 and Tier 2 cities in the country. System works in MRTS provide good business opportunities; nevertheless such opportunities are increasingly becoming multiple smaller packages, especially in Tier 2 cities, and hence may not be attractive enough for the business to participate in.

The Indian Railways has floated tenders for a Detailed Project Report (DPR) on each new Dedicated Freight Corridor. The Government has not yet secured funding for these projects. Certain packages are being contemplated on the PPP mode. Packages worth ~₹68,000 Crore are expected to be finalized in the next five years. On the international front, the focus is on the neighbouring geographies and in geographies where the business already exists. The funding needs to be through secured sources, such as the Indian Government or from any bi-lateral / multilateral agencies like JICA.

The government envisions the setting up of "Kisan Rail" through PPP arrangements, with a view to attaining a seamless national cold supply chain for perishables, inclusive of milk, meat and fish. Equipping express and freight trains with refrigerated coaches is also identified under the theme "Aspirational India" in the Union Budget.

As regards railways, the Central Government's focus has been on fostering economic development through optimization of costs and ensuring greater connectivity through the following:

Increase in the number of Tejas type trains;

High speed train between Mumbai and Ahmedabad;

Setting-up a large solar power capacity alongside the rail tracks on the land owned by the railways;

Re-development projects for 4 stations and operation of 150 passenger trains would be done through PPP mode;

Grant of financial assistance for the 148 km long Bengaluru Suburban transport project;

The Union Budget reinforces the importance of raising resources through PPP for network strengthening, connectivity and modernization of Indian Railways. In light of the announcement by the FM that bidding for various PPP projects is underway, it is clear that effective steps are being taken to make the sector on railways amenable to private investment. Insofar as the setting up of large solar power capacity alongside the rail tracks on the land owned by the railways has been envisioned, it remains unclear whether land owned by private players will be excluded for the purpose, in a scenario where the stretch of land alongside the rail tracks owned by the Indian Railways is not contiguous.

## **BUSINESS OVERVIEW**

Supreme Infrastructure India Limited (SIIL) is a public limited company with its head office near IIT Powai, Mumbai. Being promoted by Mr. Bhawanishankar Sharma, SIIL has gradually attained its trademark of being a diversified infrastructure EPC player with an imminent presence across numerous industries. The company undertakes high-scale projects across roads, bridges, railways, power, buildings, irrigation and sewerage. The company has a sturdy presence in the roads BOT segment, where it has undertaken 10 projects, out of which 2 projects are operational, 2 projects are under construction 2 projects are terminated and remaining under and remaining projects under process to conveying and discussion with respective authority.

However, the momentum of project awards suffered due to delays in bid evaluations, board approvals, etc., towards the end of the FY, and was further aggravated due to the impact of COVID-19 in March 2020. These delays have affected the much-anticipated order inflow for the business.

## **FINANCIAL OVERVIEW – STANDALONE**

Total Revenues from Operations decreased by 39.73 % to 22,076.37 Lakh on a YoY basis as compared to ₹55,563.15 Lakh. in FY 2019.

Loss decreased to ₹(49,093) Lakh from ₹(110,854) Lakh in FY 2019.

## **OPPORTUNITIES**

The Infrastructure sector in India is traversing through one of its most interesting phases today. If we look at our growth pattern over the past few years, we will realize how important it is for a country to have a strong infrastructure to enable growth and development. It's imperative that the nation prepares itself for the future and the next anticipated growth curve. Infrastructure projects, such as urban public transport systems like metros, expressways, superior quality highways, flyovers, and world class airports will enable us achieve the next trajectory with higher GDP growth.

There is a huge opportunity for other allied sectors to participate in the infrastructure sector's growth across India. A huge gap in demand and supply of power, additionally plagued by the losses in transmission and distribution provides an opportunity to augment this requirement.

Opportunities in water and environmental engineering are immense. Investment of ₹2.3 trillion (\$55 billion) is proposed for water resource management in the eleventh five year plan. Moreover, India's water market is one of the largest in the world, with approximately one-third of the total estimated value dedicated for water provisioning, one-third for municipal water treatment, and the remaining one-third for industrial water treatment. The overall annual growth rate is 15-20 percent, with the drinking water and industrial segments growing even more rapidly. India's urban water demand is expected to double and its industrial demand triple by 2025. The PPP model will be crucial to accelerate growth and increase output and efficiencies in this sector. In addition to this, we also need more foreign collaborations so that we can replicate models that have worked elsewhere in the world after suitable customization to Indian conditions. Also, integrated solutions are the need of the hour. We need to ensure the clients engage with one single partner for construction, operation, maintenance, and management to ensure ownership. Important steps to accelerate infrastructure growth in our country are initiatives such as public-private-partnership, a long term contractual partnership between private and public sector agencies, specifically financing, designing, implementing, and operating infrastructure facilities.

India boasts of having one of the largest road networks in the world, spanning over a total of 5.6 million km. The country uses roadways to transport 64.5 per cent of goods and 90 per cent of the total passenger traffic prefers to use road networks for commuting. The Government of India plans to increase the length of national highways from the current record of 122,432 km to 200,000 km. During FY18-19, the Government of India allocated ₹71,000 Crore (US\$ 10.97 billion) for the development of national highways across the country, signifying a rising budget allocation for the road sector.

The value of the total roads and bridges infrastructure in India is estimated to expand at a CAGR of 13.6 per cent.

The Government has given a massive boost to infrastructure by allocating ₹5.97 Lakh Crore (US\$ 92.2 billion) for infrastructure. There is a growing participation of the private sector through Public-Private Partnership (PPP). The Government of India plans to invest ₹1.45 Lakh Crore (US\$ 22.40 billion) towards road infrastructure in North-East region. Between FY09 and FY19, the budget outlay for road transport and highways increased at a robust CAGR of 20.91 per cent. In FY17-18, national highways of 9,829 km in length were constructed with 20 per cent growth from 8,231 in FY16-17.

### CONCERNS

**Credit availability:** The private sector is reliant on commercial banks in a bid to raise debts for Public Private Participation (PPP) projects. But with commercial banks constrained by sectoral exposure limits and leveraging for large Indian infrastructure companies, it has become difficult to finance the PPP projects. It is seen in the recent years that credit availability has become one of the most significant threats. The sector has witnessed a curbed financing from banks and other institutions. Mostly, the banks have exhausted their lending limit to companies and in some cases, the parent companies as well. Therefore, attempting to find viable funds has become increasingly difficult. In order to tame the situation, Hybrid Annuity Model (HAM) was introduced with a vision to revitalise and bring order to the sector. But even this method shows a bleak remedy as most of the awarded HAM projects are currently battling for funding and financial closure.

**Business environment changes:** Domestically, the business environment remained unfavourable for PPP players. The Government has transferred the mode of delivery from PPP to EPC projects. As per this move, the Company has also ventured into the EPC sector. Since the introduction of GST, the regulation is closely monitored and adhered to as it can have both an ascending and descending consequences for the sector. Other policies put in place, such as, strict control on mining activities and a ban placed on the use of river sand in many states has the possibility to affect the design of Company's existing projects. Such regulations are expected to be followed by others which might affect the company.

**Market competition:** With the Government enthusiastic on promoting EPC contracts, such markets poses a bigger threat to the Company's business. The Company has ventured into the EPC sector and is setting a target to bid for large & complex EPC projects. It is also looking to develop an in-house enterprise such as a construction contractor in a mid-size segment.

The Company is also on the lookout for BOT Toll and Annuity projects bid out by the Government. However, market players have become more cautious due to financial limitations, which have led to more reasonable bids. Many projects that were put out for bids on HAM/BOT Toll & Annuity has failed to attract bidders since most of them were in the form of re-bidding. This was due to non-receipt of bids tendered in the prior bidding process or on the account of termination of concessions granted.

**Dispute resolution and claims settlement:** Recently, a minor improvement is witnessed in the claims settlement. However, the pace continues to be slow and tedious. Closure of arbitration and accrual of claims is significant in restoring concessionaire trust and ensuring timely completion. The pathway is set to initiate

an independent regulator for the road sector so that this issue is addressed comprehensively.

### SWOT ANALYSIS

#### Strengths

- EPC experience across a range of infrastructure projects (roads, bridges, power, water, housing etc.)
- Encouraging order book
- Six BOT road projects and four under construction projects under management

#### Weaknesses

- Operations concentrated in Maharashtra
- Largely focused on the roads and highways segment
- Defaulted on servicing debt (outstanding borrowings of approximately ₹3,994 Crore as on 31.12.20).
- Operations affected due to a liquidity crunch
- Reduced fund mobilization capability; weak growth prospects
- High working capital outlay
- Difficulty in obtaining required NFB limits
- Time and cost overruns in project execution.

#### Opportunities

- Successful debt restructuring
- Growing opportunities in private sector infrastructure projects
- Opportunities in sectors beyond roads and bridges
- Expansions beyond Maharashtra

#### Threats

- Unfavourable working capital management
- Need to mobilise debt for PPP projects from commercial banks (constrained by sectoral exposure limits)
- Lengthy consuming regulatory approvals (land acquisition, environment clearances etc.)
- High contingent liabilities and commitments can derail revival if they materialize
- Increase in worker costs following the Covid-19 pandemic
- Revised standard operating procedures incorporating social distancing, personal protective equipment and hygiene to increase project costs

### RISK MANAGEMENT

The Company identifies that evaluation and effective management of their risks is crucial for keeping its performance steady and delivering adequate value to its shareholders. The Company keeps assessing risks at regular intervals and takes measures to mitigate the same.

Land acquisition is a critical factor. Very often, there are delays in handing over encumbrance-free land and Right of Way, impacting progress of work and idling of resources. Commercial terms in the business are getting tougher, resulting in working capital pressures. The sector is also exposed to delays in various approvals, leading to a domino effect. Extreme environmental events (such as

unprecedented rainfall), National Green Tribunal bans and construction bans due to pollution pose an adverse risk to the business.

### **INTERNAL CONTROLS**

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

The Company maintains a robust framework of internal controls sized appropriately with the nature of business, size of operations, geographical spread and changing risk complexity, which are impacted by varying internal and external factors. This framework forms the building blocks of a strong corporate culture of good governance.

The Corporate Governance is strengthened by a 'Code of Conduct' applicable to the employees and implementation of a separate

'Code of Conduct' for Business Partners, which reinforces ethical behaviour by aligning them to the unique corporate culture and values of the Company. The whistle-blower mechanism forms another integral component of the internal control system, which is overseen by the Audit Committee. It is available to both employees and business partners, to enable them to raise genuine concerns about any actual or suspected ethical / legal violations or misconduct or fraud, with adequate safeguards against victimisation, fear of punishment or unfair treatment. The Company also has an institutionalised mechanism of dealing with complaints of sexual harassment through a formal committee constituted in line with the Company's Policy on 'Protection of Women's Rights at Workplace' under relevant statutory guidelines. This policy has been widely disseminated across the Company and all complaints are addressed in a time bound manner.

### **HUMAN RESOURCES**

The Company believes that satisfied, highly-motivated and loyal employees are the base of any competitive and growing organization. Therefore, it strives to build a highly skilled and qualified workforce, supported by a safe and healthy work atmosphere. The Company has built a work culture based on sincerity, hard work and a pursuit for perfection. It holds regular training sessions to upgrade the skills and the knowledge base of its employees. Moreover, the company ensures that it recognizes and rewards exceptional performance by its employees' time and again. As on 31st March 2020, the Company had over 160 employees.



# Corporate Information

## BOARD OF DIRECTORS

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

**Mr. Vikram Sharma**  
Managing Director

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

**Mr. Vinod Agarwal**  
Independent Director

**Mr. S.K.Mishra**  
Independent Director

**Mrs. Payal Agarwal**  
Independent Director

**Mr. Dakshendra Agarwal**  
Independent Director

## STATUTORY AUDITORS

**Ramanand & Associates**  
Chartered Accountants

## BANKERS & INSTITUTIONS

State Bank of India  
Union Bank of India  
Punjab National Bank  
Bank of India  
Central Bank of India  
Canara Bank  
Syndicate Bank  
ICICI Bank Ltd.  
Axis 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

## CIN

L74999MH1983PLC029752

## REGISTRAR AND TRANSFER AGENTS

**BIG SHARE SERVICES PVT. LTD.**  
1st Floor, Bharat Tin Works Building,  
Opp. Vasant Oasis Apartments,  
MaroL, Maroshi Road, Andheri East,  
Mumbai 400059  
Tel: +91 22 6263 8200

# Directors' Report

To  
The Members of

## SUPREME INFRASTRUCTURE INDIA LIMITED

Your Directors have pleasure in presenting their 37th Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2020.

### 1. HIGHLIGHTS/ PERFORMANCE OF THE COMPANY

(₹ in Crore)

Sl. No.	Particulars	31-03-2020	31-03-2019
	Income from operation	220.76	555.63
	Other income	11.03	24.09
	Total Income	231.79	579.72
2	Profit before Interest, Depreciation & Tax	9.091	(646.57)
	Less: Interest/ Finance Charges	481.45	438.15
	Depreciation	18.54	21.03
3	Profit / (Loss) before Exceptional Item and Tax	(476.61)	(409.26)
	Exceptional Item	14.31	696.48
	Less: Provision for Tax/ (Credit)		
	Current Tax	0	2.79
	Deferred Tax	0	0
	Tax adjustment for earlier years	0	0
4	Profit / (Loss) After Tax	(491)	(1108.54)

### OPERATION AND PERFORMANCE REVIEW

During the year under review, the Company's income from operations and margins were under stress as compared to the previous year. Total Income during the year was ₹231.79 Crore as compared to ₹579.72 Crore. in the previous year. The Net loss after Tax was ₹491 Crore as compared to 1108.54 Crore loss in the previous year.

No Material changes and commitments have occurred after the close of the financial year till the date of this report, which may materially affect the financial position of the Company.

### 2. DIVIDEND

In view of the losses incurred and stressed financial resources, your Directors do not recommend any dividend on Equity Shares and Preference Shares for the year under review. Consequently, no amount is transferred to reserves for the year ended 31st March, 2020.

### 3. TRANSFER OF UNPAID / UNCLAIMED AMOUNTS TO INVESTOR EDUCATION AND PROECTION FUND (IEPF)

During the year under review, the Company has credited ₹39,290 to the Investor Education and Protection Fund (IEPF) pursuant to

Section 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund (awareness and protection of investors) Amendment Rules, 2014.

### 4. FINANCE

During the year under review, the Company's Financials were under severe stress on account of several factors like Covid 19 pandemic, delay in execution of projects, delay in execution of BOT Projects, cost over runs on delayed projects, high interest cost vis-a-vis volume of the Company's operation, stressed working capital finance and similar factors peculiar to the infrastructure sector.

### RESOLUTION PLAN

During the under review, the proposed S4A Scheme in respect of restructuring of debts of the Company had to be abandoned in view of the RBI Circular dated 12th February, 2018 regarding "Resolution of Stressed Assets- Revised Framework". Hence, it was decided to work in terms of the above referred new RBI circular. A revised Resolution Plan was prepared which was sanctioned and signed by the majority of the lenders on 29th March 2019. However, in the matter of Dharani Sugars and Chemicals Ltd. Vs. Union of India & Others, it was held by the Hon. Supreme Court that the RBI circular dated February 12, 2018 on Resolution of Stressed Assets as

'ultra vires and has no effect in law'. Hence, all actions taken under the RBI circular dated February 12, 2018 on Resolution of Stressed Assets were made redundant. Consequently, the proposed Resolution Plan made in terms of RBI circular dated February 12, 2018 fell off.

After the Supreme Court Judgement referred above, the Reserve Bank of India issued a fresh circular dated 7th June, 2019 on 'Prudential Framework for Resolution of Stressed Assets'. The Company is in the process of working on the resolution plan in accordance with the new RBI circular dated 7th June, 2019.

## 5. CREDIT RATING

Your Company had been assigned "IND D" by India Ratings & Research Pvt. Ltd. for the long term facilities, cash credit facilities and non fund based limits of the Company.

## 6. CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Companies Act, 2013 and implementation requirements of Indian Accounting Standards ('IND-AS') Rules on Accounting and disclosure requirements, which is applicable from current year, and as prescribed by Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI Listing Regulations") the audited Consolidated Financial Statements are provided in this Annual Report.

Pursuant to Section 129(3) of the Companies Act, 2013, a statement containing the salient features of the financial statements of each of the subsidiary and joint venture in the prescribed form AOC-1 is annexed to this annual report.

Pursuant to Section 136 of the Companies Act, 2013 the financial statements of the subsidiaries are kept for inspection by the shareholders at the Registered Office of the Company. The said financial statements of the subsidiaries are also available on the website of the Company [www.supremeinfra.com](http://www.supremeinfra.com) under the Investors Section.

## 7. DETAILS OF SUBSIDIARY COMPANIES, JOINT VENTURES AND ASSOCIATES COMPANIES

As on 31st March, 2020, the Company had fifteen Subsidiaries (Direct & Indirect) of which thirteen are incorporated and based in India & one Overseas. The Company also had one Associate Companies as on 31st March, 2020. Some Joint Venture Projects have become non operative on account of the completion of the projects.

The Company has adopted a policy for determining material subsidiaries in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015. The said policy is available on the Company's website. A statement containing the salient features of the financial statements of the subsidiary companies is attached to the financial statements in Form AOC-1.

### SUBSIDIARY COMPANIES

The Company's two Subsidiary Companies viz. Supreme Infrastructure BOT Private Limited and Supreme Infrastructure BOT Holdings Private Limited undertake various BOT projects along with its holding Company. The BOT projects are housed in the Special Purpose Vehicle Company ('SPV Company') incorporated for the purpose.

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

As per the Audited financials for year ended 31st March, 2020,

SIBPL registered a total income of ₹Nil as against ₹179.37 Lakh in the previous year. SIBPL has the following operative subsidiary companies:

#### i. SUPREME MANOR WADA BHIWANDI INFRASTRUCTURE PRIVATE LIMITED ( SMBIPL)

Incorporated as SPV Company for execution of the Project of 'widening of Manor- Wada (24.25 Kms) and Wada Bhiwandi Road (40.07 Kms) on SH-34 and SH-35 respectively in the State of Maharashtra and to convert it into a 4 lane highway on BOT basis'. The total length of the project aggregates to 64.32 Kms. The Concession period of the project is 28 years and 6 months from the date of work order. EPC work is executed by the Supreme Infrastructure India Ltd. The Company commenced tolling operations for this project on 4th March, 2013. The Company is also in the process of executing additional bypass road from SH-35 at Vishwabharati Phata-Bhinar-Vadpa Junction (KM 0/000 to 7/900 (Total Length - 7.90 km) Dist. Thane, Maharashtra on BOT (Toll) basis. Once completed, the bypass road would attract more road traffic for the main road project. Income from toll collection for the year ended 31st March, 2020 was ₹2,267.82 Lakh as compared to ₹3,980.06 Lakh in the previous year.

The lenders had invoked Strategic Debt Restructuring (SDR) with reference date of 24 November 2016. The joint lender's forum (JLF) of SMBIPL agreed to proceed with the implementation of SDR scheme by invoking pledged equity shares of the promoters in their favour. Pursuant to the invocation of SDR, the lenders have invoked 5,100 equity shares of ₹10 each held by its Promoters at par aggregating ₹0.51 Lakh on 16 May 2017 representing 51% of the equity share capital of the Company by conversion of outstanding borrowings of an equivalent amount. And Total Income from toll collection for the year ended 31st March, 2020 was ₹2,267.82 Lakh as compared to ₹3,980.06 Lakh in the previous year.

#### ii. PATIALA NABHA INFRA PROJECTS PRIVATE LIMITED

Incorporated as SPV Company for execution of 'Patiala Nabha Malerkotla (PNM) Road Project'. This partially completed project was awarded by Punjab Industrial Development Board (PIDB), taken over from the earlier owner. The Company commenced tolling operations on 24th June, 2012. The concession period is 13 years. The total length of the road is approximately 56 kms. Income from toll collection for the year ended 31st March, 2020 was ₹587.20 Lakh as compared to ₹1,022.41 Lakh in the previous year.

#### iii. SUPREME SUYOG FUNICULAR ROPEWAYS PRIVATE LIMITED

Incorporated as SPV Company for execution of the Project for construction of funicular railway system at Haji Malang Gad, Ambarnath in Thane District, Maharashtra on Built, Operate and Transfer (BOT) basis. SIBPL is the majority stakeholder in the SPV Company. The project envisages a funicular trolley system for transporting devotees and luggage from the foot of the hill to Haji Malang Durgah and return. The total cost of the project is ₹997.30 Million. The concession period is 24 years and 5 months including construction period. Income from this project for the year ended 31st March, 2020 was ₹83.66Lakh as compared to ₹214.64 Lakh in the previous year.



iv. **SUPREME VASAI BHIWANDI TOLLWAYS PRIVATE LIMITED (SVBTPL)**

SVBTPL was incorporated as SPV Company for execution of 4 laning of Chinchoti-Kaman-Anjurphata to Mankoli road (Major SH No. 4) section from km 00.00 to km 26.425 of the existing road in the state of Maharashtra on Build-Operate-Transfer (BOT) basis. This partially completed project with existing tolling operations was awarded by PWD, Maharashtra, taken over from the earlier owner. The total length of the stretch is 26.425 kms. SIBPL is the majority stakeholder in the SPV Company. The total concession period is 24.3 years. Income from toll collection for the year ended 31st March, 2020 was ₹2,073.40 Lakh as compared to ₹2,258.90 Lakh in the previous year.

v. **KOPARGAON AHMEDNAGAR TOLLWAYS (PHASE I) PRIVATE LIMITED**

Public Works Department had awarded the work of construction of four (4) lane of BOT project viz. "Four Laning of Kopergaon Ahemdnagar Road SH 10 km 78/200 to 120/000(42.60 Kms) and construction of Two Lane Shirdi- Rahata by Bypass (23.30 Kms) (Project I). The project has been executed and the tolling collection started. Income from toll collection for the year ended 31st March, 2020 was ₹2454.94 Lakh as compared to ₹2663.36 Lakh in the previous year.

And Further to note that Mr. Udayraj Patwardhan has been appointed as a Resolution Professional by Hon'ble NCLT, Chandigarh Bench by order bearing no. CP(I.B.)- 167/Chd/Hry/2018 and CA 1101/2019 dated November 26, 2019.

vi. **KOTKAPURA MUKTSAR TOLLWAYS PRIVATE LIMITED (KMTPL)**

KMTPL incorporated for execution of "Two laning From km 0+000 to km 29+996 (approximately 30.000 km) on the Kotkapura Muktsar Road of State Highway No.16 (hereinafter called the "SH -16") in the State of Punjab" on design, build, finance, operate and transfer ("DBFOT") basis. SIBPL is the majority stakeholder in the SPV Company. The concession period is 18 years including construction period. The starting point of the project corridor is Kotkapura. The project has been executed and the tolling collection started during the current year. Income from toll collection for the year ended 31st March, 2020 was ₹1049.12 Lakh as compared to ₹628.28 Lakh in the previous year.

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

SIBHPL was incorporated during the year 2011-12 and is the subsidiary of Supreme Infrastructure India Ltd. 3i India Infrastructure Fund, an investment fund established by international investor 3i Group plc, has through its affiliates viz. Strategic Road Investments Limited, invested ₹2000 Million in SIBHPL. As per the Audited financials of the Company for year ended 31st March, 2020, SIBHPL registered a total income of ₹Nil as against 15.31 Lakh in the previous year. SIBHPL has road BOT portfolio housed in the following subsidiaries companies:

i. **Supreme Kopergaon Ahmednagar Tollways Private Limited**

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

toll operations were commenced. Income from toll collection for the year ended 31st March, 2020 was ₹Nil as compared to ₹2217.91 Lakh in the previous year.

ii. **Supreme Best Value Kolhapur (Shiroli) Sangli Tollways Pvt. Ltd.**

Incorporated as SPV Company for execution of the project of 'construction, operation, maintenance and augmentation of widening of 2-lane undivided carriage way to 4 lanes between Shiroli and Baswankhind, Ankali to Miraj Phata on SH - 3, Miraj Phata to Sangli on SH -75 and strengthening of existing 2 lanes between Baswankhind and Ankali one way via Jainapur and the other way via Jaisingpur (SH -3) on Design, Build, Finance, Operate and Transfer (DBFOT) toll basis' in the State of Maharashtra. The estimated cost of project is ₹3840 Million. Total envisaged length for 4 laning is 25.66 Kms. & 2 laning is 26.95 Kms. The concession period of the project is 22 years and 9 months including construction period.

iii. **Supreme Ahmednagar Karmala Tembhorni Tollways Pvt. Ltd. (SAKTTPL)**

Incorporated as SPV Company for execution of the project of "Construction of Four Laning of 61.71 kms. of roads at Ahmednagar-Karmala-Tembhorni ch.80/600 to ch.140/080 in the State of Maharashtra on Build, Operate and Transfer ( BOT ) basis. The cost of the project is ₹6382 Million. The concession period of the project is 22 years and 9 months including construction period.

The lenders of SAKTTPL had invoked SDR with reference date of 24 October 2016. The JLF of SAKTTPL in its meeting held on 11 May 2017 agreed to proceed with the implementation of SDR scheme. Pursuant to the invocation of SDR scheme, the lenders have been allotted 291,429 equity shares of ₹10 each at par aggregating ₹29.14 Lakh on 22 May 2017 representing 51% of the equity share capital of SAKTTPL by conversion of outstanding borrowings of an equivalent amount.

**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 ₹12060 Million. Supreme Infrastructure India Limited (SIIL) holds 26% and its subsidiary SIBPL holds 38% Equity. SPITPL has achieved the desired milestone of NHAI, being completion of fifty percent of the EPC work as per the independent engineer of NHAI. The balance EPC work is being loan financed by NHAI. The total concession period is 24 years including additional extension in the concession period of three years. The project is under implementation.

**3. SUPREME MEGA STRUCTURES PRIVATE LIMITED (SMSPL)**

Supreme Infrastructure India Limited holds 60% Equity in SMSPL. SMSPL is carrying out the business of Rentals of staging, scaffolding, shuttering steel pipes and structural fabrication, steel fabrication work & job work. Substantial part of the Company's shuttering and fabrication job is undertaken by Supreme Mega Structures Private Limited. Income from operation for the year ended 31st March, 2020 was ₹Nil as compared to ₹303.59 Lakh in the previous year.

**4. SUPREME INFRASTRUCTURE OVERSEAS LLC**

With a view to tap the potential of overseas opportunities, Supreme Infrastructure India Limited incorporated a subsidiary Company

viz. Supreme Infrastructure Overseas LLC in Sultanate of Oman by investing ₹21.2 Million for a 60% Equity stake in the said Company. The rest 40% Equity is held by Ajit Khimji Group LLC & AL Barami Investment LLC.

## 8. DEPOSITS

During the year under review, your Company has not accepted any deposit from the public or its employees during the year under review. As such, no amount of Principal or Interest is outstanding as on the Balance Sheet date.

## 9. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Detailed information on CSR Policy developed and implemented by the Company and CSR initiatives taken during the year pursuant to Sections 134 & 135 of the Companies Act, 2013 is given in the 'Annexure-I' as CSR Report.

## 10. ENVIRONMENT & SAFETY

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires conduct of operations in such a manner, so as to ensure safety of all applicable compliances of environmental regulations and preservation of natural resources.

Your Directors further state that during the year under review, no complaints were reported to the Board as required by the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

## 11. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weaknesses in the operations were observed.

## 12. DIRECTORS AND KEY MANAGERIAL PERSONNEL

### DIRECTORS

During the year under review, Mrs. Nilima Mansukhani, independent Director (Women Director) resigned from the Board citing her pre-occupation and personal reason. The Board wishes to place on record its deep sense of appreciation for the valuable contributions made by her to the Board and the Company during his tenure as Director.

Mr. Bhawanishankar Sharma appointed as Non-executive Chairman of the Company for the period of 5 years w.e.f 1st April, 2020. Further, In accordance with the provisions of the Companies Act, 2013 and in terms of the Articles of Association of the Company Mr. Vikram Sharma, (DIN 01249904) re-appointing in the forthcoming Annual General Meeting and being eligible offers themselves for reappointment as Managing Director of the company.

Mr. Dakshendra Brijballabh Agrawal (DIN 01010363) appointed as an Independent Director of the Company, whose term shall not be subject to retirement by rotation and continue to act as an independent director for a first term of five consecutive years up to March, 2025 subject to approval by shareholders.

It is proposed the continuation of reappointment of Mr. S. K Mishra as non - retiring independent for a second term up to March 31, 2025 subject to approval by shareholders.

The Company has received declarations from the Independent Directors confirming that they meet the criteria of independence as

prescribed both under Section 149 (6) of the Companies Act, 2013 and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and that there is no change in their status of Independence.

### KEY MANAGERIAL PERSONNEL

During the year under review, Mr. Sandeep Khandewal, Chief Financial Officer (CFO) of the Company resigned citing his decision to move on and desire for seeking new professional opportunities. The Board wishes to place on record its deep sense of appreciation for the valuable contributions made by him to the Company during his tenure as a CFO.

During the year under review, Mr. Pankaj Sharma appointed as a Chief Executive Officer (CEO) of the company in the duly held board meeting dated 17th September, 2020.

The Company has designated Mr. Bhawanishankar Sharma, Non-Executive Chairman, Mr. Vikram Sharma, Managing Director and Mr. Vijay Joshi, Company Secretary as Key 'Managerial Personnel' of the Company in terms Section 203 of the Companies Act, 2013 read with Section 2(51) of the said Act.

### Familiarisation Program for the Independent Directors

In compliance with the requirement of Listing Regulations, the Company has put in place a Familiarisation Program for the independent directors to familiarize them with their role, rights and responsibility as directors, the working of the Company, nature of the industry in which the Company operates, business model, etc. The details of the Familiarisation Program are explained in the Corporate Governance Report. The said details are also available on the website of the Company [www.supremeinfra.com](http://www.supremeinfra.com).

### A. BOARD EVALUATION

Pursuant to the provisions of Section 134(3)(p), 149(8) and Schedule IV of the Companies Act, 2013 and Regulation of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, annual performance evaluation of the Directors as well as that of the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee has been carried out. The performance evaluation of the Independent Directors was carried out by the entire Board and the performance evaluation of the Chairman and Non-Independent Directors was carried out by the Independent Directors.

### B. REMUNERATION POLICY

The Company has adopted a remuneration policy for the Directors, Key Managerial Personnel and other employees, pursuant to the provisions of the Act and Regulation of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The remuneration policy is annexed as Annexure II to this Report.

### C. MEETINGS

A calendar of Meetings is prepared and circulated in advance to the Directors. During the year five Board Meetings and five Audit Committee Meetings were convened and held, the details of which are given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

### 13. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors

make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013 that the Board of Directors have:

- a. in the preparations of the annual accounts for the year ended March 31, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. selected such accounting policies as mentioned in the annual accounts and applied them consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2020 and of the loss of the Company for the year ended on that date;
- c. taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. prepared the annual accounts on a going concern basis;
- e. laid down internal financial controls to be followed by the Company and that such financial controls are adequate and were operating effectively; and devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- f. devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **14. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF COMPANIES ACT, 2013**

Details of loans, guarantees and investments covered under the provisions of Sections 186 of the Companies Act, 2013 are given in notes to the financial statements.

#### **15. RELATED PARTY TRANSACTIONS**

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. During the year, the Company has not entered into any contract/ arrangement/ transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. Thus, the disclosure in 'Form AOC-2' is not applicable.

All Related Party Transactions are placed before the Audit Committee as also the Board of Directors for approval. Prior omnibus approval of Audit Committee and the Board of Directors is obtained on an annual basis for the transactions which are foreseen and of repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are audited and a statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their approval on a quarterly basis.

The Company has a Related Party Transactions Policy duly approved by the Board and the same is uploaded on the Company's website. The details of Related Party Transactions are given in the notes to the financial statements.

#### **16. AUDITORS**

##### **A. STATUTORY AUDITORS AND THEIR REPORT**

M/s Ramanand & Associates, Chartered Accountants, the Statutory

Auditors, holds office upto the date of ensuing Annual General Meeting (AGM) And appointment of M/s. Borkar & Muzumdar, Chartered Accountants (Firm Registration No. 101569W) as statutory auditors of the Company. The Company has received letter from M/s Borkar & Muzumdar, Chartered Accountants, to the effect that their appointment, if made, would be within the prescribed limit under Section 141 of the Companies Act, 2013. It is proposed to appoint M/s Borkar & Muzumdar Chartered Accountants, as statutory Auditor to hold the office from the conclusion of the ensuing AGM of the Company to be held in the year 2021 subject to approval by shareholders. Members are requested to appoint the Statutory Auditors and to authorise the Board of Directors fix their remuneration.

##### **B. EXPLANATION TO THE QUALIFICATION IN AUDITORS' REPORT**

The Directors submit their explanation to the qualifications made by the Auditors in their report for the year 2019-2020. The relevant Paras. of the report and reply are as under:

Auditor's Qualification and Management's Reply on standalone financial results:

- i. As stated in Note 11.3 to the accompanying standalone financial statement, the Company's current financial assets as at 31 March 2020 include trade receivables aggregating ₹45,680.90 Lakh (31 March 2019: ₹45,680.90 Lakh) in respect of projects which were closed/substantially closed and where the receivables have been outstanding for a substantial period. Management has assessed that no adjustments are required to the carrying value of the aforesaid balances, which is not in accordance with the requirements of Ind AS 109, 'Financial Instruments'. Consequently, in the absence of sufficient appropriate evidence to support the management's contention of recoverability of these balances, we are unable to comment upon the adjustments, if any, that are required to the carrying value of the aforesaid balances, and consequential impact, if any, on the accompanying standalone financial statement. Our opinion on the standalone financial statement for the year ended 31 March 2019 was also modified in respect of this matter.
- ii. As stated in Note 18.2 to the accompanying standalone financial statements, the Company's non-current borrowings, short-term borrowings and other current financial liabilities as at 31 March 2019 include balances aggregating Nil (31 March 2018: ₹9,324.24 Lakh), Nil (31 March 2018: ₹294.21 Lakh) and ₹11,925.03 Lakh (31 March 2018: ₹11,510.27 Lakh), respectively in respect of which confirmations/statements from the respective lenders have not been received. These borrowings have been classified into current and non-current, basis the original maturity terms stated in the agreements which is not in accordance with the terms of the agreements in the event of defaults in repayment of borrowings. Further, whilst we have been able to perform alternate procedures with respect to certain balances, in the absence of confirmations/statements from the lenders, we are unable to comment on the adjustments, if any, that may be required to the carrying value of these balances on account of changes, if any, to the terms and conditions of the transactions, and consequential impact, on the accompanying standalone financial statements. Our audit opinion on the standalone financial statements for the



year ended 31 March 2018 was also modified in respect of this matter. (TO BE DELETED AS THE QUALIFICATION IS REMOVED)

- iii. As stated in Note 4.4 to the accompanying standalone financial statements, the Company's non-current investments as at 31 March 2020 include non-current investments in one of its subsidiary aggregating ₹142,556.83 Lakh. The subsidiary has significant accumulated losses and its consolidated net-worth is fully eroded. Further, the subsidiary is facing liquidity constraints due to which it may not be able to realise projections as per the approved business plans. Based on the valuation report of an independent valuer as at 31 March 2019 and other factors described in the aforementioned note, Management has considered such balance as fully recoverable. Management has assessed that no adjustments are required to the carrying value of the aforesaid balances, which is not in accordance with the requirements of Ind AS 109, 'Financial Instruments'. In the absence of sufficient appropriate evidence to support the management's assessment as above and other relevant alternate evidence, we are unable to comment upon adjustments, if any, that may be required to the carrying values of these non-current investments and aforementioned dues and the consequential impact on the accompanying standalone financial statements.
- iv. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

#### Material Uncertainty Related to Going Concern

- v. We draw attention to Note 37 to the accompanying standalone financial statements, which indicates that the Company has incurred a net loss of ₹49,100.25 Lakh during the year ended 31 March 2020 and, as of that date; the Company's accumulated losses amounts to ₹177690.20 Lakh which have resulted in a full erosion of net worth of the Company and its current liabilities exceeded its current assets by ₹323,242.74 Lakh. Further, as disclosed in Note 37 to the said financial statements, there have been delays in repayment of principal and interest in respect of borrowings during the current year. The above factors, along with other matters as set forth in the aforesaid note, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. However, based on ongoing discussion with the lenders for restructuring of the loans, revised business plans, equity infusion by the promoters, and other mitigating factors mentioned in the aforementioned note, Management is of the view that going concern basis of accounting is appropriate.

#### Management Reply to the above Auditor's Qualification

- (i) Trade receivables as at 31 March 2020 include ₹45,680.90 Lakh

(31 March 2019: ₹45,680.90 Lakh), in respect of projects which were closed/substantially closed and which are overdue for a substantial period of time. Based on the contract terms and the ongoing recovery/ arbitration procedures (which are at various stages), Management is reasonably confident of recovering these amounts in full. Accordingly, these amounts have been considered as good and recoverable

- (ii) Non-current borrowings, short-term borrowings and other current financial liabilities as at 31 March 2020 include balances amounting to Nil (31 March 2019: ₹Nil), Nil (31 March 2019: ₹Nil) and Nil (31 March 2019: ₹11,925.03 Lakh), respectively in respect of which confirmations/statements from the respective lenders have not been received. In the absence of confirmations/statements from the lenders, the Company has provided for interest and other penal charges on these borrowings based on the latest communication available from the respective lenders at the interest rate specified in the agreement. The Company's management believes that amount payable on settlement will not exceed the liability provided in books in respect of these borrowings. Accordingly, classification of these borrowings into current and non-current as at 31 March 2020 is based on the original maturity terms stated in the agreements with the lenders..
- (iii) The Company, as at 31 March 2020, has non-current investments in Supreme Infrastructure BOT Private Limited ('SIBPL'), a subsidiary company, amounting to ₹142,556.83 Lakh (31 March 2019: ₹142,556.83 Lakh). SIBPL is having various Build, Operate and Transfer (BOT) SPVs under its fold. While SIBPL has incurred losses during its initial years and have accumulated losses, causing the net worth of the entity to be fully eroded as at 31 March 2020, the underlying projects are expected to achieve adequate profitability on substantial completion of the underlying projects. Further, in case of Supreme Manorwarda Bhiwandi Infrastructure Private Limited ('SMBIPL'), a subsidiary of SIBPL, lenders have referred SMBIPL to NCLT under RBI circular dated 12 February 2018, the said petition filed by the bank has been dismissed by Hon'ble NCLT in lieu of the directions given by Hon'ble Supreme Court of India in case of Dharini Sugars and Ors. v/s Union of India and Ors. Further, commercial operation date (COD) in respect of few subsidiaries of SIBPL has been delayed due to various reasons attributable to the clients primarily due to non-availability of right of way, environmental clearances etc. and in respect of few subsidiaries, the toll receipts is lower as compared to the projected receipts on account of delay in receiving compensation from government for exempted vehicles. Further, there have been delays in repayment of principal and interest in respect of the borrowings and the respective entity is in discussion with their lenders for the restructuring of the loans.

Management is in discussion with the respective lenders, clients for the availability of right of way and other required clearances and is confident of resolving the matter without any loss to the respective SPVs. Therefore, based on certain estimates like future business plans, growth prospects, ongoing discussions with the clients and consortium lenders, the valuation report of the independent valuer and other factors, Management believes that the net-worth of SIBPL does not represent its true market value and the realizable amount of SIBPL is higher

than the carrying value of the non-current investments as at 31 March 2020 and due to which these are considered as good and recoverable.

Management is in discussion with the respective lenders, clients for the availability of right of way and other required clearances and is confident of resolving the matter without any loss to the respective SPVs. Therefore, based on certain estimates like future business plans, growth prospects, ongoing discussions with the clients and consortium lenders, the valuation report of the independent valuer and other factors, Management believes that the net-worth of SIBPL does not represent its true market value and the realizable amount of SIBPL is higher than the carrying value of the non-current investments as at 31 March 2020 and due to which these are considered as good and recoverable.

- (iv) Management believes that Company's internal financial controls in respect of assessment of the recoverability of trade receivables and determining the carrying value of non-current investments were operating effectively and there is no material weakness in such controls and procedures.

The Auditor's qualification in respect of Consolidated Financial Statements and Management Response thereof is in line with the above.

Further, the other observations made by the Auditors in their report are self-explanatory and do not call for any further comment. The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

### **C. COST AUDITORS**

Pursuant to Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company in respect of its Infrastructure activity is required to be audited. Your Directors had, on the recommendation of the Audit Committee, appointed M/s. Shashi Ranjan & Associates to audit the cost accounts of the Company for the financial year 2020-2021. Accordingly, a Resolution seeking Member's ratification for the appointment and remuneration payable to M/s. Shashi Ranjan & Associates, Cost Auditors is included at the Notice convening the Annual General Meeting.

### **D. SECRETARIAL AUDITORS**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Nidhi Bajaj & Associates, Company Secretary in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report for the financial year 2019-2020 is annexed herewith as 'Annexure III'. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

### **17. BOARD COMMITTEES**

The Board of Directors of your Company had already constituted various Committees in compliance with the provisions of the Companies Act, 2013 / SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee.

Details of the role and composition of these Committees, including the number of meetings held during the financial year and attendance at meetings, are provided in the Corporate Governance Section of the Annual Report.

### **18. VIGIL MECHANISM**

The Vigil Mechanism of the Company also incorporates a whistle blower policy in terms of the Listing Regulations. Protected disclosures can be made by a whistle blower through an e-mail, or a letter to the Ombudsperson Task Force or to the Chairman of the Audit Committee.

### **19. CORPORATE GOVERNANCE**

As per Regulation of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges, a separate section on corporate governance practices followed by the Company, together with a certificate from the Practicing Company Secretary confirming compliance forms an integral part of this Report.

### **20. 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.

### **21. COMPLIANCE WITH SECRETARIAL STANDARDS**

Pursuant to the approval given on April 10, 2015 by Central Government to the Secretarial Standards specified by the Institute of Company Secretaries of India, the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) came into effect from July 1, 2015. These secretarial Standards were thereafter revised and made effective from October 1, 2017. The Company is in compliance with the same.

### **22. REPORTING OF FRAUD**

The Auditors of the Company have not reported any instances of fraud committed against the Company by its officers or employees as specified under Section 143(12) of the Act.

### **23. LISTING**

Equity Shares of the Company are listed on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). The Company has paid listing fees for the year 2019-2020.

### **24. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014, is given hereunder:

#### **A. 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 are 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 are arranged by the clients who award the contracts. At the project sites where the power

supply cannot be arranged, diesel generator sets are used to meet the requirement of power.

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

#### **B. 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.

In view of the above, the rules regarding conservation of Energy and Technology Absorption are not applicable to the Company.

#### **C. FOREIGN EXCHANGE EARNINGS AND OUT GO**

During the year under review, there was no foreign exchange outgo as also no foreign exchange earnings.

#### **25. EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as 'Annexure V'.

#### **26. EMPLOYEE STOCK OPTION SCHEME**

With an objective of participation by the employees in the ownership of the Company through share based compensation scheme/ plan, your company has implemented ESOS Scheme after having obtained the approval of the shareholders at the Annual General Meeting of the Company held on 30th September, 2015. However, no ESOS have been granted during the year under review.

#### **27. GENERAL**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- a. Details relating to deposits covered under chapter V of the Act.
- b. Neither the Managing Director nor the Whole-time Director of the Company receives any remuneration or commission from any of its subsidiaries.
- c. No significant or material orders in view of the management were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

#### **28. ACKNOWLEDGEMENTS**

Your Directors wish to place on record their appreciation for their continued support and co-operation by financial institutions, banks, government authorities and other stakeholders. Your Directors place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued contribution to the Company.

**ON BEHALF OF THE BOARD OF DIRECTORS**

Sd/-  
(VIKRAM SHARMA)  
MANAGING DIRECTOR

Place: Mumbai  
Date: 06th January, 2021

**Registered Office:**

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



# Annexure I To Directors' Report

## ANNUAL REPORT ON CSR ACTIVITIES

### 1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken

Supreme Infrastructure India Limited aims to undertake initiatives that create sustainable growth and empower underprivileged sections of society.

#### OBJECTIVES OF CSR COMMITTEE:

- To pursue a corporate strategy that enables realization of the twin goals of shareholder value enhancement and societal value creation in a mutually reinforcing and synergistic manner.
- To align and integrate Social Investments / CSR programs with the business value chains of the Company and make them outcome oriented.
- To implement Social Investments / CSR programs primarily in the economic vicinity of the Company's operations with a view to ensuring the long term sustainability of such interventions.
- To contribute to sustainable development in areas of strategic interest through initiatives designed in a manner that addresses the challenges faced by the Indian society especially in rural India.
- To collaborate with communities and institutions to contribute to the national mission of eradicating poverty and hunger, especially in rural areas.
- To encourage the development of human capital of the Nation by expanding human capabilities through skills development, vocational training etc. and by promoting excellence in identified cultural fields.

#### SCOPE OF THE CSR COMMITTEE:

To incur expenditure on the projects or programs covering the following CSR activities pursuant to schedule VII of the Companies Act, 2013.

- Eradicating extreme hunger and poverty.
- Promotion of education.

- Promoting gender equality and empowering women.
- Reducing child mortality and improving maternal health.
- Combating human immune-deficiency virus, acquired immune-deficiency syndrome, malaria and other diseases.
- Ensuring environmental sustainability.
- Employment enhancing vocational skills.
- Social business projects and
- Contribution to the Prime Minister's National Relief Fund or any other fund set up by the central Government or the state Government for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the scheduled Tribes, other backward classes, minorities and women.

### 2. The Composition of the CSR Committee

The committee of the Directors, titled 'Corporate Social Responsibility Committee', was originally constituted by the Board on 29th May, 2014 and reconstituted on 31.03.2016 with the following members:

Mr. Vikram Sharma,	Chairman
Mr. Vinod Agarwala	Member
Mr. Dakshendra Agarwal	Member

### 3. Average net Profit of the Company for last three financial years prior to 2019-2020: ₹(60,405.39) Lakh

### 4. Prescribed CSR Expenditure (2% of the Amount as in item no. 3 above):

Not Applicable

### 5. Details of CSR Spent during the financial year:

(a) Total Amount spent for the financial year: Nil

Amount unspent: Nil

(b) Manner in which the amount spent during the financial year is detailed below:

Sl. No.	CSR project or activity identified	Sector in which the project is covered	Projects or Programs	Amount outlay (budget) project of program wise	Amount spent on projects or programs	Cumulative expenditure upto the reporting period
Nil	Nil	Nil	Nil	Nil	Nil	Nil

### 6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the reasons for not spending the amount shall be stated in the Board report:

The adverse scenario in the infrastructure sector also affected the Company and put severe stress on its financials and cash liquidity. Hence, considering the present financial condition, the company has rolled over the expenditure to be incurred in FY 2019-2020 and earlier years to next year(s) when the financial position strengthens and stress on liquidity eases.

### 7. Responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the Company

The Company confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the Company.

**Mr. Vikram Sharma**  
(Chairman of the CSR Committee & Managing Director)

# Annexure II To Directors' Report

## REMUNERATION POLICY OF THE COMPANY

The philosophy for remuneration of directors, Key Managerial Personnel ("KMP") and all other employees of Supreme Infrastructure India Limited ("Company") is based on the commitment of fostering a culture of leadership with trust. The remuneration policy is aligned to this philosophy.

This remuneration policy has been prepared pursuant to the provisions of Section 178(3) of the Companies Act, 2013 ("Act") and Regulation of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In case of any inconsistency between the provisions of law and this remuneration policy, the provisions of the law shall prevail and the company shall abide by the applicable law. While formulating this policy, the Nomination and Remuneration Committee ("NRC") has considered the factors laid down under Section 178(4) of the Act, which are as under:

- a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals"

### Remuneration for independent directors and non-independent non-executive directors

- Independent directors ("ID") and non-independent non-executive directors ("NED") may be paid sitting fees (for attending the meetings of the Board and of committees of which they may be members) and commission within regulatory limits.
- Within the parameters prescribed by law, the payment of sitting fees and commission will be recommended by the NRC and approved by the Board.
- Overall remuneration (sitting fees and commission) should be reasonable and sufficient to attract, retain and motivate directors aligned to the requirements of the company (taking into consideration the challenges faced by the Company and its future growth imperatives).
- Overall remuneration should be reflective of size of the company, complexity of the sector/ industry/ Company's operations and the Company's capacity to pay the remuneration.
- Overall remuneration practices should be consistent with recognised best practices.
- Quantum of sitting fees may be subject to review on a periodic basis, as required.
- The aggregate commission payable to all the NEDs and IDs will be recommended by the NRC to the Board based on company performance, profits, return to investors, shareholder value creation and any other significant qualitative parameters as may be decided by the Board.

- The NRC will recommend to the Board the quantum of commission for each director
- Based upon the outcome of the evaluation process which is driven by various factors including attendance and time spent in the Board and committee meetings, individual contributions at the meetings and contributions made by directors other than in meetings.
- In addition to the sitting fees and commission, the company may pay to any director such fair and reasonable expenditure, as may have been incurred by the director while performing his/ her role as a director of the Company. This could include reasonable expenditure incurred by the director for attending Board/ Board committee meetings and general meetings.

### Remuneration for managing director ("MD")/ executive directors ("ED")/ KMP/ rest of the Employees

The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence remuneration should be-

- Market competitive (market for every role is defined as companies from which the company attracts talent or companies to which the company loses talent)
- Driven by the role played by the individual
- Reflective of size of the company, complexity of the sector/ industry/ company's operations and the company's capacity to pay
- Consistent with recognised best practices and
- Aligned to any regulatory requirements.

In terms of remuneration mix or composition,

- The remuneration mix for the MD/ EDs is as per the contract approved by the shareholders. In case of any change, the same would require the approval of the shareholders.
- Basic/ fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience.
- In addition to the basic/ fixed salary, the company provides employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings and tax optimisation, where possible.
- The Company provides retirement benefits as applicable.

### Policy implementation

The NRC is responsible for recommending the remuneration policy to the Board. The Board is responsible for approving and overseeing implementation of the remuneration policy.

**Bhawanishankar Sharma**  
Non-Executive Chairman

# Annexure III To Directors' Report

## FORM NO. MR. 3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members

### **SUPREME INFRASTRUCTURE INDIA LIMITED** **CIN: L74999MH1983PLC029752**

Supreme House, Plot No.94/C,  
Opp. I.I.T, Powai,  
Mumbai – 400076

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SUPREME INFRASTRUCTURE INDIA LIMITED** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

- i. The Companies Act, 2013 (**the Act**) and the Rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 (**'SCRA'**) and the Rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**'SEBI Act'**) to the extent applicable to the Company:-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999;
  - e. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents), Regulations, 1993 regarding the Companies Act, 2013 and dealing with Client.

We have also examined compliance with the applicable clauses of the following:

- a. Secretarial Standards issued by "The Institute of Company Secretaries of India".
- b. the Uniform Listing Agreement entered into by the Company with BSE Limited and National Stock Exchange of India Limited;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

During the period under review, provisions of the following regulations were not applicable to the Company:

- a) The Secretarial and Exchange Board of India (Issue and Listing of Debt Securities), Regulations, 2009;
- b) The Secretarial and Exchange Board of India (Delisting of Equity shares) Regulations, 2009
- c) The Secretarial and Exchange Board of India (Buyback of Securities) Regulations, 1998

During the Audit period the Company has complied with the provisions of above mentioned Acts, Rules, Regulations, Guidelines, Standards, etc. as mentioned above subject to following observations:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.
- During the year under review, Mrs. Nilima Mansukhani, independent Director (Women Director) resigned from the Board citing her pre-occupation and personal reason.
- During the year under review, Mr. Sandeep Khandewal, Chief Financial Officer (CFO) of the Company resigned citing his decision to move on and desire for seeking new professional opportunities.



- Mr. Bhawanishankar Sharma appointed as Non-executive Chairman of the Company for the period of 5 years w.e.f 1st April, 2020.
- Mr. Dakshendra Brijballabh Agrawal (DIN 01010363) appointed as an Independent Director of the Company, whose term shall not be subject to retirement by rotation and continue to act as an independent director for a first term of five consecutive years up to March, 2025 subject to approval by shareholders.
- Regulation 18(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 provides that Two-third of the members of Audit Committee shall be independent directors.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were usually sent sufficiently in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with above referred applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Company has taken following actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.:

1. The Company made an application to SEBI under Regulation 113 of ICDR seeking relaxation from the strict provisions of ICDR in respect of issuance of shares to promoters in terms of the proposed resolution plan. The Company received the approval from SEBI in this regard.
2. Company had filed Scheme of compromise with creditors of the company under companies Act, 2013 to Hon'ble NCLT for their approval.

**For Nidhi Bajaj & Associates**  
*Company Secretaries*

**Nidhi Bajaj**  
*Proprietor*

ACS – 28907, COP - 14596  
UDIN: A028907C000291873

Date: 06/01/2021  
Place: Mumbai

## Annexure IV To Directors' Report

### PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 134 (3) (q) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 (1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

1. The ratio of the remuneration of each Director to the median remuneration of the employees of the company for the financial year

\*Bhawanishankar Sharma – NA

\*Vikram Sharma – NA

\*Considering the present severe stress on the Company's financials, Mr. Bhawanishankar Sharma, Non- Executive Chairman, Mr. Vikram Sharma, Managing Director gave their consent to waive the fixed managerial remuneration earned by them for the year 2019-2020 i.e. from April, 2019 to March, 2020 aggregating to ₹96,00,000/- each. The Total Managerial Remuneration waived off by the Executive Directors is ₹192 Lakh for the F.Y. 2019-2020.

2. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.

#### Managing Director & Whole-time Directors

\*Bhawanishankar Sharma – (NA)

\*Vikram Sharma – (-100%)

\*Considering the present severe stress on the Company's financials, Mr. Bhawanishankar Sharma, Non-Executive Chairman, Mr. Vikram Sharma, Managing Director gave their consent to waive the fixed managerial remuneration earned by them for the year 2019-2020 i.e. from April, 2019 to March, 2020 aggregating to ₹96,00,000/- each. The Total Managerial Remuneration waived off by the Executive Directors is ₹192 Lakh for the F.Y. 2019-2020. Consequently, the percentage increase in managerial remuneration is in negative.

#### Key Managerial Personnel

- a) Mr. Vijay Joshi – Company Secretary – Nil increase in remuneration
- b) \*Mr. Sandeep Khandelwal – Chief Financial Officer – Nil increase in remuneration.
- c) \*\*Mr. Pankaj Sharma - Chief Executive Officer – Nil increase in remuneration.

\*During the year under review, Mr. Sandeep Khandewal, Chief Financial Officer (CFO) of the Company resigned w.e.f 19th October, 2019.

\*During the year under review, Mr. Pankaj Sharma appointed as a Chief Executive Officer (CEO) of the company in the duly held board meeting dated 17th September, 2019.

3. The percentage increase in the median remuneration of employees in the financial year.

Percentage Increase: 7%

4. The number of permanent employees on rolls of the company.

94 Employees

5. The explanation on the relationship between average increase in remuneration and company performance

The alignment between the performance of the Company and employee relation is built into the design of compensation and reward policy. The salary increases are function of market competitiveness in the relevant sector and affordability. The average increase of 7% in remuneration was to partially offset the average inflation of the year 2019-20. The macro level reduction in infrastructure activity also adversely affected the company's performance.

6. Comparison of the remuneration of key Managerial Personnel against the performance of the company

Aggregate remuneration of key Managerial Personnel (KMP) in FY 2019-2020 (₹Lakh)	₹53.16 Lakh
Revenue (₹Lakh)	₹(23,179.37) Lakh
Remuneration of KMPs (as % of revenue)	0.229_%
Profit before Tax (PBT) (₹Crore)	(49,093.38) Lakh
Remuneration of KMP (as % of PBT)	(0.1082%)

7. Variation in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case listed companies.

- a) Variation in the market capitalization of the Company

The Market capitalization as on March 31, 2020 was 29.30 Crore (₹60.03 Crore as on March 31, 2019)

- b) Price Earning Ratio of the Company was negative (191.04) as at March 31, 2020 and negative (431.37) as at March 31, 2019.

- c) percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case listed companies

The Company had come out with initial public offer (IPO) in 2007 at an issue price of ₹108 per share including premium of ₹98 per share. An amount of ₹10,800 invested in the said IPO would be worth of ₹2,336 as on March 31, 2020 indicating negative Annual Growth Rate of 6.53%. This is excluding the dividend accrued thereon.

8. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.**  
 Average salary Increase for KMPs (other than CMD & WTD): Nil  
 Increase for non-KMPs Average salary: Nil
9. **The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive**

**remuneration in excess of the highest paid Director during the year**

Not Applicable

10. **Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company.**

Same response as in point 6) above.

11. **The key parameters for any variable component of remuneration availed by the Directors**

No Director has received any variable component of remuneration.

12. **Affirmation that the remuneration is as per the Remuneration policy of the Company.**

The remuneration paid to employees is as per the remuneration policy of the Company.



# Annexure V To Directors' Report

## EXTRACT OF THE ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED 31.03.2020

[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

### Form No. MGT 9

#### Registration and other details

CIN	L74999MH1983PLC029752
Registration Date	8th April, 1983
Name of the Company	SUPREME INFRASTRUCTURE INDIA LIMITED
Category / Sub-Category of the Company	Company having Share Capital
Address of the Registered office and contact details	Supreme House, Pratap Gad, Plot No. 94/C, Opp. IIT, Powai, Mumbai – 400076
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Bigshare Services Private Limited 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai 400059 Tel: + 91 22 6263 8200 Fax: + 91 22 62638299 Website: www.bigshareonline.com

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Constructions, Civil engineering works, Bridges, elevated highways and tunnels	99531,99532, 995322	100

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name of the company	Address of the company	CIN/GLN	Holding/ subsidiary/ associate	% of shares held*	Applicable Section
1	Supreme Infrastructure BOT Private Limited	8, Bhawani Services Industrial Estate, 3rd Floor, I. I. T Main Gate Powai, Mumbai – 400076	U45202MH2009PTC191231	Subsidiary	100%	2(87)(ii)
2	Supreme Infrastructure BOT Holdings Private Limited	Supreme House, Pratap Gadh, Plot No. 94/C, Opp. IIT, Powai, Mumbai - 400076	U45400MH2011PTC225144	Subsidiary	51%	2(87)(ii)
3	Supreme Panvel Indapur Tollways Private Limited	510, 5th Floor, ABW Tower, IFFCO Chock MG Road, Gurgaon – 122002, Haryana	U45400HR2010PTC043915	Subsidiary	26%	2(87)(i)
4	Supreme Mega Structures Private Limited	Supreme City, Hiranandani Complex, Powai, Mumbai - 400076	U28112MH2010PTC208094	Subsidiary	60%	2(87)(ii)
5	Supreme Manor Wada Bhiwandi Infrastructure Private Limited	Supreme House, Pratap Gadh, Plot No. 94/C, Opp. IIT, Powai, Mumbai - 400076	U45202MH2010PTC198376	Subsidiary	49%	2(87)(i)

Sl. No.	Name of the company	Address of the company	CIN/GLN	Holding/ subsidiary/ associate	% of shares held*	Applicable Section
6	Patiala Nabha Infra Projects Private Limited	8, Bhawani Services Industrial Estate, 3rd Floor, I. I. T Main Gate Powai, Mumbai - 400076	U70102MH2009PTC190483	Subsidiary	100%	2(87)(ii)
7	Supreme Best Value Kolhapur(Shiroli) Sangli Tollways Private Limited	Supreme City, Hiranandani Complex, Powai, Mumbai - 400076	U45400MH2010PTC210311	Subsidiary	39%	2(87)(i)
8	Supreme Ahmednagar Karmala Tembhorni Tollways Private Limited	510, 5th Floor, ABW Tower, IFFCO Chock MG Road, Gurgaon – 122002, Haryana	U45203HR2010PTC045531	Subsidiary	49%	2(87)(i)
9	Supreme Kopargaon Ahmednagar Tollways Private Limited	Supreme House, Pratap Gadh, Plot No. 94/C, Opp. IIT, Powai, Mumbai - 400076	U45400MH2011PTC216901	Subsidiary	100%	2(87)(ii)
10	Supreme Suyog Funicular Ropeways Private Limited	8, Bhawani Services Industrial Estate, 3rd Floor, I. I. T Main Gate Powai, Mumbai - 400076	U45202MH2008PTC1 81032	Subsidiary	98%	2(87)(ii)
11	Mohol Kurul Kamati Mandrup Tollways Private Limited	510, 5th Floor, ABW Tower, IFFCO Chock MG Road, Gurgaon – 122002, Haryana	U45400HR2012PTC046851	Subsidiary	49%	2(87)(i)
12	Kotkapura Muksar Tollways Private Limited	510, 5th Floor, ABW Tower, IFFCO Chock MG Road, Gurgaon – 122002, Haryana	U45200HR2012PTC047076	Subsidiary	74%	2(87)(ii)
13	Kopargaon Ahmednagar Tollways (Phase I) Private Limited	510, 5th Floor, ABW Tower, IFFCO Chock MG Road, Gurgaon – 122002, Haryana	U45203HR2012PTC047422	Subsidiary	100%	2(87)(ii)
14	Supreme Vasai Bhiwandi Tollways Private Limited	510, 5th Floor, ABW Tower, IFFCO Chock MG Road, Gurgaon – 122002, Haryana	U45200HR2013PTC048979	Subsidiary	100%	2(87)(ii)
15	Supreme Infrastructure Overseas LLC	(CR No. 1159663), P.O. Box. 1075, PC 131, Al-Hamriya, Sultanate of Oman.	1159663	Subsidiary	60%	2(87)(ii)
16	Sanjose Supreme Tollways Development Pvt. Ltd.	Chhattarpur Enclave, 100 Feet Road, New Delhi - 110074, Delhi	U70109DL2011PTC220682	Associate	96.10%	2(6)

\* Representing aggregate % of shares held by the Company and/or its subsidiaries.

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (as on 01.04.2019)				No. of Shares held at the end of the year (as on 31.03.2020)				% Change during the year*	
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares		
<b>A. Promoters</b>										
<b>(1) Indian</b>										
a) Individual/HUF	4290903	-	4290903	16.70	4290903	-	4290903	16.70	0	
b) Central Govt.										
c) State Govt(s)										
d) Bodies Corporate	4622171	-	4622171	17.99	4622171	-	4622171	17.99	0	
e) Banks/ FT										
f) Any other										
<b>SUB TOTAL (A)(1):</b>	<b>8913074</b>	<b>-</b>	<b>8913074</b>	<b>34.69</b>	<b>8913074</b>	<b>-</b>	<b>8913074</b>	<b>34.69</b>	<b>0</b>	
<b>2. FOREIGN</b>										
a) NRI – Individuals	-	-	-	-	-	-	-	-	-	
b) Other – Individuals	-	-	-	-	-	-	-	-	-	
c) Bodies Corporate	-	-	-	-	-	-	-	-	-	
d) Banks/ FT	-	-	-	-	-	-	-	-	-	
e) Any other	-	-	-	-	-	-	-	-	-	
<b>SUB TOTAL (A)(2):</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total holding for Promoters and Promoter group (A)=(A)(1) + (A)(2)</b>	<b>8913074</b>	<b>-</b>	<b>8913074</b>	<b>34.69</b>	<b>8913074</b>	<b>-</b>	<b>8913074</b>	<b>34.69</b>	<b>0</b>	
<b>(B) Public shareholding</b>										
<b>1. Institutions</b>										
a) Mutual Funds/ UTI					-	-	-	-	-	
b) Banks/ FI	-	-	-	-	-	-	-	-	-	
c) Central Govt.	-	-	-	-	-	-	-	-	-	
d) State Govt.(s)	-	-	-	-	-	-	-	-	-	
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-	
f) Insurance Companies	-	-	-	-	-	-	-	-	-	
g) FII/Foreign Portfolio Investors	3099201	-	3099201	12.06	3099201	-	3099201	12.06	0	
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-	
i) Others (Specify)	-	-	-	-	-	-	-	-	-	
<b>SUB TOTAL (B)(1):</b>	<b>3099201</b>	<b>-</b>	<b>3099201</b>	<b>12.06</b>	<b>3099201</b>	<b>-</b>	<b>3099201</b>	<b>12.06</b>	<b>0</b>	
<b>B 2. Non-institutions</b>										
<b>a) Bodies Corporate</b>										
i) Indian	2577894	-	2577894	10.03	2334073	-	2334073	9.08	0.95	
ii) Overseas					-	-	-	-	-	
<b>b) Individuals</b>										
i) Individual shareholders holding nominal share capital upto ₹2 Lakh	4011455	11	4011466	15.61	3544663	11	3544674	13.79	1.82	



Category of Shareholders	No. of Shares held at the beginning of the year (as on 01.04.2019)				No. of Shares held at the end of the year (as on 31.03.2020)				% Change during the year*
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
ii) Individual shareholders holding nominal share capital in excess of ₹2 Lakh	4051113	-	4051113	15.76	4278847	-	4278847	16.65	0.89
c) Others (specify) HUF	-	-	-	-	764638	-	764638	2.97	2.97
Trusts	-	-	-	-	-	-	-	-	-
Clearing Member	278688	-	278688	1.08	557471	-	557471	2.16	1.08
Non Resident Indians (NRI)	2639439	-	2639439	10.27	2206394	-	2206394	8.58	1.69
NBFCs Registered with RBI	4000	-	4000	0.02	-	-	-	-	0.02
<b>Sub-total (B)(2):-</b>	<b>13562589</b>	<b>11</b>	<b>13562600</b>	<b>52.77</b>	<b>13686086</b>	<b>11</b>	<b>13686097</b>	<b>53.25</b>	<b>0.48</b>
<b>Total Public shareholding (B)=(B)(1)+ (B)(2)</b>	<b>16785287</b>	<b>11</b>	<b>16785298</b>	<b>65.31</b>	<b>16785287</b>	<b>11</b>	<b>16785298</b>	<b>65.31</b>	<b>0</b>
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	-
<b>Grand Total (A+B+C)</b>	<b>25698361</b>	<b>11</b>	<b>25698372</b>	<b>100.00</b>	<b>25698361</b>	<b>11</b>	<b>25698372</b>	<b>100.00</b>	<b>-</b>

#### (ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Bhawanishankar H Sharma	1346708	5.24	100	1346708	5.24	100	0
2	Vikram Bhawanishankar Sharma	1082942	4.21	100	1082942	4.21	100	0
3	Vikas Bhawanishankar Sharma	1758753	6.84	100	1758753	6.84	100	0
4	Rita B Sharma	0	0	0	0	0	0	0
5	Barkha Vikram Sharma	7500	0.03	0	7500	0.03	0	0
6	Shweta V Sharma	5000	0.02	0	5000	0.02	0	0
7	Phool Kanwar H Sharma	90000	0.35	0	90000	0.35	0	0
8	BHS Housing Private Limited	3350000	13.04	100	3350000	13.04	100	0
9	Supreme Villa Private Limited	1272171	4.95	0	1272171	4.95	0	0
	<b>Total</b>	<b>8913074</b>	<b>34.68</b>		<b>8913074</b>	<b>34.68</b>		<b>0</b>

(iii) Change in Promoters' Shareholding (Please specify if there is no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year	8913074	34.68	8913074	34.68
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	8913074	34.68	8913074	34.68

iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares At the Beginning (30/03/2019)/ end of the year (31/03/2020)	% total Shares of the Company				No of Shares	% total Shares of the Company
1	KITARA PIIN 1101	2364344	9.20	30-Mar 2019	0		2364344	9.20
		2364344	9.20	31-Mar-2020	0		2364344	9.20
2	CLARICENT ADVISORY SERVICES LLP	680000	2.65	30-Mar-2019	0		680000	2.65
		680000	2.65	31-Mar-2020	0		680000	2.65
3	PREMIER INVESTMENT FUND LIMITED	498520	1.94	30-Mar-2019	0		498520	1.94
		498520	1.94	31-Mar-2020	0		498520	1.94
4	TRISHAKTI POWER HOLDINGS PRIVATE LIMITED	210026	0.82	30-Mar-2019	0		210026	0.82
			0.89	27-Sep-2019	18297	Buy	228323	0.89
			0.92	30-Sep-2019	9186	Buy	237509	0.92
			0.94	04-Oct-2019	2964	Buy	240473	0.94
			1.08	25-Oct-2019	36300	Buy	276773	1.08
			1.26	01-Nov-2019	46579	Buy	323352	1.26
			1.71	08-Nov-2019	116899	Buy	440251	1.71
			1.72	15-Nov-2019	1275	Buy	441526	1.72
			1.79	22-Nov-2019	18281	Buy	459807	1.79
			1.82	06-Dec-2019	8000	Buy	467807	1.82
	1.86	20-Dec-2019	9850	Buy	477657	1.86		
	477657	1.86	31-Mar-2020	0		477657	1.86	
5	PALLAVI DEVEN DEDHIA	419848	1.63	30-Mar-2019	0		419848	1.63
			0.44	05-Apr-2019	-306141	Sell	113707	0.44
			0.11	12-Apr-2019	-84987	Sell	28720	0.11
			0.02	19-Apr-2019	-23684	Sell	5036	0.02
			0.00	26-Apr-2019	-5036	Sell	0	0.00
	0.00	31-Mar-2020	0		0	0.00		
6	SMITA N NAVARE	350000	1.36	30-Mar-2019	0		350000	1.36
		350000	1.36	31-Mar-2020	0		350000	1.36
7	SANKARANARAYANAN SANGAMESWARAN	343502	1.34	30-Mar-2019	0		343502	1.34
		343502	1.34	31-Mar-2020	0		343502	1.34

Sl. No.	Name	Shareholding		Date	Increase/Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares At the Beginning (30/03/2019)/ end of the year (31/03/2020)	% total Shares of the Company				No of Shares	% total Shares of the Company
8	EDELWEISS CUSTODIAL SERVICES LIMITED	2000	0.01	30-Mar-2019	0		2000	0.01
			0.01	05-Apr-2019	450	Buy	2450	0.01
			0.05	19-Apr-2019	10000	Buy	12450	0.05
			0.60	26-Apr-2019	141166	Buy	153616	0.60
			0.56	10-May-2019	-10000	Sell	143616	0.56
			0.56	29-Jun-2019	-450	Sell	143166	0.56
			0.55	02-Aug-2019	-563	Sell	142603	0.55
			0.01	30-Sep-2019	-140603	Sell	2000	0.01
			0.01	04-Oct-2019	50	Buy	2050	0.01
			0.56	18-Oct-2019	140603	Buy	142653	0.56
			0.55	01-Nov-2019	-50	Sell	142603	0.55
			0.53	06-Dec-2019	-7000	Sell	135603	0.53
			1.30	03-Jan-2020	197461	Buy	333064	1.30
1.29	20-Mar-2020	-1100	Sell	331964	1.29			
		331964	1.29	31-Mar-2020	0		331964	1.29
9	FRENY FIROZE IRANI	324011	1.26	30-Mar-2019	0		324011	1.26
		324011	1.26	31-Mar-2020	0		324011	1.26
10	NARESH ARJANDAS CHANDWANI	358682	1.40	30-Mar-2019	0		358682	1.40
			1.42	19-Jul-2019	4972	Buy	363654	1.42
			1.43	26-Jul-2019	4500	Buy	368154	1.43
			1.45	30-Aug-2019	5028	Buy	373182	1.45
		373182	1.45	31-Mar-2020	0		373182	1.45
11	SAMEER MAHENDRA SAMPAT	313235	1.22	30-Mar-2019	0		313235	1.22
		313235	1.22	31-Mar-2020	0		313235	1.22
12	DHANESH SUMATILAL SHAH	310000	1.21	30-Mar-2019	0		310000	1.21
		310000	1.21	31-Mar-2020	0		310000	1.21

\* Ceased to be in the list of Top 10 shareholders as on 31-03-2020. The same is reflected above since the shareholder was one of the top 10 shareholders as on 01-04-2019

# Not in the list of top 10 Shareholders as on 01-04-2019. The same has been reflected above since the shareholder was one of the top 10 shareholders as on 31-03-2020.

#### v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01/04/2019 to 31/03/2020)	
		No. of Shares at the beginning (01/04/2019)	% of total shares of the Company				No. of Shares	% of total shares of the Company* (as on 31/03/2020)
<b>A. Directors &amp; Key Managerial Personnel</b>								
1	Bhawanishankar H Sharma	1346708	5.24	-	-	-	1346708	5.24
2	Vikram Sharma	1082942	4.21				1082942	4.21
3	Mr. Vishwanath Prasad Singh	0	0.00	01/04/2019 To 31/03/2020	0	Nil Holding/ Movement during the year	0	0.00

Sl. No.	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01/04/2019 to 31/03/2020)	
		No. of Shares at the beginning (01/04/2019)	% of total shares of the Company				No. of Shares	% of total shares of the Company* (as on 31/03/2020)
4	Mr. Vinod Balmukand Agarwala	0	0.00	01/04/2019 To 31/03/2020	0	Nil Holding/ Movement during the year	0	0.00
5	Mr. Dakshendra Brijballabh Agarwal	0	0.00	01/04/2019 To 31/03/2020	0	Nil Holding/ Movement during the year	0	0.00
6	Mr. Sushil Kumar Mishra	0	0.00	01/04/2019 To 31/03/2020	0	Nil Holding/ Movement during the year	0	0.00
<b>Key Managerial Personnel(KMP's)</b>								
1	Mr. Vijay Joshi (Company Secretary)	0	0.00	01/04/2019 To 31/03/2020	0	Nil Movement during the year	1	0.00
2	*Mr. Sandeep Khandelwal (Chief Financial Officer)	0	0.00	01/04/2019 To 31/03/2020	0	Nil Holding/ Movement during the year	0	0.00

\* Note: Chief Financial Officer was resigned with effect from 19th October, 2019.

## V. INDEBTEDNESS

### Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in Lakh)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	1,89,433.72	10,886.05	-	2,00,319.05
ii) Interest due but not paid	90,571.55	-	-	90,571.55
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>2,80,005.27</b>	<b>10,886.05</b>	<b>-</b>	<b>2,90,891.32</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	56,586.36	4,222.37	-	60,808.73
Reduction				
<b>Net Change</b>	<b>92,939.5</b>	<b>4,222.37</b>	<b>-</b>	<b>88,717.13</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	2,34,711.58	15,108.42	-	2,49,820.00
ii) Interest due but not paid	1,38,233.19	-	-	1,38,233.19
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>3,72,944.77</b>	<b>15,108.42</b>		<b>3,88,053.19</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

(₹ in Lakh)

Sl. No.	Particulars of Remuneration	Mr. B. H. Sharma (Non-Executive Director)	Mr. Vikram Sharma (Managing Director)	Total Amount
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	Nil	Nil
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil



(₹ in Lakh)

Sl. No.	Particulars of Remuneration	Mr. B. H. Sharma (Non-Executive Director)	Mr. Vikram Sharma (Managing Director)	Total Amount
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission - as % of profit - others, specify...	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil
	Total (A)	Nil	Nil	Nil
	Ceiling as per the Act	Not Applicable as no managerial remuneration was paid during the year to the above referred Key Managerial Personnel.		

**A. Remuneration to Independent directors:**

(₹ in Lakh)

Sl. No.	Particulars of Remuneration	Mr. V.P. Singh	Mr. Vinod Balmukand Agarwala	Mr. S. K. Mishra	Mrs. Nilima Mansukhani	Mr. Dakshendra Brijballabh Agarwal	Total
	-Fee for attending Board/Committee Meetings	8.70	8.40	7.40	3.00	6.60	34.1
	-Commission	-	-	-	-	-	-
	- Others, please specify	-	-	-	-	-	-
	Total (B)(1)	8.70	8.40	7.40	3.00	6.60	34.1

**2. Remuneration to other Non-Executive directors:**

(₹ in Lakh)

Sl. No.	Particulars of Remuneration		Total
	-Fee for attending Board/Committee Meetings	-	-
	-Commission	-	-
	- Others, please specify	-	-
	Total (B)(2)	-	-
	Total(B) = (B)(1) + (B)(2)	-	-

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

(₹ in Lakh)

Sl. No.	Particulars of Remuneration	Mr. Vijay Joshi (Company Secretary)	Mr. Sandeep Khandelwal (Chief Financial Officer)*	Total Amount
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	20.09	28.19	48.28
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission - as % of profit - others, specify...	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil
	Total (C)	20.09	28.19	48.28

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

# Corporate Governance Report

The Corporate Governance report for Financial Year ("FY") 2019-2020, which forms part of Boards' Report, is prepared pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). This report is in compliance with the Listing Regulations.

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

Your Company continues to lay great emphasis on the highest standard of corporate governance. The Company has adopted an appropriate Corporate Governance framework to ensure accountability, transparency, timely disclosure and dissemination of price sensitive information, ensuring meticulous compliance with applicable laws and regulations and conducting business in its best ethical manner.

The Board along with its committees undertakes its fiduciary and trusteeship responsibilities to all its stakeholders by ensuring transparency, fair play and independence in its decision making. Your Company provides access to the Board of all relevant information and resources to enable it to carry out its role effectively. Your Company is committed to upholding the highest standards of Corporate Governance in its operations and will constantly endeavor to improve on these aspects on an ongoing basis.

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

### **A. Composition and Category of Directors, attendance of Directors at Board Meetings and Annual General Meeting, number of other Board of Directors or Committees in which a Director is a member or chairperson**

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 and provide leadership and guidance to the Company's management. 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 Six Directors, out of which Five Directors are Non-Executive Directors. The Company has 'Non-Executive Chairman' and there are Four Independent Directors on the Board which represent more than half of the total strength of the Board of Directors of the Company. The Company has received declarations from the Independent Directors confirming that they meet the criteria of independence as prescribed both under Section 149 (6) of the Companies Act, 2013 and under SEBI Listing Regulations. None of the Directors on the Board is a member of more than ten Committees and Chairman of more than five Committees across all companies in which they are Directors as specified in Regulation of SEBI Listing Regulations. The Board does not have any Nominee Director representing any financial institution.

The composition of the Board of Directors with reference to number of Executive and Non-Executive Directors, meets with the requirements of SEBI Listing Regulations.

The names and categories of Directors, the number of Directorships and Committee positions held by them in other Public Limited Companies and in the Company in terms of SEBI Listing Regulations as on 31st March, 2020 are given below:

Name	Designation	Category	No. of other Directorship held in other public Companies	*No. of committees Membership of other public companies	*No. of committees chairmanship of other public companies	Committee Positions in the Company		No. of Equity Shares held
						Chairmanship	Membership	
Mr. Bhawani Shankar Sharma (DIN 01249834)	Executive Chairman	Promoter, Non-Executive Director	Nil	Nil	Nil	Nil	Nil	1346708
Mr. Vikram Sharma (DIN 01249904)	Managing Director	Promoter, Executive Director	Nil	Nil	Nil	1	3	1082942
Mr. V. P. Singh (DIN 00015784)	Director	Independent, Non-executive Director	3	2	Nil	0	1	Nil
Mr. Vinod Agarwala (DIN 01725158)	Director	Independent, Non-executive Director	3	2	1	2	3	Nil
Mr. Dakshendra Agarwal (DIN 01010363)	Director	Non-executive Director	Nil	Nil	Nil	2	4	Nil
Mr. S.K. Mishra (DIN 06411532)	Director	Independent, Non-executive Director	Nil	Nil	Nil	Nil	2	Nil
#Mrs. Nilima Mansukhani (DIN 06964771)	Director	Independent, Non-executive Director	1	1	Nil	Nil	2	Nil

# Resigned w.e.f 17th November, 2019

\* Other Directorships do not include all other Companies i.e. Directorships of private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 For the purpose of determination of limit of Committee, membership and chairmanship of Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of the Listing Regulations.

#### Directorship of Directors in other than this Company as on March 31, 2020:

Name of Director	Directorship in other public companies than this Company	Category of Directorship held in other than this Company
Mr. Bhawani Shankar Sharma	Nil	Nil
Mr. Vikram Sharma	Nil	Nil
Mr. V. P. Singh	<ul style="list-style-type: none"> <li>JM Financial Asset Management Limited</li> <li>Bandhan Financial Services Limited</li> </ul>	Independent Director
Mr. Vinod Agarwala	<ul style="list-style-type: none"> <li>GTL Infrastructure Ltd</li> <li>Technocraft Industries (India) Limited</li> <li>IRIS Business Services Limited</li> </ul>	Independent Director
Mr. Dakshendra Agarwal	Nil	Nil
Mr. S.K. Mishra	Nil	Nil
Mrs. Nilima Mansukhani	Kesar Terminals & Infrastructure Limited	Independent Director

#### B. 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. The Company provides the information as set out in Regulation 17 read with Part A of schedule III of the SEBI Listing Regulations to the Board and the Board Committees to the extent applicable. 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.

In addition to the above, pursuant to Regulation 24 of the SEBI Listing Regulations, the Minutes of the Board Meetings of the Company's Unlisted Subsidiary Companies and a statement of all significant transactions and arrangement entered into by the Unlisted Subsidiary Companies are placed before the Board.

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

Five Board Meetings were held during the financial year 2019-2020 on 1st June, 2019; 17th September, 2019; 30th October, 2019; 10th January, 2020; 24th March, 2020.

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

During the financial year ended March 31, 2020, Five 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 Meetings attended	Attendance at last AGM held on 30th December, 2019
Mr. Bhawanishankar Sharma	1	Yes
Mr. Vikram Sharma	5	Yes
Mr. V. P. Singh	5	Yes
Mr. Vinod Agarwala	4	Yes
Mr. Dakshendra Agarwal	4	Yes
Mr. S.K. Mishra	4	No
*Mrs. Nilima Mansukhani	3	No

\* Resigned w.e.f 17th November, 2019

Mr. Bhawanishankar Sharma, Non-Executive Chairman is the father of Mr. Vikram Sharma, Managing Director. No other Directors are related to each other. There were no pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company other than the payment of sitting fees. No Independent Director or non promoter -Non-Executive Director holds any Equity Share or Convertible instrument in the Company. Further, the Company has not granted any stock option to any of its Non-Executive Directors.

### C. Familiarisation Programme for Board Members:

The familiarisation programme provides information to the Independent Directors and aims to familiarize the independent directors with the Company, their roles responsibilities in the Company, nature of infrastructure sector in which the company operates and the business model of the company by imparting suitable training sessions. Upon their appointment as Independent Directors on the Board, the Independent Directors are made aware of their roles, rights, responsibilities and liabilities. Familiarisation programme forms part of the Board process. The Independent Directors have been updated on the various developments within the Company as well as the macro level developments in the country effecting the infrastructure sector and Company's business plans at the quarterly Board Meetings held during the year F.Y. 2019-2020. The details of the familiarisation programme for independent Directors are available on the Company's website at <http://supremeinfra.com/codeofconduct.html>

### D. Code of Conduct:

The Company has two separate Code of Conduct for Board of Directors and Senior Management and Code of Conduct for Independent Directors. The Code is applicable to the Board of Directors; Senior Management including Independent Directors to such extent as may be applicable to them depending on their roles and responsibilities. The Codes give guidance and support needed for ethical conduct of business and compliance of law. A copy of the Code have been posted on the Company's website <http://supremeinfra.com/codeofconduct.html> The Code has been circulated to Directors and Management Personnel, and its compliance is affirmed by them annually.

The Board Members and the Senior Management Personnel affirm compliance with the Code of Conduct on an annual basis. The necessary declaration by the MD & CEO as required under Regulation 34(3) read with Schedule V (D) of the Listing Regulations regarding adherence to the Code of Conduct has been obtained for FY 2019-2020 and forms part of the Annual Report.

### BOARD COMMITTEES

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

#### 3. AUDIT COMMITTEE

The terms of reference of the Audit Committee are in conformity with the provisions of Section 177 of the Companies Act, 2013 and the rules made there-under and regulation 18 of SEBI Listing Regulations. Further, the Audit Committee has been granted powers as prescribed under regulation 18 of SEBI Listing Regulations.

#### 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 regulation 18 of SEBI Listing Regulations.

The Chairman of the Audit Committee is Independent Director. The meetings are usually held in Mumbai and are also attended by senior Company Executives, Statutory Auditors and Internal Auditors. The quorum for the Audit Committee Meetings is Two Independent Members. The Company Secretary acts as Secretary to the Committee. During the FY 2019-2020, Fours meetings of the Audit committee were held on 1st June, 2019; 17th September, 2019; 30th October, 2019; 24th March, 2020.

The Composition of the Audit Committee and the details of Meetings held during the Year 2019-- 2020.

Sl. No.	Name of the Director	Designation	Category	No. of Audit Committee Meetings attended
1	Mr. Dakshendra Agarwal	Chairman	Independent Director	2
2	Mr. Vinod Agarwala	Member	Independent Director	3
3	Mr. S. K. Mishra	Member	Independent Director	3
4	Mr. Vikram Sharma	Member	Executive-Managing Director	4
5	Mr. V. P. Singh	Member	Independent Director	4

The role of the audit committee includes the following:

1. Oversight of the Company's financial reporting process and the disclosure of the Company's financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
5. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - 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 judgment 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. Modified opinion(s) in the draft audit report;
6. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
7. To review the financial statements, in particular, the investments made by the unlisted subsidiary Company;
8. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
9. To formulate the scope, functioning, periodicity and methodology for conducting the internal audit in consultation with the Internal Auditor.
10. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
11. 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.
12. Discussion with internal auditors any significant findings and follow up there on.
13. 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.
14. 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.
15. 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.
16. To review the functioning of the Whistle Blower mechanism.
17. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.
18. Valuation of undertakings or assets of the Company, wherever it is necessary.
19. Scrutiny of inter-corporate loans and investments.
20. Evaluation of internal financial controls and risk management systems.
21. Approval or any subsequent modification of transactions of the Company with related parties.
22. To appoint a person having such qualifications and experience and registered as a valuer in such manner, on such terms and conditions as may be prescribed and appointed by the audit Committee for valuation, if required to be made, in respect of any property, stocks, shares, debentures, securities or goodwill or any other assets or net worth of a Company or its liabilities.
23. To ensure proper system for storage, retrieval, display or printout of the electronic records as deemed appropriate and such records shall not be disposed of or rendered unusable, unless permitted by law provided that the back-up of the books of account and other books and papers of the Company maintained in electronic mode, including at a place outside India, if any, shall be kept in servers physically located in India on a periodic basis.
24. Reviewing the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding rupees 100 Crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances / investments existing as on the date of coming into force of this provision.
25. Reviewing the compliances under SEBI (Prohibition of Insider Trading) Regulations, 2015, at least once in a financial year and verify that the systems for internal control are adequate and are operating effectively.
26. Carrying out any other function as is mentioned in the terms of reference of the Committee.

#### **Powers**

The Audit Committee shall have powers, which should include the following:

1. To investigate any activity within its terms of reference.

2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

In addition to the above, the role of the Audit Committee also includes the mandatory review of the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
6. Statement of deviations:
  - a. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI Listing Regulations.

Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of SEBI Listing Regulations.

The Minutes of the meetings of the Committee are placed before the Board for Noting.

#### 4. NOMINATION AND REMUNERATION COMMITTEE

The terms of reference of the Nomination and Remuneration Committee is made in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI Listing Regulations.

##### A. The terms of reference of the Nomination and Remuneration Committee as defined by the Board are as under:

1. Identification and nomination of suitable candidates for the Board's approval in relation to appointment and removal of Directors and Key Managerial Personnel and Senior Management.
2. Identification of the key job incumbents in senior management and recommend to the Board whether the concerned individual be: (a) granted an extension in term/ service; or (b)

replaced with an identified internal or external candidate or recruit other suitable candidates.

3. Making recommendations to the Board in relation to the remuneration payable to the Directors and Key Managerial Personnel and Senior Management, in terms of the policy of the Company.
4. Determining the tenure of Key Managerial Personnel other than a Director, posted in a regulatory department.
5. Formulating criteria for evaluation of performance of the Board of Directors and Independent Directors.
6. Devising a policy on Board Diversity.
7. Laying out remuneration principles for employees linked to their effort, performance and achievement relating to the Company's goals.
8. Developing a succession plan to ensure the systematic and long-term development of individuals in the Senior Management level to replace when the need arises due to deaths, disabilities, retirements, and other unexpected occurrence and to regularly review the plan.
9. Framing & Reviewing the performance review policy to carry out evaluation of every Director's performance
10. Recommend to the Board, all remuneration in whatever form, payable to Senior Management.

As per Section 178(4) of the Act, the Nomination and Remuneration Committee shall, while formulating the policy under sub section (3) ensure that:

11. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
12. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
13. Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

The composition of the Nomination and Remuneration Committee as at 31st March, 2020 and the details of Members participation at the Meetings of the Committee are as under:

During the F.Y. 2019-2020, one meeting of the Nomination and Remuneration Committee was held on 24th March, 2020.

Sl. No.	Name of the Director	Designation	Category	No. of Meetings attended
1	Mr. Dakshendra Agarwal	Chairman	Independent Director	1
2	Mr. Vinod Agarwala	Member	Independent Director	1
3	Mr. S. K. Mishra	Member	Independent Director	1

##### B. Remuneration Policy

The Company's philosophy for remuneration of Directors, KMP and all other employees is based on the commitment of fostering a culture of leadership with trust. The Company has adopted a Policy for remuneration of Directors, KMP and other employees, which is

aligned to this philosophy. The principles governing the Company's Remuneration Policy is provided in the Board's Report.

##### C. 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 Committee Meetings held during the year. Non-Executive Directors are also entitled to receive commission up to one percent on the net profits of the Company in accordance with the provisions of the Companies Act, 2013 as approved by the shareholders at the Annual General Meeting of the Company held 12th September,

2014. However, in view of the losses incurred during the year, no commission is paid to Non-Executive Directors during the year.

The details of the sitting fees and commission to paid/ due to be paid to Non-Executive Directors for the year ended 31st March, 2020 is as follows:

Sl. No.	Name of the Director	Sitting fees ₹	Commission ₹	Total ₹
1	Mr. V.P Singh	870000	Nil	870000
2	Mr. Vinod Agarwala	840000	Nil	840000
3	Mr. S. K. Mishra	740000	Nil	740000
4	Mrs. Nilima Mansukhani	300000	Nil	300000
5	Mr. Dakshendra Agrawal	660000	Nil	660000
	<b>Total</b>	<b>3410000</b>		<b>3410000</b>

#### D. Remuneration to Executive Directors

The Executive Directors are entitled to fixed remuneration by way of salary of ₹5 Lakh per month and perquisites of ₹3 Lakh per month. Other than the above, the Executive Directors are not entitled to any bonuses, pensions, performance linked incentives, severance fees etc. The Company has not issued stock options to any Director. Considering the present business scenario and difficulties being faced by the infrastructure sector, Mr. Bhawanishankar Sharma, Non-Executive Chairman, Mr. Vikram Sharma, Managing Director gave their consent to waive the fixed managerial remuneration earned by them for the year 2019-2020 i.e. from April, 2019 to March, 2020 aggregating to ₹96,00,000/- each. The Total Managerial Remuneration waived off by the Executive Directors is ₹192 Lakh for the F.Y. 2019-2020.

The agreement with the above Executive Directors is for a period of five years with effect from 1st April, 2020 duly approved by the Shareholder at the Annual General Meeting of the Company held on 04th June, 2021. 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.

None of the Directors are entitled to any benefit upon termination of their association with the Company.

#### E. Performance Evaluation criteria of the Board

Pursuant to the provisions of Section 134 (3) (p), 149(8) and Schedule IV of the Companies Act, 2013 and Regulation 17 of the SEBI Listing Regulations, the policy has been framed with an objective to ensure individual Directors of the Company and the Board as a whole, works efficiently and effectively in achieving their functions, in the interest of the Company and for the benefit of its stakeholders. Accordingly, the policy provides guidance on evaluation of the performance of: (i) individual Directors including the Chairperson (ii) the Board as a whole; and (iii) various committees of the Board, on an annual basis.

The performance evaluation of the Independent Directors was carried out by the entire Board and the Performance Evaluation of the Chairman and Non-Independent Directors was carried out by the Independent Directors.

The criteria for evaluation for each of the above are as follows:

#### Internal Evaluation of Individual Directors

The individual Director's performance has largely been evaluated based on his/ her level of participation and contribution to the

performance of Board/Committee(s). Furthermore, the skills, knowledge, experience, attendance record, devotion of sufficient time and efficient discharge of responsibilities towards the Company, Board and Committees of which he/she is a member are considered for evaluation. Additionally, timely disclosure of personal interest, compliance of Code of Conduct and Ethics, Code for Independent Directors etc., are also taken into account.

#### Chairman's Performance Evaluation

Providing effective leadership, setting effective strategic agenda of the Board, encouraging active engagement by the Board members, establishing effective communication with all stakeholders, etc.

#### Performance evaluation of the Board as a whole

The performance of the Board of Directors is evaluated on the basis of various criteria which inter-alia, includes providing entrepreneurial leadership to the Company, understanding of the business, strategy and growth, responsibility towards stakeholders, risk management and financial controls, quality of decision making, monitoring performance of management, maintaining high standards of integrity and probity, etc.

#### Evaluation of the Board Committees

The performance of the Committees are evaluated on the basis of following parameters:

- Mandate and composition
- Effectiveness of the Committees
- Structure of the Committees and their meetings
- Independence of the Committees from the Board
- Contribution to the decisions of the Board

Disclosures as prescribed under SEBI circular dated May 10, 2018 are given below:

- Observations of Board evaluation carried out for the year  
No observations.
- Previous year's observations and actions taken  
Since no observations were received, no actions were taken.
- Proposed actions based on current year observations  
Since no observations were received, no actions were taken.



## 5. STAKEHOLDERS RELATIONSHIP COMMITTEE

The terms of reference of the Stakeholders Relationship Committee is made in accordance with the provisions of Section 178(5) of the Companies Act, 2013 and Regulation 20 of SEBI Listing Regulations. The terms of reference of the committee is to consider, monitor and resolve the grievances of shareholders, debenture holders and other security holders of the Company including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends.

The composition of the Stakeholders Relationship Committee is as follows:

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

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

During the F.Y. 2019-2020, one meeting of the Stake Holders Relationship Committee was held on 24th March, 2020.

### Complaints from Investors

During the year under review, the Company had received Nil complaints from the investors and there were no investor complaints pending as on 31st March 2020.

### Prohibition of Insider Trading

With a view to regulate trading in securities by the directors and designated employees, the Company has adopted a Code of Conduct for Prohibition of Insider Trading.

### Compliance Officer

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

### Support and role of Company Secretary

The Company Secretary is responsible for convening the Board and Committee meetings, preparation and distribution of Agenda and other documents and recording of the minutes of the meetings. He acts as interface between the Board and the Management and provides required assistance and assurance to the Board and the Management on compliance and grievance aspects.

## 6. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The CSR Committee constituted in accordance with Section 135 of the Companies Act, 2013, comprises the following three directors as on 31st March, 2020.

Sl. No.	Name	Position
1	Mr. Vikram Sharma	Chairman
2	Mr. Vinod Agarwala	Member
3	Mr. Dakshendra Agarwal	Member

The role of the CSR Committee is as under:

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.
- Recommend the amount of expenditure to be incurred on the activities referred in the CSR policy.
- Monitor the CSR Policy of the Company and its implementation from time to time.
- Such other functions as the Board may deem fit.

During the F.Y. 2019-2020, one meeting of the Corporate Social Responsibility Committee was held on 24th March, 2019.

## 7. SUBSIDIARY COMPANIES

Regulation 16 (1) © of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 defines a "material subsidiary" as subsidiary, whose income or Net worth exceeds 20% of the consolidated income or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year. In terms of the above definition, the Company did not have any "material subsidiary" during the year under review. The Subsidiaries of the Company function independently, with an adequately empowered Board of Directors and sufficient resources. For more effective governance, the Minutes of Board Meetings of Subsidiaries of the Company are placed before the Board of the Company for its review. The requirements of the Regulations of SEBI Listing Regulations, 2015 with regard to subsidiary companies have been complied with. The Company has formulated a policy for determining material subsidiaries which is disclosed on the Company's website.

## 8. GENERAL BODY MEETINGS

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

AGM/EGM	Date	Venue and Time	Special Resolutions passed
36th AGM	30/12/2019	Athena Banquet Hall, 8th Floor, B-Wing, Supreme Business Park, Hiranandani, Powai, Mumbai – 400 076	1. Ratification Of Cost Auditors' Remuneration; 2. Re-appointment of Mr. V. P. Singh as independent director; 3. Re-appointment of Mr. Vinod Agarwala as independent director.
35th AGM	31/12/2018	Athena Banquet Hall, 8th Floor, B-Wing, Supreme Business Park, Hiranandani, Powai, Mumbai – 400 076	No Special Resolution was passed in the meeting.

AGM/EGM	Date	Venue and Time	Special Resolutions passed
34th AGM	30/10/2017	Athena Banquet Hall, 8th Floor, B-Wing, Supreme Business Park, Hiranandani, Powai, Mumbai – 400 076	<ol style="list-style-type: none"> <li>1. To approve the implementation of the 'S4A Resolution Plan' of the Company under the Scheme for Sustainable Structuring of Stressed Assets, issued by the Reserve Bank of India in relation to restructuring of the debt of the Company.</li> <li>2. Issue of Optionally Convertible Debentures ("OCDs") in terms of the SEBI ICDR Regulations pursuant to the Scheme for Sustainable Structuring of Stressed Assets, issued by the Reserve Bank of India in relation to restructuring of the debt of the Company.</li> <li>3. Issue of Equity Shares/ Convertible Warrants on preferential allotment/ private placement basis to promoters pursuant to the Scheme for Sustainable Structuring of Stressed Assets, issued by the Reserve Bank of India in relation to restructuring of the debt of the Company.</li> <li>4. Issue of Equity Shares/ Convertible Warrants on preferential allotment/ private placement basis to third party investors.</li> <li>5. Increase in the limit of shareholding by registered Foreign Portfolio Investors (FPIs) From 24% To 49% of the paid-up Capital of the Company.</li> <li>6. Increase in the limit of shareholding by Non resident Indians (NRIs) from 10% to 24% of the paid-up Capital of the Company.</li> </ol>

## 9. MEANS OF COMMUNICATION

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

## 10. GENERAL SHAREHOLDER INFORMATION

1	<b>Company Registration details</b>	The Company is registered in the State of Maharashtra, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L74999MH1983PLC029752
2	<b>Annual General Meeting Date, Time and Venue</b>	Friday, 04th June, 2020 at 12.30 p.m. At Athena Banquet Hall, 8th Floor, B-Wing, Supreme Business Park, Hiranandani, Powai, Mumbai – 400 076.
3	<b>Financial Year</b>	1st April 2019 to 31st March 2020
4	<b>Dates of Book Closure</b>	28th May, 2021 to 4th June, 2020
5	<b>Dividend</b>	No Dividend is recommended for the year ended 31st March, 2020.
6	<b>Listing on Stock Exchanges</b>	The Equity Shares of your Company are listed on:  <b>BSE Limited (BSE)</b> Add: Floor 25, P.J. Towers, Dalal Street, Fort, Mumbai-400 001 and  <b>National Stock Exchange of India Ltd (NSE).</b> Add:- Exchange Plaza, Bandra-Kurla Complex, Bandra, Mumbai-400 051.
7	<b>Annual Listing Fees</b>	Annual Listing Fees for Financial year 2020-2021 is paid to both the exchanges
8	<b>Stock Code</b>	BSE Limited (BSE):- "532904"  National Stock Exchange of India Limited (NSE):- "SUPREMEINF"
9	<b>ISIN</b>	INE550H01011
10	<b>Registrar &amp; Transfer Agents</b>	Bigshare Services Private Limited  Add.: 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis Apartments, Marol Maroshi Road, Andheri East, Mumbai 400059  Tel: + 91 22 62638200  Website:www.bigshareonline.com Email: investor@bigshareonline.com
11	<b>Share Transfer System</b>	The Board of Directors have 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.
12	<b>Address for Correspondence</b>	<b>Mr. Vijay Joshi</b> Company Secretary  <b>Supreme Infrastructure India Limited</b> 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
13	<b>Dematerialization of Shares and liquidity</b>	As on 31st March, 2020, 2,56,98,361 Equity Shares of the Company constituting appx. 100% of the Equity Shares Capital are held in Dematerialized form. The equity shares of the Company are in compulsory dematerialized trading for all investors.
14	<b>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.
15	<b>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.
16	<b>Outstanding GDRs/ ADRs/ Warrants or any convertible instruments, conversion date and likely impact on equity.</b>	There are no Outstanding GDRs/ ADRs/ Warrants or any convertible instruments, which are likely impact on equity as at 31st March, 2020.
17	<b>Plant Locations</b>	Hot Mix Plant, RMC Plant and Crusher Plant located at Padgha, Talvali, Near Vasare Village, Kalyan-Padgha Road, Maharashtra and at various sites and locations.

## 11. DISTRIBUTION OF SHARE HOLDING

Face value: ₹10/- each (as on 31st March 2020)

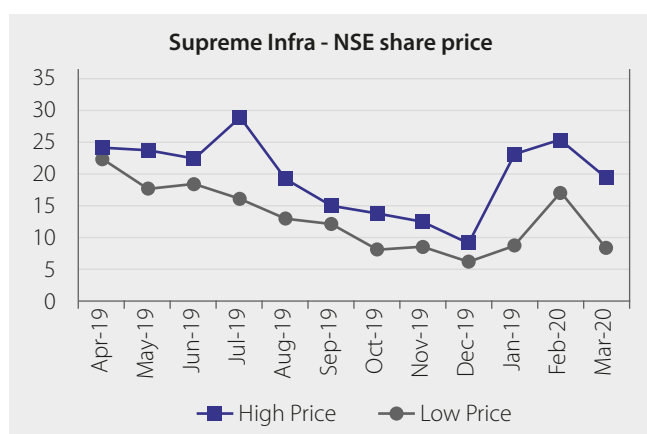
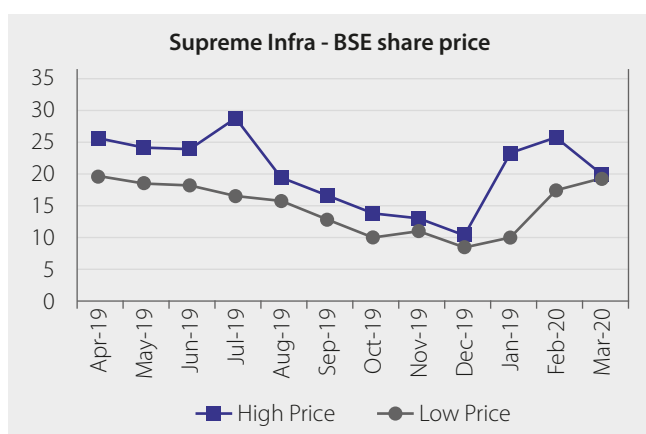
Sl. No.	Shareholding of nominal		Number of shareholders	% To total	Shares	% To total
1	1	500	7641	84.4309	865929	3.3696
2	501	1000	582	6.4309	481592	1.874
3	1001	2000	304	3.3591	485529	1.8893
4	2001	3000	106	1.1713	273710	1.0651
5	3001	4000	66	0.7293	233963	0.9104
6	4001	5000	69	0.7624	330868	1.2875
7	5001	10000	102	1.1271	749183	2.9153
8	10001	999999999	180	1.989	22277598	86.6888
<b>Total</b>			<b>9050</b>	<b>100.0000</b>	<b>25698372</b>	<b>100.0000</b>

### Shareholding Pattern as on 31st March, 2020

Sl. No.	Category of Shareholders	No. of Shares held	Percentage of Shareholding
1.	Promoters & Promoters Group	8913074	34.69
2.	Mutual funds/ UTI	-	-
3.	Government Companies, Financial Institutions, Banks and Insurance Companies	-	-
4.	Non Nationalised Banks	-	-
5.	NBFC	-	-
6.	Foreign Portfolio Investors	3099201	12.06
7.	Bodies Corporate	2334073	9.0826
8.	NRIs	2206394	8.58
9.	Clearing Member	557471	2.16
10.	Trusts	-	-
11.	Indian Public (Other than above)	7823521	30.44
	<b>Total</b>	<b>2,56,98,372</b>	<b>100.00</b>

### Market Price Data

Months	BSE Limited (BSE)		The National Stock Exchange of India Limited (NSE)	
	High Price (₹)	Low Price (₹)	High Price (₹)	Low Price (₹)
April 2019	25.70	19.55	24.15	22.50
May 2019	24.20	18.40	23.75	17.90
June 2019	24.00	18.30	22.40	18.40
July 2019	28.70	16.50	28.70	16.25
August 2019	19.35	15.80	19.25	13.00
September 2019	16.60	12.75	15.10	12.25
October 2019	13.70	10.12	13.90	8.20
November 2019	12.99	10.89	12.60	8.80
December 2019	10.35	8.45	9.20	6.25
January 2020	23.64	9.90	23.35	8.80
February 2020	25.70	17.50	25.50	17.25
March 2020	19.40	19.40	19.50	8.25





### Reconciliation of Share Capital Audit

In keeping with the requirements of the SEBI and stock exchanges, a reconciliation of share capital audit by a practicing Company Secretary is carried out at the end of every quarter to reconcile the total admitted Equity capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The said audit confirms that the total issued/ paid-up Equity capital tallies with the total number of Equity shares in physical form and the total number of Dematerialised shares held with NSDL and CDSL.

### Dematerialisation of Shares and Liquidity

As of the end of March 31, 2020 shares comprising approximately 100% of the Company's Equity Share Capital have been dematerialized.

Bifurcation of the category of shares in physical and electronic mode as on March 31, 2020 is given below:

Shares held through	No. of shares	Percentage of holding
NSDL	15461902	60.17
CDSL	10236459	39.83
Physical	11	0.00
Total	25698372	100.00

### Disclosures with respect to Demat Suspense Account/ Unclaimed Suspense Account

As per the provisions of Regulation 39 of SEBI Listing Regulations, the unclaimed shares if any lying in the possession of the Company are required to be dematerialized and transferred into a special demat account. The Company is not required to maintain the above account as no Equity Shares of the Company have remained unclaimed. All the Equity Shares of the Company are in Dematerialised form except 11 Equity shares which are in physical form. Hence, the above provisions are not applicable to the Company.

### Transfer of Unclaimed Dividend to Investor Education & Protection Fund (IEPF)

Under the Companies Act, 2013, dividends which remain unclaimed for a period of seven years are required to be transferred to the Investor Education & Protection Fund (IEPF) administered by the Central Government.

Dates of declaration of dividends since financial year 2011-12 and the corresponding dates when unclaimed dividends are due to be transferred to the IEPF are given in the table below:

Financial year ended	Date of declaration of dividend	Amount remaining unclaimed / unpaid as on 31.03.2020 (₹)	Last date for claiming unpaid dividend amount (before)	Last date for transfer to IEPF
31/03/2013	26/09/2013	39290	2/11/2020	1/12/2020
31/03/2014	12/9/2014	19386.50	18/10/2021	17/11/2021

Members are once again requested to utilize this opportunity and get in touch with the Company's Registrar and Share Transfer Agents Bigshare Services Private Limited at their communication address for encashing the unclaimed dividends standing to the credit of their account. Members are further requested to note that

after completion of seven years, no claims shall lie against the said Fund or Company for the amounts of dividend so transferred, nor shall any payment be made in respect of such claims

## 12. DISCLOSURES

- All related party transactions that were entered into during the financial year were on arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Act and the Listing Regulations. Details of related party transactions entered into by the Company are included in the Notes to Accounts. Material individual transactions with related parties are in the normal course of business and do not have potential conflict with the interests of the Company at large. Transactions with related parties entered into by the Company in the normal course of Business are placed before the Audit Committee. The policy on related party transactions as approved by the Board is uploaded on the Company's website.
- No penalties, strictures imposed on the Company by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years. However, in the last three years the stock exchanges levied fine on the Company on account of delay in declaration of financial results in terms of clause 41 of the listing agreement / regulation 33 (3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in FY 2017-18, FY 2018-2019 and FY 2019-2020.
- The Audit Committee and the Board have adopted a Whistle-Blower policy which provides a formal mechanism for all employees of the Company to approach to the Management of the Company (Audit Committee in case where the concern involves the Senior Management) and make protective disclosures to the Management about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. 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.
- The Company has complied with all the mandatory requirements of Regulation of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015
- The Company has complied with following non-mandatory and discretionary requirements as per Schedule II Part E of the SEBI Listing Regulations and as regards to the other Non-mandatory requirements, the Board has taken cognizance of the same and shall consider adopting the same as and when necessary:
  - The quarterly and half-yearly financial performance are published in the newspaper and are also posted on the website of the Company and hence, it is not being sent to the Shareholders.
  - The Company has complied with the requirement of having separate persons to the post of Chairman and MD & CEO.
  - The internal auditors of the Company makes presentation to the Audit Committee on their reports.

- f. The Company has also adopted the policy on determination of Materiality for Disclosures (<http://supremeinfra.com/codeofconduct.html>)
- g. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) – Not applicable
- h. **Details of fees paid to Statutory Auditors**  
Statutory Auditors:  
Ramanand and Associates
- a) Statutory audit fee – ₹18 Lakh  
b) Limited Review – ₹12 Lakh  
c) Other services – ₹7 Lakh
- i. **Details of Sexual Harassment complaints received and redressed**

Opening Balance	Received during the year	Resolved during the year	Closing Balance
Nil	Nil	Nil	Nil

**Compliance of Corporate Governance Requirements specified in Regulation 17 To 27 And Regulation 46(2)(B) To (I) of Listing Regulations**

Sl. No.	Regulation	Particulars	Compliance observed for the following	Compliance Status Yes / No/N.A.
1	17	Board of Directors	<ul style="list-style-type: none"> <li>• Composition</li> <li>• Meetings</li> <li>• Review of compliance reports</li> <li>• Plans for orderly succession for appointments</li> <li>• Code of Conduct</li> <li>• Fees / compensation to Non-Executive Directors</li> <li>• Minimum information to be placed before the Board</li> <li>• Compliance Certificate</li> <li>• Risk assessment and management</li> <li>• Performance evaluation of Independent Directors</li> </ul>	NO
2	18	Audit Committee	<ul style="list-style-type: none"> <li>• Composition</li> <li>• Meetings</li> <li>• Powers of the Committee</li> <li>• Role of the Committee and review of information by the Committee</li> </ul>	Yes
3	19	Nomination and Remuneration Committee	<ul style="list-style-type: none"> <li>• Composition</li> <li>• Role of the Committee</li> </ul>	Yes
4	20	Stakeholders' Relationship Committee	<ul style="list-style-type: none"> <li>• Composition</li> <li>• Role of the Committee</li> </ul>	Yes
5	21	Risk Management Committee	<ul style="list-style-type: none"> <li>• Not Applicable</li> </ul>	N.A.
6	22	Vigil Mechanism	<ul style="list-style-type: none"> <li>• Formulation of Vigil Mechanism for Directors and employees</li> <li>• Director access to Chairperson of Audit Committee</li> </ul>	Yes
7	23	Related Party Transactions	<ul style="list-style-type: none"> <li>• Policy on Materiality of Related Party Transactions and dealing with Related Party Transactions</li> <li>• Approval including omnibus approval of Audit Committee</li> <li>• Review of Related Party Transactions</li> </ul>	Yes
8	24	Subsidiaries of the Company	<ul style="list-style-type: none"> <li>• There was no material subsidiary of the Company and as a result the other compliance in respect of material subsidiary were not applicable</li> <li>• Review of financial statements of unlisted subsidiary by the Audit Committee</li> <li>• Significant transactions and arrangements of unlisted subsidiary</li> </ul>	Yes
9	25	Obligations with respect to Independent Directors	<ul style="list-style-type: none"> <li>• Maximum directorships and tenure</li> <li>• Meetings of Independent Directors</li> <li>• Familiarisation of Independent Directors</li> </ul>	Yes

Sl. No.	Regulation	Particulars	Compliance observed for the following	Compliance Status Yes / No/N.A.
10	26	Obligations with respect to Directors and Senior Management	<ul style="list-style-type: none"> <li>Memberships / Chairmanships in Committees</li> <li>Affirmation on compliance of Code of Conduct by Directors and Senior Management</li> <li>Disclosure of shareholding by Non-Executive Directors</li> <li>Disclosures by Senior Management about potential conflicts of interest</li> </ul>	Yes
11	27	Other Corporate Governance requirements	<ul style="list-style-type: none"> <li>Compliance with discretionary requirements</li> <li>Filing of quarterly compliance report on Corporate Governance</li> </ul>	Yes
12	46(2)(b) to (i)	Website	<ul style="list-style-type: none"> <li>Terms and conditions for appointment of Independent Directors</li> <li>Composition of various Committees of the Board of Directors</li> <li>Code of Conduct of Board of Directors and Senior Management Personnel</li> <li>Details of establishment of Vigil Mechanism/ Whistle Blower policy</li> <li>Policy on dealing with Related Party Transactions</li> <li>Policy for determining material subsidiaries</li> <li>Details of familiarisation programmes imparted to Independent Directors</li> <li>Weblink:<a href="http://supremeinfra.com/codeofconduct.html">http://supremeinfra.com/codeofconduct.html</a></li> </ul>	Yes

#### Practicing Company Secretary Certification

A certificate from practicing company secretary confirming that none of the Directors on the board of the Company were debarred or disqualified from being re-appointed under retirement by rotation and/or continuing as Directors of the Company by the SEBI, Ministry of Corporate Affairs or any other statutory authorities attached as **Annexure A**.

#### Compliance Certificate

Certificate from the Practicing Company Secretary, M/s. Nidhi Bajaj & Associates, confirming compliance with conditions of Corporate Governance, as stipulated under Regulation 34 of the Listing Regulations, is attached to this Report as **Annexure B**.

#### CEO and CFO Certification

The Managing Director and the Chief Financial Officer of the Company gave annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of the Listing Regulations. The Managing Director and the Chief Financial Officer also give quarterly certification on financial results while

placing the financial results before the Board in terms of Regulation 33(2) of the Listing Regulations. The annual certificate given by the Managing Director and the Chief Financial Officer is published in this Report as Annexure C.

#### CERTIFICATE ON COMPLIANCE WITH CODE OF CONDUCT

I, Vikram Sharma, Managing Director of Supreme Infrastructure India Limited hereby confirm that the Company has obtained affirmation from all the members of the Board and Management Personnel that they have complied with the Code of Conduct for Board of Directors and Senior Management and Code of Conduct for Independent Directors as applicable to them for the Financial Year 2019-2020.

**Vikram Sharma**  
Managing Director

Place: Mumbai  
Date: 06th January, 2021

## ANNEXURE A

# CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)To,

The Members of

### SUPREME INFRASTRUCTURE INDIA LIMITED

Supreme House, Pratap Gadh,  
Plot No. 94/C, Opp. IIT, Powai,  
Mumbai - 400076.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Supreme Infrastructure India Limited having CIN L74999MH1983PLC029752 and having registered office at Supreme House, Pratap Gadh, Plot No. 94/C, Opp. IIT, Powai, Mumbai - 400076 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers. I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of the Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sl. No.	Name of Director	DIN	Date of Appointment
1	Mr. Bhawani Shankar Sharma	01249834	8/4/1983
2	Mr. Vikram Sharma	01249904	21/08/1998
3	Mr. V. P. Singh	00015784	20/01/2010
4	Mr. Vinod Agarwala	01725158	20/01/2010
5	Mr. Dakshendra Agarwal	01010363	13/11/2010
6	Mr. S.K. Mishra	06411532	2/6/2015
7	#Mrs. Nilima Mansukhani	06964771	2/6/2015

# Resigned w.e.f 17th November, 2019

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Nidhi Bajaj & Associates**  
Practicing Company Secretary

**Nidhi Bajaj**  
Membership No.: 28907

Place: Mumbai

Dated: 06th January, 2021



ANNEXURE B

**CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CHAPTER IV OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

To  
The Members,  
**Supreme Infrastructure India Limited**

1. We have examined the compliance of conditions of Corporate Governance by Supreme Infrastructure India Limited ("the Company"), for the year ended on 31st March, 2020, as stipulated in:
  - Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) and
  - Regulations 17 to 27 {excluding regulation 23(4)} and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations of applicability as specified under paragraph 1 above, during the year ended 31st March, 2020.
4. 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 Nidhi Bajaj & Associates**  
Practicing Company Secretary

**Nidhi Bajaj**  
Membership No.: 28907

Place: Mumbai  
Dated: 06th January, 2021

**ANNEXURE C**  
**CEO AND CFO CERTIFICATION**

To,  
The Board of Directors  
**Supreme Infrastructure India Limited**

1. We have reviewed financial statement and the cash flow statement of Supreme Infrastructure India Limited for the year ended March 31, 2020 and 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.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
4. We have indicated to the Auditors and the Audit Committee:
  - i. that there are no significant changes in internal control over financial reporting during the year;
  - ii. that there are no significant changes in accounting policies during the year; and
  - iii. that there are no instances of significant fraud of which we have become aware.

**Pankaj Sharma**  
Chief Executive Officer

Place: Mumbai  
Date: 06th January, 2021

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# FINANCIAL STATEMENTS

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# Independent Auditor's Report

To the Members of Supreme Infrastructure India Limited

## REPORT ON THE AUDIT OF STANDALONE FINANCIAL STATEMENTS

### Qualified Opinion

1. We have audited the accompanying standalone financial statements of Supreme Infrastructure India Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2020, and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

### Basis for Qualified Opinion

3. As stated in Note 11.3 to the accompanying standalone financial statement, the Company's current financial assets as at 31 March 2020 include trade receivables aggregating ₹45,680.90 lakhs (31 March 2019: ₹45,680.90 lakhs) in respect of projects which were closed/substantially closed and where the receivables have been outstanding for a substantial period. Management has assessed that no adjustments are required to the carrying value of the aforesaid balances, which is not in accordance with the requirements of Ind AS 109, 'Financial Instruments'. Consequently, in the absence of sufficient appropriate evidence to support the management's contention of recoverability of these balances, we are unable to comment upon the adjustments, if any, that are required to the carrying value of the aforesaid balances, and consequential impact, if any, on the accompanying standalone financial statement. Our opinion on the standalone financial statement for the year ended 31 March 2019 was also modified in respect of this matter.
4. As stated in Note 18.2 to the accompanying standalone financial statements, the Company's non-current borrowings, short-term borrowings and other current financial liabilities as at 31 March 2019 include balances aggregating Nil (31 March 2018: ₹9,324.24 lakhs), Nil (31 March 2018: ₹294.21 lakhs) and ₹11,925.03 lakhs (31 March 2018: ₹11,510.27 lakhs), respectively in respect of which

confirmations/statements from the respective lenders have not been received. These borrowings have been classified into current and non-current, basis the original maturity terms stated in the agreements which is not in accordance with the terms of the agreements in the event of defaults in repayment of borrowings. Further, whilst we have been able to perform alternate procedures with respect to certain balances, in the absence of confirmations/ statements from the lenders, we are unable to comment on the adjustments, if any, that may be required to the carrying value of these balances on account of changes, if any, to the terms and conditions of the transactions, and consequential impact, on the accompanying standalone financial statements. Our audit opinion on the standalone financial statements for the year ended 31 March 2018 was also modified in respect of this matter. (TO BE DELETED AS THE QUALIFICATION IS REMOVED)

5. As stated in Note 4.4 to the accompanying standalone financial statements, the Company's non-current investments as at 31 March 2020 include non-current investments in one of its subsidiary aggregating ₹142,556.83 lakhs. The subsidiary has significant accumulated losses and its consolidated net-worth is fully eroded. Further, the subsidiary is facing liquidity constraints due to which it may not be able to realise projections as per the approved business plans. Based on the valuation report of an independent valuer as at 31 March 2019 and other factors described in the aforementioned note, Management has considered such balance as fully recoverable. Management has assessed that no adjustments are required to the carrying value of the aforesaid balances, which is not in accordance with the requirements of Ind AS 109, 'Financial Instruments'. In the absence of sufficient appropriate evidence to support the management's assessment as above and other relevant alternate evidence, we are unable to comment upon adjustments, if any, that may be required to the carrying values of these non-current investments and aforementioned dues and the consequential impact on the accompanying standalone financial statements.
6. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.



### Material Uncertainty Related to Going Concern

7. We draw attention to Note 37 to the accompanying standalone financial statements, which indicates that the Company has incurred a net loss of ₹49,100.25 lakhs during the year ended 31 March 2020 and, as of that date; the Company's accumulated losses amounts to ₹177690.20 lakhs which have resulted in a full erosion of net worth of the Company and its current liabilities exceeded its current assets by ₹323,242.74 lakhs. Further, as disclosed in Note 37 to the said financial statements, there have been delays in repayment of principal and interest in respect of borrowings during the current year. The above factors, along with other matters as set forth in the aforesaid note, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. However, based on ongoing discussion with the lenders for restructuring of the loans, revised business plans, equity infusion by the promoters, and other mitigating factors mentioned in the aforementioned note, Management is of the view that going concern basis of accounting is appropriate.

The above assessment of the Company's ability to continue as going concern is by its nature considered as a key audit matter in accordance with SA 701. In relation to the above key audit matter, our audit work included, but was not limited to, the following procedures:

- i. Obtained an understanding of the management's process for identifying all events or conditions that may cast significant doubt over the company's ability to continue as a going concern and a process to assess the corresponding mitigating factors existing against each such event or condition. Also, obtained an understanding around the methodology adopted by the Company to assess their future business performance including the preparation of a cash flow forecast for the business.
- ii. Evaluated the design and tested the operating effectiveness of key controls around aforesaid identification of events or conditions and mitigating factors, and controls around cash flow projections prepared by the management.

- iii. We obtained from the management, its projected cash flows for the next twelve months basis their future business plans and considering the impacts of implementation of Tariff Order, 2017. Reconciled the cash flow forecast to the future business plan of the Company as approved by the Board of Directors
- iv. Assessed the methodology used by the management to estimate the cash flow projections including the appropriateness of the key assumptions in the cash flow projections for next 12 months by considering our understanding of the business, past performance of the Company, external data and market conditions apart from discussing these assumptions with the management and the Audit Committee;
- v. Tested mathematical accuracy of the projections and applied independent sensitivity analysis to the key assumptions mentioned above to determine and ensure that there was sufficient headroom with respect to the estimation uncertainty impact of such assumptions on the calculations
- vi. Assessed that the disclosures made by the management are in accordance with the applicable accounting standards.

Our opinion is not modified in respect of this matter.

### Key Audit Matter

8. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
9. In addition to the matters described in the Basis for Qualified Opinion and Material Uncertainty Related to Going Concern sections, we have determined the matter described below to be the key audit matter to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<b>Recognition of contract revenue, margin and contract costs (Refer note 2.1(xvi) of the standalone financial statements)</b>	
<p>The Company's revenue primarily arises from construction contracts which, by its nature, is complex given the significant judgements involved in the assessment of current and future contractual performance obligations.</p> <p>Effective 1 April 2018, the Company has adopted Ind AS 115 'Revenue from Contracts with Customers' using the cumulative catch-up transition method. Accordingly, the Company recognizes revenue and margins based on the stage of completion which is determined on the basis of the proportion of value of goods or services transferred as at the Balance Sheet date, relative to the value of goods or services promised under the contract. All the projects of the Company satisfy the criteria for recognition of revenue over time (using the percentage of completion method) since the control of the overall asset (property/ site / project) lies with the customer who directs the Company. Further, the Company has assessed that it does not have any alternate use of these assets.</p> <p>The recognition of contract revenue, contract costs and the resultant profit/loss therefore rely on the estimates in relation to forecast contract revenue and the total cost. These contract estimates are reviewed by the management on a periodic basis. In doing so, the management is required to exercise judgement in its assessment of the valuation of contract variations and claims and liquidated damages as well as the completeness and accuracy of forecast costs to complete and the ability to deliver contracts within contractually determined timelines. The final contract values can potentially be impacted on account of various factors and are expected to result in varied outcomes.</p> <p>Changes in these judgements, and the related estimates as contracts progress can result in material adjustments to revenue and margins. As a result of the above judgments, complexities involved and material impact on the related financial statement elements, this area has been considered a key audit matter in the audit of the standalone financial statements.</p>	<p>Our audit of the recognition of contract revenue, margin and related receivables and liabilities included, but were not limited to, the following:</p> <ul style="list-style-type: none"> <li>• Evaluated the appropriateness of the Company's revenue recognition policies;</li> <li>• Assessed the design and implementation of key controls over the recognition of contract revenue and margins, and tested the operating effectiveness of these controls;</li> <li>• For a sample of contracts, tested the appropriateness of amount recognized by evaluating key management judgements inherent in the forecasted contract revenue and costs to complete that drive the accounting under the percentage of completion method, including: <ul style="list-style-type: none"> <li>- reviewed the contract terms and conditions;</li> <li>- evaluated the identification of performance obligation of the contract</li> <li>- evaluated the appropriateness of management's assessment that performance obligation was satisfied over time and consequent recognition of revenue using percentage of completion method.</li> <li>- tested the existence and valuation of claims and variations within contract costs via inspection of correspondence with customers;</li> <li>- obtained an understanding of the assumptions applied in determining the forecasted revenue and cost to complete;</li> <li>- assessed the ability of the Company to deliver contracts within budgeted timelines and exposures, if any, to liquidated damages for late delivery; and</li> </ul> </li> <li>• Assessed that the disclosures made by the management are in accordance with applicable accounting standards.</li> </ul>

### Information other than the Financial Statements and Auditor's Report thereon

10. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

11. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and

detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

12. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
13. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

14. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
15. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
16. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
  17. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
  18. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

19. The Company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable.
20. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
21. Further to our comments in Annexure 1, as required by section 143(3) of the Act, we report that:
  - a) we have sought and except for the possible effects of the matters described in the Basis for Qualified Opinion section, obtained all the information and explanations

which to the best of our knowledge and belief were necessary for the purpose of our audit;

- b) except for the possible effects of the matters described in the Basis for Qualified Opinion section, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) the standalone financial statements dealt with by this report are in agreement with the books of account;
- d) except for the possible effects of the matters described in the Basis for Qualified Opinion section, in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
- e) the matters described in paragraphs 3, 4, 5 and 7 under the Material Uncertainty related to Going Concern /Basis for Qualified Opinion section, in our opinion, may have an adverse effect on the functioning of the Company;
- f) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of section 164(2) of the Act;
- g) the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion section;
- h) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 06 January 2021 as per Annexure 2 expressed modified opinion; and
- i) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended),

in our opinion and to the best of our information and according to the explanations given to us:

- i. the Company, as detailed in Notes 4.4, 11.3, 15.1, 15.4, 18.2, 30(A)(i), 30(A)(iii), 30(A)(iv) and 37 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2020;
- ii. except for the possible effects of the matters described in the Basis for Qualified Opinion section, the Company, as detailed in Note 2.1 xvi to the standalone financial statements, has made provision as at 31 March 2020, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
- iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2020;
- iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

**For Ramanand & Associates**  
*Chartered Accountants*  
Firm Registration No: 117776W

**Ramanand Gupta**  
*Partner*  
Membership No: 103975  
UDIN No: 21103975AAAAAN9212

Place: Mumbai  
Date: 06 January 2021



## Annexure 1 to the Independent Auditor's Report

of even date to the members of Supreme Infrastructure India Limited, on the standalone financial statements for the year ended 31 March 2020

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, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment (fixed assets).
- (b) The Company has a regular program of physical verification of its property, plant and equipments (PPE) under which PPE are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company.
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.
- (iii) The Company has granted interest free unsecured loans to three (3) companies covered in the register maintained under Section 189 of the Act; and with respect to the same:
  - (a) in our opinion the terms and conditions of grant of such loans are not, prima facie, prejudicial to the Company's interest.
  - (b) the schedule of repayment of the principal and the payment of the interest has not been stipulated and hence we are

unable to comment as to whether repayments/receipts of the principal amount and the interest are regular;

- (c) in the absence of stipulated schedule of repayment of principal and payment of interest, we are unable to comment as to whether there is any amount which is overdue for more than 90 days and whether reasonable steps have been taken by the Company for recovery of the principal amount and interest.
- (iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act, to the extent applicable, in respect of loans, investments, guarantees and security.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products/services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have not been regularly deposited to the appropriate authorities and there have been significant delays in a large number of cases. Undisputed amounts payable in respect thereof, which were outstanding at the year-end for a period of more than six months from the date they became payable are as follows:

### Statement of arrears of statutory dues outstanding for more than six months:

Name of the statute	Nature of the dues	Amount (₹ in lakhs)	Period to which the amount relates	Due Date	Date of Payment
Income Tax Act, 1961	Tax Deducted at Source	1,797.93	April 2015 to August 2019	Various Dates	Not yet Paid
The Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provident Fund	416.15	April 2016 to August 2019	Various Dates	Not yet Paid
Profession Tax Act, 1975	Profession Tax	9.89	April 2016 to August 2019	Various Dates	Not yet Paid
Employees' State Insurance Act, 1948	Employees' State Insurance Corporation	24.90	April 2016 to August 2019	Various Dates	Not yet Paid
Goods and Service Tax Act, 2017	Goods and Service Tax	1,445.34	July 2017 to August 2019	Various Dates	Not yet Paid

Name of the statute	Nature of the dues	Amount (₹ in lakhs)	Period to which the amount relates	Due Date	Date of Payment
Maharashtra Value Added Tax, 2002	Value Added Tax	144.67	April 2014 to June 2017	Various Dates	Not yet Paid
The Central Excise Act, 1944	Excise Duty	33.23	December 2012 to June 2017	Various Dates	Not yet Paid

- (b) There are no dues in respect of sales-tax, duty of customs and duty of excise that have not been deposited with the appropriate authorities on account of any dispute. The dues outstanding in respect of service tax, value added tax, goods and service tax and income tax on account of any dispute, are as follows:

**Statement of Disputed Dues:**

Name of the statute	Nature of the dues	Amount (₹ in lakhs)	Amount paid under Protest (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
The Finance Act, 1994	Service tax	7,270.26	-	F.Y. 2008-09 to 2011-12	Custom, Excise and Service Tax Appellate Tribunal
Maharashtra Value Added Tax, 2002	Value Added Tax	1,919.78	-	F.Y. 2014-15 to 2015-16	Assistant commissioner of State Tax.
Goods and Service Tax Act, 2017	Goods and Service Tax	2,797.22	-	July 2017 to Oct 2018	Assistant commissioner of State Tax.
Income Tax Act, 1961	Income Tax	7,040.05	-	July 2007- 08 to 2015- 16	Income Tax Officer, Commissioner of Income Tax (Appeals), CPC Bengaluru

- (viii) There are no loans or borrowings payable to government and no dues payable to debenture holders. The Company has defaulted in repayment of following dues to the banks and financial institutions during the year, which were not paid as at the Balance Sheet date.

(₹ in lakhs)

Banks/Financial Institution	Principal amount of default as on 31 March 2020	Period of Default
State Bank of India	510.42	0-180 days
	1002.42	181-365 days
	7737.64	> 365 days
Union Bank of India	217.61	0-180 days
	312.61	181-365 days
	1673.43	> 365 days
Punjab National Bank	136.00	0-180 days
	272.00	181-365 days
	2222.84	> 365 days
Bank of India	66.78	0-180 days
	101.78	181-365 days
	512.90	> 365 days

Banks/Financial Institution	Principal amount of default as on 31 March 2020	Period of Default
Central Bank of India	50.00	0-180 days
	100.00	181-365 days
	759.87	> 365 days
Syndicate Bank	30.00	0-180 days
	60.00	181-365 days
	513.10	> 365 days
Canara Bank	37.00	0-180 days
	74.00	181-365 days
	584.25	> 365 days
ICICI Bank	420.27	0-180 days
	434.71	181-365 days
	699.79	> 365 days
Axis Bank	40.82	0-180 days
	32.45	181-365 days
	-	> 365 days
HDFC Bank	-	0-180 days
	-	181-365 days
	307.28	> 365 days
Indian Overseas Bank	-	0-180 days
	-	181-365 days
	1,367.31	> 365 days
SREI Equipment Finance Limited	-	0-180 days
	-	181-365 days
	6,352.38	> 365 days
SREI Infrastructure Finance Limited	-	0-180 days
	-	181-365 days
	807.00	> 365 days
JM Financial Asset Reconstruction	6,717.35	0-180 days
	373.50	181-365 days
	74.70	> 365 days
L&T Finance Limited	12.04	0-180 days
	12.04	181-365 days
	13.24	> 365 days

**Note:** The Company's Loans has be classified as NPA and therefore the Interest on the same is not calculated by the banks and hence we are unable to compute the Interest Outstanding on the same

- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) The Company has not paid or provided for any managerial remuneration during the year. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the standalone financial statements, as required by the applicable Ind AS.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

**For Ramanand & Associates**  
*Chartered Accountants*  
Firm Registration No: 117776W

**Ramanand Gupta**  
*Partner*  
Membership No: 103975  
UDIN No: 21103975AAAAAN9212

Place: Mumbai  
Date: 06 January 2021



## Annexure 2 to the Independent Auditor's Report

on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

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1. In conjunction with our audit of the standalone financial statements of Supreme Infrastructure India Limited ("the Company") as at and for the year ended 31 March 2020, we have audited the internal financial controls over financial reporting ("IFCoFR") of the Company as at that date.

### Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the Guidance Note) issued by the Institute of Chartered Accountants of India ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on the Company's IFCoFR.

### Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Basis for Qualified opinion

8. According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in the operating effectiveness of the Company's internal financial controls over financial reporting as at 31 March 2020:
  - a. The Company's internal control system towards estimating the value in use of its investment in subsidiary to determine the need to recognize an impairment loss as laid down under Ind AS 36 'Impairment of Assets' were not operating effectively, which could potentially

result in a material misstatement in the carrying values of investments and its consequential impact on the earnings, reserves and related disclosures in the standalone financial statements.

- b. The Company's internal financial controls over financial reporting with respect to the process of assessing doubtful allowance of trade receivables were not operating effectively which could potentially result in a material misstatement in the recognition of doubtful allowance and the resultant carrying value of the trade receivables in the Company's standalone financial statements.
9. A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

#### **Qualified Opinion**

10. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI, and except for the possible

effects of the material weaknesses described above in the Basis for Qualified Opinion paragraph, the Company's IFCoFR were operating effectively as at 31 March 2020.

11. We have considered the material weaknesses identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of the standalone financial statements of the Company as at and for the year ended 31 March 2020, and these material weaknesses have affected our opinion on the standalone financial statements of the Company and we have issued a qualified opinion on the standalone financial statements.

#### **For Ramanand & Associates**

*Chartered Accountants*

Firm Registration No: 117776W

#### **Ramanand Gupta**

*Partner*

Membership No: 103975

UDIN No: 21103975AAAAAN9212

Place: Mumbai

Date: 06 January 2021

# Standalone Balance Sheet

as at 31 March 2020

All amounts are in Indian Rupees and in lakhs

	Note No.	As at	As at
		31 Mar 2020	31 March 2019
		Amount	Amount
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3A	16,971.06	18,825.26
Capital work-in-progress		669.30	669.30
Investments in subsidiaries, joint venture and associates carried at deemed cost	4 I	85,778.03	85,778.02
<b>Financial assets</b>			
Investments	4 II & III	76,824.73	76,891.34
Loans	5	-	-
Other financial assets	6	339.32	350.77
Deferred tax assets (net)	7	-	-
Other non-current assets	8	-	-
<b>Total non-current assets</b>		<b>180,582.44</b>	<b>182,514.69</b>
<b>Current assets</b>			
Inventories	9	3,519.46	3,587.13
<b>Financial assets</b>			
Investments	10	2.63	2.63
Loans	5	7.98	69.91
Trade receivables	11	77,739.00	70,606.24
Cash and cash equivalents	12	<b>318.72</b>	147.36
Other bank balances	13	0.82	1,570.12
Other financial assets	6	79.65	512.03
Other current assets	8	13,499.04	15,249.56
<b>Total current assets</b>		<b>95,167.30</b>	<b>91,744.98</b>
<b>TOTAL ASSETS</b>		<b>275,749.74</b>	<b>274,259.67</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	14	2,569.84	2,569.84
Other equity		(147,745.28)	(98,645.07)
<b>Total equity</b>		<b>(145,175.44)</b>	<b>(96,075.23)</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	15	2,005.91	45,850.31
Other financial liabilities	16	347.83	447.38
Provisions	17	161.45	134.56
<b>Total non-current liabilities</b>		<b>2,515.14</b>	<b>46,432.25</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	18	142,215.49	136,559.67
Trade payables	19		
- To micro enterprise and small enterprise		198.59	123.18
- To others		12,418.31	11,925.39
Other financial liabilities	16	247,167.35	156,646.98
Other current liabilities	20	13,265.84	15,708.92
Provisions	17	19.90	40.28
Income tax liabilities (net)	7	3,124.55	2,898.23
<b>Total current liabilities</b>		<b>418,410.03</b>	<b>323,902.65</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>275,749.74</b>	<b>274,259.67</b>

The accompanying notes form an integral part of the standalone financial statements  
This is the Balance Sheet referred to in our audit report of even date

**For Ramanand & Associates**

Chartered Accountants

Firm Registration No: 117776W

**CA Ramanand Gupta**

Partner

M.No. : 103975

Place: Mumbai

Date: 6 January 2021

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

**Bhawanishankar Sharma**

Chairman

DIN No : 01249834

Place: Mumbai

Date: 6 January 2021

**Vikram Sharma**

Managing Director

DIN No :01249904

# Standalone Statement of Profit and Loss

for the year ended 31 March 2020

All amounts are in Indian Rupees and in lakhs

	Note No.	Year ended 31 Mar 2020	Year ended 31 March 2019
		Amount	Amount
<b>Income</b>			
Revenue from operations	21	22,076.37	55,563.15
Other income	22	1,103.00	2,409.37
<b>Total income</b>		<b>23,179.37</b>	<b>57,972.52</b>
<b>Expenses</b>			
Cost of construction materials consumed	23	4,520.68	11,945.29
Subcontracting expenses		13,755.37	34,797.06
Employee benefits expense	24	978.73	1,423.72
Finance costs	25	48,148.43	43,815.33
Depreciation and amortisation expense	26	1,854.05	2,103.04
Other expenses	27	1,584.09	4,814.99
<b>Total expenses</b>		<b>70,841.35</b>	<b>98,899.43</b>
<b>Profit/ (loss) before exceptional items and tax</b>		<b>(47,661.98)</b>	<b>(40,926.91)</b>
Exceptional items [expense/ (income)]	28	1,431.40	69,648.75
<b>Profit/ (loss) before tax</b>		<b>(49,093.38)</b>	<b>(110,575.66)</b>
<b>Tax expense/ (credit)</b>	7		
Current income tax		-	279.32
Deferred income tax			-
		-	279.32
<b>Profit/ (loss) for the year (A)</b>		<b>(49,093.38)</b>	<b>(110,854.98)</b>
<b>Other comprehensive income (OCI)</b>			
Items not to be reclassified subsequently to profit or loss			
- Gain on fair value of defined benefit plans as per actuarial valuation		(6.87)	123.28
- Income tax effect on above		-	-
<b>Other comprehensive income for the year, net of tax (B)</b>		<b>(6.87)</b>	<b>123.28</b>
<b>Total comprehensive income/ (loss) for the year, net of tax (A+B)</b>		<b>(49,100.25)</b>	<b>(110,731.70)</b>
Earnings per equity share of nominal value ₹10 each			
Basic and diluted (in ₹)	29	(191.04)	(431.37)

The accompanying notes form an integral part of the standalone financial statements

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

## For Ramanand & Associates

Chartered Accountants

Firm Registration No: 117776W

### CA Ramanand Gupta

Partner

M.No. : 103975

Place: Mumbai

Date: 6 January 2021

## For and on behalf of the Board of Directors

### Bhawanishankar Sharma

Chairman

DIN No : 01249834

Place: Mumbai

Date: 6 January 2021

### Vikram Sharma

Managing Director

DIN No :01249904

# Standalone Cash Flow Statement

for the year ended 31 March 2020

All amounts are in Indian Rupees and in lakhs

	Year ended 31 Mar 2020	Year ended 31 March 2019
	Amount	Amount
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net (loss) / profit before tax	(49,093.38)	(110,575.66)
<b>Adjustments for</b>		
Depreciation and amortisation expense	1,854.05	2,103.04
Finance costs	47,478.00	42,461.49
Interest income	(166.43)	(349.85)
Dividend from current investments	-	(0.13)
Unapplied interest expense	-	9,668.74
Impairment allowance (allowance for doubtful financial assets)	(426.16)	(10,152.72)
Impairment loss - financial assets written off	-	45,938.33
Inventories written off	-	848.48
Gratuity and compensated absences	21.01	45.04
Excess provision no longer required written back	-	(59.04)
Profit on redemption of mutual funds (net)	-	(0.93)
Impairment provision on investments	928.78	11,672.7
Interest unwinding on financial assets	(861.62)	(780.59)
Fair value gain on mutual funds (valued at FVTPL)	-	
Fair value gain on investments (valued at FVTPL)	-	-1,171.52
<b>Operating profit before working capital changes</b>	<b>(265.75)</b>	<b>(10,352.62)</b>
<b>Adjustments for changes in working capital:</b>		
Decease/(Increase) in trade receivables	(7,635.38)	(10,224.06)
Decrease/(Increase) in loans and advances / other advances	2,148.76	13,452.68
Decrease in inventories	67.68	243.83
(Decrease) / Increase in trade and other payables	(1,238.31)	(1,441.50)
<b>Cash generated used in operations</b>	<b>(6,923.01)</b>	<b>(8,321.68)</b>
Direct taxes paid (net of refunds received)	(226.32)	(203.49)
<b>Net cash used in generated from operating activities</b>	<b>(7,149.33)</b>	<b>(8,525.17)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment (including capital work in progress and capital advances)	-	
Proceeds from sale of current investments	-	52.37
Net (investments in)/ proceeds from bank deposits (having original maturity of more than three months)	1,580.75	(361.52)
Interest received	(99.51)	55.99
Dividend received	-	0.13
<b>Net cash generated /(used in) from investing activities</b>	<b>1,481.24</b>	<b>(253.02)</b>



# Standalone Cash Flow Statement

for the year ended 31 March 2020

All amounts are in Indian Rupees and in lakhs

	Year ended 31 Mar 2020	Year ended 31 March 2019
	Amount	Amount
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of long-term borrowings	0.01	(1,123.21)
Proceeds from short-term borrowings (net)	5,542.67	6,793.16
Proceeds/(repayment) of loan from related parties (net)	113.16	3,039.75
Interest paid	183.64	
<b>Net cash generated from financing activities</b>	<b>5,839.47</b>	<b>8,709.70</b>
<b>Net decrease in cash and cash equivalents (A+B+C)</b>	<b>171.38</b>	<b>(68.49)</b>
Cash and cash equivalents at the beginning of the year	132.08	200.57
Cash and cash equivalents at the end of the year (Refer notes 12 and 18)	<b>303.46</b>	<b>132.08</b>
<b>Components of cash and cash equivalents considered only for the purpose of cash flow statement</b>		
In bank current accounts in Indian rupees	316.39	137.63
Cash on hand	2.33	9.73
Bank book overdraft	(15.28)	(15.28)
	<b>303.44</b>	<b>132.09</b>

Notes:-

- The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows. Effective 1 April 2017, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement.
- Additions to property, plant and equipment include movements of capital work-in-progress, capital advances and capital creditors respectively during the year.

**For Ramanand & Associates**

Chartered Accountants

Firm Registration No: 117776W

**CA Ramanand Gupta**

Partner

M.No. : 103975

Place: Mumbai

Date: 6 January 2021

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

**Bhawanishankar Sharma**

Chairman

DIN No : 01249834

Place: Mumbai

Date: 6 January 2021

**Vikram Sharma**

Managing Director

DIN No : 01249904

# Standalone Statement of Changes in Equity

for the year ended 31 March 2020

All amounts are in Indian Rupees and in lakhs

## a) Equity share capital

Particulars	Number	Amount
Equity shares of ₹10 each issued, subscribed and paid up		
<b>As at 1 April 2018</b>	<b>25,698,372</b>	<b>2,569.84</b>
Issue of equity shares	-	-
<b>As at 31 March 2019</b>	<b>25,698,372</b>	<b>2,569.84</b>
Issue of equity shares	-	-
<b>As at 31 March 2020</b>	<b>25,698,372</b>	<b>2,569.84</b>

## b) Other equity

Particulars	Equity component on fair valuation of preference shares	Reserves and surplus			Total equity attributable to equity holders
		Securities premium reserve	General reserve	Retained earnings	
<b>As at 1 April 2018</b>	<b>1,619.54</b>	<b>25,291.56</b>	<b>3,033.82</b>	<b>(17,912.13)</b>	<b>12,032.79</b>
Profit/ (loss) for the year	-	-	-	(110,854.98)	<b>(110,854.98)</b>
Other comprehensive income for the year	-	-	-	123.28	<b>123.28</b>
<b>As at 31 March 2019</b>	<b>1,619.54</b>	<b>25,291.56</b>	<b>3,033.82</b>	<b>(128,643.83)</b>	<b>(98,698.91)</b>
Transitional impact on implementation of Ind AS 115 [Refer note 2.1(xvi)]	-	-	-	53.88	<b>53.88</b>
Profit/ (loss) for the year	-	-	-	(49,093.38)	<b>(49,093.38)</b>
Other comprehensive income for the year	-	-	-	(6.87)	<b>(6.87)</b>
<b>As at 31 Mar 2020</b>	<b>1,619.54</b>	<b>25,291.56</b>	<b>3,033.82</b>	<b>(177,690.20)</b>	<b>(147,745.28)</b>

### Nature and purpose of reserves

#### i. Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve will be utilised in accordance with the provisions of the Act.

#### ii. General reserve

Under the erstwhile Companies Act 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of net profit to general reserve has been withdrawn.

#### iii. Retained earnings

Retained earnings represents the profits/losses that the Company has earned / incurred till date including gain / (loss) on fair value of defined benefits plans as adjusted for distributions to owners, transfer to other reserves, etc.

#### iv. Net gain on fair value of defined benefit plans

The Company has recognised remeasurement gains/ (loss) on defined benefit plans in OCI. These changes are accumulated within the OCI reserve within retained earnings.

The accompanying notes form an integral part of the standalone financial statements

This is the statement of changes in equity referred to in our audit report of even date

### For Ramanand & Associates

Chartered Accountants

Firm Registration No: 117776W

#### CA Ramanand Gupta

Partner

M.No. : 103975

Place: Mumbai

Date: 6 January 2021

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

#### Bhawanishankar Sharma

Chairman

DIN No : 01249834

Place: Mumbai

Date: 6 January 2021

#### Vikram Sharma

Managing Director

DIN No :01249904

# Summary of significant accounting policies

and other explanatory information to the standalone financial statements as at and for the year ended 31st March, 2020

All amounts are in Indian Rupees and in lakhs

## NOTE 1 CORPORATE INFORMATION

Supreme Infrastructure India Limited ("the Company") having CIN L74999MH1983PLC029752, is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The Company is principally engaged in engineering and construction of roads, highways, buildings, bridges etc. The Company also owns and operates Ready Mix Concrete ("RMC") plant, Asphalt plant and Crushing plant. Its shares are listed on two recognised stock exchanges in India - the Bombay Stock Exchange and the National Stock Exchange. The registered office of the Company is located at Supreme House, Plot No. 94/C Pratap Gad, Opp. I.I.T Main Gate, Powai, Mumbai - 400 076, India.

The standalone financial statements ("the financial statements") of the Company for the year ended 31 March 2020 were authorised for issue in accordance with resolution of the Board of Directors on 06 January 2021.

### Note 2.1 Significant Accounting Policies

#### i Basis of Preparation

The financial statements of the Company have been prepared to comply in all material respects with the Indian Accounting Standards ("Ind AS") as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Companies (Indian Accounting Standards) Rules as amended from time to time.

The financial statements have been prepared under the historical cost convention with the exception of certain financial assets and liabilities which have been measured at fair value, on an accrual basis of accounting.

The Company's financial statements are reported in Indian Rupees, which is also the Company's functional currency, and all values are rounded to the nearest lakhs (INR 00,000), except when otherwise indicated.

The statement of cash flow has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.

#### ii Operating cycle for current and non-current classification:

All the assets and liabilities have been classified as current or non-current, wherever applicable, as per the operating cycle of the Company as per the guidance set out in Schedule III to the Act. Operating cycle for the business activities of the Company covers the duration of the project/ contract/ service including the defect liability period, wherever applicable, and extends upto the realisation of receivables (including retention monies) within the credit period normally applicable to the respective project.

#### iii Accounting Estimates

The preparation of the financial statements, in conformity with the recognition and measurement principles of Ind AS, requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the results of operation during the

reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates which are recognised in the period in which they are determined.

#### iv Key estimates and assumptions

The key estimates and assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

##### a. Contract estimates

The Company, being a part of construction industry, prepares budgets in respect of each project to compute project profitability. The two major components of contract estimate are 'claims arising during construction period'(described below) and 'budgeted costs to complete the contract'. While estimating these components various assumptions are considered by the management such as

- (i) Work will be executed in the manner expected so that the project is completed timely
- (ii) consumption norms will remain same
- (iii) Assets will operate at the same level of productivity as determined
- (iv) Wastage will not exceed the normal % as determined etc.
- (v) Estimates for contingencies
- (vi) There will be no change in design and the geological factors will be same as communicated and
- (vii) Price escalations etc. Due to such complexities involved in the budgeting process, contract estimates are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

##### b. Recoverability of claims

The Company has claims in respect of cost over-run arising due to client caused delays, suspension of projects, deviation in design and change in scope of work etc., which are at various stages of negotiation/discussion with the clients or under arbitration. The realisability of these claims are estimated based on contractual terms, historical experience with similar claims as well as legal opinion obtained from internal and external experts, wherever necessary. Changes in facts of the case or the legal framework may impact realisability of these claims.

##### c. Valuation of investment in/ loans to

The Company has performed valuation for its investments in equity of subsidiaries / joint ventures for assessing whether there is any impairment in the fair value. When

# Summary of significant accounting policies

and other explanatory information to the standalone financial statements as at and for the year ended 31st March, 2020  
All amounts are in Indian Rupees and in lakhs

the fair value of investments in subsidiaries cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. Similar assessment is carried out for exposure in the nature of loans and interest receivable thereon. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as expected earnings in future years, liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of these investments.

#### d. Deferred tax assets

In assessing the realisability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Company will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

#### e. Defined benefit plans

The cost and present value of the gratuity obligation and compensated absences are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, attrition rate and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

#### f. Provisions and contingent liabilities

A provision is recognised when the Company has a present obligation as result of a past event and it is probable that the outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. Contingent assets are disclosed where an inflow of economic benefits is probable.

#### v Fair value measurement

The Company measures financial instruments, at fair value at each balance sheet date. (Refer Note 33)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, In the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re- assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

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The Management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

## vi Property, Plant and Equipment

Property, Plant and Equipment are stated at cost of acquisition including attributable interest and finance costs, if any, till the date of acquisition/ installation of the assets less accumulated depreciation and accumulated impairment losses, if any.

Subsequent expenditure relating to Property, Plant and Equipment is capitalised only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the Statement of Profit and Loss as incurred. The cost and related accumulated depreciation are eliminated from the financial statements, either on disposal or when retired from active use and the resultant gain or loss are recognised in the Statement of Profit and Loss.

## vii Capital work-in-progress

Capital work-in-progress, representing expenditure incurred in respect of assets under development and not ready for their intended use, are carried at cost. Cost includes related acquisition expenses, construction cost, related borrowing cost and other direct expenditure.

## viii Intangible assets

Intangible assets comprise of license fees and implementation cost for software and other application software acquired / developed for in-house use. These assets are stated at cost, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably, less accumulated amortisation and accumulated impairment losses, if any.

## ix Asset classified as held for sale

Assets that are available for immediate sale and where the sale is highly probable of being completed within one year from the date of classification are considered and classified as assets held for sale. Assets classified as held for sale are measured at the lower of carrying amount or fair value less costs to sell. The determination of fair value less costs to sell includes use of management estimates and assumptions. The fair value of asset held for sale has been estimated using observable inputs such as price quotations.

## x Depreciation/ Amortisation

Depreciation is provided for property, plant and equipment so as to expense the cost less residual value over their estimated useful lives on a straight line basis, except Building and sheds which is depreciated using WDV method. Intangible assets are amortised from the date they are available for use, over their estimated useful lives. The estimated useful lives are as mentioned below:

Asset category	Useful life (in years)
Building and sheds	60
Plant and equipment	5 to 12
Furniture and fixtures	10
Heavy Vehicles	3 to 12
Light Vehicles	8 to 10
Office equipment	5
Helicopter / Aircraft	12 to 18
Speed boat	13
Computers	3
Intangible (Computer software)	3 to 5

^ Useful lives of asset classes determined by management estimate, which are generally lower than those prescribed under Schedule II to the Act are supported by internal technical assessment of useful lives.

The estimated useful life and residual values are reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Depreciation on additions is provided on a pro-rata basis, from the date on which asset is ready to use.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are accounted in the Statement of Profit and Loss under Other income and Other expenses.

## xi Investments in subsidiaries, joint ventures and associates

Investments in subsidiaries, joint ventures and associates are recognised at cost as per Ind AS 27 except where investments accounted for at cost shall be accounted for in accordance with Ind AS 105, Non-current Assets Held for Sale and Discontinued Operations, when they are classified as held for sale.

## xii Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### a Financial Assets

#### i) Initial Recognition

In the case of financial assets, not recorded at fair value through profit or loss (FVPL), financial assets are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery



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of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

### ii) Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

#### - Financial Assets at Amortised Cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate ("EIR") method. Impairment gains or losses arising on these assets are recognised in the Statement of Profit and Loss.

#### - Financial Assets Measured at Fair Value

Financial assets are measured at fair value through OCI if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss.

In respect of equity investments (other than for investment in subsidiaries and associates) which are not held for trading, the Company has made an irrevocable election to present subsequent changes in the fair value of such instruments in OCI. Such an election is made by the Company on an instrument by instrument basis at the time of transition for existing equity instruments/ initial recognition for new equity instruments.

Financial asset not measured at amortised cost or at fair value through OCI is carried at FVPL.

#### Interest free intercompany loans

Intercompany loans to subsidiaries/ jointly controlled entities for which settlement is neither planned nor likely to occur in the foreseeable future and in substance is a part of the Company's net investment in those subsidiaries/ jointly controlled entities, are stated at cost less accumulated impairment losses, if any, and forms part of investment in other equity of these entities.

### iii) Impairment of Financial Assets

In accordance with Ind AS 109, the Company applies the expected credit loss ("ECL") model for measurement and recognition of impairment loss on financial assets and credit risk exposures.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Statement of Profit and Loss.

### iv) De-recognition of Financial Assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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## **b Equity Instruments and Financial Liabilities**

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

### **i) Equity Instruments**

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments which are issued for cash are recorded at the proceeds received, net of direct issue costs. Equity instruments which are issued for consideration other than cash are recorded at fair value of the equity instrument.

### **ii) Financial Liabilities**

#### **- Initial Recognition**

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings and payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

#### **- Subsequent Measurement**

The measurement of financial liabilities depends on their classification, as described below

#### **- Financial liabilities at FVPL**

Financial liabilities at FVPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation. Amortisation is recognised as finance income in the Statement of Profit and Loss.

#### **- Financial liabilities at amortised cost**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Any difference between the proceeds (net of transaction costs) and the settlement or

redemption of borrowings is recognised over the term of the borrowings in the Statement of Profit and Loss.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Where the Company issues optionally convertible debenture, the fair value of the liability portion of such debentures is determined using a market interest rate for an equivalent non-convertible debenture. This value is recorded as a liability on an amortised cost basis until extinguished on conversion or redemption of the debentures. The remainder of the proceeds is attributable to the equity portion of the instrument. This is recognised and included in shareholders' equity (net of income tax) and are not subsequently re-measured.

Where the terms of a financial liability is re-negotiated and the Company issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in the Statement of Profit and Loss; measured as a difference between the carrying amount of the financial liability and the fair value of equity instrument issued.

#### **- De-recognition of Financial Liabilities**

Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

## **c Offsetting Financial Instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis to realise the assets and settle the liabilities simultaneously.

## **xiii Employee Benefits**

### **a Defined Contribution Plan**

Contributions to defined contribution schemes such as provident fund, employees' state insurance, labour welfare fund and superannuation scheme are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. Company's provident fund contribution, in respect of certain employees, is made to a government administered fund and charged as an expense to the Statement of Profit and Loss. The above benefits are

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classified as Defined Contribution Schemes as the Company has no further obligations beyond the monthly contributions.

## b Defined Benefit Plan

In respect of certain employees, provident fund contributions are made to a trust administered by the Company. The interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company. Accordingly, the contribution paid or payable and the interest shortfall, if any, is recognised as an expense in the period in which services are rendered by the employee.

The Company also provides for gratuity which is a defined benefit plan the liabilities of which is determined based on valuations, as at the balance sheet date, made by an independent actuary using the Projected Unit Credit Method. Re-measurement, comprising of actuarial gains and losses, in respect of gratuity are recognised in the OCI, in the period in which they occur and is not eligible to be reclassified to the Statement of Profit and Loss in subsequent periods. Past service cost is recognised in the Statement of Profit and Loss in the year of plan amendment or curtailment. The classification of the Company's obligation into current and non-current is as per the actuarial valuation report.

## c Leave entitlement and compensated

Accumulated leave which is expected to be utilised within next twelve months, is treated as short-term employee benefit. Leave entitlement, other than short term compensated absences, are provided based on a actuarial valuation, similar to that of gratuity benefit. Re-measurement, comprising of actuarial gains and losses, in respect of leave entitlement are recognised in the Statement of Profit and Loss in the period in which they occur.

## d Short-term Benefits

Short-term employee benefits such as salaries, wages, performance incentives etc. are recognised as expenses at the undiscounted amounts in the Statement of Profit and Loss of the period in which the related service is rendered. Expenses on non-accumulating compensated absences is recognised in the period in which the absences occur.

## xiv Inventories

The stock of construction materials, stores, spares and embedded goods and fuel is valued at cost or net realisable value, whichever is lower. Cost is determined on weighted average basis and includes all applicable cost of bringing the goods to their present location and condition. Net realisable value is estimated selling price in ordinary course of business less the estimated cost necessary to make the sale.

## xv Cash and Cash Equivalents

Cash and cash equivalents in the Balance Sheet comprises of cash at banks and on hand and short-term deposits with an original maturity of three month or less, which are subject to an insignificant risk of changes in value.

## xvi Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker regularly monitors and reviews the operating result of the whole Company as one segment of "Engineering and Construction". Thus, as defined in Ind AS 108 "Operating Segments", the Company's entire business falls under this one operational segment and hence the necessary information has already been disclosed in the Balance Sheet and the Statement of Profit and Loss.

## xvii Borrowing Costs

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Also, the EIR amortisation is included in finance 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. All other borrowing costs are expensed in the Statement of Profit and Loss in the period in which they occur.

## xviii Foreign Exchange Translation of Foreign Projects and Accounting of Foreign Exchange Transaction

### a Initial Recognition

Foreign currency transactions are initially recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. However, for practical reasons, the Company uses a monthly average rate if the average rate approximate the actual rate at the date of the transactions.

### b Conversion

Monetary assets and liabilities denominated in foreign currencies are reported using the closing rate at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

### c Treatment of Exchange Difference

Exchange differences arising on settlement/ restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

Exchange differences arising on long-term foreign currency monetary items related to acquisition of a Property, Plant and Equipment are capitalised and depreciated over the

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remaining useful life of the Property, Plant and Equipment and exchange differences arising on all other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Translation Reserve" and amortised over the remaining life of the concerned monetary item.

On transition to Ind AS, the Company has opted to continue with the accounting for exchange differences arising on long-term foreign currency monetary items, outstanding as on the transition date, as per previous GAAP. Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalised and depreciated over the remaining useful life of the asset.

## **xix Revenue Recognition**

The Company derives revenues primarily from providing engineering and construction services.

Effective 1 April 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as of 1 April 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The effect on adoption of Ind AS 115 was insignificant. On account of adoption of Ind AS 115, unbilled work-in-progress (contract asset) as at 31 March 2019 has been considered as non-financial asset and accordingly classified under other current assets.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

Revenue from engineering and construction services, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. The Company determines the percentage-of-completion on the basis of direct measurements of the value of the goods or services transferred to the customer to date relative to the remaining goods or services promised under the contract. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled work-in-progress) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as due to customers).

'Advance payments received from contractee for which no services are rendered are presented as 'Advance from contractee'.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

The Company presents revenues net of indirect taxes in its Statement of Profit and Loss.

## **xx Other Income**

### **a. Interest Income**

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the applicable Effective Interest Rate (EIR).

### **b. Dividend Income**

Dividend is recognised when the right to receive the payment is established, which is generally when shareholders approve the dividend.

### **c. Other Income**

Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

## **xxi Interest in Joint Arrangements**

As per Ind AS 111 - Joint Arrangements, investment in Joint Arrangement is classified as either Joint Operation or Joint Venture. The classification depends on the contractual rights and obligations of each investor rather than legal structure of the Joint Arrangement. The Company classifies its Joint Arrangements as Joint Operations.

The Company recognises its direct right to assets, liabilities, revenue and expenses of Joint Operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

## **xxii Income Tax**

Income tax expense comprises of current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

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## a Current Income Tax

Current income tax is recognised based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the Income Tax Act, 1961. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

## b Deferred Income Tax

Deferred tax is determined by applying the Balance Sheet approach. Deferred tax assets and liabilities are recognised for all deductible temporary differences between the financial statements' carrying amount of existing assets and liabilities and their respective tax base. Deferred tax assets and liabilities are measured using the enacted tax rates or tax rates that are substantively enacted at the Balance Sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the period that includes the enactment date. Deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Such assets are reviewed at each Balance Sheet date to reassess realisation.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, to the extent it would be available for set off against future current income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

## xxiii Leases

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership over the leased term, are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where the lease payments are structured to increase in line with expected general inflation. Assets acquired on finance lease are capitalised at fair value or present value of minimum lease payment at the inception of the lease, whichever is lower.

## xxiv Impairment of Non-Financial Assets

As at each Balance Sheet date, the Company assesses whether there is an indication that a non-financial asset may be impaired and also whether there is an indication of reversal of impairment loss recognised in the previous periods. If any

indication exists, or when annual impairment testing for an asset is required, the Company determines the recoverable amount and impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

- In case of an individual asset, at the higher of the assets' fair value less cost to sell and value in use; and
- In case of cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of cash generating unit's fair value less cost to sell and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specified to the asset. In determining fair value less cost to sell, recent market transaction are taken into account. If no such transaction can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit and Loss, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through the Statement of Profit and Loss.

## xxv Trade receivables

A receivable is classified as a 'trade receivable' if it is in respect of the amount due on account of goods sold or services rendered in the normal course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the EIR method, less provision for impairment.

## xxvi Trade payables

A payable is classified as a 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. These amounts are unsecured and are usually settled as per the payment terms stated in the contract. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the EIR method.



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## xxvii Earnings Per Share

Basic earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company and weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares).

## xxviii Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of obligation. Provisions (excluding gratuity and compensated absences) are determined based on management's estimate required to settle the obligation at the Balance Sheet date. In case the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

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. A contingent liability also arises, in rare cases, where a liability cannot be recognised because it cannot be measured reliably.

Contingent assets are disclosed where an inflow of economic benefits is probable.

## xxix Share Issue Expenses

Share issue expenses are charged off against available balance in the Securities premium reserve.

## xxx Share Based Payments

Certain employees of the Company are entitled to remuneration in the form of equity settled instruments, for rendering services over a defined vesting period. Equity instruments granted are

measured by reference to the fair value of the instrument at the date of grant. The fair value determined at the grant date is expensed over the vesting period of the respective tranches of such grants. The stock compensation expense is determined based on the Company's estimate of equity instruments that will eventually vest using fair value in accordance with Ind-AS 102, Share based payment.

## xxxi Exceptional Items

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items.

## Note 2.2 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind AS's which Company has not adopted as they are effective from 1 April 2019.

### 1. Ind AS - 116 Leases

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

Ind AS 116 will come into force from 1 April 2019. The Company is evaluating the requirement of the new Ind AS and the impact on the financial statements. The effect on adoption of Ind AS 116 is expected to be insignificant.

### 2. Ind AS 12 Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some

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can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.

### 3. Ind AS 23 – Borrowing Costs

The amendment clarifies that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity

borrow generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

### 4. Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Company will apply the pronouncement if and when it obtains control / joint control of a business that is a joint operation.

## NOTE 3 PROPERTY, PLANT AND EQUIPMENT

### A Tangible assets

Gross carrying value	Freehold land	Leasehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Computers	Total
Balance as at 1 April 2018	6,835.67	54.70	5,709.18	15,324.07	297.11	262.95	75.44	29.17	28,588.29
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2019	6,835.67	54.70	5,709.18	15,324.07	297.11	262.95	75.44	29.17	28,588.29
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	0.16	-	0.16
Balance as at 31 March 2020	6,835.67	54.70	5,709.18	15,324.07	297.11	262.95	75.28	29.17	28,588.13
Accumulated depreciation									
Balance as at 1 April 2018	-	-	304.75	6,985.35	129.91	169.92	53.84	27.83	7,671.60
Depreciation charge	-	-	101.59	1,887.40	40.85	49.90	10.55	1.14	2,091.43
Accumulated depreciation on disposals	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2019	-	-	406.34	8,872.75	170.76	219.82	64.39	28.97	9,763.03
Depreciation charge	-	-	101.59	1,669.25	40.85	35.84	6.31	0.20	1,854.04
Accumulated depreciation on disposals	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2020	-	-	507.93	10,542.00	211.61	255.66	70.70	29.17	11,617.07
Net carrying value									
Balance as at 31 March 2019	6,835.67	54.70	5,302.84	6,451.32	126.35	43.13	11.05	0.20	18,825.26
Balance as at 31 March 2020	6,835.67	54.70	5,201.25	4,782.07	85.50	7.29	4.58	-	16,971.06

# Summary of significant accounting policies

and other explanatory information to the standalone financial statements as at and for the year ended 31st March, 2020

All amounts are in Indian Rupees and in lakhs

## B Intangible assets

Gross carrying value	Computer software	Total
<b>Balance as at 1 April 2018</b>	<b>53.71</b>	<b>53.71</b>
Additions	-	-
Disposals	-	-
<b>Balance as at 31 March 2019</b>	<b>53.71</b>	<b>53.71</b>
Additions	-	-
Disposals	-	-
<b>Balance as at 31 March 2020</b>	<b>53.71</b>	<b>53.71</b>
<b>Accumulated amortisation</b>		
<b>Balance as at 1 April 2018</b>	42.10	<b>42.10</b>
Amortisation charge	11.61	<b>11.61</b>
<b>Balance as at 31 March 2019</b>	<b>53.71</b>	<b>53.71</b>
Amortisation charge	-	-
<b>Balance as at 31 March 2020</b>	<b>53.71</b>	<b>53.71</b>
<b>Net carrying value</b>		
<b>Balance as at 31 March 2019</b>	-	-
<b>Balance as at 31 March 2020</b>	-	-

## NOTE 4 NON-CURRENT INVESTMENTS

	As at 31 March 2020 Amount	As at 31 March 2019 Amount
<b>I. Investments valued at deemed cost</b>		
Investment in equity shares		
In subsidiaries	4.20	4.20
Investment in other instruments (deemed investment)		
Corporate guarantee		
In subsidiaries	715.49	715.49
Debt instruments		
In subsidiaries	85,058.34	85,058.33
	<b>85,778.03</b>	<b>85,778.02</b>
<b>II. Investments valued at amortised cost</b>		
Investment in preference shares		
In other companies	506.97	456.60
Investment in debentures		
In subsidiaries	73,467.60	72,655.81
<b>III. Investments valued at fair value through profit and loss</b>		
Investment in equity shares		
In other companies	2,850.16	3,778.93
	<b>76,824.73</b>	<b>76,891.34</b>
<b>Total non-current investments</b>	<b>162,602.76</b>	<b>162,669.36</b>

### Note 4.1 Detailed list of non-current investments

Face value of ₹10 each, unless otherwise stated

	As at 31 Mar 2020		As at 31 March 2019	
	Nos	Amount	Nos	Amount
<b>I. Investments valued at deemed cost, fully paid up, unquoted</b>				
<b>a) Investments in equity shares:</b>				
<b>i) In subsidiaries</b>				
- within India				
Supreme Infrastructure BOT Private Limited (Refer note 4.4)	10,000	1.00	10,000	1.00
Supreme Panvel Indapur Tollways Private Limited	26,000	2.60	26,000	2.60
Supreme Mega Structures Private Limited	6,000	0.60	6,000	0.60
Kotkapura Muktsar Tollways Private Limited	5,099	0.51	5,099	0.51
Less : Impairment provision		(0.51)		(0.51)

## Summary of significant accounting policies

and other explanatory information to the standalone financial statements as at and for the year ended 31st March, 2020

All amounts are in Indian Rupees and in lakhs

### Note 4.1 Detailed list of non-current investments (contd)

	As at 31 Mar 2020		As at 31 March 2019	
	Nos	Amount	Nos	Amount
- outside India				
Supreme Infrastructure Overseas LLC (Face Value of Omani Riyal 1 each)	150,000	211.92	150,000	211.92
Less : Impairment provision		(211.92)		(211.92)
		<b>4.20</b>		<b>4.20</b>
<b>ii) Investments in joint venture in India</b>				
Supreme Infrastructure BOT Holdings Private Limited	790,000	9,337.60	790,000	9,337.60
Less : Impairment provision		(9,337.60)		(9,337.60)
		-		-
<b>ii) Investments in joint venture in India</b>				
Sanjose Supreme Tollways Development Private Limited	147,998	14.80	147,998.00	14.80
Less : Impairment provision		(14.80)		(14.80)
		-		-
<b>b) Investments in preference shares:</b>				
<b>In joint venture in India</b>				
Supreme Infrastructure BOT Holdings Private Limited	100,789	1,758.64	100,789	1,758.64
0.001% Compulsorily Convertible Cumulative Participatory Preference shares				
Less : Impairment provision		(1,758.64)		(1,758.64)
<b>c) Investments in other instruments (deemed investment) :</b>				
<b>Corporate guarantees</b>				
<b>(i) In subsidiaries in India</b>				
Supreme Vasai Bhiwandi Tollways Private Limited		134.00		134.00
Less : Impairment provision		(134.00)		(134.00)
Supreme Kopargaon Ahmednagar Phase-I Tollways Private Limited		147.59		147.94
Less : Impairment provision		(147.59)		(147.94)
Patiala Nabha Infra Projects Private Limited		57.00		57.00
Less : Impairment provision		(57.00)		(57.00)
Supreme Suyog Funicular Ropeways Private Limited		51.72		51.72
Less : Impairment provision		(51.72)		(51.72)
Kotkapura Mukstar Tollways Private Limited		71.80		71.80
Less : Impairment provision		(71.80)		(71.80)
Supreme Panvel Indapur Tollways Private Limited		715.49		715.49
		<b>715.49</b>		<b>715.49</b>
<b>(ii) In joint ventures in India</b>				
Supreme Kopargaon Ahmednagar Tollways Private Limited		114.00		114.00
Less: Impairment provision		(114.00)		(114.00)
		-		-
<b>Others</b>				
<b>In subsidiaries in India</b>				
Supreme Infrastructure BOT Private Limited (Refer note 4.4)		80,101.71		80,101.71
Supreme Panvel Indapur Tollways Private Limited		4,956.63		4,956.62
		<b>85,058.34</b>		<b>85,058.33</b>
<b>II. Investments valued at amortised cost</b>				
<b>a) Investments in preference shares</b>				
<b>In other companies in India</b>				
Kalyan Sangam Infratech Limited	609,375	506.97	609,375	456.60
Green Hill Barter Private Limited [Face value of	100,000	438.83	100,000	438.83
Less : Impairment provision		(438.83)		(438.83)
		<b>506.97</b>		<b>456.60</b>

# Summary of significant accounting policies

and other explanatory information to the standalone financial statements as at and for the year ended 31st March, 2020  
All amounts are in Indian Rupees and in lakhs

## Note 4.1 Detailed list of non-current investments (contd)

	As at 31 Mar 2020		As at 31 March 2019	
	Nos	Amount	Nos	Amount
<b>b) Investments in debentures</b>				
<b>In a subsidiary companies in India</b>				
Supreme Infrastructure BOT Private Limited (Refer note 4.4) 0.001% Optionally Convertible Debenture	806,000,000	62,454.12	806,000,000	62,454.12
Supreme Panvel Indapur Tollways Private Limited ^ 0.001% Compulsory Convertible Debenture	111,000,000	11,013.48	111,000,000	10,201.68
		<b>73,467.60</b>		<b>72,655.81</b>
^ On 29 March 2019 Company has made investment in 13,000,000 Compulsory Convertible Debentures of ₹10 each aggregating ₹130,000,000.				
<b>III. Investments valued at fair value through profit and loss, fully paid up, unquoted</b>				
<b>Investments in equity shares</b>				
<b>In other companies in India</b>				
The Saraswat Co-op Bank Limited	2,500	0.51	2,500	0.51
Rudranee Infrastructure Limited	12,183,648	2,849.65	12,183,648	3,778.42
Kalyan Sangam Infratech Limited	390,625	-	390,625	-
		<b>2,850.16</b>		<b>3,778.93</b>
<b>Total non-current investments</b>		<b>162,602.76</b>		<b>162,669.36</b>

<b>Details: Aggregate of non-current investments:</b>	As at 31 Mar 2020	As at 31 March 2019
	Amount	Amount
(i) Carrying value of unquoted investments	162,602.74	162,669.36
(ii) Aggregate amount of impairment in value of investment	12,338.42	12,338.76
(i) Investments carried at deemed cost	85,778.02	85,778.01
(ii) Investments carried at amortised cost	73,974.57	73,112.41
(iii) Investments carried at fair value through profit and loss	2,850.15	3,778.93
	<b>162,602.74</b>	<b>162,669.35</b>

**Note 4.2** The Company has pledged the following shares/ debentures in favour of the lenders as a part of the financing agreements for facilities taken by the Company, subsidiaries, jointly controlled entities and associate as indicated below:

<b>Name of the Company</b>	<b>No. of equity shares pledged</b>	
	<b>30 Mar 2020</b>	<b>30 Mar 2019</b>
Supreme Infrastructure BOT Private Limited	8,100	8,100
Supreme Panvel Indapur Tollways Private Limited	26,000	26,000
Rudranee Infrastructure Private Limited	8,462,385	8,462,385
Kotkapura Muktsar Tollways Private Limited	5,099	5,099
Kalyan Sangam Infratech Limited	390,625	390,625
Supreme Infrastructure BOT Holdings Private Limited	789,999	789,999

<b>Name of the Company</b>	<b>No. of preference shares pledged</b>	
	<b>30 Mar 2020</b>	<b>30 Mar 2019</b>
Supreme Infrastructure BOT Holdings Private Limited	95,000	95,000
Kalyan Sangam Infratech Limited	609,375	609,375

<b>Name of the Company</b>	<b>No. of debentures pledged</b>	
	<b>30 Mar 2020</b>	<b>30 Mar 2019</b>
Supreme Panvel Indapur Tollways Private Limited	48,020,000	48,020,000
Supreme Infrastructure BOT Private Limited	805,497,117	805,497,117



## Summary of significant accounting policies

and other explanatory information to the standalone financial statements as at and for the year ended 31st March, 2020

All amounts are in Indian Rupees and in lakhs

**Note 4.3** Also, the Company has given a “Non Disposal Undertaking” to the lenders to the extent of 1,899 (31 March 2019: 1,899) equity shares of Supreme Infrastructure BOT Private Limited.

**Note 4.4** The Company, as at 31 March 2020, has non-current investments in Supreme Infrastructure BOT Private Limited (‘SIBPL’), a subsidiary company, amounting to ₹142,556.83 lakhs (31 March 2019: ₹142,556.83 lakhs) . SIBPL is having various Build, Operate and Transfer (BOT) SPVs under its fold. While SIBPL has incurred losses during its initial years and have accumulated losses, causing the net worth of the entity to be fully eroded as at 31 March 2020, the underlying projects are expected to achieve adequate profitability on substantial completion of the underlying projects. Further, in case of Supreme Manorwarda Bhiwandi Infrastructure Private Limited (‘SMBIPL’), a subsidiary of SIBPL, lenders have referred SMBIPL to NCLT under RBI circular dated 12 February 2018, the said petition filed by the bank has been dismissed by Hon’ble NCLT in lieu of the directions given by Hon’ble Supreme Court of India in case of Dharini Sugars and Ors. v/s Union of India and Ors. Further, commercial operation date (COD) in respect of few subsidiaries of SIBPL has been delayed due to various reasons attributable to the clients primarily due to non-availability of right of way, environmental clearances etc. and in respect of few subsidiaries, the toll receipts is lower as compared to the projected receipts on account of delay in receiving compensation from government for exempted vehicles. Further, there have been delays in repayment of principal and interest in respect of the borrowings and the respective entity is in discussion with their lenders for the restructuring of the loans.

Management is in discussion with the respective lenders, clients for the availability of right of way and other required clearances and is confident of resolving the matter without any loss to the respective SPVs. Therefore, based on certain estimates like future business plans, growth prospects, ongoing discussions with the clients and consortium lenders, the valuation report of the independent valuer and other factors, Management believes that the net-worth of SIBPL does not represent its true market value and the realizable amount of SIBPL is higher than the carrying value of the non-current investments as at 31 March 2020 and due to which these are considered as good and recoverable.

### NOTE 5 LOANS

	As at 31 March 2020	As at 31 March 2019
	Amount	Amount
<b>Unsecured, considered good</b>		
<b>Non-current</b>		
Loans to related parties (Refer note 34)		
- considered doubtful	2,544.17	2,544.17
Less	(2,544.17)	(2,544.17)
<b>Total non-current loans</b>	-	-
<b>Current</b>		
Security and other deposits	7.98	69.91
<b>Total current loans</b>	7.98	69.91
<b>Total loans</b>	7.98	69.91

#### Note 5.1 Break up of security details

	As at 31 March 2020	As at 31 March 2019
	Amount	Amount
Loans considered good - secured	-	-
Loans considered good - unsecured	7.98	69.91
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	2,544.17	2,544.17
<b>Total</b>	2,552.15	2,614.08
Less: Loss allowance	(2,544.17)	(2,544.17)
<b>Total loans</b>	7.98	69.91

# Summary of significant accounting policies

and other explanatory information to the standalone financial statements as at and for the year ended 31st March, 2020

All amounts are in Indian Rupees and in lakhs

## Note 5.2 Disclosure pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of loans and advances in the nature of loans

Loans and advance in the nature of loans given to subsidiaries (as defined under the Act) for business purposes.

Name of the entity	Outstanding balance		Maximum balance outstanding during	
	As at 31 March 2020	As at 31 March 2019	Year ended 31 March 2020	Year ended 31 March 2019
	Amount	Amount	Amount	Amount
Supreme Infrastructure BOT Private Limited ^	40,954.14	40,954.14	40,954.14	40,954.14
Supreme Infrastructure Overseas LLC	316.77	316.77	316.77	316.77
Rudraanee Infrastructure Limited	2,227.40	2,227.40	2,227.40	2,227.40
<b>Total</b>	<b>43,498.31</b>	<b>43,498.31</b>	<b>43,498.31</b>	<b>43,498.31</b>

^ Represents contractual interest free loan to subsidiary amounting to ₹40,954.14 lakhs (31 March 2019 : ₹40,954.14 lakhs) considered and included in deemed investment as per Ind AS as these loans are perpetual in nature.

## Note 5.3 Investment by the loanee in the Company's/ subsidiary companies shares [Refer note (i) below]

Supreme Infrastructure BOT Private Limited has invested in following subsidiary companies:

Name of the Company	As at 31 March 2020	As at 31 March 2019
	Amount	Amount
<b>Investments in preference shares</b>		
0.001% CCPS of Sanjose Supreme Tollways Development Private Limited		
	<b>11,734.00</b>	<b>11,734.00</b>
<b>Investments in debentures</b>		
0.001% CCD of Kotkapura Muktsar Tollways Private Limited	3,098.00	3,098.00
0.001% CCD of Supreme Manor Wada Bhiwandi Infrastructure Private Limited	17,245.00	17,245.00
0.001% CCD of Supreme Panvel Indapur Tollways Private Limited	17,700.00	17,700.00
0.001% CCD of Supreme Vasai Bhiwandi Tollways Private Limited	6,000.00	6,000.00
0.001% CCD of Supreme Suyog Funicular Ropeways Private Limited	3,900.00	3,900.00
0.001% CCD of Kopargaon Ahmednagar Phase-I Private Limited	9,200.00	9,200.00
0.001% CCD of Patiala Nabha Infra Projects Private Limited	2,995.00	2,995.00
<b>Investment in equity shares</b>		
Kopargaon Ahmednagar Tollways (Phase I) Private Limited	1.00	1.00
Manor Wada Bhiwandi Infrastructure Private Limited	4.90	4.90
Supreme Panvel Indapur Tollways Private Limited	3.80	3.80
Patiala Nabha Infra Projects Private Limited	1.00	1.00
Supreme Suyog Funicular Ropeways Private Limited	9.80	9.80
Supreme Vasai Bhiwandi Tollways Private Limited	1.00	1.00
Supreme Tikamgarh Orcha Annuity Private Limited	1.00	1.00
Mohol Kurul Kamti Tollways Private Limited	0.49	0.49
Kotkapura Muktsar Tollways Private Limited	49.98	49.98
	<b>71,944.97</b>	<b>71,944.97</b>
Supreme Infrastructure BOT Holdings Private Limited has invested in following subsidiary companies:		
<b>Investments in debentures</b>		
0.001% CCD in Supreme Ahmednagar Karmala Tembhorni Tollways Private Limited	13,499.00	13,499.00
0.001% CCD in Supreme Kopargaon Ahmednagar Tollways Private Limited	7,715.00	7,715.00
0.001% CCD in Supreme Best Value Kolhapur (Shiroli) Sangli Tollways Private Limited	9,545.00	9,545.00
<b>Investments in equity shares</b>		
Supreme Ahmednagar Karmala Tembhorni Tollways Private Limited	2,701.00	2,701.00
Supreme Kopargaon Ahmednagar Tollways Private Limited	1.00	1.00
Supreme Best Value Kolhapur (Shiroli) Sangli Tollways Private Limited	4.50	4.50
	<b>33,465.50</b>	<b>33,465.50</b>

## Summary of significant accounting policies

and other explanatory information to the standalone financial statements as at and for the year ended 31st March, 2020

All amounts are in Indian Rupees and in lakhs

### Note 5.3 Investment by the loanee in the Company's/ subsidiary companies shares (contd)

Name of the Company	As at	As at
	31 March 2020	31 March 2019
	Amount	Amount
Supreme Infrastructure Overseas LLC has invested in following:		
<b>Investment in partnership firm</b>		
Sohar Stone LLC	493.89	493.89
	<b>493.89</b>	<b>493.89</b>

Note (i) Investments include adjustments carried out under Ind AS

### NOTE 6 OTHER FINANCIAL ASSETS

Name of the Company	As at	As at
	31 March 2020	31 March 2019
	Amount	Amount
<b>Non-current</b>		
Margin money deposits (Refer note below)	339.32	328.86
Interest receivables on deposits	-	21.91
<b>Total non-current financial assets</b>	<b>339.32</b>	<b>350.77</b>
<b>Current</b>		
<b>Interest accrued</b>		
- on deposits	30.66	126.73
<b>Receivable from related party (Refer note 34)</b>		
- considered good	-	111.33
- considered doubtful	419.98	419.99
<b>Employee advances</b>		
- considered good	48.99	273.97
- considered doubtful	249.20	249.20
	<b>748.84</b>	<b>1,181.21</b>
<b>Less: impairment loss provision</b>	<b>(669.19)</b>	<b>(669.19)</b>
<b>Total current financial assets</b>	<b>79.65</b>	<b>512.03</b>
<b>Total other financial assets</b>	<b>418.97</b>	<b>862.80</b>

**Note:** The deposits maintained by the Company with the bank comprise time deposits, which are held in DSRA accounts as a security to the lenders as per the Common Loan Agreement which can be withdrawn by the Company at any point with prior notice and without penalty on the principal.

### NOTE 7 INCOME TAX ASSETS (NET)

i. The following table provides the details of income tax assets and liabilities as at 31 March 2020 and 31 March 2019 :

Name of the Company	As at	As at
	31 March 2020	31 March 2019
	Amount	Amount
a) Income tax assets	2,067.41	986.08
b) Current income tax liabilities	5,191.96	3,884.31
<b>Net income tax assets/(liabilities)</b>	<b>(3,124.55)</b>	<b>(2,898.23)</b>

ii. The gross movement in the current tax asset/ (liability) for the years ended 31 March 2020 and 31 March 2019 is as follows:

	Year ended	Year ended
	31 March 2020	31 March 2019
	Amount	Amount
Net current income tax assets/ (liabilities) at the beginning	(2,898.23)	(2,822.40)
Tax adjustments for earlier years	-	(279.32)
Income tax paid	(226.32)	203.49
<b>Net current income tax assets/ (liabilities) at the end</b>	<b>(3,124.55)</b>	<b>(2,898.23)</b>

# Summary of significant accounting policies

and other explanatory information to the standalone financial statements as at and for the year ended 31st March, 2020

All amounts are in Indian Rupees and in lakhs

## NOTE 7 INCOME TAX ASSETS (NET) (contd)

### iii. Income tax expense in the Statement of Profit and Loss comprises:

	As at 31 March 2020	As at 31 March 2019
	Amount	Amount
Current income taxes (tax adjustments of earlier years)		279.32
Deferred income taxes	-	-
<b>Income tax expenses/ (income) (net)</b>	<b>-</b>	<b>279.32</b>

### iv. A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the profit before income taxes is as below:

	As at 31 March 2020	As at 31 March 2019
	Amount	Amount
Profit/ (loss) before income tax	(49,093.38)	(110,575.66)
Applicable income tax rate	31.20%	31.20%
<b>Computed expected tax expense</b>	<b>-</b>	<b>-</b>
Effect of expenses not allowed for tax purpose	-	-
Effect of income not considered for tax purpose	-	-
Tax adjustments for earlier years	-	279.32
Reversal of deferred tax assets in absence of reasonable certainty	-	-
<b>Income tax (income)/ expense charged to the Statement of Profit and Loss</b>	<b>-</b>	<b>279.32</b>

### v. Components of deferred income tax assets and liabilities arising on account of temporary differences are:

	As at 31 March 2020	As at 31 March 2019
	Amount	Amount
<b>Deferred income tax asset</b>		
Impairment loss provision of financial assets	446.60	5,339.89
Provision for employee benefits	6.56	54.55
Unpaid bonus	-	22.71
Unabsorbed depreciation and losses	55,439.34	36,834.31
Others	-	3,298.03
<b>Deferred tax assets</b>	<b>55,892.48</b>	<b>45,549.49</b>
<b>Deferred income tax liability</b>		
Timing difference on tangible and intangible assets depreciation and amortisation	(1243.23)	(371.78)
Timing difference on disputed claims excluded for tax purpose	-	(2,808.00)
<b>Deferred tax liability</b>	<b>(1243.23)</b>	<b>(3,179.78)</b>
<b>Deferred tax assets recognized to the extent of liabilities (Refer note below)</b>	<b>(1243.23)</b>	<b>3,179.78</b>
<b>Deferred tax assets (net)</b>	<b>-</b>	<b>-</b>

**Note 7.1** The Company has recognised deferred tax assets to the extent of deferred tax liabilities in the absence of reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

## NOTE 8 OTHER ASSETS

	As at 31 March 2020	As at 31 March 2019
	Amount	Amount
<b>Non-current</b>	<b>-</b>	<b>-</b>
<b>Total other non-current assets</b>	<b>-</b>	<b>-</b>
<b>Current</b>		
Advance to suppliers and sub-contractors		
- considered good	664.38	1,580.05
- considered doubtful	3,055.52	3,055.52
Unbilled work	12,834.66	13,669.51
<b>Total other current assets</b>	<b>16,554.56</b>	<b>18,305.08</b>

## Summary of significant accounting policies

and other explanatory information to the standalone financial statements as at and for the year ended 31st March, 2020

All amounts are in Indian Rupees and in lakhs

### NOTE 8 OTHER ASSETS (contd)

	As at	As at
	31 March 2020	31 March 2019
	Amount	Amount
Less : Impairment loss provision	(3,055.52)	(3,055.52)
	13,499.04	15,249.56
<b>Total other assets</b>	<b>13,499.04</b>	<b>15,249.56</b>

### NOTE 9 INVENTORIES

	As at	As at
	31 March 2020	31 March 2019
	Amount	Amount
Construction materials	3,519.46	3,587.13
<b>Total inventories</b>	<b>3,519.46</b>	<b>3,587.13</b>

### NOTE 10 CURRENT INVESTMENTS

	As at		As at	
	31 March 2020		31 March 2019	
	No. of units	Amount	No. of units	Amount
Investments in Non-trade, mutual funds (fair value through profit and loss)				
Reliance Low Duration Fund - Daily Dividend Plan	250	2.63	250	2.63
<b>Total current investments</b>		<b>2.63</b>		<b>2.63</b>

^ Face value of ₹10 each, unless otherwise stated

### NOTE 11 TRADE RECEIVABLES

	As at	As at
	31 March 2020	31 March 2019
	Amount	Amount
<b>Current</b>		
<b>(unsecured, considered good unless stated otherwise)</b>		
- unsecured considered good (Refer note 11.1)	74,357.34	63,321.03
- considered doubtful	10,582.58	10,600.58
Receivables from related parties (Refer note 34)	3,381.65	7,285.20
	<b>88,321.57</b>	<b>81,206.81</b>
Less : Allowance for doubtful trade receivable	(10,582.58)	(10,600.58)
	<b>(10,582.58)</b>	<b>(10,600.58)</b>
<b>Total trade receivables</b>	<b>77,739.00</b>	<b>70,606.24</b>
<b>11.1 Includes retention money</b>	<b>8,597.10</b>	<b>8,597.10</b>
<b>11.2 Trade receivables</b>		
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	77,738.99	70,606.23
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired - unsecured	10,582.58	10,600.58
	<b>88,321.57</b>	<b>81,206.81</b>
Less: Loss allowance	(10,582.58)	(10,600.58)
<b>Total Trade receivables</b>	<b>77,738.99</b>	<b>70,606.23</b>

**11.3** Trade receivables as at 31 March 2020 include ₹45,680.90 lakhs (31 March 2019: ₹45,680.90 lakhs), in respect of projects which were closed/substantially closed and which are overdue for a substantial period of time. Based on the contract terms and the ongoing recovery/arbitration procedures (which are at various stages), Management is reasonably confident of recovering these amounts in full. Accordingly, these amounts have been considered as good and recoverable

**11.4 Trade receivables as at** 31 March 2020 includes ₹7,285.20 lakhs (31 March 2019: ₹7,285.20 lakhs) due from private companies in which the Company's director is a director or a member.

**11.5** Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.



# Summary of significant accounting policies

and other explanatory information to the standalone financial statements as at and for the year ended 31st March, 2020

All amounts are in Indian Rupees and in lakhs

## NOTE 11 TRADE RECEIVABLES (contd)

**11.6** The Company recognises lifetime expected credit losses on trade receivables using a simplified approach by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in provision matrix.

Movement in allowance for credit losses of receivables are as follows :

Particulars	As at	As at
	31 March 2020	31 March 2019
	Amount	Amount
Balance at the beginning of the year	10,600.58	9,500.58
Charge in the statement of profit & loss	(18.00)	1,100.00
Release to statement of profit & loss	-	-
<b>Balance at the end of the year</b>	<b>10,582.58</b>	<b>10,600.58</b>

## NOTE 12 CASH AND CASH EQUIVALENTS

	As at	As at
	31 March 2020	31 March 2019
	Amount	Amount
<b>Balances with banks</b>		
- Current accounts in Indian rupees	316.39	137.63
Cash on hand	2.33	9.73
<b>Total cash and cash equivalents</b>	<b>318.72</b>	<b>147.36</b>

## NOTE 13 OTHER BANK BALANCES

	As at	As at
	31 March 2020	31 March 2019
	Amount	Amount
Earmarked balances with banks for:		
Margin money deposits with original maturity of more than 3 months and remaining maturities of less than 12 months	-	1,569.30
Balances with bank for unclaimed dividend (Refer note 13.1)	0.82	0.82
<b>Total other bank balances</b>	<b>0.82</b>	<b>1,570.12</b>

**Note 13.1** There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at 31 March 2020.

## NOTE 14 SHARE CAPITAL

	As at	As at
	31 March 2020	31 March 2019
	Amount	Amount
<b>Authorised share capital</b>		
72,500,000 Equity shares of ₹10 each (31 March 2019: 72,500,000 equity shares of ₹10 each)	7,250.00	7,250.00
2,500,000 1% Non cumulative redeemable preference shares of ₹10 each (31 March 2019: 2,500,000 preference shares of ₹10 each)	250.00	250.00
<b>Total authorised share capital</b>	<b>7,500.00</b>	<b>7,500.00</b>
2,500,000 1% Non-cumulative redeemable preference shares of ₹10 each issued to BHS Housing Private Limited have been classified as financial liability (Refer note 15.7).		
<b>Issued, subscribed and paid-up equity share capital:</b>		
25,698,372 Equity shares of (31 March 2019: 25,698,372 equity shares of ₹10 each)	2,569.84	2,569.84
<b>Total issued, subscribed and paid-up equity share capital</b>	<b>2,569.84</b>	<b>2,569.84</b>

## Summary of significant accounting policies

and other explanatory information to the standalone financial statements as at and for the year ended 31st March, 2020

All amounts are in Indian Rupees and in lakhs

### NOTE 14 SHARE CAPITAL (contd)

#### a. Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting year

	As at 31 March 2020	As at 31 March 2019
	Amount	Amount
As at 1 April 2018	25,698,372	2,569.84
Issued during the year	-	-
	-	-
As at 31 March 2019	25,698,372	2,569.84
Issued during the year	-	-
	-	-
As at 31 March 2020	25,698,372	2,569.84

#### b. Terms/rights attached to equity shares:

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

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

#### c. Shareholding of more than 5%:

Name of the Shareholder	As at 31 Mar 2020		As at 31 March 2019	
	% held	No. of shares	% held	No. of shares
<b>Promoter</b>				
Bhawanishankar H Sharma	5.24%	1,346,708	5.24%	1,346,708
BHS Housing Private Limited	13.04%	3,350,000	13.04%	3,350,000
Vikram B Sharma	4.21%	1,082,942	4.21%	1,082,942
Vikas B Sharma	6.84%	1,758,753	6.84%	1,758,753
<b>Non-promoter</b>				
Kitara PIIN 1101	9.20%	2,364,344	9.20%	2,364,344

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

#### d. Bonus shares/ buy back/shares for consideration other than cash issued during past five years:

- Aggregate number and class of shares allotted as fully paid up pursuant to contracts without payment being received in cash - Nil
- Aggregate number and class of shares allotted as fully paid up by way of bonus shares - Nil
- Aggregate number and class of shares bought back - Nil

e. 7,462,505 (31 March 2019: 7,462,505) equity shares held by the promoters of the Company (including promoter group Companies) as at 31 March 2020 are pledged as security in respect of amounts borrowed by the Company and its Group Companies.

f. During the year ended 31 March 2020, NIL. (31 March 2019: 4,74,829) pledged equity shares of the promoters of the Company (including promoter group Companies and adjusted the proceeds towards their existing overdue debts including interest payable by the Company and its group Company.

### NOTE 15 BORROWINGS

	As at 31 March 2020	As at 31 March 2019
	Amount	Amount
<b>Non-current portion:</b>		
<b>Secured</b>		
<b>(A) Restructured rupee term loans (RTL)</b>		
(i) From Banks (Refer notes 15.1 and 18.2)	-	12,253.62
(ii) From Others	-	4,954.44
<b>(B) Working capital term loan (WCTL) from banks (Refer note 15.1)</b>	-	20,397.87

# Summary of significant accounting policies

and other explanatory information to the standalone financial statements as at and for the year ended 31st March, 2020

All amounts are in Indian Rupees and in lakhs

## NOTE 15 BORROWINGS (contd)

	As at 31 March 2020	As at 31 March 2019
	Amount	Amount
<b>(C) Funded interest term loan (FITL)</b>		
(i) From Banks (Refer notes 15.1 and 18.2)	-	5,944.41
(ii) From Others	-	283.12
<b>(D) Other rupee term loans</b>		
(i) From Banks	-	10.94
<b>Unsecured</b>		
<b>Liability component of financial instruments [refer note 15.7 below]</b>		
1% Non cumulative redeemable preference shares of ₹10 each	2,005.92	2,005.92
(2,500,000 non cumulative, non convertible, redeemable preference shares of ₹10 each)		
<b>Total non-current borrowings</b>	<b>2,005.91</b>	<b>45,850.31</b>

	As at 31 March 2020	As at 31 March 2019
	Amount	Amount
<b>Current maturities of long-term borrowings</b>		
<b>Secured</b>		
<b>(A) Restructured rupee term loans (RTL)</b>		
(i) From Banks (Refer notes 15.1 and 18.2)	14,872.00	2,618.38
(ii) From Others	5,925.54	971.10
<b>(B) Working capital term loan (WCTL) from banks (Refer note 15.1)</b>	45,442.00	25,044.14
<b>(C) Funded interest term loan (FITL)</b>		
(i) From Banks (Refer note 15.1 and 18.2)	28,619.76	22,675.34
(ii) From Others	1,523.51	1,240.39
<b>(D) Other rupee term loans</b>		
(i) From Banks	2,129.71	2,118.77
(ii) From Others (Refer note 18.2)	9,091.98	9,091.98
<b>Total current maturities of long-term borrowings</b>	<b>107,604.51</b>	<b>63,760.10</b>
<b>Total borrowings</b>	<b>109,610.42</b>	<b>109,610.41</b>

**Note:** For security details and terms of repayment, refer note 15.3 below.

### Note 15.1

In September 2014, the Joint Lenders Forum (JLF) led by State Bank of India (SBI) had appraised a Corporate Loan to the Company out of which part amount was sanctioned and disbursed by SBI and the balance was to be tied up with other lenders under exclusive security. Pending tie up with the other lenders, the JLF decided to incorporate one-time restructuring under the JLF mode of the entire borrowings of the Company. During the quarter ended 31 March 2016, based on the direction of the Reserve Bank of India (RBI) during its Assets Quality Review, borrowings from SBI were classified as Non-Performing Assets (NPA). Consequent to the classification of borrowings as NPA by SBI, borrowings from other consortium lenders got classified as NPA during the year ended 31 March 2017, however, the lenders have not recalled or initiated recovery proceedings for the existing facilities, at present. Considering, the classification of borrowing as NPA, certain lenders are not accruing interest while providing account statements of the borrowings, whereas the Company, on prudence, has accrued interest expenses at rates specified in the agreement with the respective lenders/ latest available sanction letters received from such lenders. (Also, refer note 37)

### Note 15.2

Contractual loan principal amounting to ₹31,992.09 lakhs (31 March 2019: ₹31,992.09 lakhs) and the interest amount of ₹138,233.19 lakhs (31 March 2019: ₹90,571.55 lakhs) respectively is due and outstanding to be paid as at 31 March 2020.

### Note 15.3 Terms of repayment and details of security

#### (A) Interest rate and terms of repayment

##### Restructured rupee term loans (RTL)

RTL carry an interest rate of SBI Base Rate+1% plus interest tax (11% as at 31 March 2020) to be reset after a moratorium period of 2 years. These loans are repayable in 32 structured quarterly instalments commencing 31 December 2016 and ending on 30 September 2024.

# Summary of significant accounting policies

and other explanatory information to the standalone financial statements as at and for the year ended 31st March, 2020  
All amounts are in Indian Rupees and in lakhs

## NOTE 15 BORROWINGS (contd)

### Working capital term loan (WCTL)

These loans carry an interest rate of SBI Base Rate+1% plus interest tax (11 % as at 31 March 2020) to be reset after a moratorium period of 2 years. These loans are repayable in 20 structured quarterly instalments commencing 31 December 2016 and ending on 30 September 2021.

### Funded interest term loan (FITL-I), (FITL-II) and (FITL-III)

These loans carry an interest rate of SBI Base Rate+1% plus interest tax (10.30 % as at 31 March 2020) to be reset after a moratorium period of 2 years. These loans are repayable in 20 structured quarterly instalments commencing 31 December 2016 and ending on 30 September 2021.

## (B) Security created in respect of RTL/WCTL/FITL

### I Borrowings from ICICI Bank are secured by the following:

- (i) Exclusive security interest in the form of:
  - Pledge over 30% shares of Supreme Infrastructure BOT Private Limited (SIBOT) and Non Disposal Undertaking over 18.99% shares of SIBOT
  - Subservient charge on current assets and movable fixed assets of the Company
  - Residual charge on optionally convertible instruments and/or debt infused by the Company directly or indirectly into three projects, namely Patiala Malerkotla, Sangli-Shiroli and Ahmednagar-Tembhurni.
  - Second charge on total saleable area admeasuring 284,421 Sq. ft. covering 8 floors of B Wing of Supreme Business Park, Powai, Mumbai
- (ii) First charge on the cash flows of the borrower which shall be pari passu with the other lenders without any preference or priority to one over the other or others.

### II Except as stated in Point (I) above, borrowings from other lenders, are secured by way of:

- (i) first pari passu charge on the moveable fixed assets of the Company procured or obtained by utilizing the aforesaid facilities
- (ii) first pari passu charge (except as stated in point (g) below, where charge is second) on the existing collateral and pledge of shares
  - a) Gala No. 3 to 8, admeasuring 3,000 sq. ft., in Bhawani Service Industrial Estate Limited, Mumbai bearing CTS No.76 of village Tirandaz, Powai, Mumbai
  - b) Chitrarath Studio, admeasuring 30,256.74 sq.ft, situated at Powai bearing Survey No.13 to 15 corresponding CTS bearing No.26 A of village Powai, Mumbai owned by a promoter director.
  - c) Extension of hypothecation charge on pari passu basis on the residual fixed assets of the borrower
  - d) Office No. from 901 to 905, having carpet area admeasuring 6,792 sq. ft., situated in Tower "B" on 9th floor in "Millennium Plaza" situated at Sector 27, Tehsil, Gurgaon, Haryana owned by Company and its promoter directors.
  - e) Lien on term deposit face value of ₹14 lakhs on pari passu basis to working capital lenders
  - f) Pledge of 2,173,000 equity shares (31 March 2018 : 2,173,000 equity shares) of the Company held by the promoter directors on pari passu basis to working capital lenders
  - g) Supreme House, Plot No. 94/C located at Powai, Mumbai (First charge with SREI Infrastructure Finance Limited against their term loan to SIBOT)
  - h) Pledge of investments as stated in Note 4.2.
- (iii) first pari passu on the current assets of the Company
- (iv) first pari passu charge on the cash flows of the Company
- (v) pledge of 3,642,332 equity shares held by promoters (including 2,173,000 equity shares stated in II (f) above)
- (vi) Pledge of Compulsory Convertible Debentures (CCD) of ₹80,550 lakhs extended to Supreme Infrastructure BOT Private Limited. The Company's lenders may exercise the right of conversion of the CCDs into equity within 18 months from the date of implementation of the JLF Restructuring Package.
- (vii) first charge on the immovable property situated at (i) Village Talavali, Taluka-Bhiwandi, Thane; and (ii) Village Mouje-Dapode, Taluka-Sudhagad, Raigad.
- (viii) second charge on the immovable property situated at B Wing area admeasuring 45,208 Sq ft. and some additional area to be identified by the Company at Supreme Business Park bearing Survey No.13/2 and 13/1 (part) and CTS No. 27, Survey No. 14 and CTS No. 23- A and Survey No. 15 (part) and CTS No. 26- A situated at Supreme City, Hiranandani Complex, Powai, Mumbai (first charge being held by Syndicate Bank)
- (ix) subservient charge on the immovable property situated at B Wing total area admeasuring 284,421 Sq. ft. at Supreme Business Park bearing Survey No. 13/2 and 13/1(part) and CTS No. 27, Survey No. 14 and CTS No.23-A and Survey No. 15 (part) and CTS No

# Summary of significant accounting policies

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## NOTE 15 BORROWINGS (contd)

26- A situated at Supreme City, Hiranandani Complex, Powai, Mumbai (first charge being held by Syndicate Bank and second charge being held by ICICI Bank)

- (x) first pari passu charge on certain plant and equipment as specified in Part B of Schedule IX to MJLF agreement and all equipment acquired by utilising the External Commercial Borrowing (ECB) loan from AXIS Bank.
- (xi) a) subservient charge on certain immovable properties:
  - 13 flats with carpet area of 11,500 sq. ft. in Aishwarya Co.op. Housing Society bearing CTS No. 64/E/6 of village Tirandaz, Powai, Mumbai
  - Agricultural land of 106,170 sq. mt. bearing survey no. 119/1, 129/6, 1304b, 130/5131, 132/2s, 131/1b and 123/2b situated at Talavali village, Thane, Maharashtra.
  - Flat No. 510 on 5th Floor of ABW Tower located at IIFCO Chowk, Sukhrauli village, Haryana
  - Fixed deposit or unconditional bank guarantee of ₹500.00 lakhs;
- b) subservient charge on following:
  - Irrevocable and unconditional personal guarantee of the Promoter(s);
  - Fixed deposit or unconditional bank guarantee of ₹500.00 lakhs;
  - Corporate Guarantee of BHS Housing Private Limited and Supreme Housing & Hospitality Private Limited
  - Demand Promissory Note

### III The entire facilities shall be secured by way of:

- (i) an irrevocable, unconditional, joint and several corporate guarantee from BHS Housing Private Limited and Supreme Housing Hospitality Private Limited; and
- (ii) an irrevocable, unconditional, joint and several personal guarantee from its promoter directors.

**Note 15.4** The MJLF Agreement provides a right to the Lenders to get a recompense of their waivers and sacrifices made as part of the loan restructuring arrangement. The recompense payable by the borrowers depends on various factors including improved performance of the borrowers and other conditions. The aggregate present value of the sacrifice made/ to be made by lenders as per the MJLF Agreement is ₹16,842 lakhs (31 March 2019: ₹16,842.00 lakhs) as at the year end. The same is subject to changes proposed in the resolution plan. (Refer note 37)

### Note 15.5 Other rupee term loans from banks:

Loans from other banks carry interest in the range of @ 10.35% to 12.75% per annum and are secured by hypothecation of the assets created out of these loan and personal guarantee of a director of the Company. These loans are repayable over the period of 5-41 years.

### Note 15.6 Term loans from others:

Loans from other carries interest @ base rate (18% as at 31 March 2020) minus 2.19% per annum and are repayable in 35 monthly instalments over the tenure of the loans having various maturity dates. These loans are secured by first charge on the specific equipment financed out of the said loans, pledge of shares held by a promoter director and personal guarantee of the promoter directors.

### Note 15.7 Rights, preferences, restrictions and conversion terms attached to preference shares issued by the Company

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

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

### Note 15.8 Net Debt Reconciliation

An analysis of net debt and the movement in net debt for the year ended 31 March 2020 is as follows:

	As at 31 March 2020	As at 31 March 2019
	Amount	Amount
Cash and Cash equivalents	318.72	147.36
Liquid Investments	2.63	2.63
Current borrowings (including interest accrued)	(201,543.00)	(174,204.18)
Non-current borrowings (including interest accrued and current maturities of long term borrowings)	(188,332.44)	(162,537.44)
<b>Net debt</b>	<b>(389,554.09)</b>	<b>(336,591.63)</b>



## Summary of significant accounting policies

and other explanatory information to the standalone financial statements as at and for the year ended 31st March, 2020

All amounts are in Indian Rupees and in lakhs

### NOTE 15 BORROWINGS (contd)

	Other assets		Liabilities from financing activities		Total
	Cash and Cash equivalents	Liquid investments	Non-current borrowings	Current borrowings	
<b>Net debt as at 1 April 2018</b>	215.85	54.07	(131,579.08)	(144,322.61)	(275,631.77)
Cash flows	(68.49)	(51.44)	-	(9,832.91)	(9,952.84)
Interest expense	-	-	(32,081.57)	(20,048.66)	(52,130.23)
Interest paid	-	-	-	-	-
Principal Paid	-	-	1,123.21	-	1,123.21
<b>Net debt as at 1 April 2019</b>	147.36	2.63	(162,537.44)	(174,204.18)	(336,591.63)
Cash flows	171.36	-	-	(5,655.82)	(5,484.46)
Interest expense (including unapplied interest expenses)	-	-	(25,795.00)	(21,683.00)	(47,478.00)
Excess interest cost written back	-	-	-	-	-
Interest paid	-	-	-	-	-
Principal Paid	-	-	-	-	-
<b>Net debt as at 31 March 2020</b>	318.72	2.63	(188,332.44)	(201,543.00)	(389,554.09)

### NOTE 16 OTHER FINANCIAL LIABILITIES

	As at 31 March 2020 Amount	As at 31 March 2019 Amount
<b>Non-current</b>		
Financial guarantees	347.83	447.38
<b>Total non-current financial liabilities</b>	<b>347.83</b>	<b>447.38</b>
<b>Current</b>		
Current maturities of long-term borrowings (Refer note 15)	107,604.51	63,760.10
Interest accrued and due	138,233.19	90,571.55
Unclaimed dividends <sup>^</sup>	1.16	1.16
Financial guarantees	99.55	111.11
Others		
- Due to employees	1,213.26	901.62
- Security deposits	15.68	15.68
- Due to related parties		1,285.76
<b>Total current financial liabilities</b>	<b>247,167.35</b>	<b>156,646.98</b>
<b>Total other financial liabilities</b>	<b>247,515.18</b>	<b>157,094.36</b>

<sup>^</sup> Not due for credit to Investor Education and Protection Fund

	As at 31 March 2020 Amount	As at 31 March 2019 Amount
Other financial liabilities carried at amortised cost	247,515.18	157,094.36
Other financial liabilities carried at FVTPL	-	-

### NOTE 17 PROVISIONS

	As at 31 March 2020 Amount	As at 31 March 2019 Amount
<b>Non-current</b>		
Provision for employee benefits (Refer note 32)		
- Gratuity	119.86	81.69
- Leave entitlement and compensated absences	41.54	52.87
<b>Total non-current provisions</b>	<b>161.40</b>	<b>134.56</b>
<b>Current</b>		
Provision for employee benefits (Refer note 32)		
- Gratuity	9.10	19.38
- Leave entitlement and compensated absences	10.80	20.90
<b>Total current provisions</b>	<b>19.90</b>	<b>40.28</b>
<b>Total provisions</b>	<b>181.30</b>	<b>174.84</b>

# Summary of significant accounting policies

and other explanatory information to the standalone financial statements as at and for the year ended 31st March, 2020

All amounts are in Indian Rupees and in lakhs

## NOTE 18 CURRENT BORROWINGS

	As at 31 March 2020 Amount	As at 31 March 2019 Amount
<b>I. Secured</b>		
<b>Rupee Loan from Banks</b>		
Cash credit facilities (Repayable on demand)	125,432.80	123,999.36
Term loan from banks	1,674.27	1,674.26
	<b>127,107.07</b>	<b>125,673.62</b>
<b>II. Unsecured (repayable on demand)</b>		
Bank overdraft	15.28	15.28
Loans from		
- related parties (Refer note 34) ^	14,821.09	10,598.72
- others ^	272.05	272.05
	<b>15,108.42</b>	<b>10,886.05</b>
<b>Total current borrowings (I+II)</b>	<b>142,215.49</b>	<b>136,559.67</b>

^ These are interest free loans and repayable on demand.

### Note 18.1 Security for cash credit facilities:

Cash credit facilities availed from bankers carries an interest rate of 13% per annum and are secured by hypothecation charge on the current assets of the Company on first pari passu basis with existing and proposed working capital lenders in consortium arrangement. These facilities are further secured by way of certain collaterals, on pari passu basis, provided by the Company including personal guarantee of Company's directors/promoter and corporate guarantee of BHS Housing Private Limited.

The securities towards cash credit facilities also extends to the guarantees given by the banks on behalf of the Company aggregating ₹11,704.96 lakhs (31 March 2019: ₹16,043.87 lakhs).

**Note 18.2** Non-current borrowings, short-term borrowings and other current financial liabilities as at 31 March 2020 include balances amounting to Nil (31 March 2019: ₹ Nil), Nil (31 March 2019: ₹ Nil) and Nil (31 March 2019: ₹11,925.03 lakhs), respectively in respect of which confirmations/statements from the respective lenders have not been received. In the absence of confirmations/statements from the lenders, the Company has provided for interest and other penal charges on these borrowings based on the latest communication available from the respective lenders at the interest rate specified in the agreement. The Company's management believes that amount payable on settlement will not exceed the liability provided in books in respect of these borrowings. Accordingly, classification of these borrowings into current and non-current as at 31 March 2020 is based on the original maturity terms stated in the agreements with the lenders.

## NOTE 19 TRADE PAYABLES

	As at 31 March 2020 Amount	As at 31 March 2019 Amount
<b>Note 19 Trade payables</b>		
- Total outstanding dues of Micro Enterprises and Small Enterprises (Refer note 19.1)	198.59	123.18
- Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	12,418.31	11,925.39
<b>Total trade payables</b>	<b>12,616.90</b>	<b>12,048.57</b>

**Note 19.1** The Company has amounts due to micro and small suppliers registered under the Micro, Small and Medium Enterprises Development Act 2006 (MSMED Act)

The disclosure pursuant to the said Act is as under:

	As at 31 March 2020 Amount	As at 31 March 2019 Amount
Principal amount due to suppliers under MSMED Act	77.39	15.91
Interest accrued and due to suppliers under MSMED Act on the above amount	29.33	15.40
Payment made to suppliers (other than interest) beyond appointed day during the year	-	-
Interest paid to suppliers under MSMED Act	-	-
Interest due and payable to suppliers under MSMED Act towards payments already made	91.87	67.78
Interest accrued and remaining unpaid at the end of the accounting year	121.20	107.27
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act.	-	-

## Summary of significant accounting policies

and other explanatory information to the standalone financial statements as at and for the year ended 31st March, 2020

All amounts are in Indian Rupees and in lakhs

### NOTE 19 TRADE PAYABLES (contd)

Note: This information, as required to be disclosed under the MSMED Act, has been determined to the extent such parties have been identified on the basis of information available with the Company.

**Note 19.2** Trade payables are normally non-interest bearing and settled as per the payment terms stated in the contract.

### NOTE 20 OTHER CURRENT LIABILITIES

	As at	As at
	31 March 2020	31 March 2019
	Amount	Amount
Advance from contractees (Refer note 34)	3,572.45	5,626.03
Statutory dues payable	9,693.39	10,082.89
<b>Total other current liabilities</b>	<b>13,265.84</b>	<b>15,708.92</b>

### NOTE 21 REVENUE FROM OPERATIONS

	As at	As at
	31 March 2020	31 March 2019
	Amount	Amount
Contract revenue	21,814.87	54,254.91
Sale of products	261.50	1,308.24
<b>Total revenue from operations</b>	<b>22,076.37</b>	<b>55,563.15</b>

#### Disaggregated revenue information

Contract revenue represents revenue from Engineering and Construction contracts wherein the performance obligation is satisfied over a period of time. Further, the Company's entire business falls under one operational segment of 'Engineering and Construction'. Accordingly, disclosure of revenue recognised from contracts disaggregated into categories has not been made.

#### Contract balances

Particulars	Year ended	Year ended
	31 March 2020	31 March 2019
	Amount	Amount
Trade receivables	77,739.00	70,606.24
Unbilled work in progress (contract assets)	12,834.66	13,669.51

#### Performance obligations

The aggregate value of performance obligations that are completely or partially unsatisfied as at 31 March 2020 is ₹1,05,405 lakhs, of which approximately 39% is expected to be recognized as revenue within the next one year and the remaining thereafter.

### NOTE 22 OTHER INCOME

Particulars	Year ended	Year ended
	31 March 2020	31 March 2019
	Amount	Amount
<b>Interest income</b>		
- interest unwinding on financial assets	861.62	780.59
- interest unwinding on financial guarantees	111.12	127.13
- on margin money deposits	55.31	148.64
- on income tax refund	-	74.08
<b>Dividend from current investments</b>	-	0.13
<b>Other non-operating income</b>		
- Excess provision no longer required written back	-	59.04
- Gain on redemption of mutual funds (net)	-	0.93
- Fair value gain on investments (valued at FVTPL)	-	1,171.52
- Miscellaneous income	74.95	47.31
<b>Total other income</b>	<b>1,103.00</b>	<b>2,409.37</b>

# Summary of significant accounting policies

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All amounts are in Indian Rupees and in lakhs

## NOTE 23 COST OF CONSTRUCTION MATERIALS CONSUMED

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
	Amount	Amount
Stock at beginning of the year	3,587.13	4,679.43
Add: Purchases	4,453.01	10,852.99
	<b>8,040.14</b>	<b>15,532.42</b>
Less: Stock at the end of the year	3,519.46	3,587.13
<b>Total cost of construction materials consumed</b>	<b>4,520.68</b>	<b>11,945.29</b>

## NOTE 24 EMPLOYEE BENEFITS EXPENSE

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
	Amount	Amount
Salaries and wages	902.55	1,267.37
Contribution to provident and other funds (Refer note 32)	39.69	72.09
Gratuity (Refer note 32)	21.01	45.04
Staff welfare	15.48	39.22
<b>Total employee benefits expense</b>	<b>978.73</b>	<b>1,423.72</b>

## NOTE 25 FINANCE COSTS

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
	Amount	Amount
<b>Interest on:</b>		
- Term loans	25,795.00	22,412.83
- Cash credit facilities	21,683.00	20,048.66
- Others	-	625.74
<b>Other borrowing costs</b>		
- Bank charges and guarantee commission	670.43	728.10
<b>Total finance costs</b>	<b>48,148.43</b>	<b>43,815.33</b>

## NOTE 26 DEPRECIATION AND AMORTISATION EXPENSE (Refer notes 3A and 3B)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
	Amount	Amount
Depreciation on tangible assets	1,854.05	2,091.43
Amortisation on intangible assets	-	11.61
<b>Total depreciation and amortisation expense</b>	<b>1,854.05</b>	<b>2,103.04</b>

## NOTE 27 OTHER EXPENSES

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
	Amount	Amount
Power and fuel	286.71	557.10
Rent and hire charges (Refer note 27.2)	156.61	509.27
Transportation charges	46.13	973.52
Repairs and maintenance	64.75	80.78
Insurance	2.29	32.61
Rates and taxes	4.95	571.39
Impairment allowance (financial assets)	-	-
Impairment loss (financial asset written off)	-	-
Communication	13.51	35.49
Advertisement	0.16	0.58
Printing and stationary	7.06	11.81
Travelling and conveyance	19.35	39.63
Legal and professional	240.61	1,310.00

## Summary of significant accounting policies

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### NOTE 27 OTHER EXPENSES (contd)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
	Amount	Amount
Directors' sitting fees (Refer note 34)	66.57	30.20
Auditors' remuneration:		
i) Statutory audit fees	18.00	97.00
ii) Limited review fees	12.00	38.00
iii) Others	6.00	8.00
iv) Reimbursement of out of pocket expenses	1.00	3.00
Miscellaneous	638.37	516.61
<b>Total other expenses</b>	<b>1,584.09</b>	<b>4,814.99</b>

**Note 27.1** The Company is not liable to incur any expenses on Corporate Social Responsibility as per section 135 of the Companies Act, 2013.

**Note 27.2** The Company has entered into cancellable operating lease for office premises, machinery and employee accommodation. Tenure of leases generally vary between one year to four years. Terms of the lease include operating terms for renewal, terms of cancellation etc. Lease payments in respect of the above leases are recognised in the statement of profit and loss under the head other expenses (Refer note 27).

### NOTE 28 EXCEPTIONAL ITEMS

	Year ended 31 March 2020	Year ended 31 March 2019
	Amount	Amount
Impairment allowance including expected credit loss allowance (allowance for doubtful, trade receivable and other financial assets)	502.62	1,519.99
Impairment allowance on investments	928.78	11,673.21
Financial assets written off (trade receivable, other financial assets and loans written off)	-	45,938.33
Additional contractual interest expense and other charges	-	9,668.74
Inventories written off	-	848.48
<b>Total exceptional items [expense/ (Income)]</b>	<b>1,431.40</b>	<b>69,648.75</b>

### NOTE 29 EARNINGS PER SHARE (EPS)

#### Basic and diluted EPS

	Year ended 31 March 2020	Year ended 31 March 2019
	Amount	Amount
Profit/ (loss) computation for basic earnings per share of ₹10 each		
Net profit/ (loss) as per the Statement of Profit and Loss available for equity shareholders (₹ lakhs)	(49,093.38)	(110,854.98)
Weighted average number of equity shares for EPS computation (Nos.)	25,698,372	25,698,372
EPS - Basic and Diluted EPS (₹)	(191.04)	(431.37)

**Note:** Non-cumulative redeemable preference shares and amount pending share allotment do not qualify as potential equity shares outstanding during the periods, based on the present conditions prevalent, and hence have not been considered in the determination of diluted earnings per share.

### NOTE 30 CONTINGENT LIABILITIES AND COMMITMENTS

#### A. Contingent liabilities

	As at 31 March 2020	As at 31 March 2019
	Amount	Amount
(i) Claims not acknowledged as debts including cases where petition for winding up has been filed against the Company	725.22	725.22
(ii) Corporate guarantee given to banks on behalf of subsidiaries/ jointly controlled entities	163,815.69	163,815.69
(iii) Indirect tax liability that may arise in respect of matters in appeal	11,987.26	7,270.26

(iv) Provident Fund:

Based on the judgement by the Honorable Supreme Court dated 28 February 2019, past provident fund liability, is not determinable at present, in view of uncertainty on the applicability of the judgement to the Company with respect to timing and the components of its compensation structure. In absence of further clarification, the Company has been legally advised to await further developments in this matter to reasonably assess the implications on its financial statements, if any.



# Summary of significant accounting policies

and other explanatory information to the standalone financial statements as at and for the year ended 31st March, 2020  
All amounts are in Indian Rupees and in lakhs

## Note 30 Contingent liabilities and commitments (contd)

It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings. The Company does not expect any reimbursements in respect of the above contingent liabilities except in respect of matter stated in (iv) above. Future cash outflows in respect of the above are determinable only on receipt of judgments / decisions pending with various forums / authorities. The Company does not expect any outflow of economic resources in respect of the above and therefore no provision is made in respect thereof.

### B. Commitments

- (i) The Company has entered into agreements with various government authorities and semi government corporations to develop roads on Build-Operate-Transfer (BOT) and Public Private Partnership (PPP) basis through certain subsidiary entities and jointly controlled entities. The Company has a commitment to fund the cost of developing the infrastructure through a mix of debt and equity as per the estimated project cost.
- (ii) The Company along with its Jointly controlled entity, Supreme Infrastructure BOT Holdings Private Limited, has given an undertaking to the lenders of a Joint venture Company, not to dilute their shareholding below 51% during the tenure of the loan.

## NOTE 31 INTERESTS IN OTHER ENTITIES

### a) Joint operations (incorporated)

The Company's share of interest in joint ventures is set out below. The principal place of business of all these joint ventures is in India.

Name of the entity	% of ownership interest held by the Company		Name of the ventures' partner	Principal activities
	As at 31 March 2020	As at 31 March 2019		
Supreme Infrastructure BOT Holdings Private Limited	51.00	51.00	Strategic Road Investments Limited	Toll Management
Sanjose Supreme Tollways Development Private Limited*	96.10	96.10	Constructora Sanjose S.A.	Toll Management

\* w.e.f 10 August 2018, the Company cease to have significant influence as the company has been referred for liquidation.

### i) Classification of joint arrangements

The joint venture agreements in relation to the above mentioned joint ventures require unanimous consent from all the parties for all relevant activities. All co-venturers have direct rights to the assets of the joint venture and are also jointly and severally liable for the liabilities incurred by the joint venture. The Company recognises its direct right to the jointly held assets, liabilities, revenue and expenses. In respect of these contracts, the services rendered to the joint ventures are accounted as income on accrual basis.

### ii) Summarised balance sheet

	Year ended 31 March 2020	Year ended 31 March 2019
	Amount	Amount
Total assets	108,858.24	121,145.78
Total liabilities	121,827.26	113,768.12

### iii) Contingent liability and capital commitment as at reporting date

	Year ended 31 March 2020	Year ended 31 March 2019
	Amount	Amount
Capital commitment	-	79,417.88

### iv) Summarised statement of profit and loss account

	Year ended 31 March 2020	Year ended 31 March 2019
	Amount	Amount
Revenue	2,233.22	4,877.00
Other income	-	8.02
Total expenses (including taxes)	20,163.19	28,479.47

## Summary of significant accounting policies

and other explanatory information to the standalone financial statements as at and for the year ended 31st March, 2020

All amounts are in Indian Rupees and in lakhs

### NOTE 31 INTERESTS IN OTHER ENTITIES (contd)

#### b) Joint operations on work sharing basis

Contracts executed in joint arrangement under work sharing arrangement (consortium) is set out below. The principal place of business of all these arrangements is in India and are engaged in construction business.

Name of the Joint Venture	Description of interest	Company's share
Supreme - MBL JV	Lead JV partner	60%
Supreme - BKB - Deco JV	Lead JV partner	60%
Supreme - J Kumar JV	Lead JV partner	60%
Supreme Mahavir JV	Lead JV partner	55%
Supreme Brahmaputra JV	Equal JV partner	50%
Supreme Modi JV	Lead JV partner	51%

#### Classification of work executed on sharing basis

Contracts executed in joint operation under work sharing arrangement (consortium) is accounted to the extent work executed by the Company as that of an independent contract.

### NOTE 32 DISCLOSURE RELATING TO EMPLOYEE BENEFITS AS PER IND AS 19 'EMPLOYEE BENEFITS'

#### A Defined benefit obligations - Gratuity (unfunded)

The gratuity plan is governed by the Payment of Gratuity Act, 1972 under which an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depends on the member's length of service and salary at retirement age.

#### a) Changes in defined benefit obligations

	Year ended 31 March 2020	Year ended 31 March 2019
	Amount	Amount
Present value of obligation as at the beginning of the year	101.07	179.30
Interest cost	7.34	14.67
Current service cost	13.67	30.37
Remeasurements - Net actuarial (gains)/ losses	6.88	(123.27)
Benefits paid	-	-
Past Service Cost	-	-
Present value of obligation as at the end of the year	128.96	101.07

#### b) Expenses recognised in the Statement of Profit and Loss

	Year ended 31 March 2020	Year ended 31 March 2019
	Amount	Amount
Interest cost	7.34	14.67
Current service cost	13.67	30.37
Past Service Cost	-	-
<b>Total</b>	<b>21.01</b>	<b>45.04</b>

#### c) Remeasurement (gains)/ losses recognised in OCI

	Year ended 31 March 2020	Year ended 31 March 2019
	Amount	Amount
Actuarial changes arising from changes in financial assumptions	46.55	(11.26)
Actuarial changes arising from changes in demographic assumptions	4.39	6.04
Experience adjustments	(44.07)	(118.06)
<b>Total</b>	<b>6.87</b>	<b>(123.28)</b>

#### d) Actuarial assumptions

	31 March 2020	31 March 2019
Discount rate	6.75% p.a	7.47% p.a.
Salary escalation rate - over a long-term	15% p.a	6.00% p.a.
Mortality rate	Indian assured lives mortality (2012-14) ultimate	Indian assured lives mortality (2012-13) ultimate

# Summary of significant accounting policies

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## NOTE 32 DISCLOSURE RELATING TO EMPLOYEE BENEFITS AS PER IND AS 19 'EMPLOYEE BENEFITS' (contd)

The attrition rate varies from 1% to 7% (31 March 2019: 1% to 14%) for various age groups

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

### e) Quantities sensitivity analysis for significant assumption is as below:

	31 March 2020 Amount	31 March 2019 Amount
	1% increase	
i. Discount rate	(11.27)	(9.21)
ii. Salary escalation rate - over a long-term	5.62	9.42
	1% decrease	
i. Discount rate	12.88	9.72
ii. Salary escalation rate - over a long-term	(5.69)	(9.21)

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation, keeping all other actuarial assumptions constant.

### f) Maturity analysis of defined benefit obligation

	31 March 2020 Amount	31 March 2019 Amount
Within the next 12 months	9.40	20.09
Between 2 and 5 years	42.78	62.27
Between 6 and 10 years	66.45	51.99
<b>Total expected payments</b>	<b>118.63</b>	<b>134.35</b>

## B Defined contribution plans

a) The Company has recognised the following amounts in the Statement of Profit and Loss for the year:

	31 March 2020 Amount	31 March 2019 Amount
(i) Contribution to provident fund	21.89	38.36
(ii) Contribution to ESIC	17.80	33.73
	<b>39.69</b>	<b>72.09</b>

b) The expenses for leave entitlement and compensated absences is recognized in the same manner as gratuity and provision of

## C Current/ non-current classification

	31 March 2020 Amount	31 March 2019 Amount
<b>Gratuity</b>		
Current	9.10	19.38
Non-current	119.86	81.69
	<b>128.96</b>	<b>101.07</b>
<b>Leave entitlement (including sick leave)</b>		
Current	10.80	20.90
Non-current	41.54	52.87
	<b>52.34</b>	<b>73.77</b>

## B Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

## Summary of significant accounting policies

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### NOTE 32 DISCLOSURE RELATING TO EMPLOYEE BENEFITS AS PER IND AS 19 'EMPLOYEE BENEFITS' (contd)

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

Particulars	31-Mar-20			31-Mar-19		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Assets</b>						
Investments in mutual funds	2.63	-	-	2.63	-	-
Investments in equity instruments	-	-	2,850.15	-	-	3,778.93

### NOTE 34 DISCLOSURE IN ACCORDANCE WITH IND-AS 24 RELATED PARTY TRANSACTIONS

#### A. Names of related parties and nature of relationship

Name of the entity	Company's holding as at (%)			Subsidiary of
	Country of incorporation	31-Mar-20	31-Mar-19	
<b>a) Subsidiaries</b>				
Supreme Infrastructure BOT Private Limited	India	100.00	100.00	Supreme Infrastructure India Limited
Supreme Panvel Indapur Tollways Private Limited	India	64.00	64.00	Supreme Infrastructure India Limited
Supreme Mega Structures Private Limited	India	60.00	60.00	Supreme Infrastructure India Limited
Supreme Infrastructure Overseas LLC	Oman	60.00	60.00	Supreme Infrastructure India Limited
Supreme Manor Wada Bhiwandi Infrastructure Private Limited (Refer Note 1 & 4 below)	India	49.00	49.00	Supreme Infrastructure BOT Private Limited
Patiala Nabha Infra Projects Private Limited	India	100.00	100.00	Supreme Infrastructure BOT Private Limited
Supreme Suyog Funicular Ropeways Private Limited	India	98.00	98.00	Supreme Infrastructure BOT Private Limited
Kopargaon Ahmednagar Tollways (Phase I) Private Limited	India	100.00	100.00	Supreme Infrastructure BOT Private Limited
Supreme Vasai Bhiwandi Tollways Private Limited	India	100.00	100.00	Supreme Infrastructure BOT Private Limited
Mohul Kurul Kamti Mandrup Tollways Private Limited (Refer note 1 below)	India	49.00	49.00	Supreme Infrastructure BOT Private Limited
Kotkapura Muksar Tollways Private Limited	India	99.00	99.00	Supreme Infrastructure BOT Private Limited
<b>(b) Jointly controlled entities</b>				
Sanjose Supreme Tollways Development Private Limited (upto 9 August 2018) (Refer note 2 below)	India	96.10	96.10	
Supreme Infrastructure BOT Holdings Private Limited (Refer note 3 below)	India	51.00	51.00	
Supreme Best Value Kolhapur (Shiroli) Sangli Tollways Private Limited (Refer note 4 below)	India	45.90	45.90	Supreme Infrastructure BOT Holdings Private Limited
Supreme Ahmednagar Karmala Tembhurni Tollways Private Limited (Refer notes 3 & 4 below)	India	51.00	51.00	Supreme Infrastructure BOT Holdings Private Limited
Supreme Kopargaon Ahmednagar Tollways Private Limited (Refer note 3 below)	India	51.00	51.00	Supreme Infrastructure BOT Holdings Private Limited
<b>(c) Associates</b>				
Sohar Stones LLC	Oman	30.00	30.00	

#### (d) Key management personnel (KMP)

Mr. Bhawanishankar Sharma - Chairman  
 Mr. Vikram Sharma - Managing Director  
 Mr. Vikas Sharma - Director (upto 1 February 2019)  
 Mr. Vijay Joshi - Company Secretary  
 Mr. Sandeep Khandelwal - Chief financial officer (w.e.f 16 August 2017)  
 Mr. Dakshendra Brijballabh Agrawal - Non executive Director  
 Mr. V.P. Singh - Independent Director  
 Mr. Vinod Agarwala - Independent Director  
 Mr. S.K. Mishra - Independent Director  
 Mrs. Nilima Mansukhani - Independent Director  
 Mrs. Rita Sharma - Wife of Bhawanishankar Sharma

# Summary of significant accounting policies

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## (e) Other related parties (where transactions have taken place during the year)

### Companies in which key management personnel or their relatives have significant influence

Supreme Housing and Hospitality Private Limited  
Green Hill Barter Private Limited  
BHS Housing Private Limited  
Supreme Innovative Buildings Private Limited  
BVB Infracorp Private Limited  
BVR Infracorp Private Limited  
VSB Infracorp Private Limited  
Rudranee Infrastructure Limited (Refer note 5 below)  
Sanjose Supreme Tollways Development Private Limited (w.e.f 10 August 2018) (Refer note 2 below)

**Note 1:** Though the Company's investment in this mentioned entities is below 50% of the total share capital, these entities has been classified as subsidiary. The management has assessed whether or not the Company has control over this entities based on whether the group has practical ability to direct relevant activities unilaterally. In these cases, based on specific shareholders agreement, the management concluded that the Company have practical ability to direct the relevant activities.

**Note 2 :** w.e.f 10 August 2018, the company cease to have significant influence as the company has referred for liquidation.

**Note 3 :** Though the Company's investment in these entities exceed 50% of the total share capital, these entities have been classified as jointly controlled entities. The management has assessed whether or not the Company has control over these entities based on whether the Company has practical ability to direct relevant activities unilaterally. In these cases, based on specific shareholders agreement, the management concluded that the group does not have practical ability to direct the relevant activities unilaterally but has such ability along with the other shareholders.

**Note 4 :** The lenders of the Company had invoked Strategic Debt Restructuring ('SDR') and as a result 51% of equity shares have been transferred to lenders from the promotor group in accordance with the Reserve Bank of India ('RBI') guidelines. This conversion of debt into equity by the lenders is only protective in nature but not participative.

**Note 5 :** Though the Company's share in investment in Rudranee Infrastructure Limited is 40.20% but there is no significant control over the entity by the virtue of agreement hence the same is considered as other related party.

## NOTE 34 DISCLOSURE IN ACCORDANCE WITH IND AS 24 RELATED PARTY TRANSACTIONS

### B. Nature of Transactions

Transactions with related parties:		Year ended	Year ended
		31 March 2020	31 March 2019
		Amount	Amount
<b>Rendering of services</b>			
Supreme Panvel Indapur Tollways Private Limited	Subsidiary	18,473.65	18,233.63
Supreme Suyog Funicular Ropeways Private Limited	Subsidiary	72.17	83.00
Kopargaon Ahmednagar Tollways (Phase I) Private Limited	Subsidiary	-	998.00
Supreme Kopargaon Ahmednagar Tollways Private Limited	Jointly controlled entity	85.96	86.00
Supreme Vasai Bhiwandi Tollways Private Limited	Subsidiary	-	271.00
Supreme Manorwada Bhiwandi Infrastructure Private Limited	Subsidiary	515.44	227.25
Patiala Nabha Infra Projects Private Limited	Subsidiary	-	451.39
		<b>19,147.22</b>	<b>20,350.27</b>
<b>Interest unwinding on financial assets carried at amortised cost</b>			
Kalyan Sangam Infratech Limited	Other related party	861.62	780.59
		<b>861.62</b>	<b>780.59</b>
<b>Interest unwinding on financial guarantees</b>			
Supreme Vasai Bhiwandi Tollways Private Limited	Subsidiary	11.96	11.96
Kotkapura Muktsar Tollways Private Limited	Subsidiary	5.65	5.65
Supreme Kopargaon Ahmednagar Phase-I Tollways Private Limited	Subsidiary	22.90	22.90
Supreme Panvel Indapur Tollways Private Limited	Subsidiary	49.06	49.06
Patiala Nabha Infra Projects Private Limited	Subsidiary	5.38	5.38
Rudranee Infrastructure Limited	Other related parties	6.16	6.16
Supreme Kopargaon Ahmednagar Tollways Private Limited	Jointly controlled entity	5.41	21.42



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All amounts are in Indian Rupees and in lakhs

### NOTE 34 DISCLOSURE IN ACCORDANCE WITH IND AS 24 RELATED PARTY TRANSACTIONS (contd)

Transactions with related parties:		Year ended	Year ended
		31 March 2020	31 March 2019
		Amount	Amount
Supreme Suyog Funicular Private Limited	Subsidiary	4.60	4.60
		<b>111.12</b>	<b>127.13</b>
<b>Receipt of services</b>			
Supreme Mega Structures Private Limited	Subsidiary	-	305.76
		-	<b>305.76</b>
<b>Finance cost on redeemable preference shares</b>			
BHS Housing Private Limited	Other related party	-	198.78
		-	<b>198.78</b>
<b>Remuneration/ Director sitting fees</b>			
Mr. Vijay Joshi	Company secretary	14.90	20.09
Mr. Sandeep Khandelwal	Chief financial officer	17.57	35.13
Mr. V.P. Singh	Independent director	8.70	7.90
Mr. Vinod Agarwal	Independent director	8.40	6.90
Mr. S.K. Mishra	Independent director	7.40	7.40
Mrs. Nilima Mansukhani	Independent director	3.00	6.50
Mr. Dakshendra Brijballabh Agrawal	Non executive director	6.60	1.50
		<b>66.57</b>	<b>85.42</b>
<b>Loan taken from</b>			
Mr. Bhawanishankar Sharma	Key Managerial Personnel	-	848.41
Mr. Vikas Sharma	Key Managerial Personnel	-	-
Supreme Innovative Buildings Private Limited	Other related parties	-	-
BVB Infracorp Private Limited	Other related parties	10.00	1,549.70
BVR Infracorp Private Limited	Other related parties	73.49	1,826.86
VSB Infracorp Private Limited	Other related parties	29.79	2,212.00
		<b>113.28</b>	<b>6,436.97</b>
<b>Loan repaid to</b>			
Mr. Vikram Sharma	Key Managerial Personnel	0.12	3.37
Supreme Innovative Buildings Private Limited	Other related parties	-	3,396.85
		<b>0.12</b>	<b>3,400.22</b>

### C) Outstanding balances:

		As at	As at
		31 March 2020	31 March 2019
		Amount	Amount
<b>Outstanding trade receivables</b>			
Supreme Panvel Indapur Tollways Private Limited	Subsidiary	1,624.56	1,653.52
Supreme Manor Wada Bhiwandi Infrastructure Private Limited	Subsidiary	-	-
Supreme Suyog Funicular Ropeways Private Limited	Subsidiary	338.01	642.67
Supreme Housing and Hospitality Private Limited	Other related party	-	65.01
BHS Housing Private Limited	Other related party	-	60.28
Patiala Nabha Infra Projects Private Limited	Subsidiary	1,312.18	1,848.84
Kopargaon Ahmednagar Tollways (Phase I) Private Limited	Subsidiary	-	1,378.10
Kotkapura Muktsar Tollways Private Limited	Subsidiary	76.62	424.46
Supreme Kopargaon Ahmednagar Tollways Private Limited	Jointly controlled entity	29.00	883.12
Mohul Kurul Kamti Mandrup Tollways Private Limited*	Subsidiary	1.28	1.28
Supreme Vasai Bhiwandi Tollways Private Limited	Subsidiary	-	327.92
		<b>3,381.65</b>	<b>7,285.19</b>
<b>Unbilled work in progress</b>			
Supreme Panvel Indapur Tollways Private Limited	Subsidiary	4,767.60	3,973
Supreme Vasai Bhiwandi Tollways Private Limited	Subsidiary	78.12	70
		<b>4,845.72</b>	<b>4,043.00</b>
<b>Loans receivable</b>			
Rudranee Infrastructure Limited*	Other related party	2,227.40	2,227.40
Supreme Infrastructure Overseas LLC*	Subsidiary	316.77	316.77
		<b>2,544.17</b>	<b>2,544.17</b>

# Summary of significant accounting policies

and other explanatory information to the standalone financial statements as at and for the year ended 31st March, 2020

All amounts are in Indian Rupees and in lakhs

## NOTE 34 DISCLOSURE IN ACCORDANCE WITH IND AS 24 RELATED PARTY TRANSACTIONS (contd)

		As at 31 March 2020 Amount	As at 31 March 2019 Amount
<b>Other financial assets</b>			
<b>Receivable from related party</b>			
Supreme Suyog Funicular Ropeways Private Limited*	Subsidiary	50.31	360.31
Supreme Infrastructure BOT Holdings Private Limited	Jointly controlled entity	-	-
Supreme Infrastructure BOT Private Limited*	Subsidiary	-	59.68
Supreme Innovative Buildings Private Limited	Other related party	-	111.33
		<b>50.31</b>	<b>531.32</b>
<b>Outstanding payables</b>			
<b>Long-term borrowings</b>			
1% Non cumulative redeemable preference shares of ₹10 each			
BHS Housing Private Limited		2,005.92	2,005.92
		<b>2,005.92</b>	<b>2,005.92</b>
<b>Short-term borrowings</b>			
Mr. Bhawanishankar Sharma	Key Managerial Personnel	3,118.38	3,118.38
Mr. Vikram Sharma	Key Managerial Personnel	1,157.95	1,158.07
Mr. Vikas Sharma	Key Managerial Personnel	730.71	730.71
Supreme Innovative Buildings Private Limited	Other related parties	-	-
BVB Infracorp Private Limited	Other related parties	1,559.70	1,549.70
BVR Infracorp Private Limited	Other related parties	1,900.35	1,826.86
VSB Infracorp Private Limited	Other related parties	2,241.79	2,212.00
		<b>10,708.88</b>	<b>10,595.72</b>
<b>Trade payable</b>			
Supreme Mega Structures Private Limited	Subsidiary	-	52.11
		-	<b>52.11</b>
<b>Other financial liabilities</b>			
Mr. Vijay Joshi	Key Managerial Personnel	14.65	8.43
Mr. Sandeep Khandelwal	Chief financial officer	16.09	20.48
Mr. V.P. Singh	Independent Directors	8.70	8.75
Mr. Vinod Agarwala	Independent Directors	8.40	7.30
Mr. S.K. Mishra	Independent Directors	7.40	7.40
Mrs. Nilima Mansukhani	Independent Directors	3.00	6.50
Mr. Dakshendra Agarwala	Non- Executive Director	6.60	2.94
Supreme Infrastructure BOT Holdings Private Limited	Subsidiary	1,285.76	1,285.76
		<b>1,350.61</b>	<b>1,347.56</b>
<b>Advance from contractees</b>			
Supreme Best Value Kolhapur (Shiroli) Sangli Tollways Private Limited	Jointly controlled entity	-	231.80
Sanjose Supreme Tollways Development Private Limited	Other related party	-	358.28
Supreme Housing and Hospitality Private Limited	Other related party	-	25.42
Supreme Ahmednagar Karmala Tembhurni Tollways Private Limited	Jointly controlled entity	-	3,054.16
Supreme Manorwada Bhiwandi Infrastructure Private Limited	Subsidiary	60.76	90.34
		<b>60.76</b>	<b>3,760.00</b>
<b>Corporate guarantees given and outstanding as at the end of the year</b>			
Supreme Vasai Bhiwandi Tollways Private Limited	Subsidiary	15,378.00	15,378.00
Kotkapura Muktsar Tollways Private Limited	Subsidiary	8,500.00	8,500.00
Supreme Kopargaon Ahmednagar Phase-I Tollways Private Limited	Subsidiary	18,000.00	18,000.00
Supreme Panvel Indapur Tollways Private Limited	Subsidiary	90,000.00	90,000.00
Patiala Nabha Infra Projects Private Limited	Subsidiary	6,537.69	6,537.69
Rudranee Infrastructure Limited	Other related party	4,500.00	4,500.00
Supreme Kopargaon Ahmednagar Tollways Private Limited	Jointly controlled entity	14,900.00	14,900.00
Supreme Suyog Funicular Ropeways Private Limited	Subsidiary	6,000.00	6,000.00
		<b>163,815.69</b>	<b>163,815.69</b>

\* Provisions made against such receivables

# Summary of significant accounting policies

and other explanatory information to the standalone financial statements as at and for the year ended 31st March, 2020

All amounts are in Indian Rupees and in lakhs

## NOTE 34 DISCLOSURE IN ACCORDANCE WITH IND AS 24 RELATED PARTY TRANSACTIONS (contd)

### Notes:

- Mr. Bhawanishankar Sharma, Mr. Vikram Sharma and Mr. Vikas Sharma have agreed for waiver of remuneration for the years ended 31 March 2020 and 31 March 2019 in view of the losses incurred by the Company.
- Refer notes 4.2, 4.3, 15.3 and 18.1 for personal guarantee provided by Directors, shares pledged and other security created in respect of borrowing by the Company or the related parties.
- The Company along with its Jointly controlled entity, Supreme Infrastructure BOT Holdings Private Limited, has given an undertaking to the lenders of a Joint venture Company, not to dilute their shareholding below 51% during the tenure of the loan.

## NOTE 35 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

### i Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Major financial instruments affected by market risk includes loans and borrowings.

#### a Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's total debt obligations with floating interest rates.

#### Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's loss before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	31 March 2020	31 March 2019
	Amount	Amount
Increase in basis points	50 basis points	50 basis points
Effect on loss before tax, increase by	1,950.30	1,230.85
Decrease in basis points	50 basis points	50 basis points
Effect on loss before tax, decrease by	1,950.30	1,230.85

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

#### b Foreign currency risk

The Company does not have any significant outstanding balances in foreign currency and consequently the Company's exposure to foreign exchange risk is less. Although, the exchange rate between the rupee and foreign currencies has changed substantially in recent years, it has not affected the results of the Company. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies. Accordingly, the Company does not have any unhedged foreign currency exposures.

#### c Equity price risk

The Company's non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

### ii Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure of the financial assets are contributed by trade receivables, unbilled work-in-progress, cash and cash equivalents and receivable from group companies.

- Credit risk on trade receivables and unbilled work is limited as the customers of the Company mainly consists of the government promoted entities having a strong credit worthiness. For other customers, the Company uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled work-in-progress. The provision matrix takes into account available

# Summary of significant accounting policies

and other explanatory information to the standalone financial statements as at and for the year ended 31st March, 2020  
All amounts are in Indian Rupees and in lakhs

## NOTE 35 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (contd)

external and internal credit risk factors such as credit ratings from credit rating agencies, financial condition, ageing of accounts receivable and the Company's historical experience for customers.

The following table gives details in respect of percentage of revenues generated from government promoted agencies and others

Particulars	31 March 2020	31 March 2019
	%	%
Revenue from government promoted agencies	87.55	77.83
Revenue from others	12.45	22.17
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

The following table gives details in respect of contract revenues generated from the top customer and top 5 customers for the year ended:

Particulars	31 March 2020	31 March 2019
	%	%
Revenue from top customer	16,360.63	18,233.63
Revenue from top five customers	20,610.86	30,809.00

For the year ended 31 March 2020, One (31 March 2019: One) customer, individually, accounted for more than 10% of the revenue.

The movement of the allowance for lifetime expected credit loss on financial assets except trade receivables is stated below: ^	31 March 2020	31 March 2019
	%	%
Balance at the beginning of the year	669.20	249.20
Charge in the statement of profit and loss	502.62	419.99
Release to the statement of profit and loss	-	-
Balance at the end of the year	1,171.82	669.20

^ Refer note 11.6 for movement in allowance for lifetime expected credit loss on trade receivables.

- b Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with high credit ratings.

### iii Liquidity risk

Liquidity is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

The table below provides details regarding the contractual maturities of significant financial liabilities:

Particulars	On demand	Less than 1 year	1 - 5 years	More than 5 years	Total
<b>As at 31 March 2020</b>					
Borrowings (including interest accrued)	142,215.49	245,837.70	146.57	1,859.34	<b>390,059.10</b>
Trade payables	-	12,616.90	-	-	<b>12,616.90</b>
Other financial liabilities	-	1,677.48	-	-	<b>1,677.48</b>
<b>Total</b>	<b>142,215.49</b>	<b>260,132.08</b>	<b>146.57</b>	<b>1,859.34</b>	<b>404,353.47</b>
<b>As at 31 March 2019</b>					
Borrowings (including interest accrued)	136,559.67	154,331.65	43,990.97	1,859.34	<b>336,741.63</b>
Trade payables	-	12,048.57	-	-	<b>12,048.57</b>
Other financial liabilities	-	2,762.71	-	-	<b>2,762.71</b>
<b>Total</b>	<b>136,559.67</b>	<b>169,142.93</b>	<b>43,990.97</b>	<b>1,859.34</b>	<b>351,552.90</b>

## Area : Notes to Accounts

### NOTE 36 CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The Company strives to safeguard its ability to continue as a going concern so that they can maximise returns for the shareholders and benefits for other stake holders. The aim to maintain an optimal capital structure and minimise cost of capital.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may return capital to shareholders, issue new shares or adjust the dividend payment to shareholders (if permitted). Consistent with others in the industry, the Company monitors its capital using the gearing ratio which is total debt divided by total capital plus total debts (including interest accrued).

## Summary of significant accounting policies

and other explanatory information to the standalone financial statements as at and for the year ended 31st March, 2020

All amounts are in Indian Rupees and in lakhs

### NOTE 36 CAPITAL MANAGEMENT (contd)

Particulars	As at 31 March 2020	As at 31 March 2019
Total debt	390,059.10	336,741.63
Total equity	(145,175.44)	(96,075.23)
<b>Total debt to equity ratio (Gearing ratio)</b>	<b>159.28%</b>	<b>139.92%</b>

In the long run, the Company's strategy is to maintain a gearing ratio between 60% to 75%.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the borrowings that define the capital structure requirements. Breaches in meeting the financial covenants would permit the lenders to immediately call loans and borrowings. Subsequent to restructuring of the borrowings as stated in note 15, there have been no communications from the banks in this regard which might have a negative impact on the gearing ratio (Also refer note no 37)

#### Area : Notes to Accounts

**NOTE 37:** On 29 March 2019, framework agreement was signed between the Company and the majority of the lenders pursuant to the sanction of the resolution plan by the lenders under the aegis of the Reserve Bank of India (RBI) circular dated 12 February 2018 and confirmation by the promoters to infuse additional funds, (wherein out of the total estimated debt ₹304,520 lakhs existing as at reference date i.e. 31 August 2018 ₹100,00 lakhs is to be classified as sustainable debt to be serviced as per the existing terms and conditions and the remainder is to be converted into fully paid up equity shares and cumulative redeemable preference shares). While rest of the lenders were in the process of sanctioning the Resolution Plan, on 2 April 2019, the aforesaid circular has been held ultra vires to existing banking regulations, by the Honourable Supreme Court of India. On 7 June 2019, RBI has issued revised circular for resolution of the stressed assets, basis which the majority lenders have signed the Inter-Creditor agreement (ICA) and are in the process of executing the revised resolution plan.

Further, the Company has incurred a net loss after tax of ₹49,100.25 lakhs during the year ended 31 March 2020 and, has also suffered losses from operations during the preceding financial years and of that date, the Company's accumulated losses amounts to ₹177,690.20 lakhs and its current liabilities exceeded its current assets by ₹323,242.74 lakhs. The Company also has external borrowings from banks and financial institutions, principal and interest repayment of which has been delayed during the current period. Pending execution of the revised resolution plan as discussed above, the aforesaid conditions, indicate existence of material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern due to which the Company may not be able to realise its assets and discharge its liabilities in the normal course of business. However, on expectation of execution and implementation of the aforesaid revised resolution plan, further fund infusion by the promoters and business growth prospects once revised guidelines are issued by the RBI, Management has prepared the financial results on a "Going Concern" basis.

**NOTE 38** The Company is principally engaged in a single business segment viz. "Engineering and Construction". Also, refer note 36(ii) (a) for information on revenue from major customers.

This is a Summary of significant accounting policies and other explanatory information referred to in our report of given date.

#### For Ramanand & Associates

Chartered Accountants

Firm Registration No: 117776W

#### CA Ramanand Gupta

Partner

M.No. : 103975

Place: Mumbai

Date: 6 January 2021

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

#### Bhawanishankar Sharma

Chairman

DIN No : 01249834

Place: Mumbai

Date: 6 January 2021

#### Vikram Sharma

Managing Director

DIN No :01249904



# Independent Auditor's Report

## To the Members of Supreme Infrastructure India Limited

### REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

#### Qualified Opinion

1. We have audited the accompanying consolidated financial statements of Supreme Infrastructure India Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associates and joint ventures, which comprise the Consolidated Balance Sheet as at 31 March 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and joint ventures, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the consolidated state of affairs (consolidated financial position) of the Group as at 31 March 2020, and its consolidated loss (consolidated financial performance including other comprehensive income), its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

#### Basis for Qualified Opinion

3. a) As stated in Note 13.3 to the accompanying consolidated financial statement, the Holding Company's current financial assets as at 31 March 2020 include trade receivables aggregating ₹45,389.22 lakhs (31 March 2019: ₹41,075.63 lakhs) in respect of projects which were closed/substantially closed and where the receivables have been outstanding for a substantial period. Management has assessed that no adjustments are required to the carrying value of the aforesaid balances, which is not in accordance with the requirements of Ind AS 109, 'Financial Instruments'. Consequently, in the absence of sufficient appropriate evidence to support the management's contention of recoverability of these balances, we are unable to comment upon the adjustments, if any, that are required to the carrying value of the aforesaid balances, and consequential impact, if any, on the accompanying consolidated financial statement. Our opinion on the consolidated financial statement for the year ended 31 March 2019 was also modified in respect of this matter.

- b) As stated in Note 20.2 to the accompanying consolidated financial statements, the Holding Company's non-current borrowings, short-term borrowings and other current financial liabilities as at 31 March 2020 include balances aggregating Nil (31 March 2019: ₹9,324.24 lakhs), Nil (31 March 2019: ₹294.21 lakhs) and ₹11,925.03 lakhs (31 March 2019: ₹11,510.27 lakhs), respectively in respect of which confirmations/statements from the respective lenders have not been received. These borrowings have been classified into current and non-current, basis the original maturity terms stated in the agreements which is not in accordance with the terms of the agreements in the event of defaults in repayment of borrowings. Further, whilst we have been able to perform alternate procedures with respect to certain balances, in the absence of confirmations from the lenders, we are unable to comment on the adjustments, if any, that may be required to the carrying value of these balances on account of changes, if any, to the terms and conditions of the transactions, and consequential impact, on the accompanying consolidated financial statements. Our opinion on the consolidated financial statements for the year ended 31 March 2019 was also modified in respect of this matter.
- c) As stated in Note 6.4 to the accompanying consolidated financial statements, relating to the Group's carrying value of net assets (capital employed) aggregating ₹234,427.39 lakhs and non-controlling interest amounting to ₹8,694.68 lakhs as at 31 March 2020 relating to Supreme Infrastructure BOT Private Limited (SIBPL), a subsidiary of the Holding Company. This subsidiary is facing liquidity constraints due to which it may not be able to realize projections made as per its approved business plans. Based on the valuation report of an independent valuer as at 31 March 2020 and other factors described in the aforesaid note, Management has considered such balance as fully recoverable. In the absence of sufficient appropriate evidence to support the management's assessment as above and other relevant alternate evidence, we are unable to comment upon adjustments, if any, that may be required to the carrying values of these balances and the consequential impact on the accompanying consolidated financial statements.

We further report that the following qualifications to the audit opinion on the consolidated financial statements of Supreme Infrastructure BOT Private Limited ('SIBPL'), subsidiary of the Holding Company issued by an independent firm of Chartered Accountants vide its report dated 7 September 2019 reproduced by us as under:

- i. As stated in Note 20.2 to the accompanying consolidated financial statements, which indicate that Supreme Vasai Bhiwandi Tollways Private Limited, a subsidiary of SIBPL, current maturities of long term borrowings and other current financial liabilities as at 31 March 2020 include

balances aggregating ₹7,978.23 lakhs and ₹3,343.16 lakhs respectively in respect of which direct confirmations from the respective lenders have not been received. These borrowings have been classified into current and non-current, basis the original maturity terms stated in the agreements which is not in accordance with the terms of the agreements in the event of defaults in repayment of borrowings. Further, whilst we have been able to perform alternate procedures with respect to certain balances, in the absence of confirmations from the lenders, we are unable to comment on the adjustments, if any, that may be required to the carrying value of these balances on account of changes, if any, to the terms and conditions of the transactions, and consequential impact, on the accompanying consolidated financial statements.

- ii. As stated in Note 20.4 to the accompanying consolidated financial statements, which indicate that Kotkapura Muktsar Tollways Private Limited, a subsidiary of the SIBPL, current maturities of non-current borrowings and other current financial liabilities as at 31 March 2020 include balances aggregating ₹351.14 lakhs and ₹144.18 lakhs respectively in respect of which direct confirmations from the respective lenders have not been received. These borrowings have been classified into current and non-current, basis the original maturity terms stated in the agreements which is not in accordance with the terms of the agreements in the event of defaults in repayment of borrowings. Further, whilst we have been able to perform alternate procedures with respect to certain balances, in the absence of confirmations from the lenders, we are unable to comment on the adjustments, if any, that may be required to the carrying value of these balances on account of changes, if any, to the terms and conditions of the transactions, and consequential impact, on the accompanying consolidated financial statements.
- iii. As stated in Note 20.3 to the accompanying consolidated financial statements, which indicate that Kopargaon Ahmednagar (Phase 1) Tollways Private Limited, a subsidiary of SIBPL, current maturities of non-current borrowings and other current financial liabilities as at 31 March 2020 include balances aggregating ₹404.38 lakhs and ₹95.71 lakhs respectively in respect of which direct confirmations from the respective lenders have not been received. These borrowings have been classified into current and non-current, basis the original maturity terms stated in the agreements which is not in accordance with the terms of the agreements in the event of defaults in repayment of borrowings. Further, whilst we have been able to perform alternate procedures with respect to certain balances, in the absence of confirmations from the lenders, we are unable to comment on the adjustments, if any, that may be required to the carrying value of these balances on account of changes, if any, to the terms and conditions of the transactions, and consequential impact, on the accompanying consolidated financial statements.

We, further draw attention to the following emphasis of matters on the consolidated financial statements of SIBPL, subsidiary of the Holding Company issued by an independent firm of Chartered Accountants vide its report dated 7 September 2019

reproduced by us as under:

We draw attention to Note 5.1 to the accompanying consolidated financial statements with respect to Supreme Suyog Funicular Ropeways Private Limited, a subsidiary of SIBPL, intangible assets under development as at 31 March 2020 aggregating ₹13,443.83 lakhs, which is being substantially carry forward from earlier years in respect of cost incurred for construction of Funicular Ropeway under the BOT scheme. Based on the valuation report obtained, legal opinion and other matters as set forth in the aforesaid note, the management believes that no adjustment is required to the carrying value of the aforesaid balance. Our opinion is not modified in respect of this matter.

4. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraphs 17 and 18 of the Other Matters section below, is sufficient and appropriate to provide a basis for our qualified opinion.

#### **Material Uncertainty Related to Going Concern**

5. We draw attention to Note 33 to the accompanying consolidated financial statements, which indicates that the Group has incurred a net loss of ₹81,270.37 lakhs during the year ended 31 March 2020 and, as of that date, the Group's accumulated losses amounts to ₹332,316.15 lakhs which have resulted in a full erosion of net worth of the Group and its current liabilities exceeded its current assets by ₹472,426.49 lakhs. Further, as disclosed in Note 33 to the said financial statements, there have been delays in repayment of principal and interest in respect of borrowings during the current year. The above factors, along with other matters as set forth in the aforesaid note, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. However, based on ongoing discussion with the lenders for restructuring of the loans, revised business plans, equity infusion by the promoters, and other mitigating factors mentioned in the aforementioned note, Management is of the view that going concern basis of accounting is appropriate.

The above assessment of the Group's ability to continue as going concern is by its nature considered as a key audit matter in accordance with SA 701. In relation to the above key audit matter, our audit work included, but was not limited to, the following procedures:

- i. Obtained an understanding of the management's process for identifying all events or conditions that may cast significant doubt over the company's ability to continue as a going concern and a process to assess the corresponding mitigating factors existing against each such event or

condition. Also, obtained an understanding around the methodology adopted by the Group to assess their future business performance including the preparation of a cash flow forecast for the business;

- ii. Evaluated the design and tested the operating effectiveness of key controls around aforesaid identification of events or conditions and mitigating factors, and controls around cash flow projections prepared by the management;
- iii. We obtained from the management, its projected cash flows for the next twelve months basis their future business plans and considering the impacts of implementation of Tariff Order, 2017. Reconciled the cash flow forecast to the future business plan of the Group as approved by the Board of Directors;
- iv. Assessed the methodology used by the management to estimate the cash flow projections including the appropriateness of the key assumptions in the cash flow projections for next 12 months by considering our understanding of the business, past performance of the Group, external data and market conditions apart from discussing these assumptions with the management and the Audit Committee;
- v. Tested mathematical accuracy of the projections and

applied independent sensitivity analysis to the key assumptions mentioned above to determine and ensure that there was sufficient headroom with respect to the estimation uncertainty impact of such assumptions on the calculation; and

- vi. Assessed that the disclosures made by the management are in accordance with applicable accounting standards.

Our opinion is not modified in respect of this matter

#### Key Audit Matters

6. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and joint ventures, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
7. In addition to the matters described in the Basis for Qualified Opinion and Material Uncertainty Related to Going Concern section, we have determined the matter described below to be the key audit matter to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<b>Recognition of contract revenue, margin and contract costs (Refer note 2.1 xvi of the consolidated financial statements)</b>	
<p>The Group's revenue primarily arises from construction contracts which, by its nature, is complex given the significant judgements involved in the assessment of current and future contractual performance obligations.</p> <p>Effective 1 April 2019, the Group has adopted Ind AS 115 'Revenue from Contracts with Customers' using the cumulative catch-up transition method. Accordingly, the Group recognizes revenue and margins based on the stage of completion which is determined on the basis of the proportion of value of goods or services transferred as at the Balance Sheet date, relative to the value of goods or services promised under the contract. All the projects of the Group satisfy the criteria for recognition of revenue over time (using the percentage of completion method) since the control of the overall asset (property/ site / project) lies with the customer who directs the Group. Further, the Group has assessed that it does not have any alternate use of these assets.</p> <p>The recognition of contract revenue, contract costs and the resultant profit/loss therefore rely on the estimates in relation to forecast contract revenue and the total cost. These contract estimates are reviewed by the management on a periodic basis. In doing so, the management is required to exercise judgement in its assessment of the valuation of contract variations and claims and liquidated damages as well as the completeness and accuracy of forecast costs to complete and the ability to deliver contracts within contractually determined timelines. The final contract values can potentially be impacted on account of various factors and are expected to result in varied outcomes.</p> <p>Changes in these judgements, and the related estimates as contracts progress can result in material adjustments to revenue and margins. As a result of the above judgments, complexities involved and material impact on the related financial statement elements, this area has been considered a key audit matter in the audit of the consolidated financial statements.</p>	<p>Our audit of the recognition of contract revenue, margin and related receivables and liabilities included, but were not limited to, the following:</p> <ul style="list-style-type: none"> <li>• Evaluated the appropriateness of the Group's revenue recognition policies;</li> <li>• Assessed the design and implementation of key controls over the recognition of contract revenue and margins, and tested the operating effectiveness of these controls;</li> <li>• For a sample of contracts, tested the appropriateness of amount recognized by evaluating key management judgements inherent in the forecasted contract revenue and costs to complete that drive the accounting under the percentage of completion method, including: <ul style="list-style-type: none"> <li>- reviewed the contract terms and conditions;</li> </ul> </li> </ul> <ul style="list-style-type: none"> <li>- evaluated the identification of performance obligation of the contract</li> <li>- evaluated the appropriateness of management's assessment that performance obligation was satisfied over time and consequent recognition of revenue using percentage of completion method.</li> <li>- tested the existence and valuation of claims and variations within contract costs via inspection of correspondence with customers;</li> <li>- obtained an understanding of the assumptions applied in determining the forecasted revenue and cost to complete;</li> <li>- assessed the ability of the Group to deliver contracts within budgeted timelines and exposures, if any, to liquidated damages for late delivery; and</li> </ul> <ul style="list-style-type: none"> <li>• Assessed that the disclosures made by the management are in accordance with applicable accounting standards.</li> </ul>

### Information other than the Consolidated Financial Statements and Auditor's Report thereon

8. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

9. The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated profit or loss (consolidated financial performance including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act, the respective Board of Directors / management of the companies included in the Group, and its associate companies and joint venture companies covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

10. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint venture are responsible for assessing the ability of the Group and of its associates and

joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

11. Those Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group and of its associates and joint venture.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

12. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

13. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group, its associates and joint ventures (covered under the Act) have adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
14. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
  15. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
  16. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Other Matter

17. We did not audit the financial statements of 10 (ten) subsidiaries, whose financial statements (before eliminating inter-company balances) reflects total assets of ₹331,527.22 lakhs and net liabilities of ₹203,563.87 lakhs as at 31 March 2020, total revenues (before eliminating inter-company transactions) of ₹131,844.64 lakhs and net cash outflows amounting to ₹510.38 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the work done by and the reports of the other auditors.

18. The consolidated financial statements also include the Group's share of net loss (including other comprehensive income) of ₹ 9,203.66 lakhs for the year ended 31 March 2020, as considered in the consolidated financial statements, in respect of one (1) joint venture company, along with its three (3) subsidiaries, whose financial statements have not been audited by us. The consolidated financial statements of the said joint venture company have been audited by one of the joint auditors Messrs Walker Chandiook & Co LLP, Chartered Accountants,

who have expressed an adverse opinion on such financial statements, and whose report has been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the above joint venture Company, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid joint ventures, is based solely on the reports of Messrs Walker Chandiook & Co LLP. The investment in the said joint venture company has been fully provided for in these consolidated financial statements.

Our opinion on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the work done by, and the reports of one of the joint auditor.

19. We did not audit the financial statements/financial information of one (1) subsidiary whose financial information (before eliminating inter-company balances) reflects total assets of ₹1,352.85 lakhs and net liabilities of ₹ 697.03 lakhs as at 31 March 2020, total revenues of Nil (before eliminating inter-company transactions) and net cash inflows amounting to Nil for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss (including other comprehensive income) of Nil for the year ended 31 March 2020, as considered in the consolidated financial statements, in respect of one (1) associate and one (1) joint venture, whose financial information has not been audited by us. These financial statements/financial information is unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, and matters identified and disclosed under key audit matters section above and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary, associate and joint venture, are based solely on such unaudited financial statements/financial information. In our opinion and according to the information and explanations given to us by the management, these financial statements/financial information is not material to the Group.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the financial statements/financial information certified by the management.

#### Report on Other Legal and Regulatory Requirements

20. As required by section 197(16) of the Act, based on our audit and on the consideration of the reports of the other auditors, referred to in the paragraph 17 and 18, on separate financial statements of the subsidiaries and joint ventures, we report that the Holding Company, 10 subsidiary companies and 4 joint venture companies covered under the Act have not paid or provided for any managerial remuneration during the year. Further, as stated in paragraph 19, financial statements of one joint venture company covered under the Act are unaudited and have been furnished to us by the management, and as certified by the management, the provisions of section 197 read with Schedule V to the Act are not applicable to the above



joint venture company, since the said company is not a public company as defined under section 2(71) of the Act.

21. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries, associates and joint ventures, we report, to the extent applicable, that:

- a) we have sought and except for the possible effects of the matters described in the Basis for Qualified Opinion section, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors, except for the possible effects of the matters described in paragraph 3 of the Basis for Qualified Opinion section with respect to the financial statements of the Holding Company;
- c) the consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d) except for the possible effects of the matters described in the Basis for Qualified Opinion section, in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act;
- e) the matters described in paragraphs 3 and 5 of the Basis for Qualified Opinion and Material Uncertainty related to Going Concern sections in our opinion, may have an adverse effect on the functioning of the Holding Company;
- f) on the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its 10 subsidiary companies and 4 joint venture companies covered under the Act, none of the directors of the Group companies and joint venture companies covered under the Act, are disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act. Further, as stated in paragraph 19, financial statements of one (1) joint venture company covered under the Act are unaudited and have been furnished to us by the management, and as certified by the management, none of the directors of the said joint venture company are disqualified as on 31 March 2020 from being appointed as a director as a director in terms of section 164(2) of the Act.
- g) The qualifications relating to the maintenance of accounts and other matters connected therewith are as stated in paragraphs 3 of the Basis for Qualified Opinion section with respect to the Holding Company;

- h) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, and its subsidiary companies and joint venture companies covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure I';
  - i) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, associates and joint ventures:
    - i. Except for the possible effects of the matters described in paragraph 3 of the Basis for Qualified Opinion section, the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint ventures, as detailed in Notes 5.1, 6.4, 13.3, 17.1, 20.2, 20.3, 20.4, 20.5, 32 A (i), 32 A (iii), 32 A (iv), 33 to the consolidated financial statements;
    - ii. except for the possible effects of the matters described in the Basis for Qualified Opinion section provision has been made in these consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts if any, as detailed in Note 2.1 xvi to the consolidated financial statements
    - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies and joint venture companies covered under the Act during the year ended 31 March 2020;
    - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

**For Ramanand & Associates**  
Chartered Accountants  
FRN : 117776W

**Santosh Jadhav**  
Partner  
Membership No: 109632  
UDIN No: 21103975AAAAAO7676

Place: Mumbai  
Date: 06 January 2021

# Annexure I to the Independent Auditor's report

on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

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1. In conjunction with our audit of the consolidated financial statements of Supreme Infrastructure India Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associates and its joint ventures as at and for the year ended 31 March 2020, we have audited the internal financial controls over financial reporting ("IFCoFR") of the Holding Company, its ten subsidiary companies and its five joint ventures, which are companies covered under the Act, as at that date.

## Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its ten (10) subsidiary companies and five (5) joint venture companies, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's business, including adherence to the company's policies, the safeguarding of the company's assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

## Auditors' Responsibility

3. Our responsibility is to express an opinion on the IFCoFR of the Holding Company, its subsidiary companies, its associate companies and joint venture companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes

obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Others Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified opinion on the IFCoFR of the Holding Company, its ten (10) subsidiary companies and its five (5) joint venture companies, as aforesaid.

## Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Basis for Qualified opinion**

8. According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at 31 March 2020 with respect to the holding company, its ten (10) subsidiary companies and five (5) joint venture companies, which are companies covered under the Act. The possible effects of the following material weakness have been assessed as material but not pervasive to these consolidated financial statements:

- a. The Holding Company's internal control system towards estimating the group's carrying value of net assets in Supreme Infrastructure BOT Private Limited ('SIBPL'), subsidiary of the Holding Company, to determine the need to recognise an impairment loss as laid down under Ind AS 36 'Impairment of Assets' were not operating effectively, which could potentially result in a material misstatement in the group's carrying values net assets, non-controlling interest and its consequential impact on the earnings, reserves and related disclosures in the consolidated financial statements.
- b. The Holding Company's internal financial controls over financial reporting with respect to the process of assessing doubtful allowance of trade receivables were not operating effectively which could potentially result in a material misstatement in the recognition of doubtful allowance and the resultant carrying value of the trade receivables in the consolidated financial statements.

9. A 'material weakness' is a deficiency, or a combination of deficiencies, in IFCoFR, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

**Qualified Opinion**

10. In our opinion holding company, its ten (10) subsidiary companies and five (5) joint venture companies, which are companies covered under the Act, have, in all material respects, adequate internal financial controls over financial reporting as of 31 March 2020, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI, and except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, holding company, its ten (10) subsidiary companies and five (5) joint venture companies, which are companies covered under the Act, internal financial controls over financial reporting were operating effectively as at 31 March 2020.

11. We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements of the Group and its joint venture companies as at and for the year ended 31 March 2020, and these material weaknesses have affected our opinion on the consolidated financial statements of the Group and its joint venture companies and we have issued a qualified opinion on the consolidated financial statements.

**Other matters**

12. We did not audit the IFCoFR in so far it relates to ten (10) subsidiaries, which are companies covered under the Act, whose financial statements reflect total assets of ₹361,928.40 lakhs and net liabilities of ₹50,253.60 lakhs as at 31 March 2020 and total revenues of ₹45,449.62 lakhs and net cash inflows of ₹510.38 lakhs for the year ended on that date. Our report on the adequacy and operating effectiveness of the IFCoFR for the holding company, its ten (10) subsidiary companies and five (5) joint venture companies, which are companies covered under the Act, under Section 143(3)(i) of the Act insofar as it relates to the aforesaid subsidiaries, which are companies covered under the Act, is solely based on the corresponding reports of the auditors of such companies.

Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and the report of other auditors.

13. The consolidated financial statements also include the Group's share of net loss (including other comprehensive income) of ₹9,809.57 lakhs for the year ended 31 March 2020, in respect of one (1) joint venture company, along with its three (3) subsidiaries, which are companies covered under the Act, whose IFCoFR have not been audited by us. The consolidated IFCoFR in so far it relates to such joint venture company have been audited by one of the joint auditors Messer's Walker Chandiook & Co LLP, Chartered Accountants, who have expressed an adverse opinion on such IFCoFR, and whose report have been furnished to us by the management and our report on the adequacy and operating effectiveness of the IFCoFR for the holding company, its ten (10) subsidiary companies and five (5) joint venture companies, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to the aforesaid joint venture company, is based solely on the reports of Messer's Walker Chandiook & Co LLP.

Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and the reports of the joint auditor.

14. We did not audit the IFCoFR insofar as it relates to one joint venture company, which is a company covered under the Act, in respect of which, the Group's share of net profit/ (loss) (including other comprehensive income) of ₹ Nil for the year ended 31 March 2020 has been considered in the consolidated financial statements. The IFCoFR of this joint venture company, which is a company covered under the Act, is unaudited and our opinion under Section 143(3)(i) of the Act insofar as it relates to the aforesaid joint venture company, which is a company covered under the Act, is solely based on the corresponding IFCoFR report certified by the management of such company. In our opinion and according to the information and explanations given to us by the management, this financial statements are not material to the Group. Our report on adequacy and operating

effectiveness of the IFCoFR of the Group does not include the IFCoFR assessment in respect of the aforesaid company.

Our opinion is not modified in respect of this matter with respect to our reliance on IFCoFR report certified by the management.

**For Ramanand & Associates**

*Chartered Accountants*

FRN : 117776W

**Santosh Jadhav**

*Partner*

Membership No: 109632

UDIN No: 21103975AAAAAO7676

Place: Mumbai

Date: 06 January 2021

# Consolidated Balance Sheet

as at 31 March 2020

All amounts are in Indian Rupees and in lakhs

	Note No.	As at 31 March 2020 Amount	As at 31 March 2019 Amount
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	17,145.28	19,186.68
Capital work-in-progress		669.30	669.30
Goodwill		270.42	-
Intangible assets	4	95,138.26	102,431.22
Intangible assets under development	5	235,944.32	204,574.20
Investments in joint venture and associates	6 I	-	-
<b>Financial assets</b>			
Investments	6 II & III	3,357.12	4,235.53
Loans	7	84.10	84.10
Other financial assets	8	291.13	350.78
Deferred tax assets (net)	9	11.59	7.24
Other non-current assets	10	23,682.00	25,494.28
Income tax assets (net)	9	54.61	56.30
<b>Total non-current assets</b>		<b>376,648.13</b>	<b>357,089.63</b>
<b>Current assets</b>			
Inventories	11	3,519.46	3,587.13
<b>Financial assets</b>			
Investments	12	2.63	2.63
Loans	7	(50.61)	83.84
Trade receivables	13	78,752.90	69,750.88
Cash and cash equivalents	14	1,145.50	1,137.40
Other bank balances	15	6.83	1,576.48
Other financial assets	8	439.95	512.02
Other current assets	10	14,967.53	16,911.36
<b>Total current assets</b>		<b>98,784.19</b>	<b>93,561.74</b>
<b>TOTAL ASSETS</b>		<b>475,432.34</b>	<b>450,651.37</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	16	2,569.84	2,569.84
Other equity		(302,749.70)	(221,526.34)
<b>Equity attributable to owners of the parent</b>		<b>(300,179.86)</b>	<b>(218,956.50)</b>
Non-controlling interests		(7,832.60)	(6,013.80)
<b>Total equity</b>		<b>(308,012.45)</b>	<b>(224,970.30)</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	17	205,569.79	209,655.73
Other financial liabilities	18	0.45	-
Provisions	19	6,663.86	6,029.01
Deferred tax liabilities (net)	9	-	-
<b>Total non-current liabilities</b>		<b>212,234.10</b>	<b>215,684.74</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	20	95,441.97	139,136.23
Trade payables	21		
- to micro enterprises and small enterprises		198.59	123.18
- to others		13,802.77	15,992.69
Other financial liabilities	18	441,975.98	282,931.01
Other current liabilities	22	16,642.57	18,714.68
Provisions	19	19.90	40.28
Income tax liabilities (net)	9	3,128.91	2,944.96
<b>Total current liabilities</b>		<b>571,210.69</b>	<b>459,883.03</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>475,432.34</b>	<b>450,597.47</b>

The accompanying notes form an integral part of the consolidated financial statements  
This is the Consolidated Balance Sheet referred to in our audit report of even date

**For Ramanand & Associates**

Chartered Accountants

Firm Registration No: 117776W

**CA Ramanand Gupta**

Partner

M.No. : 103975

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

**Bhawanishankar Sharma**

Chairman

DIN No : 01249834

**Vikram Sharma**

Managing Director

DIN No : 01249904

Place: Mumbai

Date: 6 January 2021

Place: Mumbai

Date: 6 January 2021



# Consolidated Statement of Profit and Loss

as at 31 March 2020

All amounts are in Indian Rupees and in lakhs

	Note No.	Year ended 31 March 2020 Amount	Year ended 31 March 2019 Amount
<b>Income</b>			
Revenue from operations	23	32,066.12	67,700.00
Other income	24	192.19	1,577.22
<b>Total income</b>		<b>32,258.31</b>	<b>69,277.22</b>
<b>Expenses</b>			
Cost of construction materials consumed	25	4,520.68	11,948.63
Subcontracting expenses		17,764.05	37,931.99
Employee benefits expense	26	1,212.20	2,082.23
Finance costs	27	63,123.18	60,145.45
Depreciation and amortisation expense	28	9,174.90	9,765.22
Other expenses	29	3,201.23	5,988.11
<b>Total expenses</b>		<b>98,996.25</b>	<b>127,861.64</b>
<b>Profit/ (loss) before share of profit from associate, joint venture and exceptional items and tax</b>		<b>(66,737.93)</b>	<b>(58,584.42)</b>
Share of loss from associate and joint venture		(9,203.66)	9,809.57
Exceptional items	30	(7,147.58)	75,304.45
<b>Profit/ (loss) before tax</b>		<b>(83,089.17)</b>	<b>(143,698.44)</b>
<b>Tax expense/ (credit)</b>	<b>9</b>		
Current income tax		-	290.10
Deferred income tax		-	(5.24)
		-	284.86
<b>Profit/ (loss) for the year (A)</b>		<b>(83,089.16)</b>	<b>(143,983.30)</b>
<b>Attributable to:</b>			
Non-controlling interests		(1,818.80)	(1,662.58)
Owners of the parent		(81,270.37)	(142,320.72)
<b>Other comprehensive income (OCI)</b>			
Items not to be reclassified subsequently to profit or loss			
- Gain on fair value of defined benefit plans as per actuarial valuation		(6.87)	123.28
- Income tax effect on above		-	-
<b>Other comprehensive income for the year, net of tax (B)</b>		<b>(6.87)</b>	<b>123.28</b>
<b>Total comprehensive income/ (loss) for the year, net of tax (A+B)</b>		<b>(83,096.03)</b>	<b>(143,860.02)</b>
<b>Attributable to:</b>			
Non-controlling interests		<b>(1,818.80)</b>	<b>(1,662.58)</b>
Owners of the parent		<b>(81,277.24)</b>	<b>(142,197.44)</b>
Earnings per equity share of nominal value ₹10 each			
Basic and diluted (in ₹)	31	<b>(316.25)</b>	<b>(553.81)</b>

The accompanying notes form an integral part of the consolidated financial statements

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

**For Ramanand & Associates**

Chartered Accountants

Firm Registration No: 117776W

**CA Ramanand Gupta**

Partner

M.No. : 103975

Place: Mumbai

Date: 6 January 2021

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

**Bhawanishankar Sharma**

Chairman

DIN No : 01249834

Place: Mumbai

Date: 6 January 2021

**Vikram Sharma**

Managing Director

DIN No :01249904

# Consolidated Cash Flow Statement

for the year ended 31 March 2020

All amounts are in Indian Rupees and in lakhs

	Year ended 31 March 2020	Year ended 31 March 2019
	Amount	Amount
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net loss before tax	(83,089.17)	(143,698.44)
<b>Adjustments for</b>		
Depreciation and amortisation expense	9,174.90	9,765.22
Finance costs (including unapplied interest)	77,844.29	83,574.67
Interest income	(117.24)	(296.09)
Dividend from current investments	-	(0.13)
Resurfacing expense	648.45	583.70
Impairment allowance - (allowance for doubtful financial assets)	-	-
Impairment loss - financial assets written off	(10,708.74)	71,337.12
Impairment allowance - (allowance for doubtful debts)	25,398.83	1,100.00
Impairment allowance - (allowance for doubtful debts)	1,100.00	1,872.64
Impairment loss - Investments written off	-	-
Impairment loss- Inventories written off	0.01	848.48
Share of loss from associates & joint ventures	9,203.66	9,809.57
Provision for gratuity	21.01	45.04
Excess provision no longer required written back	-	(59.04)
Profit on redemption of mutual funds (net)	-	(0.93)
Fair value gain on mutual funds (valued at FVTPL)	-	-
Provision for loss written back in respect of a joint venture	(9,522.53)	(9,522.53)
<b>Operating profit before working capital changes</b>	<b>19,953.48</b>	<b>25,359.28</b>
<b>Adjustments for changes in working capital:</b>		
Decrease/(increase) in trade receivables	(24,792.12)	(33,385.11)
Decrease / (increase) in loans and advances / other advances	3,711.90	25,821.88
Decrease in inventories	67.67	243.82
(Decrease) / increase in trade and other payables	153,044.44	(31,738.39)
<b>Cash generated from / (used in) operations</b>	<b>151,985.35</b>	<b>(13,698.52)</b>
Direct taxes paid (net of refunds received)	(104.46)	(259.80)
<b>Net cash (used in) / generated from operating activities</b>	<b>151,880.89</b>	<b>(13,958.32)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment (including capital work in progress and capital advances)	(110.96)	(14.44)
Proceeds from sale of property, plant and equipment, intangible assets	-	-
Proceeds from sale of current investments	(28,622.43)	52.37
Net (investments in)/ proceeds from bank deposits (having original maturity of more than three months)	1,558.03	(163.49)
Purchase of non-current investments	-	-
Interest received	173.29	56.12
Dividend received	-	0.13
<b>Net cash used in investing activities</b>	<b>(27,002.07)</b>	<b>(69.31)</b>

# Consolidated Cash Flow Statement

for the year ended 31 March 2020

All amounts are in Indian Rupees and in lakhs

	Year ended 31 March 2020	Year ended 31 March 2019
	Amount	Amount
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from long-term borrowings	(79,184.36)	15,414.74
Repayment of long-term borrowings	(2,110.57)	(2,110.57)
Proceeds from short-term borrowings (net)	(49,067.57)	7,036.18
Proceeds/(repayment) of loan from related parties (net)	5,373.31	5,373.31
Interest paid	117.24	(11,244.12)
<b>Net cash generated from financing activities</b>	<b>(124,871.95)</b>	<b>14,469.54</b>
<b>Net decrease in cash and cash equivalents (A+B+C)</b>	<b>8.10</b>	<b>441.91</b>
Cash and cash equivalents at the beginning of the year	1,122.11	680.21
<b>Cash and cash equivalents at the end of the year</b>	<b>1,130.21</b>	<b>1,122.11</b>
<b>Components of cash and cash equivalents considered only for the purpose of cash flow statement</b>		
In bank current accounts in Indian rupees	1,127.93	1,070.25
Cash on hand	17.56	67.14
Bank/ book overdraft	(15.28)	(15.28)
	<b>1,130.21</b>	<b>1,122.11</b>

## Notes:

1. The Cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) Statement of Cash flows. Effective 1 April 2017, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement.

2. Additions to property, plant and equipment include movements of capital work-in-progress, capital advances and capital creditors respectively during the year.

The accompanying notes form an integral part of the consolidated financial statements

This is the Consolidated Cash Flow Statement referred to in our audit report of even date

## For Ramanand & Associates

Chartered Accountants

Firm Registration No: 117776W

## For and on behalf of the Board of Directors

### CA Ramanand Gupta

Partner

M.No. : 103975

### Bhawanishankar Sharma

Chairman

DIN No : 01249834

### Vikram Sharma

Managing Director

DIN No :01249904

Place: Mumbai

Date: 6 January 2021

Place: Mumbai

Date: 6 January 2021

# Consolidated Statement of Changes in Equity

for the year ended 31 March 2020

All amounts are in Indian Rupees and in lakhs

## a) Equity share capital

Particulars	Number	₹ lakhs
Equity shares of ₹10 each issued, subscribed and paid up		
As at 1 April 2018	25,698,372	2,569.84
Issue of equity shares	-	-
As at 31 March 2019	25,698,372	2,569.84
Issue of equity shares	-	-
As at 31 March 2020	25,698,372	2,569.84

## b) Other equity

Particulars	Equity component on fair valuation of preference shares	Reserves and surplus				Total equity attributable to equity holders	Non-controlling interest	₹ lakhs Total other equity
		Securities premium reserve	General reserve	Retained earnings	Foreign currency monetary transactions			
As at 1 April 2018	1,619.54	25,291.56	3,033.82	(108,895.34)	(378.47)	(79,328.89)	(4,351.22)	(83,680.11)
Transitional impact on implementation of Ind AS 115 [Refer note 2.1 (xvi)]	-	-	-	-	-	-	-	-
Profit/ (loss) for the year	-	-	-	(142,320.73)	-	(142,320.73)	(1,662.58)	<b>(143,983.31)</b>
Other comprehensive income/(loss) for the year	-	-	-	123.28	-	123.28	-	<b>123.28</b>
As at 31 March 2019	1,619.54	25,291.56	3,033.82	(251,092.79)	(378.47)	(221,526.34)	(6,013.80)	(227,540.14)
Transitional impact on implementation of Ind AS 115 [Refer note 2.1 (xvi)]	-	-	-	53.88	-	53.88	-	<b>53.88</b>
Profit/ (loss) for the year	-	-	-	(81,270.37)	-	(81,270.37)	(1,818.80)	<b>(83,089.17)</b>
Other comprehensive income/(loss) for the year	-	-	-	(6.87)	-	(6.87)	-	<b>(6.87)</b>
As at 31 March 2020	1,619.54	25,291.56	3,033.82	(332,316.15)	(378.47)	(302,749.70)	(7,832.60)	(310,582.30)

## Nature and purpose of reserves

### i. Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve will be utilised in accordance with the provisions of the Act.

### ii. Foreign currency monetary transactions

Exchange differences arising from the translation of net investments in foreign entities, and borrowings and other financial instruments.

### iii. Net gain on fair value of defined benefit plans

The Group has recognised remeasurement gains/ (loss) on defined benefit plans in OCI. These changes are accumulated within the OCI reserve within retained earnings.

### iv. General reserve

Under the erstwhile Companies Act 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of net profit to general reserve has been withdrawn.

### v. Retained earnings

Retained earnings represents the profits/losses that the Group has earned / incurred till date including gain / (loss) on fair value of defined benefits plans as adjusted for distributions to owners, transfer to other reserves etc.

The accompanying notes form an integral part of the consolidated financial statements

This is the statement of changes in equity referred to in our audit report of even date

## For Ramanand & Associates

Chartered Accountants

Firm Registration No: 117776W

**CA Ramanand Gupta**

Partner

M.No. : 103975

Place: Mumbai

Date: 6 January 2021

## For and on behalf of the Board of Directors

**Bhawanishankar Sharma**

Chairman

DIN No : 01249834

Place: Mumbai

Date: 6 January 2021

**Vikram Sharma**

Managing Director

DIN No : 01249904

# Summary of significant accounting policies

and other explanatory information to the Consolidated financial statements as at and for the year ended 31st March, 2020

All amounts are in Indian Rupees and in lakhs

## NOTE 1 CORPORATE INFORMATION

Supreme Infrastructure India Limited ("the Company" or "Parent" or "SIIL") having CIN L74999MH1983PLC029752 is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognised stock exchanges in India - the Bombay Stock Exchange and the National Stock Exchange. The registered office of the Company is located at Supreme House, Plot No. 94/C Pratap Gad, Opp. I.I.T Main Gate, Powai, Mumbai - 400 076, India.

The financial statements comprises the financial statements of the Company and its subsidiaries (the Company and its subsidiaries referred to as the "Group") and its associates and joint arrangements. The Group is principally engaged in the business of providing engineering and construction of roads, highways, buildings, bridges etc. The Group also owns and operates Ready Mix Concrete ("RMC") plant, Asphalt plant and Crushing plant. These consolidated financial statements ("the financial statements") of the Group and its associates and joint arrangements for the year ended 31 March 2020 were authorised for issue in accordance with resolution of the Board of Directors on 06 January 2020.

### Note 2.1 Significant Accounting Policies

#### i Basis of Preparation

The financial statements of the Group have been prepared to comply in all material respects with the Indian Accounting Standards ("Ind AS") notified under the Companies (Accounting Standards) Rules, 2015.

The financial statements have been prepared under the historical cost convention with the exception of certain financial assets and liabilities which have been measured at fair value, on an accrual basis of accounting.

All the assets and liabilities have been classified as current or non-current, wherever applicable, as per the operating cycle of the Group as per the guidance set out in Schedule III to the Act. Operating cycle for the business activities of the Group covers the duration of the project/ contract/ service including the defect liability period, wherever applicable, and extends upto the realisation of receivables (including retention monies) within the credit period normally applicable to the respective project.

In case of certain companies of the Group, operating cycle for the business activities, based on the nature of products and time between the acquisition of assets for processing and their realization in cash or cash equivalents have been ascertained as twelve months for the purpose of current / non-current classification of assets and liabilities.

The Group's financial statements are reported in Indian Rupees, which is also the Company's functional currency, and all values are rounded to the nearest lakhs (INR 00,000), except when otherwise indicated.

#### ii Principles of Consolidation

The financial statements have been prepared on the following basis:

#### (a) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date the control ceases.

The acquisition method of accounting is used to account for business combination by the Group.

The Group combines the separate financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, Contingent liability, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary and practicable to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet, respectively.

The Consolidated financial statements have been presented to the extent possible, in the same manner as Parent Company's standalone financial statements.

#### (b) Associates

Associates are all entities over which the Group has significant influence but no control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

#### (c) Joint arrangements

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

##### Joint operations

The Group recognises its direct right to the assets, liabilities, contingent liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

##### Joint ventures

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.



## Summary of significant accounting policies

and other explanatory information to the Consolidated financial statements as at and for the year ended 31st March, 2020

All amounts are in Indian Rupees and in lakhs

### (d) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income ("OCI"). Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary and practicable to ensure consistency with the policies adopted by the Group.

The carrying amount of the equity accounted investments are tested for impairment in accordance with the policy described in note (ix)(a)

### (e) Change in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests or reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit and loss. The fair value becomes the initial carrying amount for the purposes of subsequent accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in OCI in respect of that entity are reclassified to profit or loss as if the Group had directly disposed of the related assets and liabilities.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in OCI are reclassified to profit or loss where appropriate.

The consolidated financial statements include the respective financial statements of the Parent Company, its subsidiaries, its associates and its joint ventures as listed below:

#### Subsidiaries:

Supreme Infrastructure BOT Private Limited Supreme Panvel Indapur Tollways Private Limited Supreme Mega Structures Private Limited Supreme Infrastructure Overseas LLC Kotkapura Muksar Tollways Private Limited

Supreme Kopergaon Ahmednagar Phase-I Tollways Private Limited Supreme Vasai Bhiwandi Tollways Private Limited

Patiala Nabha Infra Projects Private Limited Supreme Suyog Funicular Ropeways Private Limited

Supreme Manor Wada Bhiwandi Infrastructure Private Limited

#### Associate:

Sohar Stones LLC

#### Joint ventures:

Supreme Infrastructure BOT Holdings Private Limited

Supreme Ahmednagar Karmala Tembhorni Tollways Private Limited Supreme Best Value Kolhapur(Shiroli) Sangli Tollways Private Limited Supreme Kopergaon Ahmednagar Tollways Private Limited

Sanjose Supreme Tollways Development Private Limited (till 10 August 2018)

(f) The financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's separate financial statements in preparing the financial statements to ensure conformity with the Group's accounting policies, wherever necessary and practicable.

(g) Notes to the financial statements represent notes involving items which are considered material and are accordingly disclosed. Materiality for the purpose is assessed in relation to the information contained in the financial statements. Further, additional statutory information disclosed in separate financial statements of the subsidiary and/or a parent having no bearing on the true and fair view of the financial statements has not been disclosed in these financial statements.

### iii Accounting Estimates

The preparation of the financial statements, in conformity with the recognition and measurement principles of Ind AS, requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities

# Summary of significant accounting policies

and other explanatory information to the Consolidated financial statements as at and for the year ended 31st March, 2020

All amounts are in Indian Rupees and in lakhs

and disclosure of contingent liabilities as at the date of financial statements and the results of operation during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates which are recognised in the period in which they are determined.

## Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

## Contract estimates

The Group, being a part of construction industry, prepares budgets in respect of each project to compute project profitability. The two major components of contract estimate are 'claims arising during construction period' (described below) and 'budgeted costs to complete the contract'. While estimating these components various assumptions are considered by the management such as (i) Work will be executed in the manner expected so that the project is completed timely (ii) consumption norms will remain same (iii) Assets will operate at the same level of productivity as determined (iv) Wastage will not exceed the normal % as determined etc. (v) Estimates for contingencies (vi) There will be no change in design and the geological factors will be same as communicated and (vii) price escalations etc. Due to such complexities involved in the budgeting process, contract estimates are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

## Recoverability of claims

The Group has claims in respect of cost over-run arising due to client caused delays, suspension of projects, deviation in design and change in scope of work etc., which are at various stages of negotiation/discussion with the clients or under arbitration. The realisability of these claims are estimated based on contractual terms, historical experience with similar claims as well as legal opinion obtained from internal and external experts, wherever necessary. Changes in facts of the case or the legal framework may impact realisability of these claims.

## Deferred tax assets

In assessing the realizability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods

in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Group will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

## Defined benefit plans

The cost and present value of the gratuity obligation and compensated absences are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, attrition rate and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

## iv Fair value measurement

The Group measures financial instruments, at fair value at each balance sheet date. (Refer Note 35)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, In the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

## Summary of significant accounting policies

and other explanatory information to the Consolidated financial statements as at and for the year ended 31st March, 2020

All amounts are in Indian Rupees and in lakhs

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-

assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

### v Property, Plant and Equipment

Property, Plant and Equipment are stated at cost of acquisition including attributable interest and finance costs, if any, till the date of acquisition/ installation of the assets less accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditure relating to Property, Plant and Equipment is capitalised only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the Statement of Profit and Loss as incurred. The cost and related accumulated depreciation are eliminated from the financial statements, either on disposal or when retired from active use and the resultant gain or loss are recognised in the Statement of Profit and Loss.

Capital work-in-progress represents expenditure incurred in respect of assets under development and not ready for its intended use are carried at cost. Cost includes the cost of replacing part of the plant and equipment and its borrowing for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

### vi Service Concession Arrangements

The Group recognises an intangible asset arising from a service concession arrangement to the extent it has a right to charge for use of the concession infrastructure. The fair value, at the time of initial recognitions of such an intangible asset received as consideration for providing construction or upgrade services in a service concession arrangement, is regarded to be its cost. Subsequent to initial recognition, the intangible assets is measured at cost, less any accumulated amortisations and accumulated impairment losses.

### vii Intangible Assets

Intangible assets comprise of license fees and implementation cost for software and other application software acquired / developed for in-house use. These assets are stated at cost, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably, less accumulated amortisation and accumulated impairment losses, if any.

Under the Concession Agreements, where the Group has received the right to charge users of the public service, such rights are recognised and classified as "Intangible Assets (Toll Collection Rights)". Such right is not an unconditional right to receive consideration because the amounts are contingent to the extent that the public uses the service and thus are recognised and classified as intangible assets. Such an intangible asset/intangible asset under development is recognised by the Group at cost (which is the fair value of the consideration received or receivable for the construction services delivered) and is capitalized when the project is complete in all respects and when the companies receives the completion certificate from the authority as specified in the Concession Agreement.

### viii Depreciation/ Amortisation

Depreciation/ amortisation is provided:

- Depreciation on property, plant and equipment is provided on straight line basis considering the useful lives prescribed in Schedule II to the Act on a pro-rata basis. However, certain class of plant and machinery used in construction projects are depreciated on a straight line basis considering the useful life determined based on the technical evaluation and the management's experience of use of the assets, that is a period of three to ten years, as against the period of nine to twenty years as prescribed in Schedule II to the Act.
- Leasehold land is not amortised as these are perpetual lease.
- Computer software and other application software costs are amortized over their estimated useful lives that is over a period of three years.
- Toll Collection Rights are amortised over the period of concession using revenue based amortisation as prescribed in Ind AS 38. Under this method, the carrying

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value of the rights is amortised in the proportion of actual toll revenue for the year to projected revenue for the balance toll period, to reflect the pattern in which the assets economic benefits will be consumed. At each balance sheet date, the projected revenue for the balance toll period is reviewed by the management. If there is any change in the projected revenue from previous estimates, the amortisation of toll collection rights is changed prospectively to reflect any changes in the estimates.

The useful lives have been determined based on technical evaluation carried out by the management's expert, in order to reflect the actual usage of the assets. The asset's useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period. The change in estimated useful lives is a change in an accounting estimate and is applied prospectively.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

## Impairment of Goodwill

Goodwill is tested for impairment on an annual basis and wherever there is an indication that the recoverable amount of a cash generating unit (CGU) is less than its carrying amount based on a number of factors including operation results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating unit is determined based on higher of value-in-use and fair value less cost to sell.

## ix Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### a Financial Assets

#### Initial Recognition

Financial assets, not recorded at fair value through profit or loss (FVPL), are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

#### Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

#### Financial Assets at Amortised Cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using

the effective interest rate ("EIR") method. Impairment gains or losses arising on these assets are recognised in the Statement of Profit and Loss.

#### Financial Assets Measured at Fair Value

Financial assets are measured at fair value through OCI if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss.

In respect of equity investments (other than for investment in subsidiaries and associates) which are not held for trading, the Group has made an irrevocable election to present subsequent changes in the fair value of such instruments in OCI. Such an election is made by the Group on an instrument by instrument basis at the time of transition for existing equity instruments/ initial recognition for new equity instruments.

Financial asset not measured at amortised cost or at fair value through OCI is carried at FVPL.

#### Impairment of Financial Assets

In accordance with Ind AS 109, the Group applies the expected credit loss ("ECL") model for measurement and recognition of impairment loss on financial assets and credit risk exposures.

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

ECL is the difference between after contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e. after all cash shortfalls), discounted at the original EIR. Lifetime ECL are the expected credit losses resulting

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from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Statement of Profit and Loss.

## De-recognition of Financial Assets

The Group de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

## b Equity Instruments and Financial Liabilities

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

### Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments which are issued for cash are recorded at the proceeds received, net of direct issue costs. Equity instruments which are issued for consideration other than cash are recorded at fair value of the equity instrument.

### Financial Liabilities

#### 1) Initial Recognition

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings and payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

#### 2) Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below:

#### Financial liabilities at FVPL

Financial liabilities at FVPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVPL. Financial liabilities

are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation. Amortisation is recognised as finance income in the Statement of Profit and Loss.

### Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the Statement of Profit and Loss.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Where the Group issues optionally convertible debentures, the fair value of the liability portion of such debentures is determined using a market interest rate for an equivalent non-convertible debenture. This value is recorded as a liability on an amortised cost basis until extinguished on conversion or redemption of the debentures. The remainder of the proceeds is attributable to the equity portion of the instrument. This is recognised and included in shareholders' equity (net of income tax) and are not subsequently re-measured.

Where the terms of a financial liability is re-negotiated and the Group issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in the Statement of Profit and Loss; measured as a difference between the carrying amount of the financial liability and the fair value of equity instrument issued.

#### 3) De-recognition of Financial Liabilities

Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same



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lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

## **c Offsetting Financial Instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis to realise the assets and settle the liabilities simultaneously.

## **x Employee Benefits**

### **a Defined Contribution Plan**

Contributions to defined contribution schemes such as provident fund, employees' state insurance and labour welfare fund are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. The above benefits are classified as Defined Contribution Schemes as the Group has no further obligations beyond the monthly contributions.

### **b Defined Benefit Plan**

The Group also provides for gratuity which is a defined benefit plan, the liabilities of which is determined based on valuations, as at the balance sheet date, made by an independent actuary using the projected unit credit method. Re-measurement, comprising of actuarial gains and losses, in respect of gratuity are recognised in the OCI, in the period in which they occur. Re-measurement recognised in OCI are not reclassified to the Statement of Profit and Loss in subsequent periods. Past service cost is recognised in the Statement of Profit and Loss in the year of plan amendment or curtailment. The classification of the Group's obligation into current and non-current is as per the actuarial valuation report.

### **c Leave entitlement and compensated absences**

Accumulated leave which is expected to be utilised within next twelve months, is treated as short-term employee benefit. Leave entitlement, other than short term compensated absences, are provided based on a actuarial valuation, similar to that of gratuity benefit. Re-measurement, comprising of actuarial gains and losses, in respect of leave entitlement are recognised in the Statement of Profit and Loss in the period in which they occur.

### **d Short-term Benefits**

Short-term employee benefits such as salaries, wages, performance incentives etc. are recognised as expenses at the undiscounted amounts in the Statement of Profit and Loss of the period in which the related service is rendered. Expenses on non-accumulating compensated absences is recognised in the period in which the absences occur.

## **xi Inventories**

The stock of construction materials is valued at cost or net realisable value, whichever is lower. Cost is determined on weighted average basis and includes all applicable cost of bringing the goods to their present location and condition. Net realisable value is estimated selling price in ordinary course of business less the estimated cost necessary to make the sale.

## **xii Cash and Cash Equivalents**

Cash and cash equivalents in the Balance Sheet comprises of cash at banks and on hand and short-term deposits with an original maturity of three month or less, which are subject to an insignificant risk of changes in value.

## **xiii Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reporting segment are allocated on the basis of associated revenue of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments are disclosed as unallocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment and all other assets and liabilities are disclosed as unallocable. Property, plant and equipment that could be used interchangeably among segments are not allocated to reportable segments.

## **xiv Borrowing Costs**

Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds. Also, the EIR amortisation is included in finance 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. All other borrowing costs are expensed in the Statement of Profit and Loss in the period in which they occur.

Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the asset for its intended use or sale are complete. Capitalisation of borrowing cost is suspended during extended periods in which active development is interrupted unless that period is a necessary part of the process for the construction of the asset.

## **xv Foreign Exchange Translation of Foreign Projects and Accounting of Foreign Exchange Transaction**

### **a Initial Recognition**

Foreign currency transactions are initially recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the

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transaction. However, for practical reasons, the Group uses a monthly average rate if the average rate approximate is the actual rate at the date of the transactions.

## b Conversion

Monetary assets and liabilities denominated in foreign currencies are reported using the closing rate at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

## c Treatment of Exchange Difference

Exchange differences arising on settlement/ restatement of short-term foreign currency monetary assets and liabilities of the Group are recognised as income or expense in the Statement of Profit and Loss.

Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalised and depreciated over the remaining useful life of the asset and exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Translation Account" and amortised over the remaining life of the concerned monetary item.

## d Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

1. assets and liabilities are translated at the closing rate at the date of the balance sheet
2. income, expenses and cash flow items are translated at average exchange rates for the respective periods; and
3. All resulting exchange differences are recognised in OCI.

When a subsidiary is disposed off, in full, the relevant amount is transferred to the Statement of Profit and Loss. However, when change in the parent's ownership does not result in loss of control of a subsidiary, such changes are recorded through equity.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and borrowings and other financial instrument designated as hedges of such investment, are recognised in OCI. When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing exchange rate.

## xvi Revenue Recognition

### a Accounting of Construction Contracts

Effective 1 April 2018, the Group adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as of 1 April 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. On account of adoption of IND AS 115 there is an increase in retained earning on account of reversal of discounting of retention deposit by ₹53.88 lakhs. On account of adoption of Ind AS 115, unbilled work-in-progress (contract asset) as at 31 March 2019 has been considered as non-financial asset and accordingly classified under other current assets.

The Group follows the percentage completion method, on the basis of physical measurement of work actually completed at the balance sheet date, taking into account the contractual price and revision thereto by estimating total revenue and total cost till completion of the contract and the profit so determined has been accounted for proportionate to the percentage of the actual work done. Unbilled work for projects under execution as at balance sheet date are valued at cost less provision for estimated losses, if any. The costs of projects in respect of which revenue is recognised under the Group's revenue recognition policies but have not been billed are adjusted for the proportionate profit recognized. The cost comprise of expenditure incurred in relation to execution of the project.

#### Revenue is recognised as follows:

- In case of item rate contracts on the basis of physical measurement of work actually completed, at the Balance Sheet date.
- In case of Lump sum contracts, revenue is recognised on the completion of milestones as specified in the contract or as identified by the management.

Foreseeable losses are accounted for as and when they are determined except to the extent they are expected to be recovered through claims presented or to be presented to the customer or in arbitration.

Advance payments received from contractee for which no services are rendered are presented as 'Advance from contractee'.

### b Accounting of Supply Contracts-Sale of Goods

Revenue from supply contract is recognised when the substantial risk and rewards of ownership is transferred to the buyer, which is generally on dispatch, and the collectability is reasonably measured. Revenue from product sales are shown as net of all applicable taxes and discounts.

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## c Accounting for Claims

Claims are accounted as income in the period of receipt of arbitration award or acceptance by client or evidence of acceptance received.

## d Dividend Income

Dividend is recognised when the right to receive the payment is established, which is generally when shareholders approve the dividend.

## e Finance and Other Income

Finance income is accrued on a time proportion basis, by reference to the principal outstanding and the applicable EIR. Other income is accounted for on accrual basis. Where the receipt of income is uncertain, it is accounted for on receipt basis.

## f Revenue from Rent

Rent is recognised on time proportionate basis.

## g Toll Revenue

Income from toll collection are recognised on actual collection of toll revenue. However, in case of monthly coupons, income is recognised proportionate to the utilisation till the date of balance sheet.

## h Compensation from Government Authorities

Compensation towards loss of revenue from exempted vehicles, granted by the government (competent) authority, is accrued as other operating revenue in the period for which they are receivable.

## xvii Income Tax

Income tax comprises of current and deferred income tax. Income tax is recognised as an expense or income in the Statement of Profit and Loss, except to the extent it relates to items directly recognised in equity or in OCI.

### a Current Income Tax

Current income tax is recognised based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the applicable income tax rate for each jurisdiction. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

### b Deferred Income Tax

Deferred tax is determined by applying the Balance Sheet approach. Deferred tax assets and liabilities are recognised for all deductible temporary differences between the financial statements' carrying amount of existing assets and liabilities and their respective tax base. Deferred tax assets and liabilities are measured using the enacted tax rates or tax rates that are substantively enacted at the Balance Sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the

period that includes the enactment date. Deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Such assets are reviewed at each Balance Sheet date to reassess realisation.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, to the extent it would be available for set off against future current income tax liability. Accordingly, MAT is recognised as deferred tax assets in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised

## xviii Leases

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership over the leased term, are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where the lease payments are structured to increase in line with expected general inflation. Assets acquired on finance lease are capitalised at fair value or present value of minimum lease payment at the inception of the lease, whichever is lower.

## xix Impairment of Non-Financial Assets

As at each Balance Sheet date, the Group assesses whether there is an indication that a non-financial asset may be impaired and also whether there is an indication of reversal of impairment loss recognised in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, the Group determines the recoverable amount and impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

### Recoverable amount is determined:

- In case of an individual asset, at the higher of the assets' fair value less cost to sell and value in use; and
- In case of cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of cash generating unit's fair value less cost to sell and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specified to the asset. In determining fair value less cost to sell, recent market transaction are taken into account. If no such transaction can be identified, an appropriate valuation model is used.

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Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit and Loss, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through the Statement of Profit and Loss.

### xx Trade Receivables

A receivable is classified as a 'trade receivable' if it is in respect of the amount due on account of goods sold or services rendered in the normal course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the EIR method, less provision for impairment.

### xxi Trade Payables

A payable is classified as a 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. These amounts are unsecured and are usually settled as per the payment terms stated in the contract. Trade and other payables are presented as current liabilities unless payment is not due within the normal operating cycle after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the EIR method.

### xxii Earnings Per Share

Basic earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company and weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares).

### xxiii Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Group has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of obligation. Provisions (excluding gratuity and compensated absences) are determined based on management's estimate required to settle the obligation at the Balance Sheet date. In case the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

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. A contingent liability also arises, in rare cases, where a liability cannot be recognised because it cannot be measured reliably.

Contingent assets are disclosed where an inflow of economic benefits is probable.

### xxiv Resurfacing Expenses

As per the Service Concession Agreements, the Group is obligated to carry out resurfacing of the roads under concession. The Group estimates the likely provision required towards resurfacing and accrues the costs over the period at the end of which resurfacing would be required, in the statement of profit and loss in accordance with Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets".

### xxv Exceptional Items

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items.

### Note 2.2 Recent accounting pronouncements

#### 1) Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments :

On 30 March 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment

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when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after 1 April 2019. The Group will adopt the standard on 1 April 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. 1 April 2019 without adjusting comparatives.

The effect on adoption of Ind AS 12 Appendix C would be insignificant in the financial statements.

## 2) Ind AS - 116 Leases-

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

Ind AS 116 will come into force from 1 April 2019. The Group is evaluating the requirement of the new Ind AS and the impact on the financial statements. The effect on adoption of Ind AS 116 is expected to be insignificant.

## NOTE 3 PROPERTY, PLANT AND EQUIPMENT

### Tangible assets

Gross carrying value	Freehold land	Leasehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Computers	Total
Balance as at 1 April 2018	6,835.67	54.70	5,765.56	16,669.32	298.01	292.69	117.13	31.90	30,064.98
Additions	-	-	-	11.50	-	-	1.14	1.80	14.44
Disposals	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2019	6,835.67	54.70	5,765.56	16,680.82	298.01	292.69	118.27	33.70	30,079.42
Additions	-	-	-	-	-	-	-	-	-
Disposals/ Impairment	-	-	-	166.13	-	-	-	-	166.13
Balance as at 31 March 2020	6,835.67	54.70	5,765.56	16,514.69	298.01	292.69	118.27	33.70	29,913.29
Accumulated depreciation									
Balance as at 1 April 2018	-	-	305.74	7,952.94	130.56	192.92	90.12	30.22	6,415.81
Depreciation charge	-	-	102.58	1,980.94	40.92	52.21	12.15	1.44	2,190.24
Accumulated depreciation on disposals	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2019	-	-	408.32	9,933.88	171.48	245.13	102.27	31.66	10,892.74
Depreciation charge	-	-	101.59	1,685.95	45.38	35.84	6.31	0.20	1,875.27
Accumulated depreciation on disposals	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2020	-	-	509.91	11,619.83	216.86	280.97	108.58	31.86	12,768.01
Net carrying value									
Balance as at 31 March 2019	6,835.67	54.70	5,357.24	6,746.94	126.53	47.56	16.00	2.04	19,186.68
Balance as at 31 March 2020	6,835.67	54.70	5,255.65	4,894.86	81.15	11.72	9.69	1.84	17,145.28



## Summary of significant accounting policies

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All amounts are in Indian Rupees and in lakhs

### NOTE 4 INTANGIBLE ASSETS

Gross carrying value	Computer	Toll collection rights	Total	Goodwill
	software			(Refer note 4.1)
Balance as at 1 April 2018	53.71	117,745.44	117,799.15	270.42
Additions	-	-	-	-
Disposals	-	-	-	-
Balance as at 31 March 2019	53.71	117,745.44	117,799.15	270.42
Additions	-	-	-	-
Disposals	-	-	-	-
Balance as at 31 March 2020	53.71	117,745.44	117,799.15	270.42
Accumulated amortisation				
Balance as at 1 April 2018	42.10	8,021.27	8,063.37	-
Amortisation charge	11.61	7,292.95	7,304.56	-
Impairment charge	-	-	-	-
Balance as at 31 March 2019	53.71	15,314.22	15,367.93	-
Amortisation charge	-	7,299.62	7,299.62	-
Impairment charge	-	-	-	270.42
Balance as at 31 March 2020	53.71	22,613.84	22,667.55	270.42
Net carrying value				
Balance as at 31 March 2019	-	102,431.22	102,431.22	270.42
Balance as at 31 March 2020	-	95,131.60	95,131.60	-

#### Note 4.1 Impairment testing for goodwill

Goodwill is tested for impairment annually in accordance with the Group's procedure for determining the recoverable amount of such assets. The recoverable amount of the assets/CGU is based on value in use. The value in use is determined based on discounted cash flow projections. The fair value measurement has been categorised as level 3 fair value based on the inputs to the valuation technique used. The cash flow projections include specific estimates for five years and terminal growth rate thereafter. The terminal growth rate has been determined based on management's estimates of the EBITDA margins. Goodwill recognized in accordance with the requirement of Ind AS 103 on acquisition of a subsidiary, Supreme Mega Structure Private Limited was tested for impairment. As there is no promising business prospect which justifies its operational viability, accordingly, entire amount aggregating ₹ 270.42 lakhs recognised as goodwill has been impaired during the year ended 31 March 2019.

### NOTE 5 INTANGIBLE ASSETS UNDER DEVELOPMENT

	₹
Opening as at 1 April 2018	175,183.49
Add: Addition during the year (including interest expenses ₹ 15,305.40 lakhs)	29,390.71
Less: Capitalized during the year	-
Closing as at 31 March 2019	204,574.20
Add: Addition during the year (including interest expenses ₹ 15,451.05 lakhs)	31,370.12
Less: Capitalized during the year	-
Closing as at 31 March 2020	235,944.32

**Note 5.1** In respect of Supreme Suyog Funicular Ropeways Private Limited ("SSFRPL"), Intangible Assets under Development (IAUD) as at 31 March 2020 represents amounts aggregating 13,443.83 lakhs, substantially being carried from earlier years in respect of a project presently under construction. The commercial operation date (COD) of the project was delayed due to various reasons attributable to the client primarily due to nonavailability of right of way, environmental clearances etc. and having regard to the same the Client has already extended the time for completion of project upto 31 December 2018. SSFRPL has now received the requisite right of way, however, considering the substantial delay caused, SSFRPL has applied for further extension of time upto 28 January 2020 for completion of the project, approval for which is presently awaited and the Management is confident of getting the same approved from Client. Considering the contractual tenability and independent valuation, management is confident of realization of the carrying value of the costs incurred without any loss to the SSFRPL and accordingly believes that no adjustments are required to the carrying value of the IAUD as at 31 March 2020.

# Summary of significant accounting policies

and other explanatory information to the Consolidated financial statements as at and for the year ended 31st March, 2020  
All amounts are in Indian Rupees and in lakhs

## NOTE 6 NON-CURRENT INVESTMENTS

	As at 31 March 2020	As at 31 March 2019
<b>I. Investments valued at deemed cost</b>		
Investment in equity shares	-	-
<b>II. Investments valued at amortised cost</b>		
Investment in preference shares		
In other companies	506.97	456.60
<b>III. Investments valued at fair value through profit and loss</b>		
Investment in equity shares		
In other companies	2,850.15	3,778.93
<b>Total non-current investments</b>	<b>3,357.12</b>	<b>4,235.53</b>

### Note 6.1 Detailed list of non-current investments ^

Face value of ₹10 each, unless otherwise stated

	As at 31 March 2020		As at 31 March 2019	
	Nos	Amount	Nos	₹ lakhs
<b>I. Investments valued at deemed cost, fully paid up, unquoted</b>				
<b>a. Investments in equity shares:</b>				
<b>i) Investments in joint venture in India</b>				
Supreme Infrastructure BOT Holdings Private Limited	790,000	(28,824.55)	790,000	(10,283.29)
Add : Amount disclosed under financial liabilities		28,824.55		10,283.29
		-		-
<b>ii) Investments in an associate outside India</b>				
Sohar Stones LLC		493.89		493.89
Less : Impairment provision		(493.89)		(493.89)
		-		-
<b>b. Investment in other instruments:</b>				
<b>Investments in preference shares:</b>				
Supreme Infrastructure BOT Holdings Private Limited				
0.001% Compulsory Convertible Cumulative Participatory Preference Shares	100,789	1,758.64	100,789	1,758.64
Less : Impairment provision		(1,758.64)		(1,758.64)
		-		-
<b>c. Investment in other instruments:</b>				
<b>Corporate Guarantees</b>				
<b>In joint ventures in India</b>				
Supreme Kopargaon Ahmednagar Tollways Private Limited		114.00		114.00
Less : Impairment provision		(114.00)		(114.00)
		-		-
<b>II. Investments valued at amortised cost</b>				
<b>a) Investments in preference shares</b>				
<b>In other companies in India</b>				
Kalyan Sangam Infratech Limited	609,375	506.97	609,375.	456.60
Green Hill Barter Private Limited [Face value of	100,000	438.84	100,000.	438.84
Less: Impairment provision		(438.84)		(438.84)
		<b>506.97</b>		<b>456.60</b>
<b>III. Investments valued at fair value through profit and loss, fully paid up, unquoted</b>				
<b>Investments in equity shares</b>				
<b>In other companies in India</b>				
The Saraswat Co-op Bank Limited	2,500	0.51	2,500	0.51
Rudranee Infrastructure Limited	12,183,648	2,849.64	12,183,648	3,778.42
Kalyan Sangam Infratech Limited	390,625	-	390,625	-
		<b>2,850.15</b>		<b>3,778.93</b>
<b>Total non-current investments</b>		<b>3,357.12</b>		<b>4,235.53</b>

## Summary of significant accounting policies

and other explanatory information to the Consolidated financial statements as at and for the year ended 31st March, 2020  
All amounts are in Indian Rupees and in lakhs

### Note 6.1 Detailed list of non-current investments <sup>^</sup> (contd)

	As at 31 March 2020		As at 31 March 2019	
	Nos	Amount	Nos	₹ lakhs
<b>Details:</b>				
<b>Aggregate of non-current investments:</b>				
(i) Carrying value of unquoted investments		3,357.12		4,235.53
(ii) Aggregate amount of impairment in value of investment		2,805.37		2,805.37
(i) Investments carried at deemed cost		-		-
(ii) Investments carried at amortised cost		506.97		456.60
(iii) Investments carried at fair value through profit and loss		2,850.15		3,778.93
		<b>3,357.12</b>		<b>4,235.53</b>

### Note 6.2 The Group's share of (loss)/profit from equity accounted investments is as follows:

#### In jointly controlled entities

	As at 31 March 2020		As at 31 March 2019	
	Nos	Amount	Nos	₹ lakhs
Supreme Infrastructure BOT Holdings Private Limited		(28,824.56)		(19,620.90)
Sanjose Supreme Tollways Development Private Limited (Refer note 6.5)		-		-
		<b>(28,824.56)</b>		<b>(19,620.90)</b>

### Note 6.3

Name of the entity	No. of equity shares pledged	
	31 March 2020	31 March 2019
Rudraanee Infrastructure Private Limited	8,462,385	8,462,385
Kalyan Sangam Infratech Limited	390,625	390,625
Supreme Infrastructure BOT Holdings Private Limited	789,999	<b>789,999</b>
	<b>No. of preference shares pledged</b>	
Supreme Infrastructure BOT Holdings Private Limited	95,000	95,000
Kalyan Sangam Infratech Limited	609,375	609,375

**Note 6.4** Supreme Infrastructure BOT Private Limited ('SIBPL'), a subsidiary company, is having various Build, Operate and Transfer (BOT) SPVs under its fold. While SIBPL has incurred losses during its initial years and has accumulated losses, causing the net worth of the entity to be fully eroded as at 31 March 2020, the underlying projects are expected to achieve adequate profitability on substantial completion of the underlying projects. Further, commercial operation date (COD) in respect of few subsidiaries of SIBPL has been delayed due to various reasons attributable to the clients primarily due to non-availability of right of way, environmental clearances etc. and in respect of few subsidiaries of SIBPL, the toll receipts is lower as compared to the projected receipts on account of delay in receiving compensation from government for exempted vehicles. Further, there have been delays in repayment of principal and interest in respect of the borrowings and the respective entities is in discussion with their lenders for the restructuring of the loans. Management is in discussion with the respective lenders, clients for the availability of right of way and other required clearances and is confident of resolving the matter without any loss to the respective SPVs. Therefore, based on certain estimates like future business plans, growth prospects, ongoing discussions with the clients and consortium lenders, the valuation report of the independent valuer and other factors, Management believes that the net-worth of SIBPL does not represent its true market value and the realizable amount of SIBPL is higher than the carrying value of its net assets as at 31 March 2020 and due to these, the Group's carrying value of net assets (capital employed) amounting to ₹2,34,427.39 lakhs and non controlling interest amounting to ₹8,694.68 lakhs is considered as good and recoverable.

# Summary of significant accounting policies

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All amounts are in Indian Rupees and in lakhs

## NOTE 7 LOANS

	As at 31 March 2020	As at 31 March 2019
	Amount	Amount
<b>Unsecured, considered good</b>		
<b>Non-current</b>		
Security and other deposits	84.10	84.10
Loans to related parties (Refer note 36)		
- considered doubtful	2,227.40	2,227.40
Less : Impairment loss provision	(2,227.40)	(2,227.40)
<b>Total non-current loans</b>	<b>84.10</b>	<b>84.10</b>
<b>Current</b>		
Loans to related parties (Refer note 35)	-60.76	
Security and other deposits	10.15	83.83
<b>Total non-current loans</b>	<b>(50.61)</b>	<b>83.83</b>
<b>Total loans</b>	<b>33.49</b>	<b>167.93</b>

### Note 7.1 : Break up of security details :

	As at 31 March 2020	As at 31 March 2019
	Amount	Amount
Loans considered good - unsecured	94.25	167.93
Loans - credit impaired	2,227.40	2,227.40
<b>Total</b>	<b>2,321.65</b>	<b>2,395.33</b>
Less : Loss allowance	2,227.40	2,227.40
<b>Total loans</b>	<b>94.25</b>	<b>167.93</b>

## NOTE 8 OTHER FINANCIAL ASSETS

	As at 31 March 2020	As at 31 March 2019
	Amount	Amount
<b>Non-current</b>		
Margin money deposits (Refer note below)	339.32	328.87
Interest receivables on deposits	-	21.91
<b>Total non-current financial assets</b>	<b>291.13</b>	<b>350.78</b>
<b>Current</b>		
Receivable from related parties (Refer note 36)	-	111.32
Interest accrued on deposits	30.66	126.73
- from related parties (Refer note 35)	419.98	-
Loan to employees		
- considered good	48.99	273.97
- considered doubtful	249.20	249.20
	<b>748.83</b>	<b>761.22</b>
Less: impairment allowance for doubtful advances	(308.88)	(249.20)
<b>Total current financial assets</b>	<b>439.95</b>	<b>512.02</b>
<b>Total other financial assets</b>	<b>731.09</b>	<b>862.80</b>

**Note:** The deposits maintained by the Group with the bank comprise time deposits, which are held in DSRA accounts as a security to the lenders as per the Common Loan Agreement which can be withdrawn by the Group at any point with prior notice and without penalty on the principal.

## NOTE 9 INCOME TAX ASSETS (NET)

i. The following table provides the details of income tax assets and liabilities:

	As at 31 March 2020	As at 31 March 2019
	Amount	Amount
Income tax assets	2,122.02	1,042.38
Current income tax liabilities	5,196.32	3,931.05
<b>Net income tax assets/(liabilities)</b>	<b>(3,074.30)</b>	<b>(2,888.67)</b>
<b>Presented as :</b>		
Income tax assets	54.61	56.30
Current income tax liabilities	3,128.91	2,944.96
<b>Net income tax liabilities</b>	<b>(3,074.30)</b>	<b>(2,888.66)</b>

## Summary of significant accounting policies

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### NOTE 9 INCOME TAX ASSETS (NET) (contd)

#### ii. The gross movement in the current tax asset/ (liability) is as follows:

	Year ended 31 March 2020 Amount	Year ended 31 March 2019 Amount
Net current income tax assets/ (liabilities) at the beginning	(2,888.66)	(2,858.36)
Income tax paid	104.46	259.80
Provision for tax expense	(10.78)	(10.78)
Tax adjustment for earlier years	(279.32)	(279.32)
<b>Net current income tax assets/ liabilities at the end</b>	<b>(3,074.30)</b>	<b>(2,888.66)</b>

#### iii. Income tax expense in the Statement of Profit and Loss comprises:

	Year ended 31 March 2020 Amount	Year ended 31 March 2019 Amount
Tax adjustment for earlier years	279.32	279.32
Current income taxes	10.78	10.78
Deferred income taxes	-	(5.24)
<b>Income tax expenses/ (income) (net)</b>	<b>290.10</b>	<b>284.86</b>

#### iv. A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the profit / (loss) before income taxes is as below:

	Year ended 31 March 2020 Amount	Year ended 31 March 2019 Amount
Profit/(loss) before income tax	(83,089.17)	(143,698.45)
Applicable income tax rate	31.20%	31.20%
<b>Computed expected tax expense</b>	<b>-</b>	<b>-</b>
Effect of expenses not allowed for tax purpose	10.78	10.78
Tax adjustments for earlier years	278.32	279.32
Reversal of deferred tax assets in absence of reasonable certainty	-	(5.24)
<b>Income tax (income)/ expense charged to the Statement of Profit and Loss</b>	<b>290.10</b>	<b>284.86</b>

#### v. Components of deferred income tax assets and liabilities arising on account of temporary differences are:

	As at 31 March 2020 Amount	As at 31 March 2019 Amount
<b>Deferred income tax asset</b>		
Impairment loss provision of financial assets	5,351.48	5,347.13
Provision for employee benefits	54.55	54.55
Unpaid bonus	22.71	22.71
Unabsorbed depreciation and loss	36,834.31	36,834.31
Others	3,298.03	3,298.03
<b>Deferred tax assets</b>	<b>45,561.09</b>	<b>45,556.73</b>
<b>Deferred income tax liability</b>		
Timing difference on tangible and intangible assets depreciation and amortisation	(371.78)	(371.78)
Timing difference on disputed claims excluded for tax purpose	(2,808.00)	(2,808.00)
<b>Deferred tax liability</b>	<b>(3,179.78)</b>	<b>(3,179.78)</b>
<b>Deferred tax assets recognized to the extent of liabilities</b>	<b>3,187.02</b>	<b>3,187.02</b>
<b>Deferred tax (liability)/ assets (net)</b>	<b>11.59</b>	<b>7.24</b>

^The Group has recognised deferred tax assets to the extent of deferred tax liabilities in the absence of reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.



# Summary of significant accounting policies

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All amounts are in Indian Rupees and in lakhs

## NOTE 10 OTHER ASSETS

	As at 31 March 2020	As at 31 March 2019
<b>Non-current</b>		
Capital advances	23,665.00	25,385.46
Balances with government authorities	17.01	17.01
Prepaid expenses	-	91.81
<b>Total other non-current assets</b>	<b>23,682.00</b>	<b>25,494.28</b>
<b>Current</b>		
Advance to suppliers and sub-contractors		
- considered good	1,709.34	2,914.90
- considered doubtful	3,055.52	3,055.52
Balances with government authorities	407.96	315.22
Unbilled work	12,834.66	13,669.51
Prepaid expenses	15.57	11.73
<b>Total other current assets</b>	<b>18,023.05</b>	<b>19,966.88</b>
Less : Impairment allowance for doubtful advances	(3,055.52)	(3,055.52)
	<b>14,967.53</b>	<b>16,911.36</b>
<b>Total other assets</b>	<b>38,649.53</b>	<b>42,405.64</b>

## NOTE 11 INVENTORIES

	As at 31 March 2020	As at 31 March 2019
Construction materials	3,519.46	3,587.13
<b>Total inventories</b>	<b>3,519.46</b>	<b>3,587.13</b>

## NOTE 12 CURRENT INVESTMENTS

	As at 31 March 2020		As at 31 March 2019	
	No. of units	₹	No. of units	₹
<b>Investments in Non-trade, mutual funds valued at fair value through profit and loss<sup>^</sup></b>				
Reliance Money Manager Fund - Daily Dividend Plan (Face value of ₹1,000 each)	250	2.63	250	2.63
<b>Total current investments</b>		<b>2.63</b>		<b>2.63</b>
<sup>^</sup> Face value of ₹10 each, unless otherwise stated				

## NOTE 13 TRADE RECEIVABLES

	As at 31 March 2020	As at 31 March 2019
<b>Current</b>		
<b>(unsecured, considered good unless stated otherwise)</b>		
Trade receivables (Refer note below)		
- considered good	80,979.45	68,742.47
- considered doubtful	11,082.58	10,600.58
Receivables from related parties (Refer note 35)	-2,226.55	1,008.41
	<b>89,835.48</b>	<b>80,351.46</b>
Impairment allowance (allowance for doubtful debts)	(11,082.58)	(10,600.58)
	<b>(11,082.58)</b>	<b>(10,600.58)</b>
<b>Total trade receivables</b>	<b>78,752.90</b>	<b>69,750.88</b>

## Summary of significant accounting policies

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### NOTE 13 TRADE RECEIVABLES (contd)

	As at 31 March 2020	As at 31 March 2019
<b>13.1</b> Includes retention money	8,597.10	8,597.10
<b>13.2</b> Trade receivables		
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	78,752.90	69,750.88
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired - unsecured	11,082.58	10,600.58
<b>Total</b>	<b>89,835.48</b>	<b>80,351.46</b>
Less : Loss allowance	11,082.58	10,600.58
<b>Total trade receivables</b>	<b>78,752.90</b>	<b>69,750.88</b>

**13.3** Trade receivables as at 31 March 2020 include ₹41,075.63 lakhs (31 March 2019: ₹45,389.22 lakhs), in respect of projects which were closed/substantially closed and which are overdue for a substantial period of time. Based on the contract terms and the ongoing recovery/arbitration procedures (which are at various stages), Management is reasonably confident of recovering these amounts in full. Accordingly, these amounts have been considered as good and recoverable

**13.4** Trade receivables as at 31 March 2020 includes ₹993.35 lakhs (31 March 2019: ₹1,995.26 lakhs) due from private companies in which the Company's director is a director or a member.

**13.5** Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

**13.6** The Group recognises lifetime expected credit losses on trade receivables using a simplified approach by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in provision matrix.

Movement in allowance for credit losses of receivables are as follows :

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	10,600.58	9,500.58
Charge in the statement of profit and loss	482.00	1,100.00
Release to statement of profit and loss	-	-
<b>Balance at the end of the year</b>	<b>11,082.58</b>	<b>10,600.58</b>

### NOTE 14 CASH AND CASH EQUIVALENTS

	As at 31 March 2020	As at 31 March 2019
Balances with banks		
- Current accounts in Indian rupees	1,127.93	1,070.25
Cash on hand	16.39	67.14
<b>Total cash and cash equivalents</b>	<b>1,144.33</b>	<b>1,137.39</b>

### NOTE 15 OTHER BANK BALANCES

	As at 31 March 2020	As at 31 March 2019
<b>Earmarked balances with banks for:</b>		
Margin money deposits with original maturity of more than 3 months and remaining maturities of less than 12 months	6.83	1,575.31
Balances with bank for unclaimed dividend (refer note 15.1 below)	1.17	1.17
<b>Total other bank balances</b>	<b>8.00</b>	<b>1,576.48</b>

**Note 15.1** There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at 31 March 2020.

# Summary of significant accounting policies

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## NOTE 16 SHARE CAPITAL

			As at 31 March 2020	As at 31 March 2019
			Amount	Amount
Authorised share capital	72,500,000	Equity shares of ₹10 each (31 March 2018: 72,500,000 equity shares of	7,250.00	7,250.00
	2,500,000	1% Non cumulative redeemable preference shares of ₹10 each (31 March 2018: 2,500,000 preference shares of	250.00	250.00
<b>Total authorised share capital</b>			<b>7,500.00</b>	<b>7,500.00</b>
2,500,000 1% Non-cumulative redeemable preference shares of ₹10 each issued to BHS Housing Private Limited have been classified as borrowings (see note 17).				
<b>Issued, subscribed and paid-up equity share capital:</b>				
	25,698,372	Equity shares of (31 March 2018: 25,698,372 equity shares of ₹10 each)	2,569.84	2,569.84
<b>Total issued, subscribed and paid-up equity share capital</b>			<b>2,569.84</b>	<b>2,569.84</b>

### a. Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting year

	Number	Amount
As at 1 April 2018	25,698,372	2,569.84
Issued during the year	-	-
As at 31 March 2019	25,698,372	2,569.84
Issued during the year	-	-
As at 31 March 2020	25,698,372	2,569.84

### b. Terms/rights attached to equity shares:

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

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

### c. Shareholding of more than 5%:

Shareholding of more than 5%: Name of the Shareholder	As at 31 March 2019	
	% held	No. of shares
<b>Promoter</b>		
Bhawanishankar H Sharma	6.56%	1,684,755
BHS Housing Private Limited	13.04%	3,350,000
Vikram B Sharma	4.75%	1,219,724
Vikas B Sharma	6.84%	1,758,753
<b>Non-promoter</b>		
Kitara PIIN 1101	9.20%	2,364,344

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

## Summary of significant accounting policies

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### NOTE 16 SHARE CAPITAL (contd)

#### d. Bonus shares/ buy back/shares for consideration other than cash issued during past five years:

(i) Aggregate number and class of shares allotted as fully paid up pursuant to contracts without payment being received in cash - Nil

(ii) Aggregate number and class of shares allotted as fully paid up by way of bonus shares - Nil

(iii) Aggregate number and class of shares bought back - Nil

e. 7,462,505 (31 March 2019: 7,937,334) equity shares held by the promoters of the Holding Company (including promoter group Companies) as at 31 March 2019 are pledged as security in respect of amounts borrowed by the Holding Company and its Group Companies.

f. During the year ended 31 March 2020, one of the lender has invoked Nil (31 March 2019 : 474,829) pledged equity shares of the promoters of the Holding Company (including promoter group Companies) and adjusted the proceeds towards their existing overdue debts including interest payable by the Holding Company and its group Company.

### NOTE 17 BORROWINGS

#### Non-current portion:

	As at 31 March 2020 Amount	As at 31 March 2019 Amount
<b>Secured</b>		
<b>(A) Restructured rupee term loans (RTL)</b>		
(i) From Banks (Refer note 17.1)	-	12,253.62
(ii) From Others	-	4,954.44
<b>(B) Working capital term loan (WCTL) from banks</b> (Refer note 17.1)	-	20,397.87
<b>(C) Funded interest term loan (FITL)</b>		
(i) From Banks (Refer notes 17.1 and 20.2)	-	5,944.41
(ii) From Others	-	283.12
<b>(D) Other rupee term loans</b>		
(i) From Banks	68,388.61	89,192.21
(ii) From Others (Refer notes 20.3, 20.4 and 20.5)	68,754.85	71,027.30
<b>(E) 11% Non Convertible Debenture</b>	3,966.30	3,596.83
<b>Unsecured</b>		
<b>Liability component of financial instruments (refer note 17.7)</b>		
1% Non cumulative redeemable preference shares of ₹10 each	2,005.92	2,005.92
(2,500,000 non cumulative, non convertible, redeemable preference shares of ₹10 each)		
<b>Total non-current borrowings</b>	<b>205,569.79</b>	<b>209,655.73</b>

#### Current maturities of long-term borrowings

	As at 31 March 2020 Amount	As at 31 March 2019 Amount
<b>Secured</b>		
<b>(A) Restructured rupee term loans (RTL)</b>		
(i) From Banks (Refer notes 17.1 and 20.2)	84,307.92	2,618.38
(ii) From Others	12,247.40	971.10
<b>(B) Working capital term loan (WCTL) from banks</b> (Refer note 17.1)	25,044.14	25,044.14
<b>(C) Funded interest term loan (FITL)</b>		
(i) From Banks (Refer note 17.1)	22,675.34	22,675.34
(ii) From Others	1,240.39	1,240.39
<b>(D) Other rupee term loans</b>		
(i) From Banks	208.00	50,562.99
(ii) From Others (Refer notes 20.3, 20.4 and 20.5)	9,091.98	19,185.98
<b>Total current maturities of long-term borrowings</b>	<b>154,815.17</b>	<b>122,298.31</b>
<b>Total borrowings</b>	<b>360,384.96</b>	<b>331,954.04</b>

## Summary of significant accounting policies

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All amounts are in Indian Rupees and in lakhs

### NOTE 17 BORROWINGS (contd)

Note: For security details and terms of repayment, refer notes 17.3 and 17.8 below.

**Note 17.1** In September 2014, the Joint Lenders Forum (JLF) lead by State Bank of India (SBI) had appraised a Corporate Loan to the Company out of which part amount was sanctioned and disbursed by SBI and the balance was to be tied up with other lenders under exclusive security. Pending tie up with the other lenders, the JLF decided to incorporate one-time restructuring under the JLF mode of the entire borrowings of the Company. During the year ended 31 March 2016, based on the direction of the Reserve Bank of India (RBI) during its Assets Quality Review, borrowings from SBI were classified as Non-Performing Assets (NPA). Consequent to the classification of borrowings as NPA by SBI, borrowings from other consortium lenders got classified as NPA during the year ended 31 March 2017, however, the lenders have not recalled or initiated recovery proceedings for the existing facilities, at present. Considering, the classification of borrowing as NPA, certain lenders are not accruing interest while providing account statements of the borrowings, whereas the Company, on prudence, has accrued interest expenses at rates specified in the agreement with the respective lenders/ latest available sanction letters received from such lenders. (Also, refer note 33)

**Note 17.2** Contractual loan principal amounting to ₹68,041.82 lakhs (31 March 2018: ₹25,021.74 lakhs) and the interest amount of ₹145,201.02 lakhs (31 March 2018: ₹74,838.04 lakhs) respectively is due and outstanding to be paid as at 31 March 2019.

### 17.10 Net Debt Reconciliation

An analysis of net debt and the movement in net debt is as follows:

	31 March 2020 Amount	31 March 2019 Amount
Cash and Cash equivalents	1,144.33	1,137.39
Liquid Investments	2.63	2.63
Current borrowings	(401,749.91)	(390,904.94)
Non-current borrowings (including interest accrued and current maturities of long term borrowings)	(279,932.38)	(227,857.02)
<b>Net debt</b>	<b>(680,534.15)</b>	<b>(617,621.95)</b>

	Other assets		Liabilities from financing activities		Total
	Cash and Cash equivalents	Liquid investments	Non-current borrowings	Current borrowings	
<b>Net debt as at 1 April 2019</b>	695.49	54.07	(152,589.92)	(368,127.83)	(519,968.19)
Cash flows	441.90	(51.44)	(15,414.74)	(12,409.49)	(27,433.78)
Interest expense			(61,962.93)	(21,611.74)	(83,574.67)
Interest paid			-	11,244.12	11,244.12
Principal paid			2,110.57	-	2,110.57
<b>Net debt as at 31 March 2020</b>	<b>1,137.39</b>	<b>2.63</b>	<b>(227,857.02)</b>	<b>(390,904.94)</b>	<b>(617,621.95)</b>
Cash flows	6.94	-	-	-	-
Interest expense (including unapplied interest expenses)			-	-	-
Interest paid			-	-	-
Principal paid			-	-	-
	<b>1,144.33</b>	<b>2.63</b>	<b>-</b>	<b>-</b>	<b>-</b>



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### NOTE 18 OTHER FINANCIAL LIABILITIES

	As at 31 March 2020	As at 31 March 2019
	₹ lakhs	₹ lakhs
<b>Non-current</b>		
Financial guarantees	0.45	-
<b>Total non-current financial liabilities</b>	<b>0.45</b>	<b>-</b>
<b>Current</b>		
Current maturities of long-term borrowings (Refer note 17)	154,815.17	122,298.31
Interest accrued and due	220,238.15	145,201.02
Interest accrued and not due	5,617.20	2,470.67
Unclaimed dividends <sup>^</sup>	1.16	1.17
Due for capital expenditure		
- related parties (Refer note 36)	4,123.26	112.29
- others	40,864.98	1,463.34
Financial guarantees	-	11.56
Others		
- Due to employees	-	1,073.67
- Security deposits	15.68	15.68
Payable to Joint Venture	10,283.30	10,283.30
<b>Total current financial liabilities</b>	<b>441,975.98</b>	<b>282,931.01</b>
<b>Total other financial liabilities</b>	<b>441,976.43</b>	<b>282,931.01</b>
<sup>^</sup> Not due for credit to Investor Education and Protection Fund		
Other financial liabilities carried at amortised cost	441,976.43	282,931.01
Other financial liabilities carried at FVPL	-	-

### NOTE 19 PROVISIONS

	As at 31 March 2020	As at 31 March 2019
	₹ lakhs	₹ lakhs
Provision for employee benefits		
- Gratuity	119.86	81.69
- Leave entitlement and compensated absences	41.54	52.87
Provision for resurfacing expenses (Refer note 19.1)	6,502.46	5,894.45
<b>Total non-current provisions</b>	<b>6,663.86</b>	<b>6,029.01</b>
<b>Current</b>		
Provision for employee benefits		
- Gratuity	9.10	19.38
- Leave entitlement and compensated absences	10.80	20.90
<b>Total current provisions</b>	<b>19.90</b>	<b>40.28</b>
<b>Total provisions</b>	<b>6,683.76</b>	<b>6,069.29</b>

#### Note 19.1 Resurfacing expenses

The Group has a contractual obligation to maintain, replace or restore infrastructure at the end of each concession period. The Group has recognized the provision in accordance with Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets i.e. at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. Resurfacing expenses are required to be incurred to maintain the road in the same condition and standard as constructed from the date of the work order till it is finally handed over to the Government at the end of the concession period. The actual expense incurred at the end of the period may vary from the above. No reimbursements are expected from any sources against the above obligation.

Particulars	
As at 1 April 2018	<b>5,310.75</b>
Addition during the year	583.70
As at 31 March 2019	<b>5,894.45</b>
Addition during the year	608.01
As at 31 March 2020	<b>6,502.46</b>

# Summary of significant accounting policies

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## NOTE 20 CURRENT BORROWINGS

	As at 31 March 2020	As at 31 March 2019
	Amount	Amount
<b>I. Secured</b>		
<b>Rupee Loan from Banks</b>		
Cash credit facilities (Repayable on demand)	93,480.37	123,999.36
Term loan from banks (Refer notes 17.5, 20.2 and 20.3)	1,674.27	1,674.26
	<b>95,154.64</b>	<b>125,673.62</b>
<b>II. Unsecured (Repayable on demand)</b>		
Bank overdraft	15.28	15.28
Loans from		
-related parties ^	-	12,932.28
-others ^	272.05	515.05
<b>Total current borrowings (I+II)</b>	<b>95,441.97</b>	<b>139,136.23</b>

### Note 20.1 Security for cash credit facilities:

Cash credit facilities availed from bankers carries an interest rate of 13% per annum and are secured by hypothecation charge on the current assets of the Group on first pari passu basis with existing and proposed working capital lenders in consortium arrangement. These facilities are further secured by way of certain collaterals, on pari passu basis, provided by the Company including personal guarantee of Company's directors and corporate guarantee of BHS Housing Private Limited and Supreme Housing & Hospitality Private Limited.

**Note 20.24** In case of Supreme Vasai Bhiwandi Tollways Private Limited ("SVBTPL"), a subsidiary company, current Maturities of long term borrowings and other current financial liabilities as at 31 March 2019 include balances aggregating ₹10,255.23 lakhs and ₹3,355.47 lakhs, respectively in respect of which direct confirmations from the respective lenders have not been received. Further, out of these balance, current maturities of long term borrowings and other current financial liabilities amounting to ₹2,277 lakhs and ₹267.25 lakhs, respectively, represent loans which were classified as Non-Performing Assets (NPAs) by the lenders. In the absence of confirmations from the lenders, SVBTPL has provided for interest and other penal charges on these borrowings based on the latest communication available from the respective lenders at the interest rate specified in the agreement. Management believes that amount payable on settlement will not exceed the liability provided in books in respect of these borrowings. Further, certain lenders have not recalled or initiated recovery proceedings for the existing facilities at present. Accordingly, classification of these borrowings into current and non-current as at 31 March 2019 is based on the original maturity terms stated in the agreements with the lenders.

**Note 20.4** In case of Kotkapura Muksar Tollways Private Limited ("KMTPL"), a subsidiary company, Term loan from banks include Principal Rs. 7,947.26 lakhs (31 March 2019: Rs. 5,882.38 lakhs) which has been classified as Non-Performing Asset during the previous year as per Reserve Bank of India guidelines. Bank has filed an application in the Hon'ble Debt Recovery Tribunal for recovery of the aforesaid amount. The Company is presently in the process of making necessary submissions with the Hon'ble Debt Recovery Tribunal and is also in discussion with the lender to resolve the matter amicably. The Company has provided for interest at the reporting dates based on the communication available from the bank and believes that the amount payable will not exceed the liability provided in the books. No direct confirmations from the lender have been received in respect of term loan from financial institution under current maturities of non-current borrowings of Rs. 351.14 lakhs and its interest accrued of Rs. 144.18 lakhs as at 31 March 2020. Further, current maturities of non-current borrowings as at 31 March 2020 represent loans which were classified as Non-Performing Assets (NPAs) by the lenders. In the absence of confirmations from the lenders, the Company has provided for interest and other penal charges on these borrowings based on the latest communication available from the respective lenders at the interest rate specified in the agreement. The Company's management believes that amount payable on settlement will not exceed the liability provided in books in respect of these borrowings. Further, certain lenders have not recalled or initiated recovery proceedings for the existing facilities at present. Accordingly, all borrowings are classified as current as at 31 March 2020.

## NOTE 21 TRADE PAYABLES

	As at 31 March 2020	As at 31 March 2019
	Amount	Amount
- Total outstanding dues of Micro Enterprises and Small Enterprises	198.59	123.18
- Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	13,802.78	15,992.69
<b>Total trade payables</b>	<b>14,001.37</b>	<b>16,115.87</b>

**Note 21.1** Trade payables are normally non-interest bearing and settled as per the payment terms stated in the contract.

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### NOTE 21 TRADE PAYABLES (contd)

**Note 21.2** The Group has amounts due to micro and small suppliers registered under the Micro, Small and Medium Enterprises Development Act 2006 (MSMED Act)

The disclosure pursuant to the said Act is as under:

	As at 31 March 2020	As at 31 March 2019
	Amount	Amount
Interest accrued and due to suppliers under MSMED Act on the above amount	77.39	15.40
Payment made to suppliers (other than interest) beyond appointed day during the year	29.33	15.40
Interest paid to suppliers under MSMED Act	-	-
Interest due and payable to suppliers under MSMED Act towards payments already made	91.87	67.78
Interest accrued and remaining unpaid at the end of the accounting year	121.20	107.27
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act.	-	-

### NOTE 22

	As at 31 March 2020	As at 31 March 2019
	Amount	Amount
Advance from contractees	5,019.00	6,881.07
Statutory dues payable	11,623.57	11,833.61
<b>Total other current liabilities</b>	<b>16,642.57</b>	<b>18,714.68</b>

### NOTE 23 REVENUE FROM OPERATIONS

	Year ended 31 March 2020	Year ended 31 March 2019
	Amount	Amount
Construction and project related revenue	23,412.93	55,412.01
Toll collection	6,693.85	8,996.20
Sale of products	261.50	1,308.24
Compensation from government authorities	1,697.84	1,983.56
<b>Total revenue from operations</b>	<b>32,066.12</b>	<b>67,700.00</b>

#### Disaggregated revenue information

Revenue disaggregation as per industry verticle has been disclosed under segment information (Refer note 45)

#### Contract balances

Particulars	As at 31 March 2020	As at 31 March 2019
	Amount	Amount
Trade receivables	70,606.23	70,606.23
Unbilled work in progress (contract assets)	13,669.51	13,669.51

#### Performance obligations

The aggregate value of performance obligations that are completely or partially unsatisfied as at 31 March 2019 is ₹196,902 lakhs, of which approximately 22% is expected to be recognized as revenue within the next one year and the remaining thereafter.

### NOTE 24 OTHER INCOME

	As at 31 March 2020	As at 31 March 2019
	Amount	Amount
- interest unwinding on financial assets	50.36	45.66
- interest unwinding on financial guarantees	11.57	27.58
- on margin money deposits	55.31	148.77
- income tax refund	-	74.08
Dividend income from non-current investments	-	0.13
Other non-operating income		
- Excess provision no longer required written back	-	59.04
- Profit on redemption of mutual funds (net)	-	0.93
- Fair value gain on investments (valued at FVTPL) (net)	-	1,171.52
- Fair value gain on mutual funds (valued at FVTPL)	-	-
- Miscellaneous	74.95	49.50
<b>Total other income</b>	<b>192.19</b>	<b>1,577.22</b>

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## NOTE 25 COST OF CONSTRUCTION MATERIALS CONSUMED

	As at 31 March 2020	As at 31 March 2019
	Amount	Amount
Stock at beginning of the year	3,587.13	4,679.43
Add: Purchases	4,453.01	10,856.33
	<b>8,040.14</b>	<b>15,535.76</b>
Less: Stock at the end of the year	3,519.46	3,587.13
<b>Total Cost of construction materials consumed</b>	<b>4,520.68</b>	<b>11,948.63</b>

## NOTE 26 EMPLOYEE BENEFITS EXPENSE

	As at 31 March 2020	As at 31 March 2019
	Amount	Amount
Salaries and wages	1,117.85	1,903.14
Contribution to provident and other funds	39.69	72.09
Gratuity	21.01	45.04
Staff welfare	33.66	61.96
<b>Total employee benefits expense</b>	<b>1,212.20</b>	<b>2,082.23</b>

## NOTE 27 FINANCE COSTS

	As at 31 March 2020	As at 31 March 2019
	Amount	Amount
Interest on:		
- Term loans	56,161.29	52,294.19
- Cash credit facilities	21,683.00	21,611.74
- Others	74.44	681.28
Other borrowing costs		
- Bank charges and guarantee commission	655.50	863.64
	<b>78,574.23</b>	<b>75,450.84</b>
Less: Finance costs capitalised under intangible asset under development	(15,451.05)	(15,305.40)
<b>Total finance costs</b>	<b>63,123.18</b>	<b>60,145.45</b>

## NOTE 28 DEPRECIATION AND AMORTISATION EXPENSE (REFER NOTES 3 AND 4)

	As at 31 March 2020	As at 31 March 2019
	Amount	Amount
Depreciation on property, plant and equipment	1,875.27	2,190.24
Amortisation on intangible assets	7,299.62	7,304.56
Impairment charge on goodwill (Refer note 4.1)	-	270.42
<b>Total depreciation and amortisation expense</b>	<b>9,174.89</b>	<b>9,765.22</b>

## NOTE 29 OTHER EXPENSES

	As at 31 March 2020	As at 31 March 2019
	Amount	Amount
Power and fuel	371.73	643.88
Site related	45.87	146.15
Resurfacing (Refer note 19.1)	648.45	583.70
Rent and hire charges	206.83	283.46
Transportation charges	46.13	1,034.40
Repairs and maintenance	82.99	119.57
Insurance	43.04	54.45
Rates and taxes	4.95	571.39
Toll booth charges	3.92	26.44
Impairment allowance (allowance for doubtful debts)	48.77	-
Impairment allowance (allowance for doubtful financial assets)	-	-
Donations	-	15.43
Communication expenses	13.51	43.96
Advertisement	0.16	0.58
Printing and stationary	11.60	15.03
Travelling and conveyance	58.97	76.19
Legal and professional	554.38	1,482.60
Directors' sitting fees	34.10	30.20

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### NOTE 29 OTHER EXPENSES (contd)

	As at 31 March 2020	As at 31 March 2019
	Amount	Amount
Auditors' remuneration:		
Audit fees	37.08	128.17
Limited review fees	12.00	38.00
Certification fees	6.00	-
Others	8.00	8.00
Reimbursement of out of pocket expenses	1.00	3.00
Miscellaneous	961.74	683.52
<b>Total other expenses</b>	<b>3,201.22</b>	<b>5,988.11</b>

#### Note

**29.1** The Group is not liable to incur any expenses on Corporate Social Responsibility as per section 135 of the Companies Act, 2013.

**29.2** The Group has entered into cancellable operating lease for office premises, machinery and employee accommodation. Tenure of leases generally vary between one year to four years. Terms of the lease include operating terms for renewal, terms of cancellation etc. Lease payments in respect of the above leases are recognised in the statement of profit and loss under the head other expenses (Refer note 29).

### NOTE 30 EXCEPTIONAL ITEMS

	Year ended 31 March 2020	Year ended 31 March 2019
	Amount	Amount
Impairment allowance including expected credit loss allowance (allowance for doubtful loans, trade receivable and other financial assets)	-9,657.51	1,100.00
Impairment allowance on investments	-	1,872.64
Assets written off (trade receivable, other financial assets and other assets written off)	25,232.70	71,337.12
Investment written off	928.78	-
Impairment loss- Inventories written off	0.01	848.48
Provision for loss written back in respect of a joint venture (refer note 6.5)	(9,522.53)	(9,522.53)
Impairment loss on assets	166.13	
Additional contractual interest expense and other charges	0.00	9,668.74
<b>Total exceptional items [expense/ (Income)]</b>	<b>7,147.58</b>	<b>75,304.45</b>

### NOTE 31 EARNINGS PER SHARE (EPS)

#### Basic and diluted EPS

	Year ended 31 March 2020	Year ended 31 March 2019
	Amount	Amount
Profit/(loss) computation for basic earnings per share of		
Net profit/ (loss) as per the Statement of Profit and Loss available for equity shareholders	(81,270.37)	(142,320.73)
Weighted average number of equity shares for EPS computation	25,698,372	25,698,372
EPS - Basic and Diluted EPS	(316.25)	(553.81)

**Note 31.1** Non-cumulative redeemable preference shares do not qualify as potential equity shares outstanding during the periods, based on the present conditions prevalent, and hence have not been considered in the determination of diluted earnings per share.



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## NOTE 32 CONTINGENT LIABILITIES AND COMMITMENTS

### A. Contingent liabilities

	As at 31 March 2020	As at 31 March 2019
	Amount	Amount
(i) Claims not acknowledged as debts including cases where petition for winding up has been filed against the Group	725.22	725.22
(ii) Corporate guarantee given to banks on behalf of associates/jointly controlled entities	19,400.00	19,400.00
(iii) Service tax liability that may arise in respect of matters in appeal	11,987.26	11,987.26

(iv) Provident Fund: Based on the judgement by the Honorable Supreme Court dated 28 February 2019, past provident fund liability, is not determinable at present, in view of uncertainty on the applicability of the judgement to the Group with respect to timing and the components of its compensation structure. In absence of further clarification, the Group has been legally advised to await further developments in this matter to reasonably assess the implications on its financial statements, if any.

It is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings. The Group does not expect any reimbursements in respect of the above contingent liabilities except in respect of matter stated in (iv) above. Future cash outflows in respect of the above are determinable only on receipt of judgments / decisions pending with various forums / authorities. The Group does not expect any outflow of economic resources in respect of the above and therefore no provision is made in respect thereof.

### B. Commitments

- (i) The Group has entered into agreements with various government authorities and semi government corporations to develop roads on Build-Operate-Transfer (BOT) and Public Private Partnership (PPP) basis through certain subsidiary entities, jointly controlled entities and associate company. The Group has a commitment to fund the cost of developing the infrastructure through a mix of debt and equity as per the estimated project cost.
- (ii) The Company along with its jointly controlled entity, Supreme Infrastructure BOT Holdings Private Limited, has given an undertaking to the lenders of Supreme Best Value Kolhapur (Shiroli) Sangli Tollways Private Limited, Supreme Ahmednagar Karmala Tembhorni Tollways Private Limited and Supreme Kopargaon Ahmednagar Tollways Private Limited not to dilute their shareholding below 51% during the tenure of the loan.

**NOTE 33 :** On 29 March 2019, framework agreement was signed between the Company and the majority of the lenders pursuant to the sanction of the resolution plan by the lenders under the aegis of the Reserve Bank of India (RBI) circular dated 12 February 2018 and confirmation by the promoters to infuse additional funds, (wherein out of the total estimated debt ₹304,520 lakhs existing as at reference date i.e. 31 August 2018 ₹100,00 lakhs is to be classified as sustainable debt to be serviced as per the existing terms and conditions and the remainder is to be converted into fully paid up equity shares and cumulative redeemable preference shares). While rest of the lenders were in the process of sanctioning the Resolution Plan, on 2 April 2019, the aforesaid circular has been held ultra vires to existing banking regulations, by the Honourable Supreme Court of India. On 7 June 2019, RBI has issued revised circular for resolution of the stressed assets, basis which the majority lenders have signed the Inter-Creditor agreement (ICA) and are in the process of executing the revised resolution plan.

Further, the Group has incurred a net loss after tax of ₹83,089.16 lakhs during the year ended 31 March 2020 and, has also suffered losses from operations during the preceding financial years and of that date, the Group's accumulated losses amounts to ₹332,316.15 lakhs and its current liabilities exceeded its current assets by ₹472,372.61 lakhs. The Group also has external borrowings from banks and financial institutions, principal and interest repayment of which has been delayed during the current period. Pending execution of the revised resolution plan as discussed above, the aforesaid conditions, indicate existence of material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern due to which the Group may not be able to realise its assets and discharge its liabilities in the normal course of business. However, on expectation of execution and implementation of the aforesaid revised resolution plan, further fund infusion by the promoters and business growth prospects once revised guidelines are issued by the RBI, Management has prepared the financial results on a "Going Concern" basis."

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### NOTE 34 INTERESTS IN OTHER ENTITIES

#### a) Joint operations (incorporated)

The Group's share of interest in joint operations as at 31 March 2019 is set out below. The principal place of business of all these joint operations is in India.

Name of the entity	% of ownership interest held by the Group		Name of the ventures' partner	Principal activities
	As at 31 March 2020	As at 31 March 2019		
Supreme Infrastructure BOT Holdings Private Limited	51.00	51.00	Strategic Road Investments Limited	Toll Management

#### i) Classification of joint arrangements

The joint venture agreements in relation to the above mentioned joint operations require unanimous consent from all the parties for all relevant activities. All co-venturers have direct rights to the assets of the joint venture and are also jointly and severally liable for the liabilities incurred by the joint venture. These joint ventures are therefore classified as a joint operations and the Group recognises its direct right to the jointly held assets, liabilities, revenue and expenses. In respect of these contracts, the services rendered to the joint ventures are accounted as income on accrual basis.

#### ii) Summarised balance sheet

	As at 31 March 2020	As at 31 March 2019
	Amount	Amount
Total assets	134,605.91	108,858.24
Total liabilities	141,678.00	121,827.26

#### iii) Contingent liability and capital commitment as at reporting date

	As at 31 March 2020	As at 31 March 2019
	Amount	Amount
Capital commitment	-	-

#### iv) Summarised statement of profit and loss account

Year ended 31 March 2020	Year ended 31 March 2020	Year ended 31 March 2019
	Amount	Amount
Revenue	-	2,233.22
Other income	-	-
Total expenses (including taxes)	18,913.94	20,163.19

#### b) Joint operations on work sharing basis

Contracts executed in joint venture under work sharing arrangement (consortium) is set out below. The principal place of business of all these arrangements is in India and are engaged in construction business.

Name of the Joint Venture	Description of interest	Company's share
Supreme - MBL JV	Lead JV partner	60%
Supreme - BKB - Deco JV	Lead JV partner	60%
Supreme - J Kumar JV	Lead JV partner	60%
Supreme Mahavir JV	Lead JV partner	55%
Petron - Supreme JV	Minority JV partner	45%
Supreme Zanders JV	Lead JV partner	51%
Supreme Brahmaputra JV	Equal JV partner	50%
Supreme Modi JV	Lead JV partner	51%

#### Classification of work executed on sharing basis

Contracts executed in joint venture under work sharing arrangement (consortium) is accounted to the extent work executed by the Group as that of an independent contract.

# Summary of significant accounting policies

and other explanatory information to the Consolidated financial statements as at and for the year ended 31st March, 2020  
All amounts are in Indian Rupees and in lakhs

## NOTE 35 FINANCIAL INSTRUMENTS

The fair value of the financial assets are included at amounts at which the instruments could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair value:

(a) Fair value of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, approximate their carrying amounts largely due to the short-term maturities of these instruments

(b) Financial instruments with fixed and variable interest rates are evaluated by the Group based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

### A Financial instruments by category

The carrying value and fair value of financial instruments by categories as at 31 March 2019 were as follows:

Particulars	Refer note	Amortised cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/ liabilities at fair value through OCI		Total carrying value	Total fair value
			Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
<b>Assets:</b>								
Investments								
Investments in preference shares	6	506.97	-	-	-	-	506.97	506.97
Investments in equity instruments	6	-	2,850.15					
Investments in mutual funds	12	-	2.63	-	-	-	2.63	2.63
Trade receivables	13	78,752.90	-	-	-	-	78,752.90	78,752.90
Loans	7	33.49	-	-	-	-	33.49	33.49
Others financial assets	8	731.09	-	-	-	-	731.09	731.09
Cash and cash equivalents	14	1,144.33	-	-	-	-	1,144.33	1,144.33
Other bank balances	15	8.00	-	-	-	-	8.00	8.00
<b>Liabilities:</b>								
Borrowings	17,20	461,844.00	-	-	-	-	461,844.00	461,844.00
Trade payables	21	13,947.48	-	-	-	-	13,947.48	13,947.48
Other financial liabilities	18	281,144.19	-	-	-	-	281,144.19	281,144.19

The carrying value and fair value of financial instruments by categories as at 31 March 2019 were as follows:

Particulars	Refer note	Amortised cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/ liabilities at fair value through OCI		Total carrying value	Total fair value
			Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
<b>Assets:</b>								
Investments								
Investments in preference shares	6	456.60	-	-	-	-	456.60	456.60
Investments in preference shares	6	-	3,778.93					
Investments in mutual funds	12	-	2.63	-	-	-	2.63	2.63
Trade receivables	13	69,750.88	-	-	-	-	69,750.88	69,750.88
Loans	7	167.93	-	-	-	-	167.93	167.93
Others financial assets	8	862.80	-	-	-	-	862.80	862.80
Cash and cash equivalents	14	1,137.40	-	-	-	-	1,137.40	1,137.40
Other bank balances	15	1,576.48	-	-	-	-	1,576.48	1,576.48
<b>Liabilities:</b>								
Borrowings	17,20	471,090.28	-	-	-	-	471,090.28	471,090.28
Trade payables	21	16,115.87	-	-	-	-	16,115.87	16,115.87
Other financial liabilities	18	160,632.70	-	-	-	-	160,632.70	160,632.70

## Summary of significant accounting policies

and other explanatory information to the Consolidated financial statements as at and for the year ended 31st March, 2020  
All amounts are in Indian Rupees and in lakhs

### NOTE 35 FINANCIAL INSTRUMENTS (contd)

#### B. Fair value hierarchy

**Level 1** - Quoted prices (unadjusted) in active markets for identical assets or liabilities

**Level 2** - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

**Level 3** - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at:

Particulars	31 March 2020			31 March 2019		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Assets</b>						
Investments in equity instruments	-	-	2,850.15	-	-	2,850.15
Investments in mutual funds	2.63	-	-	2.63	-	-

### NOTE 36 DISCLOSURE IN ACCORDANCE WITH IND-AS 24 RELATED PARTY TRANSACTIONS

#### A. Names of related parties and nature of relationship

Name of the entity	Company's holding as at (%)			Subsidiary of
	Country of incorporation	31 March 2020	31 March 2019	
<b>(a) Associates</b>				
Sohar Stones LLC	Oman	30.00	30.00	
<b>(b) Jointly controlled entities</b>				
Sanjose Supreme Tollways Development Private Limited (upto 9 August 2018) (Refer note 1 below)	India	96.10	96.10	
Supreme Infrastructure BOT Holdings Private Limited (Refer note 2 below)	India	51.00	51.00	
Supreme Best Value Kolhapur (Shiroli) Sangli Tollways Private Limited (Refer note 3 below)	India	45.90	45.90	Supreme Infrastructure BOT Holdings Private Limited
Supreme Ahmednagar Karmala Tembhurni Tollways Private Limited (Refer notes 2 and 3 below)	India	51.00	51.00	Supreme Infrastructure BOT Holdings Private Limited
Supreme Kopargaon Ahmednagar Tollways Private Limited (Refer note 2 below)	India	51.00	51.00	Supreme Infrastructure BOT Holdings Private Limited

#### (C) Key management personnel (KMP)

Mr. Bhawanishankar Sharma - Chairman

Mr. Vikram Sharma - Managing Director

Mr. Dakshendra Brijballabh Agrawal

Mr. Sandeep Khandelwal - CFO (Resignation w.e.f. 19th October, 2019)

Mr. Vijay Joshi - Company Secretary

Mr. V.P. Singh - Independent Director

Mr. Vinod Agarwala - Independent Director

Mr. S.K. Mishra - Independent Director

Mrs. Nilima Mansukhani - Independent Director (Resignation w.e.f. 17th November, 2019)

# Summary of significant accounting policies

and other explanatory information to the Consolidated financial statements as at and for the year ended 31st March, 2020  
All amounts are in Indian Rupees and in lakhs

## NOTE 36 DISCLOSURE IN ACCORDANCE WITH IND-AS 24 RELATED PARTY TRANSACTIONS (contd)

### (d) Other related parties (where transactions have taken place during the year)

#### Companies in which key management personnel or their relatives have significant influence

Supreme Housing and Hospitality Private Limited

Kalyan Sangam Infratech Limited

Green Hill Barter Private Limited

BHS Housing Private Limited

Supreme Innovative Buildings Private Limited

BVB Infracorp Private Limited

BVR Infracorp Private Limited

VSB Infracorp Private Limited

Rudranee Infrastructure Limited (Refer note 4 below)

Sanjose Supreme Tollways Development Private Limited (w.e.f 10 August 2018) (Refer note 1)

**Note 1 :** w.e.f 10 August 2018, the Group cease to have significant influence as the company has been referred for liquidation.

**Note 2 :** Though the Group's investment in these entities exceed 50% of the total share capital, these entities have been classified as jointly controlled entities. The management has assessed whether or not the group has control over these entities based on whether the group has practical ability to direct relevant activities unilaterally. In these cases, based on specific shareholders agreement, the management concluded that the group does not have practical ability to direct the relevant activities unilaterally but has such ability along with the other shareholders.

**Note 3 :** The lenders of the respective entity had invoked Strategic Debt Restructuring ('SDR') and as a result 51% of equity shares have been transferred to lenders from the promotor group in accordance with the Reserve Bank of India ('RBI') guidelines. This conversion of debt into equity by the lenders is only protective in nature but not participative.

**Note 4 :** Though the Group's share in investment in Rudranee Infrastructure Limited is 40.20% but there is no significant control over the entity by the virtue of agreement hence the same is considered as other related party.

### B. Nature of Transactions

Transactions with related parties:		Year ended	Year ended
		31 March 2020	31 March 2019
		Amount	Amount
<b>Rendering of services</b>			
Supreme Ahmednagar Karmala Tembhorni Private Limited	Jointly controlled entity	-	-
Supreme Kopargaon Ahmednagar Tollways Private Limited	Jointly controlled entity	85.96	86.00
		<b>85.96</b>	<b>86.00</b>
<b>Interest unwinding on financial assets carried at amortised cost</b>			
Kalyan Sangam Infratech Limited	Other related party	861.62	45.25
		<b>861.62</b>	<b>45.25</b>
<b>Interest unwinding on financial guarantees</b>			
Rudranee Infrastructure Limited	Other related party	-	6.16
Supreme Kopargaon Ahmednagar Tollways Private Limited	Jointly controlled entity	-	21.42
		-	<b>27.58</b>
<b>Finance cost on redeemable preference shares</b>			
BHS Housing Private Limited	Other related party	-	179.09
		-	<b>179.09</b>
<b>Remuneration to key managerial person</b>			
Mr. Vijay Joshi	Key Managerial Personnel	14.90	20.09
Mr. Sandeep Khandelwal	Key Managerial Personnel	17.57	35.13
Mr. V.P. Singh	Key Managerial Personnel	8.70	7.90
Mr. Vinod Agarwal	Key Managerial Personnel	8.40	6.90
Mr. S.K. Mishra	Key Managerial Personnel	7.40	7.40
Mrs. Nilima Mansukhani	Key Managerial Personnel	3.00	6.50
Mr. Dakshendra Brijbahhabh Agrawal	Key Managerial Personnel	6.60	1.50
		<b>66.57</b>	<b>85.42</b>
<b>Loan taken from</b>			
Mr. Bhawanishankar Sharma	Key Managerial Personnel	-	848.41
Mrs. Rita Sharma	Key Managerial Personnel	-	-



## Summary of significant accounting policies

and other explanatory information to the Consolidated financial statements as at and for the year ended 31st March, 2020  
All amounts are in Indian Rupees and in lakhs

### NOTE 36 DISCLOSURE IN ACCORDANCE WITH IND-AS 24 RELATED PARTY TRANSACTIONS (contd)

Transactions with related parties:		Year ended	Year ended
		31 March 2020	31 March 2019
		Amount	Amount
Mrs. Vikas Sharma	Key Managerial Personnel	-	4.56
Supreme Innovative Buildings Private Limited	Other related parties	-	-
BVB Infracorp Private Limited	Other related parties	10.00	1,549.70
BVR Infracorp Private Limited	Other related parties	73.49	3,073.86
VSB Infracorp Private Limited	Other related parties	29.79	3,297.00
		<b>113.28</b>	<b>8,773.53</b>
<b>Loan repaid to</b>			
Mr. Vikas Sharma	Key Managerial Personnel	-	-
Supreme Innovative Buildings Private Limited	Other related party	-	3,396.85
Mr Vikram Sharma	Key Managerial Personnel	0.12	3.37
		<b>0.12</b>	<b>3,400.22</b>

### C) Outstanding balances:

		As at	As at
		31 March 2020	31 March 2019
		Amount	₹lakhs
<b>Outstanding trade receivables</b>			
Supreme Kopargaon Ahmednagar Tollways Private Limited	Jointly controlled entity	29.00	883.12
Supreme Housing and Hospitality Private Limited	Other related party	-	65.01
BHS Housing Private Limited	Other related party	-	60.28
		<b>29.00</b>	<b>1,008.41</b>
<b>Loans/ other receivable</b>			
Rudranee Infrastructure Limited*	Other related party	2,227.40	2,227.40
Supreme Infrastructure BOT Holdings Private Limited	Jointly controlled entity	-	-
Supreme Innovative Buildings Private Limited	Other related party	-	111.32
		<b>2,227.40</b>	<b>2,338.72</b>
<b>Outstanding payables</b>			
<b>Short-term borrowings</b>			
Mr. Bhawanishankar Sharma	Key Managerial Personnel	3,118.38	3,118.38
Mr. Vikram Sharma	Key Managerial Personnel	1,157.95	1,158.07
Mr. Vikas Sharma	Key Managerial Personnel	730.71	735.27
Supreme Innovative Buildings Private Limited	Other related parties	-	-
BVB Infracorp Private Limited	Other related parties	1,559.70	1,549.70
BVR Infracorp Private Limited	Other related parties	1,900.35	3,073.86
VSB Infracorp Private Limited	Other related parties	2,241.79	3,297.00
		<b>10,708.88</b>	<b>12,932.28</b>
<b>Other financial liabilities</b>			
Mr. Vijay Joshi	Key Managerial Personnel	14.65	8.43
Mr. Sandeep Khandelwal	Key Managerial Personnel	16.09	20.48
Mr. V.P. Singh	Key Managerial Personnel	8.70	8.75
Mr. Vinod Agarwala	Key Managerial Personnel	8.40	7.30
Mr. S.K. Mishra	Key Managerial Personnel	7.40	7.40
Mrs. Nilima Mansukhani	Key Managerial Personnel	3.00	6.50
Mr. Dakshendra Brijballabh Agrawal	Key Managerial Personnel	6.60	2.94
Supreme Infrastructure BOT Holdings Private Limited	Jointly controlled entity	1,285.76	4,123.26
		<b>1,350.61</b>	<b>4,185.06</b>
<b>Advance from contractees</b>			
Supreme Best Value Kolhapur (Shiroli) Sangli Tollways Private Limited	Jointly controlled entity	-	231.80
Supreme Ahmednagar Karmala Tembhurni Tollways Private Limited	Jointly controlled entity	-	3,054.17
Supreme Housing and Hospitality Private Limited	Other related party	-	25.42
Sanjose Supreme Tollways Development Private Limited	Other related party	-	358.28
		-	<b>3,669.66</b>
<b>Corporate guarantees given and outstanding as at the end of the year</b>			
Rudranee Infrastructure Limited	Other related party	4,500.00	4,500.00
Supreme Kopargaon Ahmednagar Tollways Private Limited	Jointly controlled entity	18,000.00	14,900.00
		<b>22,500.00</b>	<b>19,400.00</b>

\* Provisions made against such receivables

# Summary of significant accounting policies

and other explanatory information to the Consolidated financial statements as at and for the year ended 31st March, 2020  
All amounts are in Indian Rupees and in lakhs

## NOTE 36 DISCLOSURE IN ACCORDANCE WITH IND-AS 24 RELATED PARTY TRANSACTIONS (contd)

### Notes:

- Mr. Bhawanishankar Sharma, Mr. Vikram Sharma and Mr. Vikas Sharma have agreed for waiver of remuneration for the years ended 31 March 2020 and 31 March 2019 in view of the losses incurred by the Group.
- Refer notes 6.3, 17.3, 17.8 and 20.1 for personal guarantees provided by Directors, shares pledged and other security created in respect of borrowing by the Group or the related parties.
- The Company along with its jointly controlled entity, Supreme Infrastructure BOT Holdings Private Limited, has given an undertaking to the lenders of Supreme Best Value Kollhapur (Shiroli) Sangli Tollways Private Limited, Supreme Ahmednagar Karmala Tembhorni Tollways Private Limited and Supreme Kopargaon Ahmednagar Tollways Private Limited not to dilute their shareholding below 51% during the tenure of the loan.

## NOTE 37 INTEREST IN OTHER ENTITIES

### 37.1 Subsidiaries

The Group's subsidiaries as at 31 March 2020 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation is also their principal place of business.

Name of the entity	Country of incorporation	Ownership interest held by the group		Ownership interest held by non controlling interests		Principal activities
		31 March 2020	31 March 2019	31 March 2020	31 March 2019	
Supreme Infrastructure Overseas LLC	Oman	60.00%	60.00%	40.00%	40.00%	Construction
Supreme Mega Structures Private Limited	India	60.00%	60.00%	40.00%	40.00%	Construction
Supreme Panvel Indapur Tollways Private Limited	India	64.00%	64.00%	36.00%	36.00%	Toll management
Supreme Manor Wada Bhiwandi Infrastructure Private Limited	India	49.00%	49.00%	51.00%	51.00%	Toll management
Mohol Kurul Kamati Mandrup Tollways Private Limited	India	49.00%	49.00%	51.00%	51.00%	Toll management
Supreme Suyog Funicular Ropeways Private Limited	India	98.00%	98.00%	2.00%	2.00%	Toll management
Kopargaon Ahmednagar Tollways (Phase I) Private Limited	India	100.00%	100.00%	-	-	Toll management
Kotkapura Muktsar Tollways Private Limited	India	100.00%	100.00%	-	-	Toll management
Patiala Nabha Infra Projects Private Limited	India	100.00%	100.00%	-	-	Toll management
Supreme Infrastructure BOT Private Limited (SIBPL)	India	100.00%	100.00%	-	-	Construction
Supreme Vasai Bhiwandi Tollways Private Limited	India	100.00%	100.00%	-	-	Toll management

### 37.2 Non-controlling interests (NCI)

The following table summarises the information relating to each of the subsidiaries that has NCI. The amounts disclosed for each subsidiary are before intra-group eliminations

Particulars	Supreme Infrastructure Overseas LLC		Supreme Mega Structures Private Limited		Supreme Panvel Indapur Tollways Private Limited	
	31-Mar-20	31-Mar-19	31-Mar-20	31 March 2019	31 March 2020	31 March 2019
<b>Summarised balance sheet</b>						
Non-current assets (A)	507.36	507.36	123.23	252.27	211,758.99	184,961.21
Current assets (B)	<b>852.23</b>	845.49	18.33	457.63	2,032.37	2,222.08
Non-current liabilities (C)	-	-	-	-	138,646.83	126,273.54
Current liabilities (D)	2,049.88	2,049.88	(19.54)	308.63	49,277.62	32,136.57
<b>Net assets (A+B-C-D)</b>	<b>(690.29)</b>	<b>(697.03)</b>	<b>161.11</b>	<b>401.28</b>	<b>25,866.91</b>	<b>28,773.19</b>
<b>Net assets attributable to NCI</b>	<b>(276.12)</b>	<b>(278.81)</b>	<b>64.44</b>	<b>160.51</b>		<b>10,358.35</b>
<b>Summarised statement of profit and loss</b>						
Revenue	-	-	-	303.59	17,466.82	33,726.78
<b>Profit/(loss) for the year</b>	<b>(6.74)</b>	<b>(6.74)</b>	<b>(281.86)</b>	<b>2.80</b>	<b>(2,906.28)</b>	<b>(5.72)</b>
Other comprehensive income/(loss)	-	-	-	-	-	-
<b>Total comprehensive income</b>	<b>(6.74)</b>	<b>(6.74)</b>	<b>(281.86)</b>	<b>2.80</b>	<b>(2,906.28)</b>	<b>(5.72)</b>
Profit/(loss) allocated to NCI	(2.70)	(2.70)	(112.74)	1.12	(1,046.26)	(2.06)

## Summary of significant accounting policies

and other explanatory information to the Consolidated financial statements as at and for the year ended 31st March, 2020  
All amounts are in Indian Rupees and in lakhs

### NOTE 37 INTEREST IN OTHER ENTITIES (contd)

Particulars	Supreme Infrastructure Overseas LLC		Supreme Mega Structures Private Limited		Supreme Panvel Indapur Tollways Private Limited	
	31-Mar-20	31-Mar-19	31-Mar-20	31 March 2019	31 March 2020	31 March 2019
OCI allocated to NCI	-	-	-	-	-	-
Total comprehensive income allocated to NCI	(2.70)	(2.70)	(112.74)	1.12	(1,046.26)	(2.06)
<b>Summarised cash flows</b>						
Cash flow from operating activities	*^	*^	(165.97)	(39.27)	(3,917.84)	(1,565.67)
Cash flow from investing activities	*^	*^	165.97	-	(7,820.09)	(14,523.95)
Cash flow from financing activities	*^	*^	-	(3.00)	11,939.71	16,395.96
Net increase/ (decrease) in cash and cash equivalents	*^	*^	(0.00)	(42.28)	201.78	306.34

Particulars	Supreme Manor Wada Bhiwandi Infrastructure Private Limited		Mohol Kurul Kamati Mandrup Tollways Private Limited		Supreme Suyog Funicular Ropeways Private Limited	
	31-Mar-20	31-Mar-19	31 March 2020	31 March 2019	31 March 2020	31 March 2019
<b>Summarised balance sheet</b>						
Non-current assets (A)	49,740.60	50,266.05	-	-	13,484.95	12,366.56
Current assets (B)	4,317.90	4,150.45	2.00	2.00	5.69	237.02
Non-current liabilities (C)	4,721.75	15,988.53	-	-	-	5,151.90
Current liabilities (D)	48,032.31	32,153.60	40.67	40.21	9,607.45	3,560.57
<b>Net assets (A+B-C-D)</b>	1,304.44	<b>6,274.38</b>	(38.67)	<b>(38.20)</b>	3,883.20	<b>3,891.12</b>
<b>Net assets attributable to NCI</b>	665.27	<b>3,199.93</b>	<b>(19.72)</b>	<b>(19.48)</b>	<b>77.66</b>	<b>77.82</b>
<b>Summarised statement of profit and loss</b>						
Revenue	2,267.82	3,980.06	-	-	<b>83.66</b>	214.64
<b>Profit/(loss) for the year</b>	(4,969.93)	<b>(3,215.79)</b>	<b>(0.47)</b>	<b>(34.00)</b>	<b>(7.92)</b>	(10.20)
Other comprehensive income/(loss)	-	-	-	-	-	-
<b>Total comprehensive income</b>	(4,969.93)	<b>(3,215.79)</b>	<b>(0.47)</b>	<b>(34.00)</b>	(7.92)	(10.20)
Profit/(loss) allocated to NCI	(2,534.67)	(1,640.06)	(0.24)	(17.34)	<b>(0.16)</b>	<b>(0.20)</b>
OCI allocated to NCI	-	-	-	-	-	-
<b>Total comprehensive income allocated to NCI</b>	(2,534.67)	<b>(1,640.06)</b>	<b>(0.24)</b>	<b>(17.34)</b>	<b>(0.16)</b>	<b>(0.20)</b>
<b>Summarised cash flows</b>						

### 37.3 Interest in associates and joint venture

	Note	Carrying amount as at	
		31 March 2020	31 March 2019
			₹lakhs
Interest in associates	See (A) below	-	-
Interest in joint ventures	See (B) below	(10,283.30)	(10,283.29)
		<b>(10,283.30)</b>	<b>(10,283.29)</b>

#### (A) Interest in associates

The Group's associates as at 31 March 2020 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation is also their principal place of business.

Name of the entity	Country of incorporation	Ownership interest	Carrying amount as at*	
			31 March 2020	31 March 2019
				₹lakhs
Sohar Stones LLC	Oman	30.00%	-	-
			-	-

\*Unlisted entity - no quoted price available

# Summary of significant accounting policies

and other explanatory information to the Consolidated financial statements as at and for the year ended 31st March, 2020  
All amounts are in Indian Rupees and in lakhs

## NOTE 37 INTEREST IN OTHER ENTITIES (contd)

Refer Note 37.4 for the summarised financial information for associates. The information disclosed reflects the amount presented in the financial statement of the relevant associates and not Group's share of those amounts. They have been amended to reflect adjustments made by the Group when using the equity method, including fair value adjustments at the time of acquisition and modifications for difference in accounting policies.

### (B) Interest in joint ventures

The Group's joint ventures as at 31 March 2020 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation is also their principal place of business.

Name of the entity	Country of incorporation	Ownership interest	Carrying amount as at*	
			31 March 2020	31 March 2019
				₹
Supreme Ahmednagar Karmala Tembhorni Tollways Private Limited	India	51.00%	-	-
Supreme Best Value Kolhapur (Shiroli) Sangli Tollways Private Limited	India	45.90%	-	-
Supreme Infrastructure BOT Holdings Private Limited	India	51.00%	(10,283.30)	(10,283.29)
Supreme Kopargaon Ahmednagar Tollways Private Limited	India	51.00%	-	-
			<b>(10,283.30)</b>	<b>(10,283.29)</b>

\*Unlisted entity - no quoted price available

Refer Note 37.5 for the summarised financial information for joint ventures. The information disclosed reflects the amount presented in the financial statement of the relevant joint venture and not Group's share of those amounts. They have been amended to reflect adjustments made by the Group when using the equity method, including fair value adjustments at the time of acquisition and modifications for difference in accounting policies.

During the years ended 31 March 2020 and 31 March 2019, the Group did not receive dividends from any of its associates and joint ventures

### Note 37.4 Table below provide summarised financial information for associates

Particulars	Sohar Stones LLC	
	31 March 2020	31 March 2019
<b>Summarised balance sheet</b>		
Non-current assets	507.4	507.4
Current assets	852.2	852.2
Non-current liabilities	-	-
Current liabilities	2,049.9	2,011.2
<b>Net assets</b>	<b>(690.29)</b>	<b>(651.59)</b>
<b>Group share of net assets</b>	<b>(414.17)</b>	<b>(195.48)</b>
<b>Summarised profit and loss</b>		
Revenue	-	-
<b>Profit/ (loss) for the year after tax</b>	<b>(6.74)</b>	<b>(6.74)</b>
<b>Other comprehensive income</b>	-	-
<b>Total comprehensive income</b>	<b>(6.74)</b>	<b>(6.74)</b>

## Summary of significant accounting policies

and other explanatory information to the Consolidated financial statements as at and for the year ended 31st March, 2020  
All amounts are in Indian Rupees and in lakhs

### NOTE 37 INTEREST IN OTHER ENTITIES (contd)

Note 37.5 Table below provide summarised financial information for joint ventures

Particulars	₹			
	Supreme Ahmednagar Karmala Tembhu- rni Tollways Private Limited		Supreme Best Value Kolhapur (Shiroli) Sangli Tollways Private Limited	
	31 March 2019	31 March 2019	31 March 2020	31 March 2019
<b>Summarised balance sheet</b>				
Non-current assets	67,067.96	67,068.58	38,658.67	38,658.66
Current assets	2.61	2.97	286.96	301.82
Non-current liabilities	24,766.76	40,243.09	22,387.19	22,387.18
Current liabilities	50,412.23	26,399.99	23,102.84	17,266.51
<b>Net assets</b>	<b>(8,108.42)</b>	<b>428.47</b>	<b>(6,544.41)</b>	<b>(693.22)</b>
<b>Group share of net assets</b>	<b>(4,135.30)</b>	<b>218.52</b>	<b>(5,889.97)</b>	<b>(623.90)</b>
<b>Summarised profit and loss</b>				
Revenue	-	-	-	-
<b>Profit/ (Loss) for the year</b>	<b>(8,536.89)</b>	<b>(8,932.57)</b>	<b>(5,851.21)</b>	<b>(5,313.18)</b>
Other comprehensive income	-	-	-	-
<b>Total comprehensive income</b>	<b>(8,536.89)</b>	<b>(8,932.57)</b>	<b>(5,851.21)</b>	<b>(5,313.18)</b>
Particulars	Supreme Infrastructure BOT Holdings Private Limited		Supreme Kopergaon Ahmednagar Toll- ways Private Limited	
Summarised balance sheet	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Non-current assets	26,301.25	26,319.69	77.44	2,789.15
Current assets	7.16	2.31	2,203.85	2,281.18
Non-current liabilities	-	-	257.58	257.58
Current liabilities	5,985.16	5,973.68	14,766.24	13,055.24
<b>Net assets</b>	<b>20,323.26</b>	<b>20,348.32</b>	<b>(12,484.95)</b>	<b>(8,242.49)</b>
<b>Group share of net assets</b>	<b>10,364.86</b>	<b>10,377.64</b>	<b>(12,484.95)</b>	<b>(8,242.49)</b>
<b>Summarised profit and loss</b>				
Revenue	-	15.31	-	2,217.91
<b>Profit/ (Loss) for the year after tax</b>	<b>(25.06)</b>	<b>(1,496.54)</b>	<b>(4,500.03)</b>	<b>(3,066.44)</b>
Other comprehensive income	-	-	-	-
<b>Total comprehensive income</b>	<b>(25.06)</b>	<b>(1,496.54)</b>	<b>(4,500.03)</b>	<b>(3,066.44)</b>

\*^ Indicates disclosures that are not required

### NOTE 38 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

#### i. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Major financial instruments affected by market risk includes loans and borrowings.

#### a. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's total debt obligations with floating interest rates.

#### Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's loss before tax is affected through the impact on floating rate borrowings, as follows:

	31 March 2020	31 March 2019
	Amount	Amount
Increase in basis points	50 basis points	50 basis points
Effect on loss before tax, increase by	2,309.22	2,355.45
Decrease in basis points	50 basis points	50 basis points
Effect on loss before tax, decrease by	2,309.22	2,355.45

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.



# Summary of significant accounting policies

and other explanatory information to the Consolidated financial statements as at and for the year ended 31st March, 2020  
All amounts are in Indian Rupees and in lakhs

## NOTE 38 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (contd)

### b. Foreign currency risk

The Group does not have any significant outstanding balances in foreign currency and consequently the Group's exposure to foreign exchange risk is less. Although, the exchange rate between the rupee and foreign currencies has changed substantially in recent years, it has not affected the results of the Group. The Group evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies. Accordingly, the Company does not have any unhedged foreign currency exposures.

### c. Equity price risk

The Group's non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

#### ii Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure of the financial assets are contributed by trade receivables, unbilled work-in-progress, cash and cash equivalents and receivable from group companies.

- a Credit risk on trade receivables and unbilled work is limited as the customers of the Group mainly consists of the government promoted entities having a strong credit worthiness. For other customers, the Group uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled work. The provision matrix takes into account available external and internal credit risk factors such as credit ratings from credit rating agencies, financial condition, ageing of accounts receivable and the Group's historical experience for customers.

The following table gives details in respect of percentage of revenues generated from government promoted agencies and others

Particulars	31 March 2020	31 March 2019
	%	%
Revenue from government promoted agencies	57.35%	81.80
Revenue from others	42.65%	18.20
	100.00%	100.00

The following table gives details in respect of contract revenues generated from the top customer and top 5 customers for the year ended:

	31 March 2020	31 March 2019
	Amount	Amount
Revenue from top customer	29,961.85	19,346.09
Revenue from top five customers	29,961.85	31,921.46

For the year ended 31 March 2019, One (31 March 2018: One) customer, individually, accounted for more than 10% of the revenue.

### The movement of the allowance for lifetime expected credit loss over the financial asset except trade receivable is stated below: ^

	31 March 2020	31 March 2019
	Amount	Amount
Balance at the beginning of the year	2,476.60	2,476.60
Charge in the statement of profit and loss	-	-
Release to statement of profit and loss	-	-
Balance at the end of the year	2,536.28	2,476.60

^ Refer note 13.6 for movement in allowance for lifetime expected credit loss over trade receivables.

- b Credit risk on cash and cash equivalents is limited as the Group generally invest in deposits with banks and financial institutions with high credit ratings.

## Summary of significant accounting policies

and other explanatory information to the Consolidated financial statements as at and for the year ended 31st March, 2020  
All amounts are in Indian Rupees and in lakhs

### NOTE 39 CAPITAL MANAGEMENT

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Group. The Group strives to safeguard its ability to continue as a going concern so that they can maximise returns for the shareholders and benefits for other stake holders. The aim to maintain an optimal capital structure and minimise cost of capital.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may return capital to shareholders, issue new shares or adjust the dividend payment to shareholders (if permitted). Consistent with others in the industry, the Group monitors its capital using the gearing ratio which is total debt divided by total equity attributable to owners of the parent plus total debts.

	As at 31 March 2020	As at 31 March 2019
	Amount	Amount
Total debts	687,699.35	618,761.96
Equity attributable to owners of the parent	(308,012.45)	(224,970.30)
<b>Total debts to equity ratio (Gearing ratio)</b>	<b>181.12%</b>	<b>157.13%</b>

In the long run, the Group's strategy is to maintain a gearing ratio between 60% to 75%.

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the borrowings that define the capital structure requirements. Breaches in meeting the financial covenants would permit the lenders to immediately call loans and borrowings. Subsequent to restructuring of the borrowings as stated in Note 17, there have been no communications from the banks in this regard which might have a negative impact on the gearing ratio.

### NOTE 40 DISCLOSURE RELATING TO EMPLOYEE BENEFITS AS PER IND AS 19 'EMPLOYEE BENEFITS'

#### A Defined benefit obligations - Gratuity (unfunded)

The gratuity plan is governed by the Payment of Gratuity Act, 1972 under which an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depends on the member's length of service and salary at retirement age.

	Year ended 31 March 2020	Year ended 31 March 2019
	Amount	Amount
<b>a) Changes in defined benefit obligations</b>		
Present value of obligation as at the beginning of the year	101.07	179.30
Interest cost	7.34	14.67
Current service cost	13.67	30.37
Remeasurements - Net actuarial (gains)/ losses	6.88	(123.27)
Benefits paid	-	-
Past Service Cost	-	-
<b>Present value of obligation as at the end of the year</b>	<b>128.96</b>	<b>101.07</b>
<b>b) Expenses recognised in the Statement of Profit and Loss</b>		
Interest cost	7.34	14.67
Current service cost	13.67	30.37
Past Service Cost	-	-
<b>Total</b>	<b>21.01</b>	<b>45.04</b>
<b>c) Remeasurement (gains)/ losses recognised in OCI</b>		
Actuarial changes arising from changes in financial assumptions	46.55	(11.26)
Actuarial changes arising from changes in demographic assumptions	4.39	6.04
Experience adjustments	(44.07)	(118.06)
<b>Total</b>	<b>6.87</b>	<b>(123.28)</b>
<b>d) Actuarial assumptions</b>		
Discount rate	6.75% p.a	7.47% p.a.
Salary escalation rate - over a long-term	15% p.a	6.00% p.a.
Mortality rate	Indian assured lives mortality (2012-14) ultimate	Indian assured lives mortality (2012-13) ultimate

The attrition rate varies from 1% to 7% (31 March 2019: 1% to 14%) for various age groups

# Summary of significant accounting policies

and other explanatory information to the Consolidated financial statements as at and for the year ended 31st March, 2020  
All amounts are in Indian Rupees and in lakhs

## NOTE 40 DISCLOSURE RELATING TO EMPLOYEE BENEFITS AS PER IND AS 19 'EMPLOYEE BENEFITS' (contd)

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

	31 March 2020	31 March 2019
	Amount	Amount
e) Quantities sensitivity analysis for significant assumption is as below:		
		1% increase
i. Discount rate	(11.27)	(9.21)
ii. Salary escalation rate - over a long-term	5.62	9.42
		1% decrease
i. Discount rate	12.88	9.72
ii. Salary escalation rate - over a long-term	(5.69)	(9.21)

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation, keeping all other actuarial assumptions constant.

	31 March 2020	31 March 2019
	Amount	Amount
f) Maturity analysis of defined benefit obligation		
Within the next 12 months	9.40	20.09
Between 2 and 5 years	42.78	62.27
Between 6 and 10 years	66.45	51.99
<b>Total expected payments</b>	<b>118.63</b>	<b>134.35</b>

## B Defined contribution plans

### a) Loss for the year:

	31 March 2020	31 March 2019
	Amount	Amount
The Company has recognised the following amounts in the Statement of		
(i) Contribution to provident fund	21.89	38.36
(ii) Contribution to ESIC	17.80	33.73

### b) The expenses for leave entitlement and compensated absences is recognized in the same manner as gratuity and provision of

	31 March 2020	31 March 2019
	Amount	Amount
<b>C Current/ non-current classification</b>		
<b>Gratuity</b>		
Current	9.10	19.38
Non-current	119.86	81.69
	<b>128.96</b>	<b>101.07</b>
<b>Leave entitlement (including sick leave)</b>		
Current	10.80	20.90
Non-current	41.54	52.87
	<b>52.34</b>	<b>73.77</b>

## Summary of significant accounting policies

and other explanatory information to the Consolidated financial statements as at and for the year ended 31st March, 2020  
All amounts are in Indian Rupees and in lakhs

### NOTE 41 STATEMENT PURSUANT TO DETAILS TO BE FURNISHED FOR SUBSIDIARIES AS PRESCRIBED BY COMPANIES ACT, 2013

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Rupees in lakhs	As % of consolidated profit or loss	Rupees in lakhs	As % of consolidated other comprehensive income	Rupees in lakhs	As % of consolidated total comprehensive income	Rupees in lakhs
1	2	3	4	5	6	7	8	9
Parent: Supreme Infrastructure India Limited	47.20%	(145,375.44)	59.33%	(49,300.25)	100.00%	(6.87)	59.34%	(49,307.12)
<u>Subsidiaries</u>								
<u>Indian</u>								
1. Supreme Infrastructure BOT Private Limited	31.50%	(97,027.69)	19.19%	(15,941.89)	-	-	19.18%	(15,941.89)
2. Supreme Parvel Indapur Tollways Private Limited	-9.28%	28,597.18	0.21%	(175.99)	-	-	0.21%	(175.99)
3. Supreme Mega Structures Private Limited	-0.04%	120.67	0.34%	(281.86)	-	-	0.34%	(281.86)
<u>Foreign</u>								
1. Supreme Infrastructure Overseas LLC	0.23%	(697.03)	0.01%	(6.74)	0.00%	-	0.01%	(6.74)
Total elimination/adjustment	30.40%	(93,630.14)	-17.00%	(17,382.42)	0.00%	-	20.92%	(17,382.42)
<b>TOTAL</b>	<b>100%</b>	<b>(308,012)</b>	<b>100%</b>	<b>(83,089.16)</b>	<b>100%</b>	<b>(6.87)</b>	<b>100%</b>	<b>(83,096.03)</b>

### iii Liquidity risk

Liquidity is defined as the risk that the Group will not be able to settle or meet its obligations on time or at a reasonable price. The Group's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Group's net liquidity position through rolling forecasts on the basis of expected cash flows.

The table below provides details regarding the contractual maturities of significant financial liabilities:

Particulars	On demand	Less than 1 year	1 - 5 years	More than 5 years	Amount Total
<b>As at 31 March 2020</b>					
Borrowings (including interest accrued)	95,441.97	386,687.59	188,060.63	17,509.16	687,699.35
Trade payables	-	13,947.48	-	-	13,947.48
Other financial liabilities	-	55,288.84	-	-	55,288.84
	<b>95,441.97</b>	<b>455,923.92</b>	<b>188,060.63</b>	<b>17,509.16</b>	<b>756,935.67</b>
<b>As at 31 March 2019</b>					
Borrowings (including interest accrued)	139,136.23	269,970.00	92,090.06	117,565.67	618,761.96
Trade payables	-	16,115.87	-	-	16,115.87
Other financial liabilities	-	12,961.02	-	-	12,961.02
	<b>139,136.23</b>	<b>299,046.88</b>	<b>92,090.06</b>	<b>117,565.67</b>	<b>647,838.84</b>

**NOTE 42** The Group has disclosed business segment as the primary segment. Segments have been identified taking into account the nature of activities of the parent company, its subsidiaries and joint ventures, the differing risks and returns, the organization structure and internal reporting system. Also, refer note 38(ii) for information on revenue from major customers.

The Group's operations predominantly relate to 'Engineering and Construction' and 'Road Infrastructure'.

The segment revenue, segment results, segment assets and segment liabilities include respective amounts identifiable to each of the segment and also amounts allocated on a reasonable basis.

# Summary of significant accounting policies

and other explanatory information to the Consolidated financial statements as at and for the year ended 31st March, 2020  
All amounts are in Indian Rupees and in lakhs

## NOTE 42 (contd)

Particulars	As at 31 March 2020	As at 31 March 2019
	Amount	Amount
<b>Segment revenue</b>		
Engineering and construction	22,076.37	55,915.82
Road Infrastructure	9,989.75	11,784.19
<b>Total Revenue</b>	<b>32,066.12</b>	<b>67,700.01</b>
<b>Segment profit/ (loss) before tax, finance cost and exceptional item</b>		
Engineering and construction	499.31	2,888.18
Road Infrastructure	(4,114.06)	(1,327.16)
<b>Total</b>	<b>-3,614.75</b>	<b>1,561.02</b>
Less: Exceptional items		
- Engineering and construction	1,431.39	59,427.74
- Road Infrastructure	5,716.19	15,876.71
<b>Profit/ (loss) before finance cost, share of profit/ (loss) of associate and joint ventures and tax</b>	<b>(10,762.33)</b>	<b>(73,743.43)</b>
<b>Segment Assets</b>		
Engineering and construction	140,580.86	103,863.29
Road Infrastructure	331,353.00	339,828.78
Unallocable corporate assets	3,498.46	6,959.28
	<b>475,432.32</b>	<b>450,651.35</b>
<b>Segment Liabilities</b>		
Engineering and construction	171,242.68	40,799.25
Road Infrastructure	13,433.64	13,117.88
Unallocable corporate liabilities	598,768.46	621,650.63
	<b>783,444.78</b>	<b>675,567.76</b>

**Note 42.1** Segment asset excludes current and non-current investments, deferred tax assets and advance payment of income tax.

**Note 42.2** Segment liabilities excludes borrowings (including current borrowings) and current maturities of long term borrowing, share application money deferred tax liability, accrued interest and non-controlling interests.

**NOTE 43 :** Previous years figures have been regrouped and reclassified wherever necessary to confirm with the current year's presentation.

This is a summary of significant accounting policies and other explanatory information referred to in our report of even date

### For Ramanand & Associates

Chartered Accountants  
Firm Registration No: 117776W

### CA Ramanand Gupta

Partner  
M.No. : 103975

Place: Mumbai  
Date: 6 January 2021

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

### Bhawanishankar Sharma

Chairman  
DIN No : 01249834

Place: Mumbai  
Date: 6 January 2021

### Vikram Sharma

Managing Director  
DIN No :01249904



# FORM AOC-1

Statement pursuant to first proviso to sub-section (3) of section 129 of Companies Act, 2013, read with Rule 5 of Companies (Accounts) Rules, 2014 in the prescribed Form AOC -1 relating to subsidiary, joint venture and associate companies

## A. Subsidiary Companies

													(Rs. in Lakhs)
Sr. No.	Name of the Subsidiary Company	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before Taxation	Prvision for taxation	Profit After Taxation	Proposed Dividend	% Shareholding
1	Supreme Infrastructure BOT Pvt. Ltd.	INR	1	28,363.39	86,280.97	86,280.97	60,210.97	0	-1,502.13	0	-1,502.13	0	100%
2	Supreme Panvel Indapur Tollways Pvt Ltd	INR	10	25,866.90	213,791.36	49,277.62	11.5	17,466.82	(57.21)	0	(57.21)	0	26%
3	Supreme Mega Structures Pvt Ltd	INR	1	400.76	141.56	19.54	0	0.00	281.86	0	281.86	0	60%
4	Supreme Manor Wada Bhiwandi Infrastructure Pvt Ltd	INR	10	(1,304.44)	54,058.50	48,032.13	0	2,267.82	(4,969.93)	0	(4,969.93)	0	49%
5	Patalia Nabha Infra Projects Pvt Ltd (Formerly known as Supreme Infra Projects Pvt Ltd)	INR	1	(4,062.62)	7,093.19	9,437.87	0	587.20	(987.71)	0	(987.71)	0	100%
6	Supreme Best Value Kolhapur (Shiroli) Sangli Tollways Pvt Ltd.	INR	5	(6,544.41)	38,945.63	23,102.84	0	0	(5,851.21)	0	(5,851.21)	0	39%
7	Supreme Ahmednagar Karmala Tembhorni Tollways Pvt Ltd.	INR	57.14	(8,108.42)	67,070.56	50,412.23	0	0.00	(8,536.89)	0	(8,536.89)	0	49%
8	Supreme Infrastructure BOT Holdings Pvt. Ltd. (SIBHPL)	INR	154.90	20,323.25	26,308.41	5,985.16	26,215.50	15.31	25.06	0	25.06	0	51%
9	Supreme Kopargaon Ahmednagar Tollways Private Limited	INR	1	(12,742.53)	2,281.29	14,766.24	0	0.00	(4,500.03)	0	(4,500.03)	0	100%
10	Supreme Suyog Funicular Ropeways Private Limited	INR	10	(3,883.20)	13,490.64	9,607.45	0	83.66	(7.92)	0	(7.92)	0	98%
11	Kopargaon Ahmednagar Tollways (Phase I) Private Limited	INR	1	(18,023.87)	20,367.07	20,367.07	9200	2454.94	(6,670.52)	0	(6,670.52)	0	100%
12	Supreme Infrastructure Overseas LLC	*OMR	352.03		1,359.00	2,049.00		0	-6.74	0	-6.74	0	60%
13	Supreme Vasai Bhiwandi Tollways Private Limited	INR	1	(5,965.62)	26,240.69	30,887.31	0	2,073.40	(2,538.48)	0	(2,538.48)	0	100%
14	Kotkapura Muktsar Tollways Private Limited	INR	51	291.44	12,186.32	11,190.32	0	999.37	(918.89)	0	(918.89)	0	74%
15	Mohol Kurul Kamati Mandrup Tollways Private Limited	INR	1	(38.67)	2.00	40.67	0	0	(0.34)	0	(0.34)	0	49%

Notes:

- The Financial Statements of all subsidiaries are drawn upto the same reporting date as that of the Parent Company, i.e. March 31, 2020
- \* The Financial statements of subsidiary Co. - Supreme Infrastructure Overseas LLC is converted into Indian Rupees on the basis of exchange rate as at the closing day of the financial year.

## B. Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(Rs. in Lakhs)

Name of Associates/ Joint Ventures	Sohar Stones LLC
Latest Audited Balance sheet Date	31/03/2020
<b>Shares of Associate/ Joint Ventures held by the company on the year end</b>	
No. of shares - Equity	
- Preference	
Amount of Investment in Associates/ Joint Venture -	493.89
Extent of Holding %	30.00%
Discription of how there is significant influence	Singnificant influence over Share Capital
Reason why the associate/ joint venture is not consolidated	Consolidated
Networth attributable to shareholding as per latest audited Balance sheet	-
<b>Profit/ Loss of the year</b>	
i considered in Consolidation	-
ii Not consideration in consolidation	-



SUPREME