

31<sup>st</sup> December, 2019

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 Limited,  
Bandra-Kurla Complex,  
Mumbai – 400 051

Dear Sir,

**Sub: Submission of Annual Report 2018-19**

**Scrip Code: 532904/ SUPREMEINFRA**

Pursuant to the Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, we enclose herewith the Annual Report 2018-19 duly adopted at the 36<sup>th</sup> Annual General Meeting of the Company held on December 30, 2019 at 11.30 a.m. at Athena Banquet Hall, 8th Floor, B-Wing, Supreme Business Park, Hiranandani, Powai, Mumbai – 400 076 along with Statement on Impact of Audit Qualifications.

We request you to take the same on record and oblige.

Thanking you,

Yours faithfully,

**FOR SUPREME INFRASTRUCTURE INDIA LIMITED**



**(VIJAY JOSHI)**  
**COMPANY SECRETARY**



Encl. as above

**SUPREME INFRASTRUCTURE INDIA LTD.**  
(AN ISO-9001/14001/OHSAS-18001 CERTIFIED COMPANY)



**SUPREME**  
THE POWER OF EXCELLENCE

SUPREME INFRASTRUCTURE INDIA LTD.



**ANNUAL  
REPORT  
2018-2019**

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# CORPORATE INFORMATION

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## BOARD OF DIRECTORS

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

**Mr. Vikram Sharma**  
Managing Director

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

**Mr. Vinod Agarwala**  
Independent Director

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

**Mrs. Nilima Mansukhani**  
Independent Director

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

## CHIEF FINANCIAL OFFICER

**Mr. Sandeep Khandelwal**

## COMPANY SECRETARY

**Mr. Vijay Joshi**

## STATUTORY AUDITORS

**Walker Chandiok & Co LLP**  
Chartered Accountants

**Ramanand & Associates**  
Chartered Accountants

Interim Resolution Professional Appointed by  
Hon'ble NCLT Mumbai Bench Wide Order  
Dated 30th September, 2019.

**Shri Prashant Jain**

(Registration no.: IBBI/IPA-001/IP-P01368/2018-19/12131)

## 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 No.: 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

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# MANAGEMENT DISCUSSION & ANALYSIS

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## GLOBAL ECONOMY OVERVIEW

Gross Domestic Product (GDP) growth remained steady at 3.1% (YoY) in 2018, same as 2017 when calculated at market exchange rates. GDP growth accelerated in most of the global economies in both 2017 and 2018. Growth in developed economies expanded at a steady pace of 2.2% (YoY) in 2017 and 2018. The world economy is projected to grow at 3% (YoY) in 2019 and 2020, marginally down from 3.1% (YoY) in 2018, according to the "World Economic Situation and Prospects by United Nations (UN)". Short-term risks for this growth projection include escalation in U.S.-China trade disputes negotiations, financial stress and volatility, and geopolitical tensions in several regions. These risks compound underlying structural vulnerabilities of a longer-term nature. There was a significant rise in trade tensions among the world's largest economies during 2018. Efforts by the US to increase import tariffs sparked retaliations and counter-retaliations. Although stimulus measures and direct subsidies were able to offset much of the direct negative impacts on China and in the US so far, global trade growth saw a drop in its momentum. This continued episode of heightened tensions among the world's largest economies for additional tariffs indeed pose a considerable risk to the global trade outlook for 2019. However, world industrial production and merchandise trade volumes has been slowing since the beginning of 2018, especially in trade-intensive capital and intermediate goods sectors. The weakness in the global economy has been most stark in the manufacturing and export sectors. Eurozone industrial production is down to 2.5% (YoY) in March 2019 since its peak in December 2017.

## INDIAN ECONOMY OVERVIEW

India is expected to remain the world's fastest growing major economy in 2019 and 2020, with the economy projected to grow at the rate of 7.5% (YoY) during FY 2019-20 and CY FY 2020-21, as per the World Bank's April edition of the 'South Asia Economic Focus, Exports Wanted'. The RBI projected its FY 2019-20 GDP growth to be at 7.2% (YoY), with the fiscal deficit pegged at 3.4% of GDP. The RBI expects the

economic growth to be in the range of 6.8-7.1% in the first half of FY 2019-20, and in the range of 7.3-7.4% in the second half of FY 2019-20 with "risks evenly balanced".

Investment is growing steadily, driven by the gradual increase in capacity utilization, large infrastructure programmes and recent structural reforms which are supporting investors' confidence, in particular the new Insolvency and Bankruptcy Code and public bank recapitalization. Investment, which makes 30% of GDP, remains robust as indicated by most forward-looking indicators. IIP for infra goods has maintained traction and iron & steel domestic consumption has been rising. Some of the key incentives which are expected to spur demand include Pradhan Mantri Kisan Samman Nidhi which provides direct income support of Rs. 6,000/ year, outlay for MNREGA and National Rural Livelihood Mission and measures to increase disposable income of middle income group. A gradual improvement in domestic consumption in FY 2019-20 is expected led by new products, income support schemes and softening fuel prices spurring urban demand. Strong personal loan growth amidst tax measures announced in the Interim Budget FY 2019-20 is also expected to support consumption. Similarly, uptick in rural demand is expected due to improvement in farm realization as food prices are expected to recover, expectation of normal monsoon and the government's increased focus on employment and income generation schemes for rural sector. The rebound in exports in FY 2018-19 was supported by a weaker rupee and an easier-to-comply-with Goods and Services Tax. Corporate investment is expected to remain vigorous, supported by recent structural reforms and better infrastructure, in particular the road construction programme and the power sector reforms. Private consumption remained strong, especially in rural areas due to good monsoon and steady government spending related to rural roads, housing and employment programmes. Higher crude oil prices and the rupee depreciation may put pressure on domestic demand, inflation, current account deficit and public finances. In addition to initiatives like; 'Make in India', 'Housing for All', 'Digital India' government has also introduced 'Sagarmala' and 'Bharat Mala' initiatives, which is expected to boost the domestic growth of the country.

## INDIA'S INFRASTRUCTURE SECTOR OVERVIEW

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.

### 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.

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# MANAGEMENT DISCUSSION & ANALYSIS

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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 ~Rs700bn 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 Rs. 5,35,000 cr. The Government is planning to introduce toll system on 'pay as you use' basis.

## *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 Rs. 3 trillion by 2022. Under this ambitious plan, 12mn units are proposed to be built in urban entailing a cost of Rs. 1.86 trillion and 10 mn units are proposed to be built in rural entailing a cost of Rs. 1.27 trillion.

## *Rural housing*

The Government plans to spend Rs. 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 Rs. 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 Rs. 6 Lakh.
- Central assistance of Rs. 1.50Lakh 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 Rs. 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.



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# MANAGEMENT DISCUSSION & ANALYSIS

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## Power Sector

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). Total installed capacity of power stations in India stood at 356.82 Gigawatt (GW) as of May 2019.

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

1. Ujwal Discoms Assurance Yojana (UDAY) to encourage operational and financial turnaround of State-owned Power Distribution Companies (DISCOMS), with an aim to reduce Aggregate Technical & Commercial (AT&C) losses to 15 per cent y FY19.
2. The Ministry of New and Renewable Energy set solar power tariff caps at Rs. 2.50 (US\$ 0.04) and Rs. 2.68 (US\$ 0.04) unit for developers using domestic and imported solar cells and modules, respectively.
3. 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. India could become the world's first country to use LEDs for all lighting needs by 2019, thereby saving Rs. 40,000 crore (US\$ 6.23 billion) on an annual basis. All the states and union territories of India are on board to fulfil the Government of India's vision of ensuring 24x7 affordable and quality power for all by

March 2019, as per the Ministry of Power and New & Renewable Energy, Government of India.

## 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:

1. Namami Gange Programme focuses on cleaning the Ganga
2. Atal Mission for Rejuvenation and Urban Transformation (AMRUT)
3. 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 Rs. billion.
4. 'Har Ghar Jal' (water in every household) is another scheme with a mission to

provide piped drinking water supply to all households by 2030.

## 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.

## 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 11 projects, out of which 6 projects are operational and 3 projects are under construction.

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# MANAGEMENT DISCUSSION & ANALYSIS

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## *Financial Overview - Standalone*

- Total Revenues from Operations decreased by 40% to 57,972.52 Lakhs on a YoY basis as compared to Rs. 98,029.92 Lakhs in FY 2018.
- EBITDA decreased by 57% to (112678.7) on a YoY basis as compared to Rs. (47,571.82) Lakhs in FY 2018 (Including Other Income).
- Loss increased to (110,854.98) Lakhs from Rs. (50,012.21) lakhs in FY 2018.

## *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 Rs. 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 Rs. 71,000 cr (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 Rs. 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 Rs. 1.45 lakh cr (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.

### Budget 2019 for Infrastructure Sector

- Set up Credit Guarantee Enhancement Corporation to deepen corporate bonds in infra (allow tri-party repo market in corporate bonds with AA rated bonds as collateral, make trading platforms more user friendly). This will

deepen long term bonds market and allow transfer of FII/ FPI investment in debt securities issued by IDF/ NBFCs to domestic investors.

- ECBs will be raised in a meaningful way to fund infra sector investments, as India's sovereign external debt to GDP at less than 5% is among the lowest in the world.
- Government capex up by 10% YoY. Taking into consideration the contribution from PPP this could go up further.
- Bulk of the increase in capital outlay is towards Railways (up 16%), Rural (Urban + Rural, up 13%), and Defence (up 7%).
- NHAI capex to rise by 21%. Coal and steel capex to rise 15% YoY. Higher capex on hydropower and renewables.
- Make in India push. Invitation to global companies for mega industry investments in semiconductor, solar PV cells, Li-ion storage batteries, EV charging, laptops, etc; income tax relief on such investments.
- Import duty on CRGO (Cold Rolled Grain Oriented steel) reduced from 5% to 2.5%; cost benefit for transformer companies.

On the whole, the country is expected to see a lot of activity in the infrastructure sector in the near future.

## *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



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# MANAGEMENT DISCUSSION & ANALYSIS

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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.

## 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.

## 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.

## 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 2019, the Company had over 252 employees.

## Cautionary Statement

This document contains statements about expected future events, financial and operating results of Supreme Infrastructure India Limited, which are forward-looking. By their nature, forward looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of the Supreme Infrastructure India Limited Annual Report, 2018-19.

# DIRECTORS' REPORT

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

Your Directors have pleasure in presenting their 36th Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2019.

## 1. HIGHLIGHTS/ PERFORMANCE OF THE COMPANY

₹ in Crores

Sr. No.	Particulars	As at 31 March 2019	As at 31 March 2018
1	<b>Income from operation</b>	<b>555.63</b>	<b>904.04</b>
	<b>Other income</b>	<b>24.09</b>	<b>76.25</b>
	<b>Total Income</b>	<b>579.72</b>	<b>980.29</b>
2	<b>Profit before Interest, Depreciation &amp; Tax</b>	<b>49.92</b>	<b>188.93</b>
	Less: Interest/ Finance Charges	438.15	361.35
	Depreciation	21.03	21.90
3	<b>Profit / (Loss) before Exceptional Item and Tax</b>	<b>(409.26)</b>	<b>(194.32)</b>
	Exceptional Item	696.48	259.49
	Less: Provision for Tax/ (Credit)		
	Current Tax	2.79	46.31
	Deferred Tax	0	0
	Tax adjustment for earlier years	0	0
4	<b>Profit / (Loss) After Tax</b>	<b>(1108.54)</b>	<b>(500.12)</b>

### 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 Rs. 579.72 Crores as compared to Rs. 980.29 Crores. in the previous year. The Net loss after Tax was Rs. 1108.54 Crores as compared to 500.12 Crores 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, 2019.

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

During the year under review, the Company has credited Rs. 33,795 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 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.

# DIRECTORS' REPORT

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, 2019, the Company had Fifteen Subsidiaries (Direct & Indirect) of which Fourteen are incorporated and based in India & one Overseas. The Company also had one Associate Companies as on 31st March, 2019. 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, 2019, SIBPL registered a total income of Rs. 179.37 Lakhs as against Rs. 49.19 Lakhs 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, 2019 was Rs. 3,980.06 Lakhs as compared to Rs. 4315.40 Lakhs 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 Rs. 10 each held by its Promoters at par aggregating Rs. 0.51 lakhs on 16 May 2017 representing 51% of the equity share capital of the Company by conversion of outstanding borrowings of an equivalent amount.

### 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, 2019 was Rs. 1,022.41 Lakhs as compared to Rs. 1015.20 Lakhs 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

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# DIRECTORS' REPORT

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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 Rs. 997.30 Million. The concession period is 24 years and 5 months including construction period.

#### 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, 2019 was Rs. 2258.90 Lakhs as compared to Rs. 2718.48 Lakhs 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 Lanning of Kopargaon Ahemdnagar Road SH 10 km 78/200 to 120/000(42.60 Kms) and construction of Two Lane Shirdi- Rahata Bypass (23.30 Kms) (Project I). The project has been executed and the tolling collection started during the current year. Income from toll collection for the year ended 31st March, 2019 was Rs. 2663.36 Lakhs as compared to Rs. 1431.34 Lakhs in the previous year.

#### 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, 2019 was Rs. 1049.12 Lakhs as compared to Rs. 628.28 Lakhs 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 Rs. 2000 Million in SIBHPL. As per the Audited financials of the Company for year ended 31st March, 2019, SIBHPL registered a total income of Rs. 15.31 Lakhs as against 10.20 Lakhs in the previous year. SIBHPL has road BOT portfolio housed in the following subsidiaries companies:

#### i. Supreme Kopargaon 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, 2019 was Rs. 2217.91 Lakhs as compared to Rs. 4059.76 Lakhs 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 Rs. 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 Tembhurni 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-Tembhurni ch.80/600 to ch.140/080 in the State of Maharashtra on Build, Operate and Transfer (BOT) basis. The cost of the project is Rs. 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 Rs. 10 each at par aggregating Rs. 29.14 lakhs on 22 May 2017 representing 51% of the equity share capital of

# DIRECTORS' REPORT

SAKTPL by conversion of outstanding borrowings of an equivalent amount.

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

Incorporated as SPV Company for execution of the Project of 'Panvel - Indapur section of NH-17 from Km.0.00 to Km.84.00' in the State of Maharashtra by widening the existing 2-lane dual carriageway to a 4-lane dual carriageway on BOT basis at an estimated cost of project of Rs. 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.

### 4. 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, 2019 was Rs. 303.59 Lakhs as compared to Rs. 546.76 Lakhs in the previous year.

### 5. 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 Rs. 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.

## ASSOCIATE COMPANIES

### ASSOCIATES

#### SANJOSE SUPREME TOLLWAYS DEVELOPMENT PRIVATE LIMITED (SSTDPL)

Sanjose Supreme Tollways Development Private Limited (SSTDPL), a joint venture company, has been incorporated for undertaking the project of six laning of Jaipur Ring Road from Ajmer Road to Agra Road Section in Jaipur (Rajasthan) on DBFOT (Toll) Basis (Project) awarded by Jaipur Development Authority (JDA), Jaipur. During the year under review the project being undertaken by SSTDPL was foreclosed under amicable settlement between SSTDPL and JDA as the project was taken over by NHAI pursuant to declaration of the said project as National Highway in place of State Highway. In furtherance to the same, the project under an amicable settlement was foreclosed.

### 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, Mr. Vikas Sharma, Director resigned from the Board citing his preoccupation in his other business and various social causes. The Board wishes to place on record its deep sense of appreciation for the valuable contributions made by him to the Board and the Company during his tenure as Director.

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) and Mr. Dakshendra Agrawal (DIN 01010363) retires by rotation at the forthcoming Annual General Meeting and being eligible offers themselves for reappointment.

It is proposed the continuation of reappointment of Mr. V. P. Singh as non - retiring independent for a second term up to March 31, 2024 subject to approval by shareholders. It is also proposed the continuation of reappointment of Mr. Vinod Agarwala as non - retiring independent for a second term up to March 31, 2024 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

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# DIRECTORS' REPORT

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the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and that there is no change in their status of Independence.

## KEY MANAGERIAL PERSONNEL

The Company has designated Mr. Bhawanishankar Sharma, Executive Chairman, Mr. Vikram Sharma, Managing Director, Mr. Sandeep Khandelwal as Chief Financial Officer 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 four 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, 2019, 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, 2019 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

# DIRECTORS' REPORT

are given in the notes to the financial statements.

## 16. AUDITORS

### A. STATUTORY AUDITORS AND THEIR REPORT

M/s Walker Chandio & Co LLP, Chartered Accountants would be completing their maximum term of office at the ensuing Annual General Meeting. Hence, they will not be reappointed as auditors. M/s Ramanand & Associates, Chartered Accountants, the Joint Statutory Auditors, holds office upto the date of ensuing Annual General Meeting (AGM). It is proposed to re-appoint M/s. Ramanand & Associates, Chartered Accountants (Firm Registration No. 117776W) as statutory auditors of the Company. The Company has received letter from M/s Ramanand & Associates, 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 re-appoint M/s Ramanand & Associates Chartered Accountants, as statutory Auditor to hold the office from the conclusion of the ensuing AGM upto the conclusion of the AGM of the Company to be held in the year 2020. Members are requested to appoint the Statutory Auditors.

### 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 2018-2019. The relevant Para nos. of the report and reply are as under:

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

- (a) As stated in Note 2 to the accompanying standalone financial results, the Company's current financial assets as at 31 March 2019 include trade receivables aggregating ₹ 45,680.90 lakhs (31 March 2018: ₹ 55,396.37 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 results. Our opinion on the standalone financial results for the year ended 31 March 2018 was also modified in respect of this matter.
- (b) As stated in Note 3 to the accompanying standalone financial results, 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 results. Our opinion on the standalone financial results for the year ended 31 March 2018 was also modified in respect of this matter.

- (c) As stated in Note 5 to the accompanying standalone financial results, the Company's non-current investments as at 31 March 2019 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 results.
- (ii) Auditor's Qualification on the Internal Financial Controls relating to above matters:

In our opinion, according to the information and explanations given to us and based on our audit procedures performed, the following material weaknesses has been identified in the operating effectiveness of the Company's Internal Financial Controls over Financial Reporting as at 31 March 2019:

Matter II(a)(i)(a): The Company's internal financial control in respect of supervisory and review controls over process of determining impairment allowance for trade receivables which are doubtful of recovery were not operating effectively. Absence of detailed assessment conducted by the management for determining the recoverability of trade receivables that remain long outstanding, in our opinion, could result in a potential material misstatement to the carrying value of trade receivables, and consequently, could also impact the

# DIRECTOR'S REPORT

loss (financial performance including comprehensive income) after tax.

Matter II(a)(i)(c): The Company's internal financial control in respect of supervisory and review controls over process of determining the carrying value of non-current investments were not operating effectively. Absence of detailed assessment conducted by the management for determining the carrying value of non-current investments, in our opinion, could result in a potential material misstatement to the carrying value of non-current investment, and consequently, could also impact the loss (financial performance including comprehensive income) after tax.

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 financial statements or interim financial statements will not be prevented or detected on a timely basis.

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 statement of the Company as at and for the year ended 31 March 2019 and the material weakness has affected our opinion on the standalone financial statements of the Company and we have issued a qualified opinion on the standalone financial statements.

Management Reply to the above Auditor's Qualification

- (i) (a) : Trade receivables as at 31 March 2019 include ₹ 45,680.90 lakhs (31 March 2018: ₹ 55,396.37 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.
- (i) (b) : Non-current borrowings, short-term borrowings and other current financial liabilities as at 31 March 2019 include balances amounting to ₹ 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. 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 2019 is

based on the original maturity terms stated in the agreements with the lenders.

- (i) (c) : The Company, as at 31 March 2019, has non-current investments in Supreme Infrastructure BOT Private Limited ('SIBPL'), a subsidiary company, amounting to ₹ 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 has accumulated losses, causing the net worth of the entity to be fully eroded as at 31 March 2019, 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, for which response is awaited from NCLT. 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 2019 and due to which these are considered as good and recoverable.

- (ii) 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.



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# DIRECTORS' REPORT

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## **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 2019-20. 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 2018-19 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 Practising 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

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# DIRECTOR'S REPORT

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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/-

(B.H.SHARMA)  
EXECUTIVE CHAIRMAN

Place: Mumbai  
Date: 17th September, 2019

### **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 realisation 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.

Sr. 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 2016-17 and earlier years to next year(s) when the financial position strengthens and stress on liquidity eases.

- 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. Dakshendra Agarwal, Member  
Mrs. Nilima Mansukhani, Member

### 3. Average net Profit of the Company for last three financial years prior to 2018-19: Rs. (14039.18) Lakhs

### 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:

### 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)

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# ANNEXURE II TO DIRECTORS' REPORT

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## 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**  
Chairman

# ANNEXURE III TO DIRECTORS' REPORT

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019**

[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  
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, 2019 ('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, 2019 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.

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. 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.
- During the year under review, Mr. Vikas Sharma, Director resigned from the Board. Except as stated above there was no Change in the Composition of the Board of Directors of the Company during the Audit period

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

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## ANNEXURE III TO DIRECTORS' REPORT

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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. During the audit period the shareholders at their Extra-ordinary general meeting held on 24th August, 2018 approved various resolutions as stated in the notice convening EGM dated 24th July, 2018 in due compliance of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. 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.

3. The Company increased the authorised Share Capital during the year under review at the Extra-Ordinary General Meeting held on 24th August, 2018.

For Nidhi Bajaj & Associates  
Company Secretaries

Nidhi Bajaj  
Proprietor  
ACS – 28907, COP - 14596

Date : 17th September, 2019  
Place: Mumbai

# ANNEXURE IV 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

\*Vikas Sharma – NA

\*Considering the present severe stress on the Company's financials, Mr. Bhawanishankar Sharma, Executive Chairman, Mr. Vikram Sharma, Managing Director gave their consent to waive the fixed managerial remuneration earned by them for the year 2018-19 i.e. from April, 2018 to March, 2019 aggregating to ₹ 96,00,000/- each. The Total Managerial Remuneration waived off by the Executive Directors is Rs. 192 Lakhs for the F.Y. 2018-19.

\*During the year under review, Mr. Vikas Sharma resigned as Director of the Company.

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 – (-100%)

\*Vikram Sharma – (-100%)

\*Vikas Sharma – (-100%)

### Note:

\* Considering the present severe stress on the Company's financials, Mr. Bhawanishankar Sharma, Executive Chairman, Mr. Vikram Sharma, Managing Director gave their consent to waive the fixed managerial remuneration earned by them for the year 2018-19 i.e. from April, 2018 to March, 2019 aggregating to ₹ 96,00,000/- each. The Total Managerial Remuneration waived off by the Executive Directors is Rs. 192 Lakhs for the F.Y. 2018-19. Consequently, the percentage increase in managerial remuneration is in negative.

\*\* During the year under review, Mr. Vikas Sharma resigned as Director of the Company.

### Key Managerial Personnel:

a) Mr. Vijay Joshi – Company Secretary – Nil increase in remuneration

b) Mr. Sandeep Khandelwal – Chief Financial Officer – Nil increase in remuneration.

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

Percentage Increase: 8%

4. The number of permanent employees on rolls of the company.  
160 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 8% in remuneration was to partially offset the average inflation of the year 2017-18. 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 2018-19 (Rs. Lakhs)	Rs. 55.22 Lakhs
Revenue (Rs. Lakhs)	Rs. (110,854.98)_ Lakhs
Remuneration of KMPs (as % of revenue)	0.0498_%
Profit before Tax (PBT) (Rs. Crore)	(110,575.66) Lakhs
Remuneration of KMP (as % of PBT)	(0.0499%)

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, 2019 was 60.03 Crores (Rs. 136.58 Crore as on March 31, 2018)

b) Price Earning Ratio of the Company was negative (431.37) as at March 31, 2019 and negative (194.61) as at March 31, 2018.

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 Rs. 108 per share including premium of Rs. 98 per share. An amount of Rs. 10,800 invested in the said IPO would be worth of Rs. 2,336 as on March 31, 2019 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

Average salary Increase for non-KMPs : 8%

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 DIRECTORS' REPORT

## EXTRACT OF THE ANNUAL RETURN

As on the financial year ended 31.03.2019

[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 Add: 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:

Sr. 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

Sr. 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	64%	2(87)(ii)
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)
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)



# ANNEXURE V DIRECTORS' REPORT

<b>Sr. NO</b>	<b>NAME OF THE COMPANY</b>	<b>ADDRESS OF THE COMPANY</b>	<b>CIN/GLN</b>	<b>HOLDING/ SUBSIDIARY/ ASSOCIATE*</b>	<b>% of shares held*</b>	<b>Applicable Section</b>
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	U45202MH2008PTC181032	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 Muktsar 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.

# ANNEXURE V DIRECTORS' REPORT

## 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 01.04.2018)				No. of Shares held at the end of the year (as on 31.03.2019)				% Change during the year*
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
<b>A) INDIVIDUAL/HUF</b>	4765732	-	4765732	18.54	4290903	-	4290903	16.70	1.84
b) Central Govt.									
c) State Govt(s)									
d) Bodies Corporate	4622171	-	4622171	17.99	4622171	-	4622171	17.99	
e) Banks/ FT									
f) Any other									
<b>SUB TOTAL (A)(1) :</b>	<b>9387903</b>	<b>-</b>	<b>9387903</b>	<b>36.53</b>	<b>8913074</b>	<b>-</b>	<b>8913074</b>	<b>34.69</b>	<b>1.84</b>
<b>2. FOREIGN</b>									
<b>a) NRI – Individuals</b>	-	-	-	-	-	-	-	-	-
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>9387903</b>	<b>-</b>	<b>9387903</b>	<b>36.53</b>	<b>8913074</b>	<b>-</b>	<b>8913074</b>	<b>34.69</b>	<b>1.84</b>
<b>(B) Public shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds/ UTI	183740	-	183740	0.71	-	-	-	-	0.71
b) Banks/ FI	41350	-	41350	0.16	123497	-	123497	0.48	-0.32
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FII/Foreign Portfolio Investors	3087299	-	3087299	12.01	3099201	-	3099201	12.06	-0.5
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (Specify)	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (B)(1) :</b>	<b>3312389</b>	<b>-</b>	<b>3312389</b>	<b>12.88</b>	<b>3222698</b>	<b>-</b>	<b>3222698</b>	<b>12.54</b>	<b>0.34</b>
<b>B 2. Non-institutions</b>									
<b>a) Bodies Corporate</b>									
i) Indian	3785679	-	3785679	14.73	2577894	-	2577894	10.03	4.7
ii) Overseas	-	-	-	-	-	-	-	-	-
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto ₹ 2 lakh	3547972	11	3547983	13.81	4011466	11	4011455	15.61	-1.8
ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	3174235	-	3174235	12.35	4051113	-	4051113	15.76	-3.41
c) Others (specify)	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Clearing Member	619150	-	619150	2.41	278688	-	278688	1.08	1.33
Non Resident Indians (NRI)	1867033	-	1867033	7.26	2639439	-	2639439	10.27	-3.01
NBFCs Registered with RBI	4000	-	4000	0.02	4000	-	4000	0.02	-
<b>Sub-total (B)(2):-</b>	<b>12998069</b>	<b>11</b>	<b>12998080</b>	<b>50.58</b>	<b>13562600</b>	<b>11</b>	<b>13562589</b>	<b>52.77</b>	<b>-2.19</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>16310458</b>	<b>11</b>	<b>16310469</b>	<b>63.46</b>	<b>16785287</b>	<b>11</b>	<b>16785298</b>	<b>65.31</b>	<b>-1.85</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>

# ANNEXURE V DIRECTORS' REPORT

## (ii) Shareholding of Promoters

Sr 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	1684755	6.56	6.56	1346708	5.24	5.24	-1.32
2	Vikram Bhawanishankar Sharma	1219724	4.75	4.45	1082942	4.21	3.92	-0.54
3	Vikas Bhawanishankar Sharma	1758753	6.84	6.84	1758753	6.84	6.84	0
4	Rita B Sharma	0	0	0.00	0	0	0.00	0
5	Barkha Vikram Sharma	7500	0.03	0.00	7500	0.03	0.00	0
6	Shweta V Sharma	5000	0.02	0.00	5000	0.02	0.00	0
7	Phool Kanwar H Sharma	90000	0.35	0.00	90000	0.35	0.00	0
8	BHS Housing Private Limited	3350000	13.04	13.04	3350000	13.04	13.04	0
9	Supreme Villa Private Limited	1272171	4.95	0.00	1272171	4.95	0.00	0
	Total	9387903	36.54	30.89	8913074	34.68	29.03	-1.86

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

Sr. 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		9387903	36.54
	Date wise Increase / Decrease in Promoters Share holding 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

#

Sr. No.	Name	Shareholding		Date	Increase/ Decrease in share-holding	Reason	Cumulative Shareholding during the year (01/04/2018 to 31/03/2019)	
		No. of Shares at the beginning (01/04/2018)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Vikram Sharma	1219724	4.75	05/07/2018	(136782)	Invocation of Pledged shares by lender	1082942	4.21
				31/03/2019			1082942	4.21
2	Bhawanishankar Sharma	1684755	6.56	05/07/2018	(338047)	Invocation of Pledged shares by lender	1346708	5.24
				31/03/2019			1346708	5.24

# ANNEXURE V DIRECTORS' REPORT

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

Sr. No.	Name	Shareholding at the beginning of the year (01/04/2018)		Date	Increase/ decrease in share-holding	Reason	Cumulative Shareholding during the year (01/04/2018 to 31/03/2019)	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company (As on 31/03/2019)
1	Kitara PIIN 1101	23,64,344	9.20	01/04/2018		Nil Movement During the year	23,64,344	9.20
				31/03/2019				
*2	Aum Capital Market Private Limited	1156000		06/04/2018	-579423	Transfer	576,577	2.24
				13/04/2018	-216034	Transfer	360,543	1.40
				01/06/2018	-359543	Transfer	1,000	0.00
				08/06/2018	-1000	Transfer	0	0.00
				15/06/2018	359543	Transfer	359,543	1.40
				22/06/2018	-70000	Transfer	289,543	1.13
				29/06/2018	623	Transfer	290,166	1.13
				13/07/2018	-623	Transfer	289,543	1.13
				03/08/2018	-20000	Transfer	269,543	1.05
				10/08/2018	-69543	Transfer	200,000	0.78
				31/08/2018	-200000	Transfer	0	0.00
				14/09/2018	174850	Transfer	174,850	0.68
				21/09/2018	-98372	Transfer	76,478	0.30
				28/09/2018	-57078	Transfer	19,400	0.08
				05/10/2018	-3702	Transfer	15,698	0.06
12/10/2018	-7698	Transfer	8,000	0.03				
16/11/2018	-8000	Transfer	0	0.00				
			31/03/2019				0	0.00
*3	Claricent Advisory Services Llp	0	0	01/04/2018				
				15/03/2019	680000	Transfer	680,000	2.65
				31/03/2019			680,000	2.65
#4	Gagandeep Credit Capital Pvt Ltd	680000	2.65	01/04/2018				
				08/03/2019	-680000	Transfer	0	0.00
				31/03/2019			0	0.00
*5	Premier Investment Fund Limited	498520	1.94	01/04/2018		Nil Movement During the year	498520	1.94
				31/03/2019				
#6	Pallavi Deven Dedhia	0	0	01/04/2018				

# ANNEXURE V DIRECTORS' REPORT

Sr. No.	Name	Shareholding at the beginning of the year (01/04/2018)		Date	Increase/ decrease in share-holding	Reason	Cumulative Shareholding during the year (01/04/2018 to 31/03/2019)	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company (As on 31/03/2019)
	For Each of the Top 10 Shareholders			15/06/2018	26050	Transfer	26,050	0.10
				22/06/2018	54000	Transfer	80,050	0.31
				28/09/2018	272798	Transfer	352,848	1.37
				05/10/2018	67000	Transfer	419,848	1.63
				31/03/2019			419,848	1.63
7	Smita N Navare	227148	0	01/04/2018				
				06/04/2018	122852	Transfer	350,000	1.36
				31/03/2019			350,000	1.36
8	Sankaranarayanan Sangameswaran	288502		01/04/2018				
				10/08/2018	55000	Transfer	343,502	1.34
				31/03/2019			343,502	1.34
9	Freny Firoze Irani	324,011	1.26	01/04/2018		Nil		
				31/03/2019		Movement During the year	324011	1.26
10	Sameer Mahendra Sampat	313235	1.22	01/04/2018		Nil Movement		
				31/03/2019		During the year	313235	1.22
11	Dhanesh Sumatilal Shah	310000	1.21	01/04/2018		Nil		
				31/03/2019		Movement During the year	310000	1.21
12	Naresh Arjandas Chandwani	299355	1.16	01/04/2018				
				01/06/2018	1736	Transfer	301,091	1.17
				08/06/2018	10764	Transfer	311,855	1.21
				07/12/2018	27253	Transfer	339,108	1.32
				21/12/2018	10000	Transfer	349,108	1.36
				31/12/2018	2414	Transfer	351,522	1.37
				04/01/2019	7160	Transfer	358,682	1.40
				31/03/2019			358,682	1.40
13	Trishakti Power Holdings Private Limited	305026	1.19	01/04/2018				
				01/06/2018	-95000	Transfer	210,026	0.82
				31/03/2019			210,026	0.82

\* Ceased to be in the list of Top 10 shareholders as on 31-03-2019. The same is reflected above since the shareholder was one of the top 10 shareholders as on 01-04-2018

# Not in the list of top 10 Shareholders as on 01-04-2018. The same has been reflected above since the shareholder was one of the top 10 shareholders as on 31-03-2019.

# ANNEXURE V DIRECTORS' REPORT

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

Sr. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01/04/2018 to 31/03/2019)	
		No. of Shares at the beginning (01/04/2018)	% of total shares of the Company				No. of Shares	% of total shares of the Company*(as on 31/03/2019)
A.	Directors & Key Managerial Personnel	No. of Shares at the beginning (01/04/2018)	% of total shares of the Company				No. of Shares	% of total shares of the Company*(as on 31/03/2019)
1	Bhawanishankar H Sharma	16,84,755	6.56	05/07/2018	(338047)	Invocation of Pledged shares by lender	1346708	5.24
				31/03/2019			1346708	5.24
2	Vikram Sharma	1219724	4.75	05/07/2018	(136782)	Invocation of Pledged shares by lender	1082942	4.21
				31/03/2019			1082942	4.21
3	Mr. Vikas Sharma	1758753	6.84	01/04/2018 To 31/03/2019	0	Nil Movement during the year	1758753	6.84
4	Mr. Vishwanath Prasad Singh	0	0.00	01/04/2018 To 31/03/2019	0	Nil Holding/ Movement during the year	0	0.00
5	Mr. Vinod Balmukand Agarwala	0	0.00	01/04/2018 To 31/03/2019	0	Nil Holding/ Movement during the year	0	0.00
6	Mr. Dakshendra Brijballabh Agarwal	0	0.00	01/04/2018 To 31/03/2019	0	Nil Holding/ Movement during the year	0	0.00
7	Mr. Sushil Kumar Mishra	0	0.00	01/04/2018 To 31/03/2019	0	Nil Holding/ Movement during the year	0	0.00
8	Mrs. Nilima Mansukhani	0	0.00	01/04/2018 To 31/03/2019	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	01/04/2018 To 31/03/2019	0	Nil Movement during the year	1	0.00
2	Mr. Sandeep Khandelwal (Chief Financial Officer)	0	0.00	01/04/2018 To 31/03/2019	0	Nil Holding/ Movement during the year	0	0.00

# ANNEXURE V DIRECTORS' REPORT

## V. INDEBTEDNESS

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

₹ in Lakhs

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	229,886.14	7,574.24	-	237,460.38
ii) Interest due but not paid	38,441.32	-	-	38,441.32
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>268,327.46</b>	<b>7,574.24</b>		<b>275,901.70</b>
Change in Indebtedness during the financial year				
Addition	68,264.17	3,311.81	-	71,575.98
<b>Reduction</b>			-	
<b>Net Change</b>	<b>68,264.17</b>	<b>3,311.81</b>		<b>71,575.98</b>
Indebtedness at the end of the financial year				
i) Principal Amount	246,020.08	10,886.05	-	256,906.13
ii) Interest due but not paid	90,571.55	-	-	90,571.55
<b>iii) Interest accrued but not due</b>				
<b>Total (i+ii+iii)</b>	<b>336,591.63</b>	<b>10,886.05</b>		<b>347,477.68</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

(₹ in Lakhs)

Sr. no.	Particulars of Remuneration	Mr. B. H. Sharma (Whole Time Director)	Mr. Vikram Sharma (Managing Director)	Mr. Vikas Sharma (Whole Time 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	Nil
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission - as % of profit - others, specify...	Nil	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil	Nil
	Total (A)	Nil	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.			

\* Note: Resigned of Director W.e.f 02nd February, 2019.

# ANNEXURE V DIRECTORS' REPORT

## A. Remuneration to Independent directors:

₹ in Lakhs

Sr. no.	Particulars of Remuneration	Mr. V.P. Singh	Mr. Vinod Balmukand Agarwala	Mr. S. K. Mishra	Mrs. Nilima Mansukhani	Total
	-Fee for attending Board/Committee Meetings	7.90	6.90	7.40	6.50	28.7
	-Commission	-	-	-	-	-
	- Others, please specify	-	-	-	-	-
	<b>Total (B)(1)</b>	7.90	6.90	7.40	6.50	28.7

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

₹ in Lakhs

Sr. no.	Particulars of Remuneration	Mr. Dakshendra Brijballabh Agarwal	Total
	-Fee for attending Board/Committee Meetings	1.50	1.50
	-Commission	-	-
	- Others, please specify	-	-
	<b>Total (B)(2)</b>	1.50	1.50
	<b>Total(B) = (B)(1) + (B)(2)</b>	30.2	30.2

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

₹ in Lakhs

Sr. no.	Particulars of Remuneration	Mr. Vijay Joshi (Company Secretary)	Mr. Sandeep Khandelwal (Chief Financial Officer) (appointed w.e.f. 16 August 2017)	Total Amount
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	20.09	35.13	55.22
	(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	Nil	Nil	Nil
	- others, specify ...			
5.	Others, please specify	Nil	Nil	Nil
	<b>Total (C)</b>	20.09	35.13	55.22



# ANNEXURE V DIRECTORS' REPORT

## 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					

Nil

# CORPORATE GOVERNANCE REPORT

The Corporate Governance report for Financial Year ("FY") 2018-19, 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 undertake its fiduciary and trusteeship responsibilities to all its stakeholders by ensuring transparency, fair play and independence in its decision making. Your Company provides access to the Board of all relevant information and resources to enable it to carry out its role effectively. Your Company is committed to upholding the highest standards of Corporate Governance in its operations and will constantly endeavor to improve on these aspects on an 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

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, Executive Director	Nil	Nil	Nil	Nil	Nil	1684755
Mr. Vikram Sharma (DIN 01249904)	Managing Director	Promoter, Executive Director	Nil	Nil	Nil	1	2	1219724
#Mr. Vikas Sharma (DIN 01344759)	Director	Promoter, Director	Nil	Nil	Nil	NIL	Nil	1758753
Mr. V. P. Singh (DIN 00015784)	Director	Independent, Non-executive Director	3	2	Nil	1	Nil	Nil
Mr. Vinod Agarwala (DIN 01725158)	Director	Independent, Non-executive Director	3	2	1	2	2	Nil
Mr. Dakshendra Agarwal (DIN 01010363)	Director	Non-executive Director	Nil	Nil	Nil	Nil	1	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 February 2, 2019

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 Seven Directors, out of which Five Directors are Non-Executive Directors. The Company has 'Executive Chairman' and there are Four Independent Directors on the Board which represent 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, 2019 are given below:

# CORPORATE GOVERNANCE REPORT

\* 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, 2019:

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>	Non-Executive 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>	Non-Executive Independent Director
Mr. Dakshendra Agarwal	Nil	Nil
Mr. S.K. Mishra	Nil	Nil
Mrs. Nilima Mansukhani	Kesar Terminals & Infrastructure Limited	Non-Executive 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 2018-2019 on 6th June, 2018, 24th July, 2018, 18th August, 2018, 21st November, 2018 and 14th January, 2019.

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

During the financial year ended March 31, 2019, 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 September, 2018
Mr. Bhawanishankar Sharma	1	Yes
Mr. Vikram Sharma	4	Yes
* Mr. Vikas Sharma	2	No
Mr. V. P. Singh	5	Yes
Mr. Vinod Agarwala	4	Yes
Mr. Dakshendra Agarwal	1	No
Mr. S.K. Mishra	4	Yes
Mrs. Nilima Mansukhani	5	Yes

\* Resigned w.e.f February 2, 2019

Mr. Bhawanishankar Sharma, 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.

# CORPORATE GOVERNANCE REPORT

## 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. 2018-19. 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 2018-19 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 thereunder 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 four Directors of which Three 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 2018- 19, three meetings of the Audit committee were held on 6th June, 2018, 21st November, 2018, and 10th January, 2019.

The Composition of the Audit Committee and the details of Meetings held during the Year 2018- 2019.

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

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:

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# CORPORATE GOVERNANCE REPORT

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- 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.

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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.
  - b. 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, 2019 and the details of Members participation at the Meetings of the Committee are as under:

During the F.Y. 2018- 19, one meeting of the Nomination and Remuneration Committee was held on 30th March, 2019.

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

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## 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, 2019 is as follows:

Sr. No.	Name of the Director	Sitting fees ₹	Commission ₹	Total ₹
1	Mr. V.P Singh	7,90,000	Nil	7,90,000
2	Mr. Vinod Agarwala	6,90,000	Nil	6,90,000
3	Mr. S. K. Mishra	7,40,000	Nil	7,40,000
4	Mrs. Nilima Mansukhani	6,50,000	Nil	6,50,000
5	Mr. Dakshendra Agrawal	1,50,000	Nil	1,50,000
	Total	30,20,000	Nil	30,20,000

## D. Remuneration to Executive Directors

The Executive Directors are entitled to fixed remuneration by way of salary of Rs. 5 lakhs per month and perquisites of Rs. 3 Lakhs 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, Executive Chairman, Mr. Vikram Sharma, Managing Director gave their consent to waive the fixed managerial remuneration earned by them for the year 2018-19 i.e. from April, 2018 to March, 2019 aggregating to ₹ 96,00,000/- each. The Total Managerial Remuneration waived off by the Executive Directors is Rs. 192 Lakhs for the F.Y. 2018-19.

The agreement with the above Executive Directors is for a period of five years with effect from 1st April, 2015 duly approved by the Shareholder at the Annual General Meeting of the Company held on 30th September, 2015. 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

# CORPORATE GOVERNANCE REPORT

- 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	Non-Executive Independent Director
Mr. Vikram Sharma	Member	Executive Managing Director
Mrs. Nilima Mansukhani	Member	Non-Executive Independent Director

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

During the F.Y. 2018- 19, one meeting of the Stake Holders Relationship Committee was held on 30th March, 2019.

### 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 2019.

### 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, 2019.

Sr. No.	Name	Position
1	Mr. Vikram Sharma	Chairman
2	Mr. Vinod Agarwala	Member
3	Mrs. Nilima Mansukhani	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. 2018- 19, one meeting of the Corporate Social Responsibility Committee was held on 30th March, 2019.

## 7. SUBSIDIARY COMPANIES

Regulation 16 (1) (c) of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 defines a "material subsidiary" as subsidiary, whose income or Networth 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.



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## 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:

<b>AGM</b>	<b>Date</b>	<b>Venue and Time</b>	<b>Special Resolutions passed</b>
35 <sup>th</sup>	31 <sup>st</sup> December, 2018	Athena Banquet Hall, 8th Floor, B-Wing, Supreme Business Park, Hiranandani, Powai, Mumbai – 400 076	No Special Resolution was passed in the meeting.
34 <sup>th</sup>	30 <sup>th</sup> October, 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>
33 <sup>rd</sup>	30 <sup>th</sup> September, 2015	Athena Banquet Hall, 8th Floor, B-Wing, Supreme Business Park, Hiranandani, Powai, Mumbai – 400 076	Adoption of New Set of Articles of Association

<b>EGM</b>	<b>Date</b>	<b>Venue and Time</b>	<b>Special Resolutions passed</b>
01/2018-19	24 <sup>th</sup> August, 2018	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 'Resolution Plan' of the Company under the 'Resolution of Stressed Assets – Revised Framework', issued by the Reserve Bank of India in relation to restructuring of the debt of the Company.</li> <li>2. Issue of Optionally Convertible Cumulative Redeemable Preference Shares ("OCCRPS") or Cumulative Redeemable Preference Shares ("CRPS") (the "Preference Shares") or Optionally Convertible Debentures ("OCDs") in terms of the SEBI ICDR Regulations pursuant to 'Resolution Plan' of the Company under the 'Resolution of Stressed Assets – Revised Framework', issued by the Reserve Bank of India in relation to restructuring of the debt of the Company.</li> <li>3. Issue of Equity Shares on preferential allotment/ private placement basis to Lenders.</li> <li>4. Issue of Equity Shares/ Convertible Warrants on preferential allotment/ private placement basis to promoters.</li> <li>5. Issue of Equity Shares on preferential allotment/ private placement basis to third party investors.</li> <li>6. Issue of Equity Shares on preferential allotment/ private placement basis to non promoter on the basis of swap of shares.</li> <li>7. Approval to provide option to the promoters/ promoter group Companies to convert the subordinate loans availed by the Company to Equity Shares of the Company.</li> <li>8. Increase in authorized share capital of the Company.</li> </ol>

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## 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 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

<b>1. Company Registration details</b>	The Company is registered in the State of Maharashtra, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L74999MH1983PLC029752
<b>2. Annual General Meeting</b> Date, Time and Venue	Monday, 30th December, 2019 at 11.30 a.m. At Athena Banquet Hall, 8th Floor, B-Wing, Supreme Business Park, Hiranandani, Powai, Mumbai – 400 076
<b>3. Financial Year</b>	1 <sup>st</sup> April to 31 <sup>st</sup> March
<b>4. Tentative Financial Calendar</b> Quarterly results will be declared as per the following tentative schedule :-	
Financial reporting for the quarter ending 30th June, 2019:	Declared on 30th October, 2019
Financial reporting for the half year ending 30th September, 2019:	by 14th November 2019
Financial reporting for the quarter ending 31st December, 2019:	by 14th February 2020
Financial reporting for the year ending 31st March, 2020:	by 30th May 2020
<b>5. Dates of Book Closure</b>	23rd December, 2019 to 30th December, 2019
<b>6. Dividend</b>	No Dividend is recommended for the year ended 31st March, 2019.
<b>7. 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.
<b>8. Annual Listing Fees</b>	Annual Listing Fees for Financial year 2019-20 is paid to both the exchanges
<b>9. Stock Code</b>	BSE Limited (BSE):- "532904" National Stock Exchange of India Limited (NSE):- "SUPREMEINF"
<b>10. ISIN</b>	INE550H01011
<b>11. 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
<b>12. 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.

# CORPORATE GOVERNANCE REPORT

<b>13. Address for Correspondence</b>	Mr. Vijay Joshi Company Secretary Supreme Infrastructure India Limited Add:- Supreme House, Plot No.94/C, Opp. I.I.T. Main Gate, Pratap Gad, Powai, Mumbai- 400 076. Tel: + 91 22 6128 9700 Fax: + 91 22 6128 9711 Website:www.supremeinfra.com Email:vijayj@supremeinfra.com
<b>14. Dematerialization of Shares and liquidity</b>	As on 31 <sup>st</sup> March, 2019, 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.
<b>15. Electronic clearing services (ECS)</b>	Members are requested to update their bank account details with their respective Depository Participants for Shares held in the electronic form or write to the Company's Registrar and Share Transfer Agent M/s Bigshare Services Private Limited for the shares held in physical form.
<b>16. Investor Complaints to be addressed to</b>	Registrar and Share Transfer Agent M/s Bigshare Services Private Limited or to Mr. Vijay Joshi, Company Secretary at the address mentioned earlier.
<b>17. 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 31 <sup>st</sup> March, 2019.
<b>18. 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.

## 9. DISTRIBUTION OF SHARE HOLDING

Face value: Rs. 10/- each (as on 31<sup>st</sup> March 2019)

Range of shares	Number of Shareholders	Percentage of shareholders	Number of Shares	Percentage of Total Capital
1 - 500	8080	83.93	939816	3.66
501 - 1000	658	6.83	543153	2.11
1001 - 2000	322	3.35	509251	1.98
2001 - 3000	125	1.30	323024	1.26
3001 - 4000	62	0.64	219505	0.85
4001 - 5000	69	0.72	330053	1.29
5001 - 10000	122	1.27	880000	3.42
10001 and above	189	1.96	21953570	85.43
Total	9627	100.00	25698372	100.00

### Shareholding Pattern as on 31<sup>st</sup> March, 2019

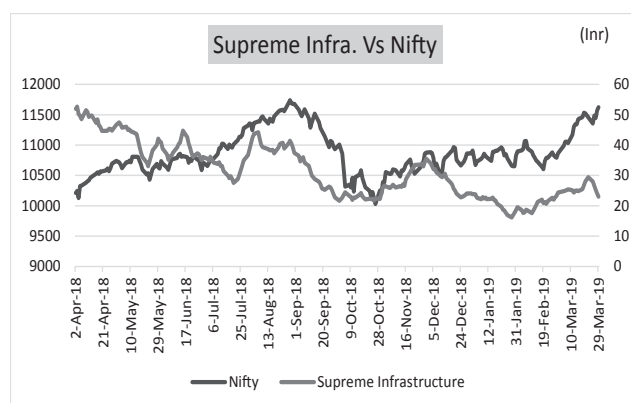
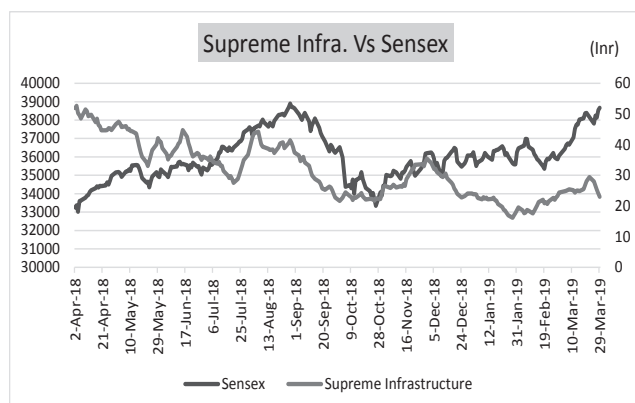
Sr. No.	Category of Shareholders	No. of Shares held	Percentage of Shareholding
1	Promoters & Promoters Group	8913074	34.69
2	Mutual funds/ UTI	-	-
3.	Government Companies, Financial Institutions, Banks and Insurance Companies	-	-
4.	Non Nationalised Banks	123497	0.48
5.	NBFC	4000	0.02
6.	Foreign Portfolio Investors	3099201	12.06
7.	Bodies Corporate	2577894	10.03
8.	NRIs	2639439	10.27

# CORPORATE GOVERNANCE REPORT

9.	Clearing Member	278688	1.08
10.	Trusts	-	-
11.	Indian Public (Other than above)	8062579	31.37
<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 2018	53.00	46.65	54.40	43.00
May 2018	46.65	40.46	47.05	33.00
June 2018	40.60	36.05	41.50	33.45
July 2018	36.10	38.45	35.50	27.40
August 2018	40.35	37.40	40.25	36.50
September 2018	38.00	22.75	38.00	23.15
October 2018	22.10	26.05	23.65	20.90
November 2018	26.50	23.50	27.90	24.50
December 2018	35.15	24.05	35.85	22.10
January 2019	24.05	15.40	23.65	16.15
February 2019	19.80	16.80	19.65	17.10
March 2019	22.70	22.65	23.50	22.80



## 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, 2019 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, 2019 is given below:

Shares held through	No. of shares	Percentage of holding
NSDL	15600374	60.70
CDSL	10097987	39.30
Physical	11	.00
<b>Total</b>	<b>25698372</b>	<b>100.00</b>

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

# CORPORATE GOVERNANCE REPORT

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 as on 31/03/2018 (₹)	Last date for claiming unclaimed dividend amount (before)	Last date for transfer to IEPF
31/03/2012	28/09/2012	23462.75	4/11/2019	3/12/2019
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

## 10. 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 2015-16, FY 2017-18 and FY 2018-19 and on account of delay in appointment of woman Director in FY 2015-16.
- 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.
- The Company has also adopted the policy on determination of Materiality for Disclosures (<http://supremeinfra.com/codeofconduct.html>)
- Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) – Not applicable
- Details of fees paid to Statutory Auditors

### Statutory Auditors:

Walker Chandiok & LLP And Ramanand and Associates

- Statutory audit fee – Rs. 97 Lakh
- Limited Review Rs. 38.00
- Tax audit fee - Rs. 5 Lakh
- Other services – Rs. 8 Lakh
- Out of pocket expenses Rs. 3 lakh

# CORPORATE GOVERNANCE REPORT

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

Sr. 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>	Yes
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	Not Applicable	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

# CORPORATE GOVERNANCE REPORT

Sr. 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 2018-19.

Vikram Sharma  
Managing Director

Place: Mumbai  
Date: 17th September, 2019

# CORPORATE GOVERNANCE REPORT

## 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](http://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, 2019 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.

<u>Sr. No.</u>	<u>Name of Director</u>	<u>DIN</u>	<u>Date of Appointment</u>
1	Mr. Bhawani Shankar Sharma	01249834	08/04/1983
2	Mr. Vikram Sharma	01249904	21/08/1998
3	#Mr. Vikas Sharma	01344759	21/08/1998
4	Mr. V. P. Singh	00015784	20/01/2010
5	Mr. Vinod Agarwala	01725158	20/01/2010
6	Mr. Dakshendra Agarwal	01010363	13/11/2010
7	Mr. S.K. Mishra	06411532	02/06/2015
8	Mrs. Nilima Mansukhani	06964771	02/06/2015

# Resigned w.e.f. February 2, 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: 17th September, 2019



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# CORPORATE GOVERNANCE REPORT

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## **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, 2019, 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, 2019.
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: 17th September, 2019

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# CORPORATE GOVERNANCE REPORT

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## **ANNEXURE C**

### **CEO/ CFO COMPLIANCE CERTIFICATE**

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, 2019 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.

Vikram Sharma  
Managing Director

Sandeep Khandelwal  
Chief Financial Officer

Place: Mumbai  
Date : 17th September, 2019

# INDEPENDENT AUDITORS' REPORT

## To the Members of Supreme Infrastructure India Limited Report on the 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 2019, 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 2019, 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 2019 include trade receivables aggregating ₹ 45,680.90 lakhs (31 March 2018: ₹ 55,396.37 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 2018 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.

5. As stated in Note 4.4 to the accompanying standalone financial statements, the Company's non-current investments as at 31 March 2019 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 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 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 ₹ 110,854.98 lakhs during the year ended 31 March 2019 and, as of that date; the Company's accumulated losses amounts to ₹ 128,589.99 lakhs which have resulted in a full erosion of net worth of the Company and its current liabilities exceeded its current assets by ₹ 232,157.67 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

# INDEPENDENT AUDITORS' REPORT

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. 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 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>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</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:</li> </ul>

# INDEPENDENT AUDITORS' REPORT

<p>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>	<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> <li>• Assessed that the disclosures made by the management are in accordance with applicable accounting standards</li> </ul>
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## 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 Standalone Financial Statements

14. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from

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# INDEPENDENT AUDITORS' REPORT

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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 Basis for Qualified Opinion / Material Uncertainty related to Going Concern section, in our opinion, may have an adverse effect on the functioning of the Company;

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# INDEPENDENT AUDITORS' REPORT

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- 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 2019 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 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 17 September 2019 as per Annexure 2 expressed a 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 2019;
- 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 2019, 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 2019;
- 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 Walker Chandiok & Co LLP**

Chartered Accountants  
Firm Registration No. 001076N / N500013

**Rakesh R. Agarwal**

Partner  
M.No. : 109632  
UDIN No:19109632AAAHD8818

Place : Mumbai  
Date : 17 September 2019

**For Ramanand & Associates**

Chartered Accountants  
Firm Registration No: 117776W

**Santosh Jadhav**

Partner  
M.No. : 115983  
UDIN No: 19115983AAAAAR6752

Place : Mumbai  
Date : 17 September 2019

# 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 2019

All amounts are in Indian Rupees and in Lakhs.

## Annexure 1

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 PPE under which fixed assets are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. 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	2,614.16	April 2015 to August 2018	Various Dates	Not yet Paid
The Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provident Fund	355.44	April 2016 to August 2018	Various Dates	Not yet Paid
Profession Tax Act, 1975	Profession Tax	6.58	April 2016 to August 2018	Various Dates	Not yet Paid
Employees' State Insurance Act, 1948	Employees' State Insurance Corporation	20.72	April 2016 to August 2018	Various Dates	Not yet Paid
Goods and Service Tax Act, 2017	Goods and Service Tax	1,981.24	July 2017 to August 2018	Various Dates	Not yet Paid
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	87.24	December 2012 to June 2017	Various Dates	Not yet Paid



# 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 2019

All amounts are in Indian Rupees and in Lakhs.

- (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 Protst 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	-	F.Y. July 2017 to Oct 2018	Assistant commissioner of State Tax.
Income Tax Act, 1961	Income Tax	7,040.05	-	A.Y. 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 paid on or before the Balance Sheet date.

₹ in Lakhs

Banks/Financial Institution	Principal amount of default as on 31 March 2019	Interest amount of default as on 31 March 2019	Total	Period to which the amount relates
Bank of India	117.56	-	117.56	> 365 days
ICICI Bank	2.20	-	2.20	181-365 days
	2.78	-	2.78	> 365 days
Axis Bank	8.37	-	8.37	181-365 days
	121.63	-	121.63	> 365 days
Indian Overseas Bank	579.67	-	579.67	> 365 days

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 (Also refer note 15.2).

₹ in Lakhs

Banks/Financial Institution	Principal amount of default as on 31 March 2019	Interest amount of default as on 31 March 2019	Total	Period to which the amount relates
	2,103.29	11,650.25	13,753.54	0-180 days
State Bank of India	2,103.29	11,128.27	13,231.56	181-365 days
	3,567.88	18,487.25	22,055.13	> 365 days
	476.93	3,096.94	3,573.87	0-180 days
Union Bank of India	476.93	2,969.20	3,446.13	181-365 days
	964.79	4,828.34	5,793.13	> 365 days
	576.66	3,090.54	3,667.20	0-180 days
Punjab National Bank	576.66	2,944.87	3,521.53	181-365 days
	1,069.52	2,264.28	3,333.80	> 365 days
	177.24	1,557.46	1,734.70	0-180 days
Bank of India	177.24	1,476.32	1,653.56	181-365 days
	221.98	2,960.76	3,182.74	> 365 days
	198.49	1,508.16	1,706.65	0-180 days
Central Bank of India	198.49	1,443.74	1,642.23	181-365 days
	362.89	2,315.36	2,678.25	> 365 days
	133.39	453.39	586.78	0-180 days
Syndicate Bank	133.39	405.81	539.20	181-365 days
	246.33	668.12	914.45	> 365 days

# 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 2019

All amounts are in Indian Rupees and in Lakhs.

Banks/Financial Institution	Principal amount of default as on 31 March 2019	Interest amount of default as on 31 March 2019	Total	Period to which the amount relates
	159.94	843.14	1,003.08	0-180 days
Canara Bank	159.94	778.71	938.65	181-365 days
	308.53	729.02	1,037.55	> 365 days
	398.07	1,419.76	1,817.83	0-180 days
ICICI Bank	395.87	1,331.82	1,727.69	181-365 days
	694.24	2,072.13	2,766.37	> 365 days
	40.82	264.48	305.30	0-180 days
Axis Bank	32.45	249.35	281.80	181-365 days
	-	384.98	384.98	> 365 days
	-	21.63	21.63	0-180 days
HDFC Bank	-	20.07	20.07	181-365 days
	307.28	249.61	556.89	> 365 days
	-	871.10	871.10	0-180 days
Indian Overseas Bank	-	893.25	893.25	181-365 days
	1,367.31	708.37	2,075.68	> 365 days
	-	256.87	256.87	0-180 days
SREI Equipment Finance Limited	-	235.64	235.64	181-365 days
	6,352.38	257.48	6,609.86	> 365 days
	-	796.80	796.80	0-180 days
SREI Infrastructure Finance Limited	-	730.95	730.95	181-365 days
	807.00	624.48	1,431.48	> 365 days
	6,717.35	841.89	7,559.24	0-180 days
JM Financial Asset Reconstruction	373.50	730.95	1,104.45	181-365 days
	74.70	1,527.54	1,602.24	> 365 days
	12.04	55.34	67.38	0-180 days
L&T Finance Limited	12.04	63.54	75.58	181-365 days
	13.24	363.59	376.83	> 365 days

- (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 Walker Chandiook & Co LLP**

Chartered Accountants  
Firm Registration No: 001076N/N500013

per **Rakesh R. Agarwal**

Partner  
Membership No: 109632  
UDIN No:19109632AAAAHD8818  
Mumbai  
Date: 17 September 2019

**For Ramanand & Associates**

Chartered Accountants  
Firm Registration No: 117776W

per **Santosh Jadhav**

Partner  
Membership No: 115983  
UDIN No: 19115983AAAAAR6752  
Mumbai  
Date: 17 September 2019

# ANNEXURE 2 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 2019

## 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')

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 2019, 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 2019:
  - 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

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# 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 2019**

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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 2019, 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 2019.

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 2019, 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 Walker Chandio & Co LLP**

Chartered Accountants  
Firm Registration No: 001076N/N500013

per **Rakesh R. Agarwal**

Partner  
Membership No: 109632  
UDIN No: 19109632AAAHD8818  
Mumbai  
Date: 17 September 2019

### **For Ramanand & Associates**

Chartered Accountants  
Firm Registration No: 117776W

per **Santosh Jadhav**

Partner  
Membership No: 115983  
UDIN No: 19115983AAAAAR6752  
Mumbai  
Date: 17 September 2019

# STANDALONE BALANCE SHEET

as at 31 March 2019

All amounts are in Indian Rupees and in Lakhs.

	Notes	As at 31 March 2019 Amount	As at 31 March 2018 Amount
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3A	18,825.26	20,916.69
Capital work-in-progress		669.30	669.30
Intangible assets	3B	-	11.61
Investments in subsidiaries, joint venture and associates carried at deemed cost	4I	85,778.02	97,451.23
<b>Financial assets</b>			
Investments	4 II & III	76,891.34	73,639.24
Loans	5	-	-
Other financial assets	6	350.77	432.40
Deferred tax assets (net)	7	-	-
Other non-current assets	8	-	97.30
<b>Total non-current assets</b>		<b>182,514.69</b>	<b>193,217.77</b>
<b>Current assets</b>			
Inventories	9	3,587.13	4,679.43
<b>Financial assets</b>			
Investments	10	2.63	54.07
Loans	5	69.91	6.98
Trade receivables	11	70,606.24	107,420.51
Cash and cash equivalents	12	147.36	215.85
Other bank balances	13	1,570.12	1,126.98
Other financial assets	6	512.03	13,191.77
Other current assets	8	15,249.56	4,650.83
<b>Total current assets</b>		<b>91,744.98</b>	<b>131,346.42</b>
<b>TOTAL ASSETS</b>		<b>274,259.67</b>	<b>324,564.19</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	14	2,569.84	2,569.84
Other equity		(98,645.07)	12,032.75
<b>Total equity</b>		<b>(96,075.23)</b>	<b>14,602.59</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	15	45,850.31	83,083.41
Other financial liabilities	16	447.38	556.73
Provisions	17	134.56	278.78
<b>Total non-current liabilities</b>		<b>46,432.25</b>	<b>83,918.92</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	18	136,559.67	126,726.75
Trade payables	19		
- To micro enterprise and small enterprise		123.18	122.20
- To others		11,925.39	14,714.82
Other financial liabilities	16	156,646.98	67,877.56
Other current liabilities	20	15,708.92	13,745.61
Provisions	17	40.28	33.34
Income tax liabilities (net)	7	2,898.23	2,822.40
<b>Total current liabilities</b>		<b>323,902.65</b>	<b>226,042.68</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>274,259.67</b>	<b>324,564.19</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 Walker Chandio & Co LLP**  
Chartered Accountants  
Firm Registration No. 001076N / N500013

**For Ramanand & Associates**  
Chartered Accountants  
Firm Registration No: 117776W

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

**Rakesh R. Agarwal**  
Partner  
M.No. : 109632

**Santosh Jadhav**  
Partner  
M.No. : 115983

**Bhawanishankar Sharma**  
Chairman  
DIN No. : 01249834

**Vikram Sharma**  
Managing Director  
DIN No. : 01249904

**Sandeep Khandelwal**  
Chief Financial Officer

**Vijay Joshi**  
Company Secretary

Place : Mumbai  
Date : 17 September 2019

Place : Mumbai  
Date : 17 September 2019

# STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2019

All amounts are in Indian Rupees and in Lakhs.

	Notes	Year ended 31 March 2019 Amount	Year ended 31 March 2018 Amount
<b>Income</b>			
Revenue from operations	21	55,563.15	90,404.55
Other income	22	2,409.37	7,625.37
<b>Total income</b>		<b>57,972.52</b>	<b>98,029.92</b>
<b>Expenses</b>			
Cost of construction materials consumed	23	11,945.29	22,063.46
Subcontracting expenses		34,797.06	45,504.51
Employee benefits expense	24	1,423.72	2,621.39
Finance costs	25	43,815.33	36,134.52
Depreciation and amortisation expense	26	2,103.04	2,190.97
Other expenses	27	4,814.99	8,946.85
<b>Total expenses</b>		<b>98,899.43</b>	<b>117,461.70</b>
<b>Profit/ (loss) before exceptional items and tax</b>		<b>(40,926.91)</b>	<b>(19,431.78)</b>
Exceptional items [expense/ (income)]	28	69,648.75	25,949.07
<b>Profit/ (loss) before tax</b>		<b>(110,575.66)</b>	<b>(45,380.85)</b>
<b>Tax expense/ (credit)</b>	7		
Current income tax		279.32	4,631.36
Deferred income tax		-	-
		279.32	4,631.36
<b>Profit/ (loss) for the year (A)</b>		<b>(110,854.98)</b>	<b>(50,012.21)</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		123.28	226.68
- Income tax effect on above		-	-
<b>Other comprehensive income for the year, net of tax (B)</b>		<b>123.28</b>	<b>226.68</b>
<b>Total comprehensive income/ (loss) for the year, net of tax (A+B)</b>		<b>(110,731.70)</b>	<b>(49,785.53)</b>

Earnings per equity share of nominal value ₹ 10 each

Basic and diluted (in ₹)	29	<b>(431.37)</b>	<b>(194.61)</b>
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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 Walker Chandiook & Co LLP**  
Chartered Accountants  
Firm Registration No. 001076N / N500013

**Rakesh R. Agarwal**  
Partner  
M.No. : 109632

**For Ramanand & Associates**  
Chartered Accountants  
Firm Registration No: 117776W

**Santosh Jadhav**  
Partner  
M.No. : 115983

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

**Bhawanishankar Sharma**  
Chairman  
DIN No : 01249834

**Vikram Sharma**  
Managing Director  
DIN No :01249904

**Sandeep Khandelwal**  
Chief Financial Officer

**Vijay Joshi**  
Company Secretary

Place : Mumbai  
Date : 17 September 2019

Place : Mumbai  
Date : 17 September 2019

# STANDALONE CASH FLOW STATEMENT

for the year ended 31 March 2019

All amounts are in Indian Rupees and in Lakhs.

	Year ended 31 March 2019 Amount	Year ended 31 March 2018 Amount
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net (loss) / profit before tax</b>	(110,575.66)	(45,380.85)
<b>Adjustments for</b>		
Depreciation and amortisation expense	2,103.04	2,190.97
Finance costs	42,461.49	36,134.52
Interest income	(349.85)	(7,538.55)
Dividend from current investments	(0.13)	(0.10)
Unapplied interest expense	9,668.74	0.00
Impairment allowance (allowance for doubtful financial assets)	(10,152.72)	10,783.53
Impairment loss - financial assets written off	45,938.33	15,716.74
Inventories written off	848.48	-
Gratuity and compensated absences	45.04	99.84
Excess provision no longer required written back	(59.04)	0.00
Profit on redemption of mutual funds (net)	(0.93)	(17.42)
Impairment provision on investments	11,672.70	701.5
Interest unwinding on financial assets	(780.59)	(7,039.57)
Fair value gain on mutual funds (valued at FVTPL)	-	(2.75)
Fair value gain on investments (valued at FVTPL)	(1,171.52)	-
<b>Operating profit before working capital changes</b>	<b>(10,352.62)</b>	<b>5,647.90</b>
<b>Adjustments for changes in working capital:</b>		
Decrease/(Increase) in trade receivables	(10,224.06)	(11,434.13)
Decrease/(Increase) in loans and advances / other advances	13,452.68	4,843.99
Decrease in inventories	243.83	3,095.10
(Decrease) / Increase in trade and other payables	(1,441.50)	(10,311.38)
<b>Cash generated used in operations</b>	<b>(8,321.68)</b>	<b>(8,158.52)</b>
Direct taxes paid (net of refunds received)	(203.49)	(214.46)
<b>Net cash used in generated from operating activities</b>	<b>(8,525.17)</b>	<b>(8,372.98)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment (including capital work in progress and capital advances)	-	(11.25)
Proceeds from sale of current investments	52.37	188.98
Net (investments in)/ proceeds from bank deposits (having original maturity of more than three months)	(361.52)	2,060.91
Interest received	55.99	140.45
Dividend received	0.13	0.10
<b>Net cash (used in) / generated from investing activities</b>	<b>(253.03)</b>	<b>2,379.19</b>

# STANDALONE CASH FLOW STATEMENT

for the year ended 31 March 2019

All amounts are in Indian Rupees and in Lakhs.

	Year ended 31 March 2019 Amount	Year ended 31 March 2018 Amount
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of long-term borrowings	(1,123.21)	(1,401.80)
Proceeds from short-term borrowings (net)	6,793.16	7,676.71
Proceeds/(repayment) of loan from related parties (net)	3,039.75	3,986.00
Interest paid	-	(4,479.38)
<b>Net cash generated from financing activities</b>	<b>8,709.70</b>	<b>5,781.53</b>
<b>Net decrease in cash and cash equivalents (A+B+C)</b>	<b>(68.49)</b>	<b>(212.26)</b>
Cash and cash equivalents at the beginning of the year	200.57	412.84
Cash and cash equivalents at the end of the year (Refer notes 12 and 18)	132.08	200.57
<b>Components of cash and cash equivalents considered only for the purpose of cash flow statement</b>		
In bank current accounts in Indian rupees	137.63	155.36
Cash on hand	9.73	60.49
Bank overdraft	(15.28)	(15.28)
	<b>132.08</b>	<b>200.57</b>

Note :

- 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.

The accompanying notes form an integral part of the standalone financial statements

This is the Cash Flow Statement referred to in our audit report of even date

**For Walker Chandiok & Co LLP**

Chartered Accountants  
Firm Registration No. 001076N / N500013

**Rakesh R. Agarwal**

Partner  
M.No. : 109632

**For Ramanand & Associates**

Chartered Accountants  
Firm Registration No: 117776W

**Santosh Jadhav**

Partner  
M.No. : 115983

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

**Bhawanishankar Sharma**

Chairman  
DIN No : 01249834

**Sandeep Khandelwal**

Chief Financial Officer

**Vikram Sharma**

Managing Director  
DIN No :01249904

**Vijay Joshi**

Company Secretary

Place : Mumbai  
Date : 17 September 2019

Place : Mumbai  
Date : 17 September 2019



# STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2019

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		
<b>As at 1 April 2017</b>	25,698,372	2,569.84
Issue of equity shares	-	-
<b>As at 31 March 2018</b>	25,698,372	2,569.84
Issue of equity shares	-	-
<b>As at 31 March 2019</b>	<b>25,698,372</b>	<b>2,569.84</b>

## b) Other equity

₹ in Lakhs

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 2017</b>	<b>1,619.54</b>	<b>25,291.56</b>	<b>3,033.82</b>	<b>52,198.84</b>	<b>82,143.76</b>
Profit/ (loss) for the year	-	-	-	(20,349.95)	(20,349.95)
Other comprehensive income for the year	-	-	-	24.47	24.47
<b>As at 31 March 2018</b>	<b>1,619.54</b>	<b>25,291.56</b>	<b>3,033.82</b>	<b>31,873.36</b>	<b>61,818.28</b>
"Transitional impact on implementation of Ind AS 115 [Refer note 2.1(xvi)]"	-	-	-	53.88	53.88
Profit/ (loss) for the year	-	-	-	(110,854.98)	(110,854.98)
Other comprehensive income for the year	-	-	-	123.28	123.28
<b>As at 31 March 2019</b>	<b>1,619.54</b>	<b>25,291.56</b>	<b>3,033.82</b>	<b>(128,589.99)</b>	<b>(98,645.07)</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 Walker Chandio & Co LLP**  
Chartered Accountants  
Firm Registration No. 001076N / N500013

**For Ramanand & Associates**  
Chartered Accountants  
Firm Registration No: 117776W

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

**Rakesh R. Agarwal**  
Partner  
M.No. : 109632

**Santosh Jadhav**  
Partner  
M.No. : 115983

**Bhawanishankar Sharma**  
Chairman  
DIN No : 01249834

**Vikram Sharma**  
Managing Director  
DIN No :01249904

**Sandeep Khandelwal**  
Chief Financial Officer

**Vijay Joshi**  
Company Secretary

Place : Mumbai  
Date : 17 September 2019

Place : Mumbai  
Date : 17 September 2019

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# SUMMARY OF SIGNIFICANT ACCOUNTING

policies and other explanatory information to the standalone financial statements  
for the year ended 31 March 2019

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## **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 2019 were authorised for issue in accordance with resolution of the Board of Directors on 17th September, 2019."

## **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."

### **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 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.

#### **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.

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# SUMMARY OF SIGNIFICANT ACCOUNTING

policies and other explanatory information to the standalone financial statements  
for the year ended 31 March 2019

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## **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.

## **Valuation of investment in/ loans to subsidiaries/ joint ventures**

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 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.

## **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.

## **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.

## **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:

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# SUMMARY OF SIGNIFICANT ACCOUNTING

policies and other explanatory information to the standalone financial statements  
for the year ended 31 March 2019

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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.

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.

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.

## **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 Company and the cost of the item can be measured reliably, less accumulated amortisation and accumulated impairment losses, if any.

## **viii Depreciation/ Amortisation**

### **Depreciation/ amortisation is provided:**

- a. Depreciation on tangible assets 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.
- b. Leasehold land is not amortised as these are in the nature of perpetual lease.
- c. Computer software and other application software costs are amortized over their estimated useful lives that is over a period of three years.

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 estimated useful lives are as below:

Building : 60 years (Assessed to be in line with Schedule II to the Act)

Plant and equipment: 5 - 12 years (Based on technical evaluation by management's expert)

Office equipment : 5 years (Assessed to be in line with Schedule II to the Act)

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# SUMMARY OF SIGNIFICANT ACCOUNTING

policies and other explanatory information to the standalone financial statements  
for the year ended 31 March 2019

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Furniture and fixtures :10 years (Assessed to be in line with Schedule II to the Act)

Vehicles : 6 years (Assessed to be in line with Schedule II to the Act)

Computers : 3 years (Assessed to be in line with Schedule II to the Act)

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."

## **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**

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 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.

#### **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.

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.

#### **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

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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.

## **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.

## **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.

### **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.

### **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 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.

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## **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.

## **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 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, labour welfare 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 Company has no further obligations beyond the monthly contributions.

### **b. Defined Benefit Plan**

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. 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 Company'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.

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## **xiii 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.

## **xiv 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.

## **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 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 fixed asset are capitalised and depreciated over the remaining useful life of the asset.

## **xvi. 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. 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.

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).



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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 discount and indirect taxes in its Statement of Profit and Loss.

## **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).

### **d. 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.

## **xvii. 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.

## **xviii. 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.

### **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.

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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.

## **xix. 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.

## **xx 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.

## **xxi. 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.

## **xxii. 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.

## **xxiii. 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

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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).

## **xxiv. 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.

## **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.

## **xxvi. 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.

## **xxvii. Share issue expenses**

Share issue expenses are charged off against available balance in the Securities premium reserve.

## **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.

### **i) 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.

### **ii) 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

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treatment should be considered separately or whether some 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.

### iii) 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 borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

### iv) 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
<b>Balance as at 1 April 2017</b>	6,835.67	54.70	5,709.18	15,313.24	297.11	262.95	75.02	29.17	28,577.04
Additions	-	-	-	10.83	-	-	0.42	-	11.25
Disposals	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2018</b>	6,835.67	54.70	5,709.18	15,324.07	297.11	262.95	75.44	29.17	28,588.29
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2019</b>	6,835.67	54.70	5,709.18	15,324.07	297.11	262.95	75.44	29.17	28,588.29
<b>Accumulated depreciation</b>									
<b>Balance as at 1 April 2017</b>	-	-	203.16	5,017.30	87.81	115.41	39.76	24.92	5,488.36
Depreciation charge	-	-	101.59	1,968.05	42.10	54.51	14.08	2.91	2,183.24
Accumulated depreciation on disposals	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2018</b>	-	-	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	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2019</b>	-	-	406.34	8,872.75	170.76	219.82	64.39	28.97	9,763.03
<b>Net carrying value</b>									
Balance as at 31 March 2018	6,835.67	54.70	5,404.43	8,338.72	167.20	93.03	21.60	1.34	20,916.69
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

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## B. Intangible assets

### Gross carrying value (at deemed cost)

	Computer software	Total
<b>Balance as at 1 April 2017</b>	<b>53.71</b>	<b>53.71</b>
Additions	-	-
Disposals	-	-
<b>Balance as at 31 March 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>
<b>Accumulated amortisation</b>		
<b>Balance as at 1 April 2017</b>	<b>34.37</b>	<b>34.37</b>
Amortisation charge	7.73	7.73
<b>Balance as at 31 March 2018</b>	<b>42.10</b>	<b>42.10</b>
Amortisation charge	11.61	11.61
<b>Balance as at 31 March 2019</b>	<b>53.71</b>	<b>53.71</b>
Net carrying value		
Balance as at 31 March 2018	11.61	11.61
Balance as at 31 March 2019	-	-

## Note 4. Non-current investments

	As at 31 March 2019	As at 31 March 2018
<b>I. Investments valued at deemed cost</b>		
Investment in equity shares		
- In subsidiaries	4.20	4.71
- In joint venture	-	9,337.60
Investment in preference shares		
- In joint venture	-	1,758.64
Investment in other instruments (deemed investment)		
Corporate guarantee		
- In subsidiaries	715.49	1,177.95
- In joint venture	-	114.00
Debt instruments		
- In subsidiaries	85,058.33	85,058.33
<b>II. Investments valued at amortised cost</b>		
Investment in preference shares		
- In other companies	456.60	411.36
- Investment in debentures		
In subsidiaries	72,655.81	70,620.47
<b>III. Investments valued at fair value through profit and loss</b>		
Investment in equity shares		
- In other companies	3,778.93	2,607.41
	<b>76,891.34</b>	<b>73,639.24</b>
<b>Total non-current investments</b>	<b>162,669.37</b>	<b>171,090.47</b>

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## Note 4.1 Detailed list of non-current investments

Face value of ₹ 10 each, unless otherwise stated

	As at 31 March 2019		As at 31 March 2018	
	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
<b>Less : Impairment provision</b>		(0.51)		-
- outside India				
Supreme Infrastructure Overseas LLC (Face Value of Omani Riyal 1 each)	150,000	<b>211.92</b>	150,000	211.92
Less : Impairment provision		<b>(211.92)</b>		<b>(211.92)</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)		-
Sanjose Supreme Tollways Development Private Limited		-	147,998	14.80
Less : Impairment provision		-		(14.80)
		-		<b>9,337.60</b>
<b>iii) Investments in joint venture in India</b>				
Sanjose Supreme Tollways Development Private Limited		147,998	14.80	-
Less : Impairment provision		-	(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)	100,789.00	-
		-		<b>1,758.64</b>
<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

# SUMMARY OF SIGNIFICANT ACCOUNTING

policies and other explanatory information to the standalone financial statements for the year ended 31 March 2019

All amounts are in Indian Rupees and in Lakhs.

	As at 31 March 2019		As at 31 March 2018	
	Nos	Amount	Nos	Amount
Less : Impairment provision		(134.00)		-
Supreme Kopargaon Ahmednagar Phase-I Tollways Private Limited		147.94		147.94
Less : Impairment provision		(147.94)		-
Patiala Nabha Infra Projects Private Limited		57.00		57.00
Less : Impairment provision		(57.00)		-
Supreme Suyog Funicular Ropeways Private Limited		51.72		51.72
Less : Impairment provision		(51.72)		-
Kotkapura Mukstar Tollways Private Limited		71.80		71.80
Less : Impairment provision		(71.80)		-
Supreme Panvel Indapur Tollways Private Limited		715.49		715.49
		<b>715.49</b>		<b>1,177.95</b>
<b>(ii) In joint ventures in India</b>				
Supreme Kopargaon Ahmednagar Tollways Private Limited		114.00		114.00
Less: Impairment provision		(114.00)		-
		-		<b>114.00</b>
<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		4,956.62		4,956.62
		<b>85,058.33</b>		<b>85,058.33</b>
<b>II. Investments valued at amortised cost</b>				
<b>a) Investments in preference shares In other companies in India</b>				
Kalyan Sangam Infratech Limited	609,375	456.60	609,375	411.36
Green Hill Barter Private Limited [Face value of ₹ 600 each]	100,000	438.83	100,000	438.84
Less : Impairment provision		(438.83)		(438.84)
		<b>456.60</b>		<b>411.36</b>
<b>b) Investments in debentures In a subsidiary companies in India</b>				
Supreme Infrastructure BOT Private Limited (Refer note 4.4)	806,000,000	62,454.12	806,000,000	62,454.12
0.001% Optionally Convertible Debenture				
Supreme Panvel Indapur Tollways Private Limited ^	111,000,000	10,201.69	98,000,000	8,166.35
0.001% Compulsory Convertible Debenture				
		<b>72,655.81</b>		<b>70,620.47</b>

^ On 29 March 2019 Company has made investment in 13,000,000 Compulsory Convertible Debentures of ₹ 10 each aggregating ₹130,000,000.

# SUMMARY OF SIGNIFICANT ACCOUNTING

policies and other explanatory information to the standalone financial statements for the year ended 31 March 2019

All amounts are in Indian Rupees and in Lakhs.

	As at 31 March 2019		As at 31 March 2018	
	Nos	Amount	Nos	Amount
<b>III. Investments valued at fair value through profit and loss, fully paid up, unquoted 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	3,778.42	12,183,648	1,799.52
Kalyan Sangam Infratech Limited	390,625	-	390,625	807.38
		<b>3,778.93</b>		<b>2,607.41</b>
<b>Total non-current investments</b>		<b>162,669.36</b>		<b>171,090.47</b>

Details	As at 31 March 2019	As at 31 March 2018
<b>Aggregate of non-current investments:</b>		
(i) Carrying value of unquoted investments	162,669.36	171,090.47
(ii) Aggregate amount of impairment in value of investment	12,338.76	665.56
(i) Investments carried at deemed cost	85,778.01	97,451.22
(ii) Investments carried at amortised cost	73,112.41	71,031.83
(iii) Investments carried at fair value through profit and loss	3,778.93	2,607.41
	<b>162,669.35</b>	<b>171,090.47</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:

Name of the Company	No. of equity shares pledged	
	31 March 2019	31 March 2018
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

Name of the Company	No. of preference shares pledged	
	31 March 2019	31 March 2018
Supreme Infrastructure BOT Holdings Private Limited	95,000	95,000
Kalyan Sangam Infratech Limited	609,375	609,375

Name of the Company	No. of debentures pledged	
	31 March 2019	31 March 2018
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 for the year ended 31 March 2019

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 2018: 1,899) equity shares of Supreme Infrastructure BOT Private Limited.

Note 4.4 The Company, as at 31 March 2019, has non-current investments in Supreme Infrastructure BOT Private Limited ('SIBPL'), a subsidiary company, amounting to ₹ 142,556.83 lakhs (31 March 2018 : ₹ 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 2019, the underlying projects are expected to achieve adequate profitability on substantial completion of the underlying projects. Further, in case of Supreme Manowarda Bhiwandi Infrastructure Private Limited ('SMBIPL'), a subsidiary of SIBPL, lenders have referred SMBIPL to NCLT under RBI circular dated 12 February 2018, for which response is awaited from NCLT. 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 2019 and due to which these are considered as good and recoverable.

## Note 5 Loans

### Unsecured, considered good

	As at 31 March 2019	As at 31 March 2018
<b>Non-current</b>		
Loans to related parties (Refer note 35)		
- considered doubtful	2,544.17	2,544.17
Less : Impairment loss provision	(2,544.17)	(2,544.17)
<b>Total non-current loans</b>	<b>-</b>	<b>-</b>
<b>Current</b>		
Security and other deposits	69.91	6.98
<b>Total current loans</b>	<b>69.91</b>	<b>6.98</b>
<b>Total loans</b>	<b>69.91</b>	<b>6.98</b>

Note 5.1 Break up of security details

### Unsecured, considered good

₹ in Lakhs

	As at 31 March 2019	As at 31 March 2018
Loans considered good - secured	-	-
Loans considered good - unsecured	69.91	6.98
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	2,544.17	2,544.17
<b>Total</b>	<b>2,614.08</b>	<b>2,551.15</b>
Less: Loss allowance	(2,544.17)	(2,544.17)
<b>Total loans</b>	<b>69.91</b>	<b>6.98</b>

# SUMMARY OF SIGNIFICANT ACCOUNTING

policies and other explanatory information to the standalone financial statements for the year ended 31 March 2019

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 the year	
	As At 31 March 2019	As at 31 March 2018	Year ended 31 March 2019	Year ended 31 March 2018
Supreme Infrastructure BOT Private Limited <sup>^</sup>	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>

<sup>^</sup> Represents contractual interest free loan to subsidiary amounting to ₹ 40,954.14 lakhs (31 March 2018 : ₹ 40,954.14 lakhs) considered and included in deemed investment as per Ind AS as these loans are perpetual in nature.

<sup>^^</sup> Subsidiary as per the Act, however classified as a joint venture under Ind AS

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 2019	As at 31 March 2018
<b>Investments in preference shares</b>		
0.001% CCPS of Sanjose Supreme Tollways Development Private Limited	11,734.00	11,734.00
<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:

# SUMMARY OF SIGNIFICANT ACCOUNTING

policies and other explanatory information to the standalone financial statements for the year ended 31 March 2019

All amounts are in Indian Rupees and in Lakhs.

Name of the Company	As at 31 March 2019	As at 31 March 2018
<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>
Supreme Infrastructure Overseas LLC has invested in following:		
<b>Investment in partnership firm</b>		
Sohar Stone LLC (Refer note ii)	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

₹ in Lakhs

	As at 31 March 2019	As at 31 March 2018
<b>Non-current</b>		
Margin money deposits (Refer note below)	328.86	418.57
Interest receivables on deposits	<b>21.91</b>	<b>13.83</b>
<b>Total non-current financial assets</b>	<b>350.77</b>	<b>432.40</b>

₹ In Lakhs

	As at 31 March 2019	As at 31 March 2018
<b>Current</b>		
Unbilled work ^	-	12,543.12
Interest accrued		
- on deposits	126.73	42.16
Receivable from related party (Refer note 34)		
- considered good	111.33	377.85
- considered doubtful	419.99	-
Employee advances		
- considered good	273.97	228.64
- considered doubtful	249.20	249.20
	<b>1,181.22</b>	<b>13,440.97</b>
<b>Less: impairment loss provision</b>	<b>(669.19)</b>	<b>(249.20)</b>
<b>Total current financial assets</b>	<b>512.03</b>	<b>13,191.77</b>
<b>Total other financial assets</b>	<b>862.80</b>	<b>13,624.17</b>

# SUMMARY OF SIGNIFICANT ACCOUNTING

policies and other explanatory information to the standalone financial statements for the year ended 31 March 2019

All amounts are in Indian Rupees and in Lakhs.

**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)

₹ in Lakhs

i. The following table provides the details of income tax assets and liabilities as at 31 March 2019 and 31 March 2018:

	As at 31 March 2019	As at 31 March 2018
a) Income tax assets	986.08	2,447.68
b) Current income tax liabilities	3,884.31	5,270.08
<b>Net income tax assets/(liabilities)</b>	<b>(2,898.23)</b>	<b>(2,822.40)</b>

ii. The gross movement in the current tax asset/ (liability) for the years ended 31 March 2019 and 31 March 2018 is as follows:

₹ in Lakhs

	Year ended 31 March 2019	Year ended 31 March 2018
Net current income tax assets/ (liabilities) at the beginning	(2,822.40)	1,594.50
Tax adjustments for earlier years	(279.32)	(4,631.36)
Income tax paid	203.49	214.46
<b>Net current income tax assets/ (liabilities) at the end</b>	<b>(2,898.23)</b>	<b>(2,822.40)</b>

iii. Income tax expense in the Statement of Profit and Loss comprises:

₹ in Lakhs

	As at 31 March 2019	As at 31 March 2018
Current income taxes (tax adjustments of earlier years)	279.32	4,631.36
Deferred income taxes	-	-
<b>Income tax expenses/ (income) (net)</b>	<b>279.32</b>	<b>4,631.36</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:

Profit/ (loss) before income tax	(110,575.66)	(45,380.85)
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	4,631.36
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>279.32</b>	<b>4,631.36</b>

v. Components of deferred income tax assets and liabilities arising on account of temporary differences are:

₹ in Lakhs

	As at 31 March 2019	As at 31 March 2018
<b>Deferred income tax asset</b>		
Impairment loss provision of financial assets	5,339.89	4,996.69
Provision for employee benefits	54.55	97.38
Unpaid bonus	22.71	7.96

# SUMMARY OF SIGNIFICANT ACCOUNTING

policies and other explanatory information to the standalone financial statements for the year ended 31 March 2019

All amounts are in Indian Rupees and in Lakhs.

	As at 31 March 2019	As at 31 March 2018
Unabsorbed depreciation and losses	36,834.31	15,048.33
Others	3,298.03	4,829.21
<b>Deferred tax assets</b>	<b>45,549.49</b>	<b>24,979.57</b>
<b>Deferred income tax liability</b>		
Timing difference on tangible and intangible assets depreciation and amortisation	(371.78)	(591.27)
Timing difference on disputed claims excluded for tax purpose	(2,808.00)	(2,575.23)
<b>Deferred tax liability</b>	<b>(3,179.78)</b>	<b>(3,166.50)</b>
<b>Deferred tax assets recognized to the extent of liabilities (Refer note below)</b>	<b>3,179.78</b>	<b>3,166.50</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

₹ in Lakhs

	As at 31 March 2019	As at 31 March 2018
<b>Non-current</b>		
Prepaid expenses	-	97.30
<b>Total other non-current assets</b>	<b>-</b>	<b>97.30</b>
<b>Current</b>		
Advance to suppliers and sub-contractors		
- considered good	1,580.05	4,371.91
- considered doubtful	3,055.52	3,055.52
Unbilled work <sup>^</sup>	13,669.51	-
Balances with government authorities	-	84.32
Prepaid expenses	-	194.60
<b>Total other current assets</b>	<b>18,305.08</b>	<b>7,706.35</b>
<b>Less : Impairment loss provision</b>	<b>(3,055.52)</b>	<b>(3,055.52)</b>
	15,249.56	4,650.83
<b>Total other assets</b>	<b>15,249.56</b>	<b>4,748.13</b>

## Note 9. Inventories

₹ in Lakhs

	As at 31 March 2019	As at 31 March 2018
Construction materials	3,587.13	4,679.43
<b>Total inventories</b>	<b>3,587.13</b>	<b>4,679.43</b>

# SUMMARY OF SIGNIFICANT ACCOUNTING

policies and other explanatory information to the standalone financial statements for the year ended 31 March 2019

All amounts are in Indian Rupees and in Lakhs.

## Note 10. Current investments

₹ in Lakhs

	As at 31 March 2019		As at 31 March 2018	
	No. of units	₹ Lakhs	No. of units	₹ Lakhs
<b>Investments in Non-trade, mutual funds (fair value through profit and loss)</b>				
Reliance Low Duration Fund - Daily Dividend Plan	250	2.63	250	2.52
S.B.I. Gold Fund - I-Growth Plan	-	-	250,000	24.53
Axis Bank Long Term Equity Fund	-	-	25,091	10.12
Axis Multicap Growth Fund	-	-	168,500	16.90
<b>Total current investments</b>		<b>2.63</b>		<b>54.07</b>

^ Face value of ₹ 10 each, unless otherwise stated

## Note 11 Trade receivables

₹ in Lakhs

	As at 31 March 2019		As at 31 March 2018	
<b>Current</b>				
<b>(unsecured, considered good unless stated otherwise)</b>				
- unsecured considered good (Refer note 11.1)		63,321.03		99,223.16
- considered doubtful		10,600.58		9,500.58
Receivables from related parties (Refer note 34)		7,285.20		8,197.35
		<b>81,206.81</b>		<b>116,921.09</b>
Less: Allowance for doubtful trade receivable		(10,600.58)		(9,500.58)
		(10,600.58)		(9,500.58)
<b>Total trade receivables</b>		<b>70,606.24</b>		<b>107,420.51</b>
11.1 Includes retention money		8,597.10		7,682.28
11.2 Trade receivables				
Trade receivables considered good - secured		-		-
Trade receivables considered good - unsecured		70,606.23		107,420.51
Trade receivables which have significant increase in credit risk		-		-
Trade receivables - credit impaired - unsecured		10,600.58		9,500.58
		<b>81,206.81</b>		<b>116,921.09</b>
Less: Loss allowance		(10,600.58)		(9,500.58)
<b>Total Trade receivables</b>		<b>70,606.23</b>		<b>107,420.51</b>

11.3 Trade receivables as at 31 March 2019 include ₹ 45,680.90 lakhs (31 March 2018: ₹ 55,396.37 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

# SUMMARY OF SIGNIFICANT ACCOUNTING

policies and other explanatory information to the standalone financial statements for the year ended 31 March 2019

All amounts are in Indian Rupees and in Lakhs.

11.4 Trade receivables as at 31 March 2019 includes ₹ 7,285.20 lakhs (31 March 2018: ₹ 8,197.35 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.

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 :

	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	9,500.58	12,169.98
Charge in the statement of profit & loss	1,100.00	7,699.00
Release to statement of profit & loss	-	(10,368.40)
<b>Balance at the end of the year</b>	<b>10,600.58</b>	<b>9,500.58</b>

₹ in Lakhs

## Note 12 Cash and cash equivalents

	As at 31 March 2019	As at 31 March 2018
Balances with banks		
- Current accounts in Indian rupees	137.63	155.36
Cash on hand	9.73	60.49
<b>Total cash and cash equivalents</b>	<b>147.36</b>	<b>215.85</b>

₹ in Lakhs

## Note 13 Other bank balances

	As at 31 March 2019	As at 31 March 2018
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	1,125.81
Balances with bank for unclaimed dividend (Refer note 13.1)	0.82	1.17
<b>Total other bank balances</b>	<b>1,570.12</b>	<b>1,126.98</b>

₹ in Lakhs

**Note 13.1** There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at 31 March 2019.

## Note 14 Share capital

	As at 31 March 2019	As at 31 March 2018
<b>Authorised share capital</b>		
72,500,000 Equity shares of ₹10 each (31 March 2018: 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 2018: 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>

₹ in Lakhs

# SUMMARY OF SIGNIFICANT ACCOUNTING

policies and other explanatory information to the standalone financial statements for the year ended 31 March 2019

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2,500,000 1% Non-cumulative redeemable preference shares of ₹10 each issued to BHS Housing Private Limited have been classified as financial liability (see Note 15.7).

	As at 31 March 2019	As at 31 March 2018
<b>Issued, subscribed and paid-up equity share capital</b>		
25,698,372 Equity shares of ₹ 10 each fully paid up (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	₹ Lakhs
<b>As at 1 April 2017</b>	<b>25,698,372</b>	<b>2,569.84</b>
Issued during the year	-	-
<b>As at 31 March 2018</b>	<b>25,698,372</b>	<b>2,569.84</b>
Issued during the year	-	-
<b>As at 31 March 2019</b>	<b>25,698,372</b>	<b>2,569.84</b>

## 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 31 March 2019		As 31 March 2018	
	% held	No. of Shares	% held	No. of shares
<b>Promoter</b>				
Bhawanishankar H Sharma	5.24%	1,346,708	6.56%	1,684,755
BHS Housing Private Limited	13.04%	3,350,000	13.04%	3,350,000
Vikram B Sharma	4.21%	1,082,942	4.75%	1,219,724
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:

- (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 2018: 7,937,334) equity shares held by the promoters of the Company (including promoter group Companies) as at 31 March 2019 are pledged as security in respect of amounts borrowed by the Company and its Group Companies.



# SUMMARY OF SIGNIFICANT ACCOUNTING

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- f. During the year ended 31 March 2019, one of the lender has invoked 474,829 (31 March 2018 : 427,000) 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

₹ in Lakhs

Non-current portion: Secured	As at 31 March 2019	As at 31 March 2018
<b>(A) Restructured rupee term loans (RTL)</b>		
(i) From Banks (Refer note 15.1 and 18.2)	12,253.62	12,986.23
(ii) From Others	4,954.44	5,842.32
<b>(B) Working capital term loan (WCTL) from banks</b> (Refer note 15.1)	20,397.87	36,585.06
<b>(C) Funded interest term loan (FITL)</b>		
(i) From Banks (Refer note 15.1 and 18.2)	5,944.41	22,387.81
(ii) From Others	283.12	1,401.49
<b>(D) Other rupee term loans</b>		
(i) From Banks	10.94	2,073.36
<b>Unsecured</b>		
Liability component of financial instruments [refer note 15.7 below]		
1% Non cumulative redeemable preference shares of ₹ 10 each (2,500,000 non cumulative, non convertible, redeemable preference shares of ₹ 10)	2,005.92	1,807.14
<b>Total non-current borrowings</b>	<b>45,850.31</b>	<b>83,083.41</b>

₹ in Lakhs

Current maturities of long-term borrowings Secured	As at 31 March 2019	As at 31 March 2018
<b>(A) Restructured rupee term loans (RTL)</b>		
(i) From Banks (Refer notes 15.1 and 18.2)	2,618.38	1,854.70
(ii) From Others	971.10	776.44
<b>(B) Working capital term loan (WCTL) from banks</b> (Refer note 15.1)	25,044.14	9,047.22
<b>(C) Funded interest term loan (FITL)</b>		
(i) From Banks (Refer note 15.1 and 18.2)	22,675.34	6,216.86
(ii) From Others	1,240.39	382.90
<b>(D) Other rupee term loans</b>		
(i) From Banks	2,118.77	280.12
(ii) From Others (Refer note 18.2)	9,091.98	9,091.98
<b>Total current maturities of long-term borrowings</b>	<b>63,760.10</b>	<b>27,650.22</b>
<b>Total borrowings</b>	<b>109,610.42</b>	<b>110,733.63</b>

Note: For security details and terms of repayment, refer note 15.3 below.

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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 2018: ₹ 17,383.02 lakhs) and the interest amount of ₹ 90,571.55 lakhs (31 March 2018: ₹ 38,441.32 lakhs) respectively is due and outstanding to be paid as at 31 March 2019.

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 2019) 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.

**Working capital term loan (WCTL)**

These loans carry an interest rate of SBI Base Rate+1% plus interest tax (11 % as at 31 March 2019) 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 2019) 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 of NIL shares (31 March 2018: 474,829 shares) of the Company
  - 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.

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- 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 immoveable property situated at (i) Village Talavali, Taluka-Bhiwandi, Thane; and (ii) Village Mouje-Dapode, Taluka-Sudhagad, Raigad.
- (viii) second charge on the immoveable 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. I3/2 and I3/1 (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 immoveable property situated at B Wing total area admeasuring 284,421 Sq. ft. at Supreme Business Park bearing Survey No. I3/2 and I3/1(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 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 immoveable 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, Sukhraul 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.

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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 2018: ₹ 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 2019) 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. "

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 2018 is as follows:

	Year ended 31 March 2019 Amount	Year ended 31 March 2018 Amount
Cash and Cash equivalents	147.36	215.85
Liquid Investments	2.63	54.07
Current borrowings (including interest accrued)	(174,204.18)	(144,322.61)
Non-current borrowings (including interest accrued and current maturities of long term borrowings)	(162,537.44)	(131,579.08)
<b>Net debt</b>	<b>(336,591.63)</b>	<b>(275,631.77)</b>

	Other assets		Liabilities from financing activities		Total
	Cash and Cash equivalents	Liquid investments	Non-current borrowings	Total equity attributable to equity holders	
<b>Net debt as at 1 April 2017</b>	<b>428.12</b>	<b>222.87</b>	<b>(121,137.74)</b>	<b>(118,215.57)</b>	<b>(238,702.32)</b>
Cash flows	(212.27)	(168.80)	1,401.80	(11,662.71)	(10,641.98)
Interest expense	-	-	(16,100.30)	(14,666.55)	(30,766.85)
Interest paid	-	-	4,257.16	222.22	4,479.38
<b>Net debt as at 1 April 2018</b>	<b>215.85</b>	<b>54.07</b>	<b>(131,579.08)</b>	<b>(144,322.61)</b>	<b>(275,631.77)</b>

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Cash flows	(68.49)	(51.44)	-	(9,832.91)	(9,952.84)
Interest expense (including unapplied interest expenses)	-	-	(32,081.57)	(20,048.66)	(52,130.23)
Interest paid	-	-	-	-	-
Principal Paid	-	-	1,123.21	-	1,123.21
<b>Net debt as at 31 March 2019</b>	<b>147.36</b>	<b>2.63</b>	<b>(162,537.44)</b>	<b>(174,204.18)</b>	<b>(336,591.63)</b>

## Note 16 Other financial liabilities

₹ in Lakhs

	As at 31 March 2019	As at 31 March 2018
<b>Non-current</b>		
Financial guarantees	447.38	556.73
<b>Total non-current financial liabilities</b>	<b>447.38</b>	<b>556.73</b>

₹ in Lakhs

	As at 31 March 2019	As at 31 March 2018
<b>Current</b>		
Current maturities of long-term borrowings (Refer note 15)	63,760.10	27,650.22
Interest accrued and due	90,571.55	38,441.32
Unclaimed dividends <sup>^</sup>	1.16	1.17
Financial guarantees	111.11	127.13
Others		
- Due to employees	901.62	1,641.93
- Security deposits	15.68	15.79
- Due to related parties	1,285.76	-
<b>Total current financial liabilities</b>	<b>156,646.98</b>	<b>67,877.56</b>
<b>Total other financial liabilities</b>	<b>157,094.36</b>	<b>68,434.29</b>

<sup>^</sup> Not due for credit to Investor Education and Protection Fund

₹ in Lakhs

	As at 31 March 2019	As at 31 March 2018
Other financial liabilities carried at amortised cost	157,094.36	68,434.29
Other financial liabilities carried at FVTPL	-	-

## Note 17 Provisions

₹ in Lakhs

	As at 31 March 2019	As at 31 March 2018
<b>Non-current</b>		
Provision for employee benefits (Refer note 32)		
- Gratuity	81.69	165.15
- Leave entitlement and compensated absences	52.87	113.63
<b>Total non-current provisions</b>	<b>134.56</b>	<b>278.78</b>

# SUMMARY OF SIGNIFICANT ACCOUNTING

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<b>Current</b>		
Provision for employee benefits (Refer note 32)		
- Gratuity	19.38	14.15
- Leave entitlement and compensated absences	20.90	19.19
<b>Total current provisions</b>	<b>40.28</b>	<b>33.34</b>
<b>Total provisions</b>	<b>174.84</b>	<b>312.12</b>

## Note 18 Current borrowings

₹ in Lakhs

	<b>As at 31 March 2019</b>	<b>As at 31 March 2018</b>
<b>I. Secured</b>		
<b>Rupee Loan from Banks</b>		
Cash credit facilities (Repayable on demand)	123,999.36	116,911.52
Term loan from banks (Refer notes 15.5 and 18.2)	1,674.26	2,240.99
	<b>125,673.62</b>	<b>119,152.51</b>
<b>II. Unsecured (Repayable on demand)</b>		
Bank overdraft	15.28	15.28
Loans from		
- related parties (Refer note 34) ^	10,598.72	7,558.96
- others ^	272.05	-
<b>Total current borrowings (I+II)</b>	<b>136,559.67</b>	<b>126,726.75</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 and corporate guarantee of BHS Housing Private Limited and Supreme Housing & Hospitality Private Limited.

The securities towards cash credit facilities also extends to the guarantees given by the banks on behalf of the Company aggregating ₹ 16,043.87 lakhs (31 March 2018: ₹ 24,894.09 lakhs).

Note 18.2 Non-current borrowings, short-term borrowings and other current financial liabilities as at 31 March 2019 include balances amounting to 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. 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 2019 is based on the original maturity terms stated in the agreements with the lenders.

### Note 19. Trade payables

₹ in Lakhs

	<b>As at 31 March 2019</b>	<b>As at 31 March 2018</b>
- Total outstanding dues of Micro Enterprises and Small Enterprises (Refer note 19.1)	123.18	122.20
- Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	11,925.39	14,714.82
<b>Total trade payables</b>	<b>12,048.57</b>	<b>14,837.02</b>

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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:

₹ in Lakhs

	As at 31 March 2019	As at 31 March 2018
Principal amount due to suppliers under MSMED Act	15.91	30.33
Interest accrued and due to suppliers under MSMED Act on the above amount	15.40	91.87
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	<b>67.78</b>	<b>55.12</b>
Interest accrued and remaining unpaid at the end of the accounting year	107.27	<b>91.87</b>
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: 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

₹ in Lakhs

	As at 31 March 2019	As at 31 March 2018
Advance from contractees (Refer note 34)	5,626.03	5,008.49
Statutory dues payable	10,082.89	8,737.12
<b>Total other current liabilities</b>	<b>15,708.92</b>	<b>13,745.61</b>

## Note 21 Revenue from operations

₹ in Lakhs

	Year ended 31 March 2019	Year ended 31 March 2018
Contract revenue	54,254.91	88,384.94
Sale of products	1,308.24	2,019.61
<b>Total revenue from operations</b>	<b>55,563.15</b>	<b>90,404.55</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

₹ in Lakhs

	As at 31 March 2019	As at 31 March 2018
Trade receivables	70,606.24	107,420.51
Unbilled work in progress (contract assets)	13,669.51	12,543.12

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.

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## Note 22 Other income

₹ in Lakhs

	Year ended 31 March 2019	Year ended 31 March 2018
Interest income		
- interest unwinding on financial assets	780.59	7,270.97
- interest unwinding on financial guarantees	127.13	127.13
- on margin money deposits	148.64	140.45
- on income tax refund	74.08	-
Dividend from current investments	0.13	0.10
Other non-operating income		
- Excess provision no longer required written back	59.04	-
- Gain on redemption of mutual funds (net)	0.93	17.42
- Fair value gain on mutual funds (valued at FVTPL)	-	2.75
- Fair value gain on investments (valued at FVTPL)	1,171.52	-
- Miscellaneous income	47.31	66.55
<b>Total other income</b>	<b>2,409.37</b>	<b>7,625.37</b>

## Note 23 Cost of construction materials consumed

₹ in Lakhs

	Year ended 31 March 2019	Year ended 31 March 2018
Stock at beginning of the year	4,679.43	7,774.52
Add: Purchases	10,852.99	18,968.37
Less: Stock at the end of the year	15,532.42	26,742.89
	3,587.13	4,679.43
<b>Total cost of construction materials consumed</b>	<b>11,945.29</b>	<b>22,063.46</b>

## Note 24 Employee benefits expense

₹ in Lakhs

	Year ended 31 March 2019	Year ended 31 March 2018
Salaries and wages	1,267.37	2,348.99
Contribution to provident and other funds (Refer note 32)	72.09	79.85
Gratuity (Refer note 32)	45.04	99.84
Staff welfare	39.22	92.71
<b>Total employee benefits expense</b>	<b>1,423.72</b>	<b>2,621.39</b>

## Note 25 Finance costs

₹ in Lakhs

	Year ended 31 March 2019	Year ended 31 March 2018
Interest on:		
- Term loans	22,412.83	16,100.30
- Cash credit facilities	20,048.66	14,666.55
- Others	625.74	3,616.98



# SUMMARY OF SIGNIFICANT ACCOUNTING

policies and other explanatory information to the standalone financial statements for the year ended 31 March 2019

All amounts are in Indian Rupees and in Lakhs.

Other borrowing costs		
- Bank charges and guarantee commission	728.10	1,750.69
<b>Total finance costs</b>	<b>43,815.33</b>	<b>36,134.52</b>

## Note 26 Depreciation and amortisation expense (Refer notes 3A and 3B)

₹ in Lakhs

	Year ended 31 March 2019	Year ended 31 March 2018
Depreciation on tangible assets	2,091.43	2,183.24
Amortisation on intangible assets	11.61	7.73
<b>Total depreciation and amortisation expense</b>	<b>2,103.04</b>	<b>2,190.97</b>

## Note 27 Other expenses

	Year ended 31 March 2019	Year ended 31 March 2018
Power and fuel	557.10	2,001.42
Rent and hire charges (Refer note 27.2)	509.27	2,349.50
Transportation charges	973.52	1,243.36
Repairs and maintenance	80.78	123.19
Insurance	32.61	144.43
Rates and taxes	571.39	14.96
Impairment allowance (financial assets)	-	469.20
Impairment loss (financial asset written off)	-	82.00
Communication	35.49	46.04
Advertisement	0.58	24.88
Printing and stationary	11.81	22.90
Travelling and conveyance	39.63	72.77
Legal and professional	1,310.00	1,306.00
Directors' sitting fees (Refer note 34)	30.20	18.60
Auditors' remuneration:		
i) Statutory audit fees	97.00	98.50
ii) Limited review fees	38.00	36.50
iii) Others	8.00	
iv) Reimbursement of out of pocket expenses	3.00	3.50
Miscellaneous	516.61	889.10
<b>Total other expenses</b>	<b>4,814.99</b>	<b>8,946.85</b>

Note

- The Company is not liable to incur any expenses on Corporate Social Responsibility as per section 135 of the Companies Act, 2013.
- 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

₹ in Lakhs

	Year ended 31 March 2019	Year ended 31 March 2018
Impairment allowance including expected credit loss allowance (allowance for doubtful, trade receivable and other financial assets)	1,519.99	9,648.78
Impairment allowance on investments	11,673.21	665.55
Financial assets written off (trade receivable, other financial assets and loans written off)	45,938.33	15,634.74

# SUMMARY OF SIGNIFICANT ACCOUNTING

policies and other explanatory information to the standalone financial statements for the year ended 31 March 2019

All amounts are in Indian Rupees and in Lakhs.

	Year ended 31 March 2019	Year ended 31 March 2018
Additional contractual interest expense and other charges	9,668.74	-
Inventories written off	848.48	-
<b>Total exceptional items [expense/ (Income)]</b>	<b>69,648.75</b>	<b>25,949.07</b>

## Note 29 Earnings per share (EPS) Basic and diluted EPS

₹ in Lakhs

	Year ended 31 March 2019	Year ended 31 March 2018
Profit 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)	(110,854.98)	(50,012.21)
Weighted average number of equity shares for EPS computation (Nos.)	25,698,372	25,698,372
EPS - Basic and Diluted EPS (₹)	(431.37)	(194.61)

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

₹ in Lakhs

	As at 31 March 2019	As at 31 March 2018
(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."

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.

# SUMMARY OF SIGNIFICANT ACCOUNTING

policies and other explanatory information to the standalone financial statements for the year ended 31 March 2019

All amounts are in Indian Rupees and in Lakhs.

## 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
	31 March 2019	31 March 2018		
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

	As at 31 March 2019	As at 31 March 2018
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

	As at 31 March 2019	As at 31 March 2018
Capital commitment	-	79,417.88

### iv) Summarised statement of profit and loss account

	Year ended 31 March 2019	Year ended 31 March 2018
Revenue	2,233.22	4,877.00
Other income	-	8.02
Total expenses (including taxes)	20,163.19	28,479.47

### 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.

# SUMMARY OF SIGNIFICANT ACCOUNTING

policies and other explanatory information to the standalone financial statements for the year ended 31 March 2019

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## 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.

₹ in Lakhs

a) Changes in defined benefit obligations	Year ended 31 March 2019	Year ended 31 March 2018
<b>Present value of obligation as at the beginning of the year</b>	<b>179.30</b>	<b>318.01</b>
Interest cost	14.67	24.70
Current service cost	30.37	60.14
Remeasurements - Net actuarial (gains)/ losses	(123.27)	(226.67)
Benefits paid	-	(11.88)
Past Service Cost	-	15.00
<b>Present value of obligation as at the end of the year</b>	<b>101.07</b>	<b>179.30</b>

₹ in Lakhs

b) Expenses recognised in the Statement of Profit and Loss	Year ended 31 March 2019	Year ended 31 March 2018
Interest cost	14.67	24.70
Current service cost	30.37	60.14
Past Service Cost	-	15.00
<b>Total</b>	<b>45.04</b>	<b>99.84</b>

₹ in Lakhs

c) Remeasurement (gains)/ losses recognised in OCI	Year ended 31 March 2019	Year ended 31 March 2018
Actuarial changes arising from changes in financial assumptions	(11.26)	(9.94)
Actuarial changes arising from changes in demographic assumptions	6.04	(4.56)
Experience adjustments	(118.06)	(212.18)
<b>Total</b>	<b>(123.28)</b>	<b>(226.68)</b>

d) Actuarial assumptions	As at 31 March 2019	As at 31 March 2018
Discount rate	7.47% p.a.	7.83% p.a.
Salary escalation rate - over a long-term	6.00% p.a.	8.00% p.a.
Mortality rate	Indian assured lives mortality (2012-13) ultimate	Indian assured lives mortality (2006-08) ultimate

The attrition rate varies from 1% to 14% (31 March 2018: 1% to 8%) 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.

# SUMMARY OF SIGNIFICANT ACCOUNTING

policies and other explanatory information to the standalone financial statements for the year ended 31 March 2019

All amounts are in Indian Rupees and in Lakhs.

₹ in Lakhs

e) Quantities sensitivity analysis for significant assumption is as below:	As at 31 March 2019	As at 31 March 2018
		1% increase
i. Discount rate	(9.21)	(16.34)
ii. Salary escalation rate - over a long-term	9.42	16.71
		1% increase
i. Discount rate	9.72	17.25
ii. Salary escalation rate - over a long-term	(9.21)	(16.35)

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.

₹ in Lakhs

f) Maturity analysis of defined benefit obligation	As at 31 March 2019	As at 31 March 2018
Within the next 12 months	20.09	14.70
Between 2 and 5 years	62.27	77.89
Between 6 and 10 years	51.99	87.29
Total expected payments	<b>134.35</b>	<b>179.88</b>

## B Defined contribution plans

₹ in Lakhs

a) The Company has recognised the following amounts in the Statement of Profit and Loss for the year:	As at 31 March 2019	As at 31 March 2018
(i) Contribution to provident fund	38.36	66.16
(ii) Contribution to ESIC	33.73	13.69
	<b>72.09</b>	<b>79.85</b>

b) The expenses for leave entitlement and compensated absences is recognized in the same manner as gratuity and provision of ₹ 59.04 lakhs (31 March 2018: ₹ 132.82 lakhs) has been made as at 31 March 2019.

## C Current/ non-current classification

₹ in Lakhs

	As at 31 March 2019	As at 31 March 2018
<b>Gratuity</b>		
Current	19.38	14.15
Non-current	81.69	165.15
	<b>101.07</b>	<b>179.30</b>
<b>Leave entitlement (including sick leave)</b>		
Current	20.90	19.19
Non-current	52.87	113.63
	<b>73.77</b>	<b>132.82</b>

## Note 33 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,

# SUMMARY OF SIGNIFICANT ACCOUNTING

policies and other explanatory information to the standalone financial statements for the year ended 31 March 2019

All amounts are in Indian Rupees and in Lakhs.

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 Company 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:

₹ in Lakhs

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	4	456.60	-	-	-	-	456.60	456.60
Investment in debentures	4	72,655.81	-	-	-	-	72,655.81	72,655.81
Investment in equity instruments	4	-	3,778.93	-	-	-	3,778.93	3,778.93
Investments in mutual funds	10	-	2.63	-	-	-	2.63	2.63
Trade receivables	11	70,606.24	-	-	-	-	70,606.24	70,606.24
Loans	5	69.91	-	-	-	-	69.91	69.91
Others financial assets	6	862.80	-	-	-	-	862.80	862.80
Cash and cash equivalents	12	147.36	-	-	-	-	147.36	147.36
Other bank balances	13	1,570.12	-	-	-	-	1,570.12	1,570.12
<b>Liabilities:</b>								
Borrowings	15,18	246,170.09	-	-	-	-	246,170.09	246,170.09
Trade payables	19	12,048.57	-	-	-	-	12,048.57	12,048.57
Other financial liabilities	16	93,781.64	-	-	-	-	93,781.64	93,781.64

The carrying value and fair value of financial instruments by categories as at 31 March 2018 were as follows

₹ in Lakhs

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	4	411.36	-	-	-	-	411.36	411.36
Investment in debentures	4	70,620.47	-	-	-	-	70,620.47	70,620.47
Investment in equity instruments		-	2,607.41	-	-	-	2,607.41	2,607.41

# SUMMARY OF SIGNIFICANT ACCOUNTING

policies and other explanatory information to the standalone financial statements for the year ended 31 March 2019

All amounts are in Indian Rupees and in Lakhs.

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		
Investments in mutual funds	10	-	54.07	-	-	-	54.07	54.07
Trade receivables	11	107,420.51	-	-	-	-	107,420.51	107,420.51
Loans	5	6.98	-	-	-	-	6.98	6.98
Others financial assets	6	13,624.17	-	-	-	-	13,624.17	13,624.17
Cash and cash equivalents	12	215.85	-	-	-	-	215.85	215.85
Other bank balances	13	1,126.98	-	-	-	-	1,126.98	1,126.98
<b>Liabilities:</b>								
Borrowings	15,18	237,460.38	-	-	-	-	237,460.38	237,460.38
Trade payables	19	14,837.02	-	-	-	-	14,837.02	14,837.02
Other financial liabilities	16	41,340.79	-	-	-	-	41,340.79	41,340.79

## 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 31 March 2019			As at 31 March 2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets						
Investments in mutual funds	2.63	-	-	54.07	-	-
Investments in equity instruments	-	-	3,778.93	-	-	2,607.41

## Note 34 Disclosure in accordance with Ind-AS 24 Related Party Transactions

### A. Names of related parties and nature of relationship

₹ in Lakhs

Name of the entity	Country of incorporation	Company's holding as at (%)		Subsidiary of
		31 March 2019	31 March 2018	
<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

# SUMMARY OF SIGNIFICANT ACCOUNTING

policies and other explanatory information to the standalone financial statements for the year ended 31 March 2019

All amounts are in Indian Rupees and in Lakhs.

Name of the entity	Country of incorporation	Company's holding as at (%)		Subsidiary of
		31 March 2019	31 March 2018	
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) Jointly controlled entities

	Country of incorporation	Company's holding as at (%)		Subsidiary of
		31 March 2019	31 March 2018	
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 Tembhorni 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

## (c) Associates

	Country of incorporation	Company's holding as at (%)		Subsidiary of
		31 March 2019	31 March 2018	
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



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policies and other explanatory information to the standalone financial statements for the year ended 31 March 2019

All amounts are in Indian Rupees and in Lakhs.

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

## (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

₹ in Lakhs

Transactions with related parties:		Year ended 31 March 2019	Year ended 31 March 2018
<b>Rendering of services</b>			
Supreme Panvel Indapur Tollways Private Limited	Subsidiary	18,233.63	22,775.08
Supreme Ahmednagar Karmala Tembhorni Tollways Private Limited	Jointly controlled entity	-	633.41
Supreme Suyog Funicular Ropeways Private Limited	Subsidiary	83.00	91.17
Kopargaon Ahmednagar Tollways (Phase I) Private Limited	Subsidiary	998.00	450.42

# SUMMARY OF SIGNIFICANT ACCOUNTING

policies and other explanatory information to the standalone financial statements for the year ended 31 March 2019

All amounts are in Indian Rupees and in Lakhs.

₹ in Lakhs

<b>Transactions with related parties:</b>		<b>Year ended 31 March 2019</b>	<b>Year ended 31 March 2018</b>
Supreme Kopargaon Ahmednagar Tollways Private Limited	Jointly controlled entity	86.00	986.80
Supreme Vasai Bhiwandi Tollways Private Limited	Subsidiary	271.00	228.95
Supreme Manorwada Bhiwandi Infrastructure Private Limited	Subsidiary	227.25	2,000.71
Patiala Nabha Infra Projects Private Limited	Subsidiary	451.39	-
		<b>20,350.27</b>	<b>27,166.54</b>
<b>Interest unwinding on financial assets carried at amortised cost</b>			
Supreme Infrastructure BOT Private Limited	Subsidiary	-	6,189.55
Supreme Panvel Indapur Tollways Private Limited	Subsidiary	-	809.28
#REF!	Other related party	780.59	40.77
		<b>780.59</b>	<b>7,039.59</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
Supreme 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	21.42	21.42
Supreme Suyog Furnicular Private Limited	Subsidiary	4.60	4.60
		<b>127.13</b>	<b>127.13</b>
<b>Receipt of services</b>			
Supreme Mega Structures Private Limited	Subsidiary	305.76	552.69
		<b>305.76</b>	<b>552.69</b>
<b>Finance cost on redeemable preference shares</b>			
BHS Housing Private Limited	Other related party	198.78	179.09
		<b>198.78</b>	<b>179.09</b>

## Note 34 Disclosure in accordance with Ind-AS 24 Related Party Transactions

₹ in Lakhs

		<b>Year ended 31 March 2019</b>	<b>Year ended 31 March 2018</b>
<b>Remuneration/ Director sitting fees</b>			
Mr. Vijay Joshi	Company secretary	20.09	19.80
Mr. Sandeep Khandelwal	Chief financial officer	35.13	17.56
Mr. V.P. Singh	Independent director	7.90	5.50
Mr. Vinod Agarwal	Independent director	6.90	3.70
Mr. S.K. Mishra	Independent director	7.40	5.40
Mrs. Nilima Mansukhani	Independent director	6.50	4.00

# SUMMARY OF SIGNIFICANT ACCOUNTING

policies and other explanatory information to the standalone financial statements for the year ended 31 March 2019

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		Year ended 31 March 2019	Year ended 31 March 2018
Mr. Dakshendra Brijballabh Agrawal	Non executive director	85.42	55.96
<b>Loan taken from</b>			
Mr. Bhawanishankar Sharma	Key Managerial Personnel	848.41	594.04
Mrs. Vikas Sharma	Key Managerial Personnel	-	16.42
Supreme Innovative Buildings Private Limited	Other related parties	-	3,396.85
BVB Infracorp Private Limited	Other related parties	1,549.70	-
BVR Infracorp Private Limited	Other related parties	1,826.86	-
VSB Infracorp Private Limited	Other related parties	2,212.00	-
		<b>6,439.97</b>	<b>4,007.31</b>
<b>Loan repaid to</b>			
Mr. Vikas Sharma	Key Managerial Personnel	-	20.98
Mr. Vikram Sharma	Key Managerial Personnel	3.37	-
Supreme Innovative Buildings Private Limited	Other related parties	3,396.85	-
		<b>3,400.22</b>	<b>20.98</b>

## C) Outstanding balances:

₹ in Lakhs

		As at 31 March 2019	As at 31 March 2018
<b>Outstanding trade receivables</b>			
Supreme Panvel Indapur Tollways Private Limited	Subsidiary	1,653.52	895.30
Supreme Manor Wada Bhiwandi Infrastructure Private Limited	Subsidiary	-	1,552.98
Supreme Suyog Funicular Ropeways Private Limited	Subsidiary	642.67	558.72
Supreme Housing and Hospitality Private Limited	Other related party	65.01	653.43
BHS Housing Private Limited	Other related party	60.28	-
Patiala Nabha Infra Projects Private Limited	Subsidiary	1,848.84	1,345.92
Kopargaon Ahmednagar Tollways (Phase I) Private Limited	Subsidiary	1,378.10	1,703.32
Kotkapura Muktsar Tollways Private Limited	Subsidiary	424.46	498.75
Supreme Kopargaon Ahmednagar Tollways Private Limited	Jointly controlled entity	883.12	852.47
Mohul Kurul Kamti Mandrup Tollways Private Limited*	Subsidiary	1.28	1.28
Supreme Vasai Bhiwandi Tollways Private Limited	Subsidiary	327.92	135.18
		<b>7,285.20</b>	<b>8,197.35</b>
<b>Unbilled work in progress</b>			
Supreme Panvel Indapur Tollways Private Limited	Subsidiary	3,973	2,473
Supreme Vasai Bhiwandi Tollways Private Limited	Subsidiary	70	-
		<b>4,043.00</b>	<b>2,473.00</b>
<b>Loans receivable</b>			

# SUMMARY OF SIGNIFICANT ACCOUNTING

policies and other explanatory information to the standalone financial statements for the year ended 31 March 2019

All amounts are in Indian Rupees and in Lakhs.

		As at 31 March 2019	As at 31 March 2018
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>
<b>Other financial assets</b>			
Receivable from related party			
Supreme Suyog Funicular Ropeways Private Limited*	Subsidiary	360.31	360.31
Supreme Infrastructure BOT Holdings Private Limited	Jointly controlled entity	-	17.54
Supreme Infrastructure BOT Private Limited*	Subsidiary	59.68	-
Supreme Innovative Buildings Private Limited	Other related party	111.33	-
		<b>531.32</b>	<b>377.85</b>
₹ in Lakhs			
		As at 31 March 2019	As at 31 March 2018
<b>Outstanding Payables</b>			
Long-term borrowings			
1% Non cumulative redeemable preference shares of ₹ 10 each			
BHS Housing Private Limited		2,005.92	1,807.14
		<b>2,005.92</b>	<b>1,807.14</b>
<b>Short-term borrowings</b>			
Mr. Bhawanishankar Sharma	Key Managerial Personnel	3,118.38	2,269.96
Mr. Vikram Sharma	Key Managerial Personnel	1,158.07	1,161.44
Mr. Vikas Sharma	Key Managerial Personnel	730.71	730.71
#REF!	Other related parties	-	3,396.85
BVB Infracorp Private Limited	Other related parties	1,549.70	-
BVR Infracorp Private Limited	Other related parties	1,826.86	-
VSB Infracorp Private Limited	Other related parties	2,212.00	-
		<b>10,595.72</b>	<b>7,558.96</b>
<b>Trade payable</b>			
Supreme Mega Structures Private Limited	Subsidiary	52.11	189.20
		<b>52.11</b>	<b>189.20</b>
<b>Other financial liabilities</b>			
Mr. Vijay Joshi	Key Managerial Personnel	8.43	9.80
Mr. Sandeep Khandelwal	Chief financial officer	20.48	8.78
Mr. V.P. Singh	Independent Directors	8.75	3.15
Mr. Vinod Agarwala	Independent Directors	7.30	2.70

# SUMMARY OF SIGNIFICANT ACCOUNTING

policies and other explanatory information to the standalone financial statements for the year ended 31 March 2019

All amounts are in Indian Rupees and in Lakhs.

		As at 31 March 2019	As at 31 March 2018
Mr. S.K. Mishra	Independent Directors	7.40	2.79
Mrs. Nilima Mansukhani	Independent Directors	6.50	0.99
Mr. Dakshendra Agarwala	Non- Executive Director	2.94	-
Supreme Infrastructure BOT Holdings Private Limited	Subsidiary	1,285.76	-
		<b>1,347.56</b>	<b>28.21</b>
<b>Advance from contractees</b>			
Supreme Best Value Kolhapur (Shiroli) Sangli Tollways Private Limited	Jointly controlled entity	231.80	254.29
Sanjose Supreme Tollways Development Private Limited	Other related party	358.28	637.21
Supreme Housing and Hospitality Private Limited	Other related party	25.42	25.42
Supreme Ahmednagar Karmala Tembhurni Tollways Private Limited	Jointly controlled entity	3,054.16	3,054.17
Supreme Manorwada Bhiwandi Infrastructure Private Limited	Subsidiary	90.34	-
		<b>3,760.00</b>	<b>3,971.08</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 Muksar 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

Notes:

- Mr. Bhawanishankar Sharma, Mr. Vikram Sharma and Mr. Vikas Sharma have agreed for waiver of remuneration for the years ended 31 March 2019 and 31 March 2018 in view of the losses incurred by the Company.
- Refer notes 4.2, 4.3, 15.3 and 18.1 for personal gurantee 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.

# SUMMARY OF SIGNIFICANT ACCOUNTING

policies and other explanatory information to the standalone financial statements for the year ended 31 March 2019

All amounts are in Indian Rupees and in Lakhs.

## 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:"

₹ in Lakhs

	31 March 2019	31 March 2018
Increase in basis points	50 basis points	50 basis points
Effect on loss before tax, increase by	1,230.85	1,187.30
Decrease in basis points	50 basis points	50 basis points
Effect on loss before tax, decrease by	1,230.85	1,187.30

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 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**

₹ in Lakhs

Particulars	31 March 2019 %	31 March 2018 %
Revenue from government promoted agencies	77.83	81.53
Revenue from others	22.17	18.47
	<b>100.00</b>	<b>100.00</b>

# SUMMARY OF SIGNIFICANT ACCOUNTING

policies and other explanatory information to the standalone financial statements for the year ended 31 March 2019

All amounts are in Indian Rupees and in Lakhs.

**The following table gives details in respect of contract revenues generated from the top customer and top 5 customers for the year ended:**

₹ in Lakhs

Particulars	31 March 2019	31 March 2018
Revenue from top customer	18,233.63	22,775.08
Revenue from top five customers	30,809.00	45,038.26

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 is stated below: ^**

₹ in Lakhs

Particulars	31 March 2019	31 March 2018
Balance at the beginning of the year	249.20	180.00
Charge in the statement of profit and loss	419.99	69.20
Release to the statement of profit and loss	-	-
Balance at the end of the year	669.20	249.20

^ 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:

₹ in Lakhs

Particulars	On demand	Less than 1 year	1 - 5 years	More than 5 years	Total
<b>As at 31 March 2019</b>					
Borrowings (including interest accrued)	136,559.67	154,331.65	43,990.97	1,859.34	336,741.63
Trade payables	-	12,048.57	-	-	-
Other financial liabilities	-	2,762.71	-	-	2,762.71
<b>Total</b>	<b>136,559.67</b>	<b>169,142.94</b>	<b>43,990.97</b>	<b>1,859.34</b>	<b>339,504.34</b>
<b>As at 31 March 2018</b>					
Borrowings (including interest accrued)	126,726.75	66,091.54	70,612.31	12,471.10	275,901.70
Trade payables	-	14,837.02	-	-	-
Other financial liabilities	-	1,786.01	-	-	1,786.01
<b>Total</b>	<b>126,726.75</b>	<b>82,714.58</b>	<b>70,612.31</b>	<b>12,471.10</b>	<b>277,687.71</b>

### 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.

# SUMMARY OF SIGNIFICANT ACCOUNTING

policies and other explanatory information to the standalone financial statements  
for the year ended 31 March 2019

All amounts are in Indian Rupees and in Lakhs.

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).

₹ in Lakhs

	As at 31 March 2019	As at 31 March 2018
Total debts	336,741.63	275,901.70
Total equity	(96,075.23)	14,602.59
<b>Total debts to equity ratio (Gearing ratio)</b>	<b>139.92%</b>	<b>94.97%</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)

**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 ₹ 100,000 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 ₹ 110,854.98 lakhs during the year ended 31 March 2019 and, has also suffered losses from operations during the preceding financial years and of that date, the Company's accumulated losses amounts to ₹ 128,589.99 lakhs and its current liabilities exceeded its current assets by ₹ 232,157.67 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 Walker Chandio & Co LLP**

Chartered Accountants  
Firm Registration No. 001076N / N500013

**Rakesh R. Agarwal**

Partner  
M.No. : 109632

**For Ramanand & Associates**

Chartered Accountants  
Firm Registration No: 117776W

**Santosh Jadhav**

Partner  
M.No. : 115983

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

**Bhawanishankar Sharma**

Chairman  
DIN No : 01249834

**Vikram Sharma**

Managing Director  
DIN No :01249904

**Sandeep Khandelwal**

Chief Financial Officer

**Vijay Joshi**

Company Secretary

Place : Mumbai  
Date : 17 September 2019

Place : Mumbai  
Date : 17 September 2019



# INDEPENDENT AUDITOR'S REPORT

## To the Members of Supreme Infrastructure India Limited Report on 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 2019, 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 2019, 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 2019 include trade receivables aggregating ₹ 41,075.63 lakhs (31 March 2018: ₹ 55,396.37 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 2018 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 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 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 2018 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 ₹ 126,960.70 lakhs and non-controlling interest amounting to ₹ 6,166.45 lakhs as at 31 March 2019 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 2019 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'), a 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 20.3 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 2019 include balances aggregating ₹ 10,255.23 lakhs and ₹ 3,355.47 lakhs, respectively in respect of which direct confirmations from the respective lenders

# INDEPENDENT AUDITOR'S REPORT

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 Muksar Tollways Private Limited, a subsidiary of the SIBPL, current maturities of non-current borrowings and other current financial liabilities as at 31 March 2019 include balances aggregating ₹ 356.47 lakhs and ₹ 96.23 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 20.5 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 2019 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, a 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 2019 aggregating ₹ 12,321.89 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 ₹ 142,320.73 lakhs during the year ended 31 March 2019 and, as of that date, the Group's accumulated losses amounts to ₹ 251,038.91 lakhs which have resulted in a full erosion of net worth of the Group and its current liabilities exceeded its current assets by ₹ 366,321.32 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

# INDEPENDENT AUDITOR'S REPORT

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 Group'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. Reconciled the cash flow forecast to the future business plan of the Group as approved by the Board of Directors;
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.

- 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.

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 2018, 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>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:</li> </ul>

# INDEPENDENT AUDITOR'S REPORT

<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>	<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 Group to deliver contracts within budgeted timelines and exposures, if any, to liquidated damages for late delivery; and</li> <li>• Assessed that the disclosures made by the management are in accordance with applicable accounting standards.</li> </ul>
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## 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

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# INDEPENDENT AUDITOR'S REPORT

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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 Matters**

17. We did not audit the financial statements of ten (10) subsidiaries, whose financial statements (before eliminating inter-company balances) reflects total assets of ₹ 361,928.40 lakhs and net liabilities of ₹ 50,253.60 lakhs as at 31 March 2019, total revenues (before eliminating inter-company transactions) of ₹ 45,449.62 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

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# INDEPENDENT AUDITOR'S REPORT

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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 ₹ 9,809.57 lakhs for the year ended 31 March 2019, 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 2019, 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 2019, 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 paragraphs 17 and 18, on separate financial statements of the subsidiaries and joint ventures, we report that the Holding Company, ten (10) subsidiary companies and four (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 (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, 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 and SIBPL, a subsidiary 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 and SIBPL, a subsidiary 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

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# INDEPENDENT AUDITOR'S REPORT

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Company and the reports of the other statutory auditors of its ten (10) subsidiary companies and four (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 2019 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 2019 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 and SIBPL, a subsidiary of 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 2019;
- 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 Walker Chandiok & Co LLP**

Chartered Accountants  
Firm Registration No: 001076N/N500013

per **Rakesh R. Agarwal**

Partner  
Membership No: 109632  
UDIN No: 19109632AAAAHF2754

Mumbai  
Date: 17 September 2019

**For Ramanand & Associates**

Chartered Accountants  
Firm Registration No: 117776W

per **Santosh Jadhav**

Partner  
Membership No: 115983  
UDIN No: 19115983AAAAAS8927

Mumbai  
Date: 17 September 2019

# ANNEXURE 1

to the Independent Auditor's Report of even date to the members of Supreme Infrastructure India Limited, on the consolidated financial statements for the year ended 31 March 2019

## **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')**

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 2019, we have audited the internal financial controls over financial reporting ("IFCoFR") of the Holding Company, its ten (10) subsidiary companies and its five (5) 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 ten (10) subsidiary companies, and five (5) 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 2019 with respect to the Holding Company, which is company covered under the Act. The possible effects of the following material weaknesses 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



# ANNEXURE 1

to the Independent Auditor's Report of even date to the members of Supreme Infrastructure India Limited, on the consolidated financial statements for the year ended 31 March 2019

in the group's carrying values of 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 2019, 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 2019.
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 2019, 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 2019 and total revenues of ₹ 45,449.62 lakhs and net cash outflows 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 in so far 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 the 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 2019, 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 Chandiok & 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 Chandiok & 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 in so far as it relates to one (1) 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 2019 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 in so far 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 Walker Chandiok & Co LLP For Ramanand & Associates

Chartered Accountants  
Registration No:  
001076N/N500013

per **Rakesh R. Agarwal**

Partner  
Membership No: 109632  
UDIN No: 19109632AAAAHF2754

Mumbai  
Date: 17 September 2019

Chartered Accountants Firm  
Firm Registration No:  
117776W

per **Santosh Jadhav**

Partner  
Membership No: 115983  
UDIN No: 19115983AAAAAS8927

Mumbai  
Date: 17 September 2019

# CONSOLIDATED BALANCE SHEET

as at 31 March 2019

₹ in Lakhs

	Notes	As at 31 March 2019	As at 31 March 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	19,186.68	21,362.48
Capital work-in-progress		669.30	669.30
Goodwill		-	270.42
Intangible assets	4	102,431.22	109,735.78
Intangible assets under development	5	204,574.20	175,183.49
Investments in joint venture and associates	6I	-	1,872.64
<b>Financial assets</b>			
Investments	6 II & III	4,235.53	3,018.77
Loans	7	84.10	84.10
Other financial assets	8	350.78	624.81
Deferred tax assets (net)	9	7.24	2.00
Other non-current assets	10	25,494.28	48,833.03
Income tax assets (net)	9	56.30	-
<b>Total non-current assets</b>		<b>357,089.63</b>	<b>361,656.82</b>
<b>Current assets</b>			
Inventories	11	3,587.13	4,679.43
<b>Financial assets</b>			
Investments	12	2.63	54.07
Loans	7	83.83	47.11
Trade receivables	13	69,750.88	108,802.89
Cash and cash equivalents	14	1,137.39	695.49
Other bank balances	15	1,576.48	1,130.88
Other financial assets	8	512.02	13,640.70
Other current assets	10	16,911.35	6,217.97
<b>Total current assets</b>		<b>93,561.71</b>	<b>135,268.54</b>
<b>Total Assets</b>		<b>450,651.34</b>	<b>496,925.36</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	16	2,569.84	2,569.84
Other equity		(221,472.46)	(79,328.89)
Equity attributable to owners of the parent		(218,902.62)	(76,759.05)
Non-controlling interests		(6,013.80)	(4,351.22)
<b>Total equity</b>		<b>(224,916.42)</b>	<b>(81,110.27)</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	17	209,655.72	273,092.98
Other financial liabilities	18	-	148.90
Provisions	19	6,029.01	5,589.53
Deferred tax liabilities (net)	9	-	-
<b>Total non-current liabilities</b>		<b>215,684.73</b>	<b>278,831.41</b>

# CONSOLIDATED BALANCE SHEET

as at 31 March 2019

	Notes	As at 31 March 2019	As at 31 March 2018
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	20	139,136.23	126,726.74
Trade payables	21		
- to micro enterprises and small enterprises		123.18	122.20
- to others		15,992.69	19,664.58
Other financial liabilities	18	282,931.01	133,651.99
Other current liabilities	22	18,714.68	16,147.01
Provisions	19	40.28	33.34
Income tax liabilities (net)	9	2,944.96	2,858.36
<b>Total current liabilities</b>		<b>459,883.03</b>	<b>299,204.22</b>
<b>Total Equity And Liabilities</b>		<b>450,651.34</b>	<b>496,925.36</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 Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm Registration No. 001076N / N500013

**For Ramanand & Associates**  
Chartered Accountants  
Firm Registration No: 117776W

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

**Rakesh R. Agarwal**  
Partner  
M.No. : 109632

**Santosh Jadhav**  
Partner  
M.No. : 115983

**B. H. Sharma**  
Chairman  
DIN No : 01249834

**Vikram Sharma**  
Managing Director  
DIN No :01249904

**Sandeep Khandelwal**  
Chief Financial Officer

**Vijay Joshi**  
Company Secretary

Place : Mumbai  
Date : 17 September 2019

Place : Mumbai  
Date : 17 September 2019

# STATEMENT OF CONSOLIDATED PROFIT AND LOSS

for the year ended 31 March 2019

₹ in Lakhs

	Notes	Year ended 31 March 2019	Year ended 31 March 2018
<b>Income</b>			
Revenue from operations	23	67,700.01	100,567.71
Other income	24	1,577.21	647.26
<b>Total income</b>		<b>69,277.22</b>	<b>101,214.97</b>
<b>Expenses</b>			
Cost of construction materials consumed	25	11,948.63	22,074.11
Subcontracting expenses		37,931.99	48,298.86
Employee benefits expense	26	2,082.23	3,370.11
Finance costs	27	60,145.45	47,628.93
Depreciation and amortisation expense	28	9,765.22	6,689.39
Other expenses	29	5,988.13	12,127.33
<b>Total Expenses</b>		<b>127,861.65</b>	<b>140,188.73</b>
<b>Profit/ (loss) before share of profit from associate, joint venture and exceptional items and tax</b>		<b>(58,584.43)</b>	<b>(38,973.76)</b>
Share of loss from associate and joint venture		9,809.57	16,234.00
Exceptional items	30	<b>75,304.45</b>	<b>37,597.59</b>
<b>Profit/ (loss) before tax</b>		<b>(143,698.45)</b>	<b>(92,805.35)</b>
<b>Tax expense/ (credit)</b>	9		
Current income tax		290.10	4,657.06
Deferred income tax		(5.24)	(15.44)
		<b>284.86</b>	<b>4,641.62</b>
<b>Profit/ (loss) for the year (A)</b>		<b>(143,983.31)</b>	<b>(97,446.97)</b>
<b>Attributable to:</b>			
Non-controlling interests		(1,662.58)	(2,034.31)
Owners of the parent		(142,320.73)	(95,412.66)
<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		123.28	226.68
- Income tax effect on above		-	-
<b>Other comprehensive income for the year, net of tax (B)</b>		<b>123.28</b>	<b>226.68</b>
<b>Total comprehensive income/ (loss) for the year, net of tax (A+B)</b>		<b>(143,860.03)</b>	<b>(97,220.29)</b>

# STATEMENT OF CONSOLIDATED PROFIT AND LOSS

for the year ended 31 March 2019

	Notes	Year ended 31 March 2019	Year ended 31 March 2018
<b>Attributable to:</b>			
Non-controlling interests		(1,662.58)	(2,034.31)
Owners of the parent		(142,197.45)	(95,185.98)
Earnings per equity share of nominal value ₹ 10 each			
Basic and diluted (in ₹)	31	<b>(553.81)</b>	<b>(371.28)</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 Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm Registration No. 001076N / N500013

**For Ramanand & Associates**  
Chartered Accountants  
Firm Registration No: 117776W

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

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DIN No :01249904

**Sandeep Khandelwal**  
Chief Financial Officer

**Vijay Joshi**  
Company Secretary

Place : Mumbai  
Date : 17 September 2019

Place : Mumbai  
Date : 17 September 2019

# CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 March 2019

₹ in Lakhs

	Year ended 31 March 2019	Year ended 31 March 2018
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net loss before tax	(143,698.45)	(92,805.35)
<b>Adjustments for</b>		
Depreciation and amortisation expense	9,765.22	6,689.39
Finance costs (including unapplied interest)	83,574.67	47,628.93
Interest income	(296.09)	(560.44)
Dividend from current investments	(0.13)	(0.10)
Resurfacing expense	583.70	2,536.27
Impairment allowance - (allowance for doubtful financial assets)	0.00	10,336.85
Impairment loss - financial assets written off	71,337.12	15,457.35
Impairment allowance - (allowance for doubtful debts)	1,100.00	-
Impairment allowance - (allowance for doubtful debts)	1,872.64	-
Impairment loss - Investments written off	-	12,272.59
Impairment loss- Inventories written off	848.48	-
Share of loss from associates & joint ventures	9,809.57	16,234.00
Provision for gratuity	45.04	326.52
Excess provision no longer required written back	(59.04)	-
Profit on redemption of mutual funds (net)	(0.93)	(17.42)
Fair value gain on mutual funds (valued at FVTPL)	-	(2.75)
Provision for loss written back in respect of a joint venture	(9,522.53)	-
<b>Operating profit before working capital changes</b>	<b>25,359.27</b>	<b>18,095.84</b>
<b>Adjustments for changes in working capital:</b>		
Decrease/(increase) in trade receivables	(33,385.11)	(24,658.46)
Decrease / (increase) in loans and advances / other advances	25,821.88	10,297.33
Decrease in inventories	243.82	3,095.05
(Decrease) / increase in trade and other payables	(31,738.39)	980.18
<b>Cash generated from / (used in) operations</b>	<b>(13,698.54)</b>	<b>7,809.94</b>
Direct taxes paid (net of refunds received)	(259.80)	(219.99)
Net cash (used in) / generated from operating activities	(13,958.34)	7,589.95
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment (including capital work in progress and capital advances)	(14.44)	(35,537.42)
Proceeds from sale of property, plant and equipment, intangible assets	-	-
Proceeds from sale of current investments	52.37	188.98
Net (investments in)/ proceeds from bank deposits (having original maturity of more than three months)	(163.49)	2,289.10

# CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 March 2019

₹ in Lakhs

	Year ended 31 March 2019	Year ended 31 March 2018
Purchase of non-current investments	-	-
Interest received	56.12	681.16
Dividend received	0.13	0.10
Net cash used in investing activities	(69.30)	(32,378.08)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from long-term borrowings	15,414.74	15,372.81
Repayment of long-term borrowings	(2,110.57)	(1,509.50)
Proceeds from short-term borrowings (net)	7,036.18	18,757.51
Proceeds/(repayment) of loan from related parties (net)	5,373.31	-
Interest paid	(11,244.12)	(8,550.38)
<b>Net cash generated from financing activities</b>	<b>14,469.54</b>	<b>24,070.44</b>
<b>Net (decrease) / increase in cash and cash equivalents (A+B+C)</b>	<b>441.90</b>	<b>(717.69)</b>
Cash and cash equivalents at the beginning of the year	680.21	1,397.90
<b>Cash and cash equivalents at the end of the year</b>	<b>1,122.11</b>	<b>680.21</b>
Components of cash and cash equivalents considered only for the purpose of cash flow statement		
In bank current accounts in Indian rupees	1,070.25	602.06
Cash on hand	67.14	93.43
Bank/ book overdraft	(15.28)	(15.28)
	<b>1,122.11</b>	<b>680.21</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 Walker Chandiook & Co LLP**  
Chartered Accountants  
Firm Registration No. 001076N / N500013

**For Ramanand & Associates**  
Chartered Accountants  
Firm Registration No: 117776W

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

**Rakesh R. Agarwal**  
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Chairman  
DIN No : 01249834

**Vikram Sharma**  
Managing Director  
DIN No :01249904

**Sandeep Khandelwal**  
Chief Financial Officer

**Vijay Joshi**  
Company Secretary

Place : Mumbai  
Date : 17 September 2019

Place : Mumbai  
Date : 17 September 2019

# CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

for the year ended 31 March 2019

## a) Equity share capital

Particulars	Number	₹ Lakhs
Equity shares of ₹ 10 each issued, subscribed and paid		
<b>As at 1 April 2016</b>	<b>25,698,372</b>	<b>2,569.84</b>
Issue of equity shares	-	-
<b>As at 31 March 2017</b>	<b>25,698,372</b>	<b>2,569.84</b>
Issue of equity shares	-	-
<b>As at 31 March 2018</b>	<b>25,698,372</b>	<b>2,569.84</b>

## b) Other equity

₹ in Lakhs

Particulars	Equity component on fair valuation of preference shares	Reserves and surplus			
		Securities premium reserve	General reserve	Retained earnings	Foreign currency monetary transactions
<b>As at 1 April 2017</b>	<b>1,619.54</b>	<b>25,291.56</b>	<b>3,033.82</b>	<b>(13,709.35)</b>	<b>(378.47)</b>
Profit/ (loss) for the year	-	-	-	(95,412.67)	-
Other comprehensive income/ (loss) for the year	-	-	-	226.68	-
<b>As at 31 March 2018</b>	<b>1,619.54</b>	<b>25,291.56</b>	<b>3,033.82</b>	<b>(108,895.34)</b>	<b>(378.47)</b>
"Transitional impact on implementation of Ind AS 115 [Refer note 2.1(xvi)]"	-	-	-	53.88	-
Profit/ (loss) for the year	-	-	-	(142,320.73)	-
Other comprehensive income/ (loss) for the year	-	-	-	123.28	-
<b>As at 31 March 2019</b>	<b>1,619.54</b>	<b>25,291.56</b>	<b>3,033.82</b>	<b>(251,038.91)</b>	<b>(378.47)</b>

₹ in Lakhs

Particulars	Total equity attributable to equity holders	Non-controlling interest	Total other equity
<b>As at 1 April 2017</b>	<b>15,857.10</b>	<b>(2,316.91)</b>	<b>13,540.19</b>
Profit/ (loss) for the year	(95,412.67)	(2,034.31)	(97,446.98)
Other comprehensive income/ (loss) for the year	226.68	-	226.68
<b>As at 31 March 2018</b>	<b>(79,328.89)</b>	<b>(4,351.22)</b>	<b>(83,680.11)</b>
"Transitional impact on implementation of Ind AS 115 [Refer note 2.1(xvi)]"	53.88	-	53.88
Profit/ (loss) for the year	(142,320.73)	(1,662.58)	(143,983.32)
Other comprehensive income/ (loss) for the year	123.28	-	123.28
<b>As at 31 March 2019</b>	<b>(221,472.46)</b>	<b>(6,013.80)</b>	<b>(227,486.27)</b>



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# CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

for the year ended 31 March 2019

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## 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 earning.

### 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 Walker Chandiook & Co LLP**  
Chartered Accountants  
Firm Registration No. 001076N / N500013

**For Ramanand & Associates**  
Chartered Accountants  
Firm Registration No: 117776W

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

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M.No. : 109632

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Managing Director  
DIN No :01249904

**Sandeep Khandelwal**  
Chief Financial Officer

**Vijay Joshi**  
Company Secretary

Place : Mumbai  
Date : 17 September 2019

Place : Mumbai  
Date : 17 September 2019

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# SUMMARY OF SIGNIFICANT ACCOUNTING

policies and other explanatory information to the consolidated financial statements  
for the year ended 31 March 2019

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## **Note 1 Corporate Information**

"Supreme Infrastructure India Limited ("the Company" or "Parent" or "SIL") 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 - 400076, 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 2019 were authorised for issue in accordance with resolution of the Board of Directors on 17 September 2019."

## **Note 2.1 Significant Accounting Policy**

### **(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

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# SUMMARY OF SIGNIFICANT ACCOUNTING

policies and other explanatory information to the consolidated financial statements  
for the year ended 31 March 2019

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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."

## **(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

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# SUMMARY OF SIGNIFICANT ACCOUNTING

policies and other explanatory information to the consolidated financial statements  
for the year ended 31 March 2019

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Supreme Mega Structures Private Limited

Supreme Infrastructure Overeas LLC

Kotkapura Muktsar Tollways Private Limited

Supreme Kopargaon 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 Tembhurni Tollways Private Limited

Supreme Best Value Kolhapur(Shiroli) Sangli Tollways Private Limited

Supreme Kopargaon 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 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

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# SUMMARY OF SIGNIFICANT ACCOUNTING

policies and other explanatory information to the consolidated financial statements  
for the year ended 31 March 2019

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'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:

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

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(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:

- a) 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.

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- b) Leasehold land is not amortised as these are perpetual lease.
- c) Computer software and other application software costs are amortized over their estimated useful lives that is over a period of three years.
- d) 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 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.

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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 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



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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 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,

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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 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.

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"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

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shown as net of all applicable taxes and discounts.

**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

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## **(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.

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).

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## **(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 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."

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## Note 3. Property, plant and equipment

### Tangible assets

#### Gross carrying value

₹ In Lakhs

	Freehold land	Leasehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office	Computers	Total
<b>Balance as at 1 April 2017</b>	6,835.67	54.70	5,765.56	16,658.37	298.01	292.69	113.19	31.21	30,049.40
Additions	-	-	-	10.95	-	-	3.94	0.69	15.58
Disposals	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2018</b>	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	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2019</b>	6,835.67	54.70	5,765.56	16,680.82	298.01	292.69	118.27	33.70	30,079.42
<b>Accumulated depreciation</b>									
<b>Balance as at 1 April 2017</b>	-	-	203.16	5,891.19	88.39	135.66	70.52	26.89	6,415.81
Depreciation charge	-	-	102.58	2,061.75	42.17	57.26	19.60	3.33	2,286.69
Accumulated depreciation on disposals	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2018</b>	-	-	305.74	7,952.94	130.56	192.92	90.12	30.22	8,702.50
Depreciation charge	-	-	102.58	1,980.94	40.92	52.21	12.15	1.44	2,190.24
Accumulated depreciation on disposals	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2019</b>	-	-	408.32	9,933.88	171.48	245.13	102.27	31.66	10,892.74
<b>Net carrying value</b>									
<b>Balance as at 31 March 2018</b>	6,835.67	54.70	5,459.82	8,716.38	167.45	99.77	27.01	1.68	21,362.48
<b>Balance as at 31 March 2019</b>	6,835.67	54.70	5,357.24	6,746.94	126.53	47.56	16.00	2.04	19,186.68

## Note 4 Intangible assets

₹ In Lakhs

Gross carrying value	Computer software	Toll collection rights	Total	Goodwill (Refer note 4.1)
<b>Balance as at 1 April 2017</b>	53.71	75,491.42	75,545.13	270.42
Additions	-	42,254.02	42,254.02	-
Disposals	-	-	-	-
<b>Balance as at 31 March 2018</b>	53.71	117,745.44	117,799.15	270.42
Additions	-	-	-	-

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Gross carrying value	Computer software	Toll collection rights	Total	Goodwill (Refer note 4.1)
Disposals	-	-	-	-
<b>Balance as at 31 March 2019</b>	<b>53.71</b>	<b>117,745.44</b>	<b>117,799.15</b>	<b>270.42</b>
<b>Accumulated amortisation</b>				
<b>Balance as at 1 April 2017</b>	<b>34.37</b>	<b>3,626.30</b>	<b>3,660.67</b>	-
Amortisation charge	7.73	4,394.97	4,402.70	-
Impairment charge	-	-	-	-
<b>Balance as at 31 March 2018</b>	<b>42.10</b>	<b>8,021.27</b>	<b>8,063.37</b>	-
Amortisation charge	11.61	7,292.95	7,304.56	-
Impairment charge	-	-	-	270.42
<b>Balance as at 31 March 2019</b>	<b>53.71</b>	<b>15,314.22</b>	<b>15,367.93</b>	<b>270.42</b>
<b>Net carrying value</b>				
<b>Balance as at 31 March 2018</b>	<b>11.61</b>	<b>109,724.17</b>	<b>109,735.78</b>	<b>270.42</b>
<b>Balance as at 31 March 2019</b>	<b>-</b>	<b>102,431.22</b>	<b>102,431.22</b>	<b>-</b>

## 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

₹ in Lakhs

	Amount
<b>Opening as at 1 April 2017</b>	<b>181,915.66</b>
Add: Addition during the year (including interest expenses ₹ 12,838.54 lakhs)	35,521.85
Less: Capitalized during the year	(42,254.02)
<b>Closing as at 31 March 2018</b>	<b>175,183.49</b>
Add: Addition during the year (including interest expenses ₹ 15,305.40 lakhs)	29,390.71
Less: Capitalized during the year	-
<b>Closing as at 31 March 2019</b>	<b>204,574.20</b>

### Note 5.1

In respect of Supreme Suyog Funicular Ropeways Private Limited ("SSFRPL"), Intangible Assets under Development (IAUD) as at 31 March 2019 represents amounts aggregating 12,321.89 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 30 September 2019 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 2019.



# SUMMARY OF SIGNIFICANT ACCOUNTING

policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2019

## Note 6. Non-current investments

₹ in Lakhs

	As at 31 March 2019	As at 31 March 2018
<b>I. Investments valued at deemed cost</b>		
Investment in equity shares		
In joint venture	-	-
In associates	-	-
Investment in preference shares		
In joint venture	-	1,758.64
Investment in other instruments		
Corporate guarantee		
In joint venture	-	114.00
II. Investments valued at amortised cost		
<b>Investment in preference shares</b>		
In other companies	456.60	411.36
III. Investments valued at fair value through profit and loss		
<b>Investment in equity shares</b>		
In other companies	3,778.93	2,607.41
In other companies	2,607.41	8 07.89
<b>Total non-current investments</b>	<b>4,235.53</b>	<b>4,891.41</b>

## Note 6.1 Detailed list of non-current investments <sup>^</sup>

₹ in Lakhs

	As at 31 March 2019		As at 31 March 2018	
	Nos	Amount	Nos	Amount
<b>Face value of ₹ 10 each, unless otherwise stated</b>				
<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	(10,283.29)	790,000	(473.72)
Sanjose Supreme Tollways Development Private Limited (Refer note 6.5)	-	-	147,998	(9,522.53)
Add : Amount disclosed under financial liabilities		10,283.29		9,996.25
		-		-
<b>ii) Investments in an associate in 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)		-
		-		<b>1,758.64</b>

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policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2019

₹ in Lakhs

	As at 31 March 2019		As at 31 March 2018	
	Nos	Amount	Nos	Amount
<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)		-
		-		<b>114.00</b>
<b>II. Investments valued at amortised cost</b>				
a) Investments in preference shares				
In other companies in India				
Kalyan Sangam Infratech Limited	609,375	456.60	609,375.00	411.36
Green Hill Barter Private Limited [Face value of ₹ 600 each]	100,000	438.84	100,000.00	438.84
Less: Impairment provision		(438.84)		(438.84)
		<b>456.60</b>		<b>411.36</b>
<b>III. Investments valued at fair value through profit and loss, fully paid up, unquoted</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	3,778.42	12,183,648	1,799.52
Kalyan Sangam Infratech Limited	390,625	-	390,625	807.38
Sanjose Supreme Tollways Development Private Limited (Refer note 6.5)	147,998	-	-	-
		<b>3,778.93</b>		<b>2,607.41</b>
<b>Total non-current investments</b>		<b>4,235.53</b>		<b>4,891.41</b>
<b>Details:</b>				
<b>Aggregate of non-current investments:</b>				
(i) Carrying value of unquoted investments		4,235.53		4,891.41
(ii) Aggregate amount of impairment in value of investment		2,805.37		932.73
(i) Investments carried at deemed cost		-		1,872.64
(ii) Investments carried at amortised cost		456.60		411.36
(iii) Investments carried at fair value through profit and loss		3,778.93		2,607.41
		<b>4,235.53</b>		<b>4,891.41</b>
<b>Note 6.2 The Group's share of (loss)/profit from equity accounted investments is as follows:</b>				
<b>In jointly controlled entities</b>				
Supreme Infrastructure BOT Holdings Private Limited		(19,620.90)		(9,811.32)
Sanjose Supreme Tollways Development Private Limited (Refer note 6.5)		-		(9,523.53)
		<b>(19,620.90)</b>		<b>(19,334.85)</b>

# SUMMARY OF SIGNIFICANT ACCOUNTING

policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2019

**Note 6.3** 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:

Name of the Company	No. of equity shares pledged	
	31 March 2019	31 March 2018
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	789,999
	No. of preference shares pledged	
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 2019, 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 2019 and due to these, the Group's carrying value of net assets (capital employed) amounting to ₹ 126,960.70 lakhs and non controlling interest amounting to ₹ 6,166.45 lakhs is considered as good and recoverable.

**Note 6.5** The Group cease to have significant influence as the company has been referred for liquidation w.e.f 10 August 2018.

## Note 7. Loans

₹ in Lakhs

Unsecured, considered good	As at 31 March 2019	As at 31 March 2018
<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>		
Security and other deposits	83.83	47.11
<b>Total non-current loans</b>	<b>83.83</b>	<b>47.10</b>
<b>Total loans</b>	<b>167.93</b>	<b>131.20</b>

## Note 7.1 : Break up of security details :

₹ in Lakhs

Unsecured, considered good	As at 31 March 2019	As at 31 March 2018
<b>Non-current</b>		
Loans considered good - secured	-	-
Loans considered good - unsecured	167.93	131.21

# SUMMARY OF SIGNIFICANT ACCOUNTING

policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2019

Unsecured, considered good	As at 31 March 2019	As at 31 March 2018
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	2,227.40	2,227.40
<b>Total</b>	<b>2,395.33</b>	<b>2,358.61</b>
Less : Loss allowance	2,227.40	2,227.40
<b>Total loans</b>	<b>167.93</b>	<b>131.21</b>
<b>Note 8. Other financial assets</b>		₹ in Lakhs
<b>Non-current</b>		
Margin money deposits (Refer note below)	328.87	610.98
Interest receivables on deposits	21.91	13.83
<b>Total non-current financial assets</b>	<b>350.78</b>	<b>624.81</b>

	As at 31 March 2019	As at 31 March 2018
<b>Current</b>		
Unbilled work	-	12,543.12
Receivable from related parties (Refer note 36)	111.32	826.79
Interest accrued on deposits	126.73	42.16
Loan to employees		
- considered good	273.97	228.63
- considered doubtful	249.20	249.20
	<b>761.22</b>	<b>13,889.90</b>
Less: impairment allowance for doubtful advances	(249.20)	(249.20)
Total current financial assets	<b>512.02</b>	<b>13,640.70</b>
Total other financial assets	<b>862.80</b>	<b>14,265.51</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) ₹ in Lakhs

	As at 31 March 2019	As at 31 March 2018
<b>i. The following table provides the details of income tax assets and liabilities:</b>		
Income tax assets	1,042.38	2,447.68
Current income tax liabilities	3,931.05	5,306.04
<b>Net income tax assets/(liabilities)</b>	<b>(2,888.66)</b>	<b>(2,858.36)</b>
<b>Presented as :</b>		
Income tax assets	56.30	-
Current income tax liabilities	2,944.96	2,858.36
<b>Net income tax liabilities</b>	<b>(2,888.66)</b>	<b>(2,858.36)</b>

# SUMMARY OF SIGNIFICANT ACCOUNTING

policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2019

ii. The gross movement in the current tax asset/ (liability) is as follows:	Year ended 31 March 2019	Year ended 31 March 2018
<b>Net current income tax assets/ (liabilities) at the beginning</b>	(2,858.36)	1,578.71
Income tax paid	259.80	219.99
Provision for tax expense	(10.78)	(25.70)
Tax adjustment for earlier years	(279.32)	(4,631.36)
<b>Net current income tax assets/ liabilities at the end</b>	<b>(2,888.66)</b>	<b>(2,858.36)</b>
<b>iii. Income tax expense in the Statement of Profit and Loss comprises:</b>		
Current income taxes	10.78	25.70
Tax adjustment for earlier years	279.32	4,631.36
Deferred income taxes	(5.24)	(15.44)
<b>Income tax expenses/ (income) (net)</b>	<b>284.86</b>	<b>4,641.62</b>

₹ in Lakhs

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 2019	Year ended 31 March 2018
Profit/(loss) before income tax	(143,698.45)	(92,805.35)
Applicable income tax rate	31.20%	31.20%
Computed expected tax expense	-	-
Effect of expenses not allowed for tax purpose	10.78	25.70
Tax adjustments for earlier years	279.32	4,631.36
Reversal of deferred tax assets in absence of reasonable certainty	(5.24)	(15.44)
<b>Income tax (income)/ expense charged to the Statement of Profit and Loss</b>	<b>284.86</b>	<b>4,641.62</b>

₹ in Lakhs

v. Components of deferred income tax assets and liabilities arising on account of temporary differences are:	As at 31 March 2019	As at 31 March 2018
<b>Deferred income tax asset</b>		
Impairment loss provision of financial assets	5,347.13	4,998.69
Provision for employee benefits	54.55	97.38
Unpaid bonus	22.71	7.96
Unabsorbed depreciation and loss	36,834.31	15,048.33
Others	3,298.03	4,829.21
<b>Deferred tax assets</b>	<b>45,556.74</b>	<b>24,981.58</b>
<b>Deferred income tax liability</b>		
Timing difference on tangible and intangible assets depreciation and amortisation	(371.78)	(662.22)
Timing difference on disputed claims excluded for tax purpose	(2,808.00)	(2,884.26)
<b>Deferred tax liability</b>	<b>(3,179.78)</b>	<b>(3,546.48)</b>
Deferred tax assets recognized to the extent of liabilities	3,187.02	3,548.48
<b>Deferred tax (liability)/ assets (net)</b>	<b>7.24</b>	<b>2.00</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.

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policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2019

## Note 10 Other assets

₹ in Lakhs

	As at 31 March 2019	As at 31 March 2018
<b>Non-current</b>		
Capital advances	25,385.46	48,666.72
Balances with government authorities	17.01	69.01
Prepaid expenses	-	97.30
<b>Total other non-current assets</b>	<b>25,494.28</b>	<b>48,833.03</b>
<b>Current</b>		
Advance to suppliers and sub-contractors		
- considered good	2,914.90	5,824.82
- considered doubtful	3,055.52	3,055.52
Balances with government authorities	315.22	198.54
Unbilled work	13,669.51	-
Prepaid expenses	11.73	194.60
<b>Total other current assets</b>	<b>19,966.87</b>	<b>9,273.48</b>
Less : Impairment allowance for doubtful advances	(3,055.52)	(3,055.52)
	<b>16,911.35</b>	<b>6,217.97</b>
<b>Total other assets</b>	<b>42,405.63</b>	<b>55,050.99</b>

## Note 11 Inventories

₹ in Lakhs

Construction materials	3,587.13	4,679.43
<b>Total inventories</b>	<b>3,587.13</b>	<b>4,679.43</b>

## Note 12 Current investments

Investments in Non-trade, mutual funds valued at fair value through profit and loss<sup>^</sup>

	As as 31 March 2019		As as 31 March 2018	
	No. of units	₹ lakhs	No. of units	₹ lakhs
Reliance Money Manager Fund - Daily Dividend Plan (Face value of ₹ 1,000 each)	250	2.63	250	2.52
S.B.I. Gold Fund - I-Growth Plan	250,000	-	250,000	24.53
Axis Bank Long Term Equity Fund	25,091	-	25,091	10.12
Axis Multicap Growth Fund	168,500	-	168,500	16.90
<b>Total current investments</b>		<b>2.63</b>		<b>54.07</b>

<sup>^</sup> Face value of ₹ 10 each, unless otherwise stated

## Note 13 Trade receivables

₹ in Lakhs

Current	As at 31 March 2019	As at 31 March 2018
<b>'(Unsecured, Considered good unless stated otherwise)</b>		
Trade receivables (Refer note below)		
- considered good	68,742.47	107,296.99
- considered doubtful	10,600.58	9,500.58

# SUMMARY OF SIGNIFICANT ACCOUNTING

policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2019

₹ in Lakhs

Current	As at 31 March 2019	As at 31 March 2018
Receivables from related parties (Refer note 35)	1,008.41	1,505.90
	<b>80,351.46</b>	<b>118,303.46</b>
Impairment allowance (allowance for doubtful debts)	(10,600.58)	(9,500.58)
	(10,600.58)	(9,500.58)
<b>Total trade receivables</b>	<b>69,750.88</b>	<b>108,802.89</b>

## Note 13.1 Includes retention money

₹ in Lakhs

	8,597.10	7,682.28
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## Note 13.2 Trade receivables

₹ in Lakhs

Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	69,750.88	108,802.89
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired - unsecured	10,600.58	9,500.58
<b>Total</b>	<b>80,351.46</b>	<b>118,303.46</b>
Less : Loss allowance	<b>10,600.58</b>	<b>9,500.58</b>
<b>Total trade receivables</b>	<b>69,750.88</b>	<b>108,802.89</b>

**Note 13.3** Trade receivables as at 31 March 2019 include ₹ 41,075.63 lakhs (31 March 2018: ₹ 55,396.37 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

**Note 13.4** Trade receivables as at 31 March 2019 includes ₹ 993.35 lakhs (31 March 2018: ₹ 1,995.26 lakhs) due from private companies in which the Company's director is a director or a member.

**Note 13.5** Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

**Note 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 :

₹ In Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	9,500.58	12,169.98
Charge in the statement of profit and loss	1,100.00	7,699.00
Release to statement of profit and loss	-	(10,368.40)
Balance at the end of the year	<b>10,600.58</b>	<b>9,500.58</b>

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## Note 14 Cash and cash equivalents

₹ in Lakhs

	As at 31 March 2019	As at 31 March 2018
Balances with banks		
- Current accounts in Indian rupees	1,070.25	602.06
Cash on hand	67.14	93.43
<b>Total cash and cash equivalents</b>	<b>1,137.39</b>	<b>695.49</b>

## Note 15 Other bank balances

₹ In Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Earmarked balances with banks for:		
Margin money deposits with original maturity of more than 3 months and remaining maturities of less than 12 months	1,575.31	1,129.71
Balances with bank for unclaimed dividend (refer note 15.1 below)	1.17	1.17
<b>Total other bank balances</b>	<b>1,576.48</b>	<b>1,130.88</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 2019.

## Note 16 Share capital

₹ In Lakhs

	As at 31 March 2019	As at 31 March 2018
<b>Authorised share capital</b>		
72,500,000 Equity shares of ₹ 10 each (31 March 2018: 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 2018: 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 borrowings (see note 17).

₹ In Lakhs

Issued, subscribed and paid-up equity share capital:	As at 31 March 2019	As at 31 March 2018
25,698,372 Equity shares of ₹ 10 each fully paid up (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	₹ Lakh
<b>As at 1 April 2017</b>	<b>25,698,372</b>	<b>2,569.84</b>
Issued during the year	-	-
<b>As at 31 March 2018</b>	<b>25,698,372</b>	<b>2,569.84</b>
Issued during the year	-	-
<b>As at 31 March 2019</b>	<b>25,698,372</b>	<b>2,569.84</b>

### 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.



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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%:

Name of the Shareholder	As 31 March 2019		As 31 March 2018	
	% held	No. of shares	% held	No. of shares
<b>Promoter</b>				
Bhawanishankar H Sharma	5.24%	1,346,708	6.56%	1,684,755
BHS Housing Private Limited	13.04%	3,350,000	13.04%	3,350,000
Vikram B Sharma	4.21%	1,082,942	4.75%	1,219,724
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
ICICI Bank Limited	-	-	7.61%	1,955,171

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.

## 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 2018: 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 2019, one of the lender has invoked 474,829 (31 March 2018 : 427,000) 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

₹ in Lakhs

Non-current portion: Secured	As at 31 March 2019	As at 31 March 2018
<b>(A) Restructured rupee term loans (RTL)</b>		
(i) From Banks (Refer note 17.1)	12,253.62	12,986.23
(ii) From Others	4,954.44	5,842.32
<b>(B) Working capital term loan (WCTL) from banks (Refer note 17.1)</b>		
	20,397.87	36,585.06
<b>(C) Funded interest term loan (FITL)</b>		
(i) From Banks (Refer notes 17.1 and 20.2)	5,944.41	22,387.81
(ii) From Others	283.12	1,401.49
<b>(D) Other rupee term loans</b>		
(i) From Banks	89,192.21	135,331.63
(ii) From Others (Refer notes 20.3, 20.4 and 20.5)	71,027.30	53,553.07

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<b>Non-current portion:</b>	<b>As at 31 March 2019</b>	<b>As at 31 March 2018</b>
<b>Secured</b>		
<b>(E) 11% Non Convertible Debenture</b>	3,596.83	3,198.24
<b>Unsecured</b>	1,807.14	1,628.05
<b>Liability component of financial instruments [refer note 17.7]</b> 1% Non cumulative redeemable preference shares of ₹ 10 each (2,500,000 non cumulative, non convertible, redeemable preference shares of ₹ 10 each)		
<b>Total non-current borrowings</b>	<b>209,655.72</b>	<b>273,092.98</b>
<b>Current maturities of long-term borrowings</b>		
<b>Secured</b>		
<b>(A) Restructured rupee term loans (RTL)</b>		
(i) From Banks (Refer notes 17.1 and 20.2)	2,618.38	1,854.70
(ii) From Others	971.10	776.44
<b>(B) Working capital term loan (WCTL) from banks (Refer note 17.1)</b>	25,044.14	9,047.20
<b>(C) Funded interest term loan (FITL)</b>		
(i) From Banks (Refer note 17.1)	22,675.34	6,216.86
(ii) From Others	1,240.39	382.90
<b>(D) Other rupee term loans</b>		
(i) From Banks	50,562.99	17,346.76
(ii) From Others (Refer notes 20.3, 20.4 and 20.5)	19,185.98	9,932.02
<b>Total current maturities of long-term borrowings</b>	<b>122,298.32</b>	<b>45,556.88</b>
<b>Total borrowings</b>	<b>331,954.04</b>	<b>318,649.86</b>

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) 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 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."

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## **Note 17.3 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 2019) 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.

#### **Working capital term loan (WCTL)**

These loans carry an interest rate of SBI Base Rate+1% plus interest tax (11 % as at 31 March 2019) 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 2019) 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 of NIL shares (31 March 2018: 474,829 shares) of the Company
- 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

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- 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 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 17.4** 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 2018: ₹ 16,842.00 lakhs) as at the year end. The same is subject to changes proposed in the resolution plan. (Refer note 37)

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## **Note 17.5 Other rupee term loans from banks:**

Loans from others 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 17.6 Term loans from others:**

Loans from other carries interest @ base rate (18% as at 31 March 2018) 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 17.7 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 17.8 Security details, repayment terms and other particulars in respect of loans availed by the subsidiary companies:**

- (i) Rupee Term loan from banks include ₹ 5,137.75 lakhs (31 March 2018: ₹ 16,931.38 lakhs) and term loan from financial institution include ₹ 11,401.79 lakhs (31 March 2018: ₹ Nil) loan availed by Kopargaon Ahmednagar(Phase 1) Tollways Private Limited, a subsidiary company, carrying interest rate at base rate plus 1.75% and at the interest rate 14.02% respectively. Term loans from banks are repayable in 60 to 62 monthly unequal installments commencing from February, 2016 to March, 2021 and term loans from financial institution are repayable in 11 monthly installments commencing from 15 November 2018. The above term loan are secured by way of:
- A first mortgage and charge on all the borrower's immovable properties, both present and future, save and except the Project Assets (as defined in Concession Agreement) and personal guarantee of the promoter directors;
  - A first charge on all the borrower's tangible movable assets, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, both present and future save and except the Project Assets.
  - A first charge over all accounts of the borrower including the Escrow Account and the Sub-Accounts (or any account in substitution thereof) that may be opened in accordance with this Agreement and Supplementary Escrow Agreement, or any of the other project documents and all funds from time to time deposited therein, the receivables and all authorised investments or other securities including debt service reserve account.
  - Pledge of Equity Shares held by the Promoter aggregating 51% (fifty one percent) of the equity share capital.
- (ii) Term loan from banks include ₹ 5,931.72 lakhs (31 March 2018: ₹ 5,606.93 lakhs) loan availed by Supreme Suyog Funicular Ropeways Private Limited, a subsidiary company carrying interest in the range of Base Rate plus 2.75% and are repayable in 121 monthly instalments commencing from March 2017. These term loans are secured by way of hypothecation of toll receipts, movable, tangible and intangible assets, receivables, cash, investment and rights, title, interest of the borrower under the concession agreement. These loans are further secured by personal guarantee of Mr. Vikas Sharma and Mr. Vikram Sharma and pledge of 51% equity shares of the borrower.
- (iii) Term loan from financial institutions include ₹ 3,000.00 lakhs (31 March 2018: ₹ 3,000.00 lakhs) loan availed by Supreme Infrastructure BOT Private Limited, a subsidiary company, repayable in quarterly instalments over a period of 5 years. These term loans together with all interest, expenses and other monies this agreement is inter alia secured by:
- Charge on office building- Supreme House situated in Powai, Mumbai;
  - Second charge on equipment hypothecated to Srei Equipment Finance Private Limited by Supreme Infrastructure India Limited and all related entities
  - Undertaking from Supreme Infrastructure India Limited
  - Second pari-passu charge on all current assets, fixed movable and immovable assets of Supreme Infrastructure India Limited

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- (iv) Term loan from banks include ₹ 8,254.49 lakhs (31 March 2018: ₹ 8,485.83 lakhs) and financial institutions include ₹ 351.14 lakhs (31 March 2018: ₹ 356.47 lakhs) loan availed by Kotkapura Muksar Tollways Private Limited, a subsidiary company, carries interest rate of base rate plus 2.25% to 3.25%. These loans are repayable over a period of 13 years by means of 44 quarterly instalments commencing after a moratorium of 4 quarters from the date of toll commencement. These term loans are secured by:
- A first mortgage and charge on all the borrower's immovable properties, both present and future, save and except the Project Assets (as defined in Concession Agreement) and personal guarantee of the promoter directors;
  - A first charge on all the borrower's tangible movable assets, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, both present and future save and except the Project Assets.
  - A first charge over all accounts of the borrower including the Escrow Account and the Sub-Accounts (or any account in substitution thereof) that may be opened in accordance with the Agreement and Supplementary Escrow Agreement or any of the other Project Documents and all funds from time to time deposited therein, the Receivables and all Authorised Investments or other securities including Debt Service Reserve Account (DSRA).
  - Pledge of equity shares held by the promoter to the extent of 51% of the paid-up equity share capital of the subsidiary.
- (v) Term loan from banks include ₹ 29,021.49 lakhs (31 March 2018: ₹ 29,618.33 lakhs) and term loan from others include ₹ 4,588.65 lakhs (31 March 2018: ₹ 4,671.66 lakhs) loan availed by Supreme Manor Wada Bhiwandi Infrastructure Private Limited, a subsidiary company, carrying an interest rate of 10.75% p.a.(UBI Base Rate+1.25%). These loans are repayable in 32 to 52 structured quarterly instalments commencing from 31 December 2016 and ending on 30 September 2029. These term loans are secured by:
- Exclusive charge by way of creation of security interest on:
    - A first mortgage and charge over all borrower's Properties and assets, both present and future, excluding the project site (as defined in the Concession Agreement);
    - A first charge on all intangible assets of the borrower including but not limited to the goodwill, undertaking and uncalled capital of the borrower;
    - A first charge/ assignment of all the receivable/ revenues of the borrower from the project;
    - A first charge on the borrower's bank account including, without limitation, the Escrow account and each of the other account required to be opened by the borrower under any project document or contract.
  - A first equitable mortgage on the parcel of land admeasuring 178 sq mtrs in Taluka Sudhagad, Raigad
  - Pledge of 51% of each class of shares of the subsidiaries held by the promoters
  - Pledge of Compulsory Convertible Debentures in favour of consortium.
  - A first charge by way of assignment or creation of security interest on:
    - All the rights, titles, interests, benefits, claims and demands whatsoever of the borrower under the Concession Agreement and project documents.
    - All the rights, titles, interests, benefits of the borrower in licences, permits, approvals, consent.
    - All the rights, titles, interests, benefits, claims and demands whatsoever of the borrower in the insurance contracts/ policies procured by the borrower or procured by any of its contractors favouring the borrower for the project.
    - All the rights, titles, interests, benefits, claims and demands whatsoever of the borrower in any guarantees, liquidated damages, letter of credit or performance bond that may be provided by any counter party under any project contract in favour of the borrower.
  - Personal guarantee of Mr. Vikram Sharma and Vikas Sharma  
All the lenders has classified the account as Non-Performing assets.
- (vi) Term loan from banks ₹ 68,345.54 lakhs (31 March 2018: ₹ 68,345.54 lakhs) and term loan from others ₹ 53,801.49 lakhs (31 March 2018: ₹ 38,386.74 lakhs) include loan availed by Supreme Panvel Indapur Tollways Private Limited, a subsidiary company, carries an interest of Base rate+2.75%. These loans are repayable in 135 monthly structured instalments commencing from 31 January 2017 ending on 31 March 2028. These term loans are secured by way of:

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- a) A first mortgage and charge on all the borrower's immovable properties, both present and future, save and except the Project Assets (as defined in Concession Agreement);
- b) A first charge on all the Borrower's tangible movable assets, including, movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, both present and future save and except the Project Assets (as defined in Concession Agreement).
- c) A first charge over all accounts of the borrower including the Escrow Account and the Sub-Accounts (or any account in substitution thereof) that may be opened in accordance with this Agreement and Supplementary Escrow Agreement, or any of the other project documents and all funds from time to time deposited therein, the receivables and all authorised investments or other securities.
- d) A first charge on all intangibles assets including but not limited to goodwill, rights, undertaking and uncalled capital present and future excluding the project assets.
- e) Pledge of equity shares held by the Promoter to the extent of 51% of the issued, paid up and voting share capital of the Borrower.  
Aforesaid mortgages, charges, assignments and pledge of shares stipulated above for the benefit of Lenders (Banks and Financial Institute) shall rank second pari-passu inter-se amongst the Lenders, subsequent and subservient to the charges/mortgages and pledge created by the Company in favour of the NHAI who shall have a first ranking charge on the aforesaid mortgages, charges, pledge and assignments.

## **Terms of Repayment:**

### **a) Banks and Financial Institute**

Consortium lead banker viz State Bank of India has sanctioned revised repayment schedule for repayment of term loan in 32 quarterly unequal installments ranging from 0.25% to 8.24% commencing from June 2023 and ends on March 2031 at rate of interest of 1 year MCLR + 1.70% till PCOD and thereafter 1 year MCLR + 0.90%. Term Loan from Financial Institute includes Funded Interest Term Loan (FITL) which carry 10.00% rate of interest and repayment shall start from June 2031 in 4 quarterly installments.

### **b) Other Parties (NHAI):**

As per Tripartite agreement dated November 9, 2016, National Highway Authority of India (NHAI) sanctioned One Time Fund Infusion (OTFI) for the project. During the year NHAI made partial disbursement amounting to Rs.16,156.63 lakhs for the project. Repayment of the OTFI will commence after COD in accordance with the financial model agreed between the Authority and Lenders and shall carry an interest rate equal to 2% above the Bank Rate of RBI.

- (vii) A Rupee Term loan from banks include ₹ 16,036.25 lakhs (31 March 2018: ₹ 16,438.64 lakhs) and term loan from financial institution include ₹ 7,978.23 lakhs (31 March 2018: ₹ 7,978.23 lakhs) loan availed by Supreme Vasai Bhiwandi Tollways Private Limited, a subsidiary company. These loans from banks carry interest in the range of base rate of respective lenders plus 1.25% to 4.75% and are repayable in 135 monthly installments commencing from 31 January 2014 and ending on 31 March 2025. Term loan from financial institution carry interest rate ranging from 12% to 16% and repayment to be made in 58 to 60 quarterly unequal installments commencing from 31st December 2016 to 30th September 2030. These term loans are secured (except ICICI bank) by way of:
  - a) A first mortgage and charge on all the borrower's immovable properties, both present and future, save and except the Project Assets (as defined in Concession Agreement);
  - b) A first charge on all the borrower's tangible movable assets, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, both present and future save and except the project Assets.
  - c) A first charge over all accounts of the borrower including the Escrow Account and the Sub-Accounts (or any account in substitution thereof) that may be opened in accordance with the Agreement and Supplementary Escrow Agreement, or any of the other project documents and all funds from time to time deposited therein, the receivables and all authorised investments or other securities including DSRA.
  - d) Pledge of equity shares held by the Promoters to the extent of 51% in the borrower till the final settlement date.
  - (e) Extension of pledge of 3,300,000 shares of Supreme Infrastructure India Limited held by the promoters

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(vii) B Term Loan from ICICI Bank is secured by:

- A second charge on all the Borrower's immovable assets
- A second charge on all intangible assets of the Borrower
- A second charge on all the bank accounts of the borrower
- Second pari passu charge on Supreme Business Park B-Wing, Powai
- Extension of pledge of 3.3 million shares of Supreme Infrastructure India Limited
- Extension of pledge of 30% shares of Supreme Infrastructure BOT Private Limited"

## Terms of Repayment of ICICI Bank.

The term loans carry interest rate 11.25% and repayment of term loan taken from Banks is to be made in 40 quarterly installments commencing from 31st October, 2016 and ending in 30th September, 2028.

- (viii) 11% Non Convertible Debenture amounting to ₹ 3,596.83 lakhs (31 March 2018: ₹ 3,198.24 lakhs) are issued by Supreme Manor wada Bhiwandi Infrastructure Private Limited, a subsidiary company, carries an interest coupon rate of 11% p.a. of which 2% is payable on yearly basis and balance 9% would be accrued and is payable on the date of redemption of debenture. These debentures are redeemable at the end of 15 years from the date of allotment. These debentures are secured by way of:

The general terms and conditions pertaining to the Debentures is as under-

- The Debentures shall be secured, unlisted, redeemable and non-convertible debentures and shall rank pari passu amongst themselves.
  - Each Debenture shall have a face value of ₹ 1,000.
  - The tenor of the Debentures shall be 15 years from the date of allotment, or such extended term as may be determined by the Board with the prior written consent of the Debenture Holders ("Tenor").
  - From the date of allotment and till the expiry of Tenor including the redemption date, the Debentures Holders shall be entitled to receive the Coupon of 11% per annum in the following manner:
    - 2% p.a. coupon on principal amount of Debentures would be paid in cash on monthly basis; and
    - 9% p.a. coupon on principal amount would be accrued and paid on redemption date."
- (ix) Term loan from banks include ₹ 4,898.25 lakhs (31 March 2018: ₹ 4,898.25 lakhs) loan availed by Patiala Nabha Infra Projects Private Limited, a subsidiary company carrying interest rate base rate plus 1.75% and is repayable in 126 monthly instalments commencing from January 2014. These term loans are secured by way of hypothecation of intangible assets and fixed assets of the borrower and pledge of 51% of the shares held by the promoters in the paid-up equity capital of the borrower.

**Note 17.9** In respect of Supreme Manor Wada Bhiwandi Infrastructure Private Limited ('SMWBIPL') a subsidiary company, consequent to the notification issued by the Government of Maharashtra (GoM) dated 26 May 2015 exempting Light Motor Vehicles from toll collection and another notification issued during the demonetisation period for suspending toll collection on all the vehicles during the period from 9 November 2016 to 2 December 2016, which resulted in substantial shortfall in revenue, and delay in payment due to its lenders. In order to avoid the classification of borrowings as NPA, lenders have invoked Strategic Debt Restructuring (SDR) with reference date of 24 November 2016. Subsequent to year ended 31 March 2017, the bankers have acquired 51% of equity share capital in SMWBIPL. SMWBIPL's has filed claims with the relevant authority for the compensation towards the loss of revenue due to matters stated as above. The management believes that the matter will be resolved amicably with the lenders including regaining majority stake in this subsidiary once the compensation is received.

## Note 17.10 Net Debt Reconciliation

An analysis of net debt and the movement in net debt is as follows:

₹ in Lakhs

	As at 31 March 2019	As at 31 March 2018
Cash and Cash equivalents	1,137.39	695.49
Liquid Investments	2.63	54.07
Current borrowings	(390,904.94)	(131,625.00)
Non-current borrowings (including interest accrued and current maturities of long term borrowings)	(227,857.02)	(389,092.76)
<b>Net debt</b>	<b>(617,621.94)</b>	<b>(519,968.20)</b>



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	Other assets		Liabilities from financing activities		Total
	Cash and Cash equivalents	Liquid investments	Current borrowings	Non-current borrowings	
<b>Net debt as at 1 April 2017</b>	1,436.94	222.88	(106,832.90)	(334,925.99)	(440,099.07)
Cash flows	(741.45)	(168.81)	(13,863.31)	(18,757.51)	(33,531.08)
Interest expense			(40,221.87)	(14,666.55)	(54,888.42)
Interest paid			8,328.16	222.22	8,550.38
<b>Net debt as at 31 March 2018</b>	<b>695.49</b>	<b>54.07</b>	<b>(152,589.92)</b>	<b>(368,127.83)</b>	<b>(519,968.19)</b>
Cash flows	441.90	(51.44)	(15,414.74)	(12,409.49)	(27,433.78)
Interest expense (including unapplied interest expenses)			(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>1,137.39</b>	<b>2.63</b>	<b>(227,857.02)</b>	<b>(390,904.94)</b>	<b>(617,621.95)</b>

## Note 18 Other financial liabilities

₹ in Lakhs

	As at 31 March 2019	As at 31 March 2018
<b>Non-current</b>		
Financial guarantees	-	148.90
<b>Total non-current financial liabilities</b>	<b>-</b>	<b>148.90</b>

₹ in Lakhs

	As at 31 March 2019	As at 31 March 2018
<b>Current</b>		
Current maturities of long-term borrowings (Refer note 17)	122,298.31	45,556.88
Interest accrued and due	145,201.02	74,838.04
Interest accrued and not due	2,470.67	503.10
Unclaimed dividends <sup>^</sup>	1.17	1.17
Due for capital expenditure		
- related parties (Refer note 36)	112.29	28.96
- others	1,463.34	923.49
Financial guarantees	11.56	55.08
Others		
- Due to employees	1,073.67	1,733.23
- Security deposits	15.68	15.79
Payable to Joint Venture	10,283.30	9,996.25
<b>Total current financial liabilities</b>	<b>282,931.01</b>	<b>133,651.99</b>

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	As at 31 March 2019	As at 31 March 2018
		₹ in Lakhs
<b>Total other financial liabilities</b>	<b>282,931.01</b>	<b>133,800.89</b>
^ Not due for credit to Investor Education and Protection Fund		
Other financial liabilities carried at amortised cost	282,931.01	133,800.89
Other financial liabilities carried at FVPL	-	-

## Note 19 Provisions

	As at 31 March 2019	As at 31 March 2018
		₹ in Lakhs
<b>Non-current</b>		
Provision for employee benefits		
- Gratuity	81.69	165.15
- Leave entitlement and compensated absences	52.87	113.63
Provision for resurfacing expenses (Refer note 19.1)	5,894.45	5,310.75
<b>Total non-current provisions</b>	<b>6,029.01</b>	<b>5,589.53</b>
<b>Current</b>		
Provision for employee benefits		
- Gratuity	19.38	14.15
- Leave entitlement and compensated absences	20.90	19.19
<b>Total current provisions</b>	<b>40.28</b>	<b>33.34</b>
<b>Total provisions</b>	<b>6,069.29</b>	<b>5,622.87</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	
<b>As at 1 April 2017</b>	<b>2,774.48</b>
Addition during the year	2,536.27
<b>As at 31 March 2018</b>	<b>5,310.75</b>
Addition during the year	583.70
<b>As at 31 March 2019</b>	<b>5,894.45</b>

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## Note 20 Current borrowings

₹ in Lakhs

	As at 31 March 2019	As at 31 March 2018
<b>I. Secured</b>		
<b>Rupee Loan from Banks</b>		
Cash credit facilities (Repayable on demand)	123,999.36	116,911.52
Term loan from banks (Refer notes 17.5, 20.2 and 20.3)	1,674.26	2,240.99
	<b>125,673.62</b>	<b>119,152.51</b>
<b>II. Unsecured (Repayable on demand)</b>		
Bank overdraft	15.28	15.28
Loans from		
-related parties ^	12,932.28	7,558.95
-others ^	515.05	-
<b>Total current borrowings (I+II)</b>	<b>139,136.23</b>	<b>126,726.74</b>

^ These are interest free loans and are repayable on demand

### 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.

The securities towards cash credit facilities also extends to the guarantees given by the banks on behalf of the Company aggregating ₹ 16,844.04 lakhs (31 March 2018: ₹ 24,894.09 lakhs).

**Note 20.2** Non-current borrowings, short-term borrowings and other current financial liabilities as at 31 March 2019 include balances amounting to 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. 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 2019 is based on the original maturity terms stated in the agreements with the lenders.

**Note 20.3** 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** Note 20.4 In case of Kotkapura Muksar Tollways Private Limited ("KMTPL"), a subsidiary company, current maturities of non-current borrowings and other current financial liabilities as at 31 March 2019 include balances aggregating ₹ 356.47 lakhs and ₹ 96.23 lakhs, respectively in respect of which direct confirmations from the respective lenders have not been received. Further, out of these balance, current maturities of non-current borrowings and other current financial liabilities as at 31 March 2019 include balances aggregating to ₹ 356.47 lakhs and ₹ 96.23 lakhs, respectively, represent loans which were classified as Non-Performing Assets (NPAs) by the lenders. In the absence of confirmations from the lenders, KMTPL 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

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non-current as at 31 March 2019 is based on the original maturity terms stated in the agreements with the lenders.

**Note 20.5** Note 20.5 In case of Kopargaon Ahmednagar (Phase 1) Tollways Private Limited ("KATPL"), a subsidiary company, current maturities of non-current borrowings and other current financial liabilities as at 31 March 2019 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. Further, out of these balance, current maturities of non-current borrowings and other current financial liabilities as at 31 March 2019 include balances aggregating to ₹ 404.38 lakhs and ₹ 95.71 lakhs, respectively, represent loans which were classified as Non-Performing Assets (NPAs) by the lenders. In the absence of confirmations from the lenders, KATPL 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 21 Trade payables

₹ In Lakhs

	As at 31 March 2019	As at 31 March 2018
- Total outstanding dues of Micro Enterprises and Small Enterprises	123.18	122.20
- Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	15,992.69	19,664.58
<b>Total trade payables</b>	<b>16,115.87</b>	<b>19,786.78</b>

**Note 21.1** Trade payables are normally non-interest bearing and settled as per the payment terms stated in the contract.

**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:

₹ In Lakhs

	As at 31 March 2019	As at 31 March 2018
Principal amount due to suppliers under MSMED Act	15.91	30.33
Interest accrued and due to suppliers under MSMED Act on the above amount	15.40	91.87
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	67.78	55.12
Interest accrued and remaining unpaid at the end of the accounting year	107.27	91.87
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: 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 Group.

## Note 22. Other current liabilities

₹ in Lakhs

	As at 31 March 2019	As at 31 March 2018
Advance from contractees	6,881.07	6,137.87
Statutory dues payable	11,833.61	10,009.14
<b>Total other current liabilities</b>	<b>18,714.68</b>	<b>16,147.01</b>

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## Note 23. Revenue from operations

₹ in Lakhs

	As at 31 March 2019	As at 31 March 2018
Construction and project related revenue	55,412.01	88,566.90
Toll collection	8,996.20	8,479.85
Sale of products	1,308.24	2,019.61
Compensation from government authorities	1,983.56	1,501.35
<b>Total revenue from operations</b>	<b>67,700.01</b>	<b>100,567.71</b>

### Disaggregated revenue information

Revenue disaggregation as per industry verticle has been disclosed under segment information (Refer note 45)

## Contract balances

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Trade receivables	70,606.23	107,420.50
Unbilled work in progress (contract assets)	13,669.51	12,543.12

## 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

₹ in Lakhs

	As at 31 March 2019	As at 31 March 2018
Interest income		
- interest unwinding on financial assets	45.66	287.33
- interest unwinding on financial guarantees	27.58	27.58
- on margin money deposits	148.77	245.53
- income tax refund	74.08	-
Dividend income from non-current investments	0.13	0.10
Other non-operating income		
- Excess provision no longer required written back	59.04	-
- Profit on redemption of mutual funds (net)	0.93	17.42
- Fair value gain on investments (valued at FVTPL) (net)	1,171.52	-
- Fair value gain on mutual funds (valued at FVTPL)	-	2.75
- Miscellaneous	49.50	66.55
<b>Total other income</b>	<b>1,577.21</b>	<b>647.26</b>

## Note 25 Cost of construction materials consumed

₹ in Lakhs

	As at 31 March 2019	As at 31 March 2018
Stock at beginning of the year	4,679.43	7,774.52
Add: Purchases	10,856.33	18,979.02
	<b>15,535.76</b>	<b>26,753.54</b>
Less: Stock at the end of the year	3,587.13	4,679.43
<b>Total Cost of construction materials consumed</b>	<b>11,948.63</b>	<b>22,074.11</b>

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## Note 26. Employee benefits expense

₹ in Lakhs

	As at 31 March 2019	As at 31 March 2018
Salaries and wages	1,903.14	3,075.58
Contribution to provident and other funds	72.09	79.85
Gratuity	45.04	99.84
Staff welfare	61.96	114.84
<b>Total employee benefits expense</b>	<b>2,082.23</b>	<b>3,370.11</b>

## Note 27. Finance costs

₹ in Lakhs

	As at 31 March 2019	As at 31 March 2018
Interest on:		
- Term loans	52,294.19	40,221.87
- Cash credit facilities	21,611.74	14,666.55
- Others	681.28	3,659.70
Other borrowing costs		
- Bank charges and guarantee commission	863.64	1,919.35
	<b>75,450.85</b>	<b>60,467.47</b>
Less: Finance costs capitalised under intangible asset under development	(15,305.40)	(12,838.54)
<b>Total finance costs</b>	<b>60,145.45</b>	<b>47,628.93</b>

## Note 28. Depreciation and amortisation expense (Refer notes 3 and 4)

₹ in Lakhs

	As at 31 March 2019	As at 31 March 2018
Depreciation on property, plant and equipment	2,190.24	2,286.69
Amortisation on intangible assets	7,304.56	4,402.70
Impairment charge on goodwill (Refer note 4.1)	270.42	-
<b>Total depreciation and amortisation expense</b>	<b>9,765.22</b>	<b>6,689.39</b>

## Note 29. Other expenses

₹ in Lakhs

	As at 31 March 2019	As at 31 March 2018
Power and fuel	643.88	2,089.28
Site related	146.15	91.34
Resurfacing (Refer note 19.1)	583.70	2,536.27
Rent and hire charges	283.46	1,823.04
Transportation charges	1,034.40	1,303.75
Repairs and maintenance	119.57	544.89
Insurance	54.45	199.31
Rates and taxes	571.39	16.54
Toll booth charges	26.44	15.70
Impairment allowance (allowance for doubtful debts)	-	469.20
Impairment allowance (allowance for doubtful financial assets)	-	82.00
Donations	15.43	-

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	As at 31 March 2019	As at 31 March 2018
Communication expenses	43.96	57.68
Advertisement	0.58	24.88
Printing and stationary	15.03	29.60
Travelling and conveyance	76.19	113.48
Legal and professional	1,482.60	1,502.19
Directors' sitting fees	30.20	20.00
Auditors' remuneration:		
Audit fees	128.17	121.60
Limited review fees	38.00	36.50
Certification fees	-	-
Others	8.00	-
Reimbursement of out of pocket expenses	3.00	3.50
Miscellaneous	<b>683.52</b>	1,046.58
<b>Total other expenses</b>	<b>5,988.12</b>	<b>12,127.33</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.

**Note 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

₹ in Lakhs

	As at 31 March 2019	As at 31 March 2018
Impairment allowance including expected credit loss allowance (allowance for doubtful loans, trade receivable and other financial assets)	1,100.00	9,346.80
Impairment allowance on investments	1,872.64	438.84
Assets written off (trade receivable, other financial assets and other assets written off)	71,337.12	15,539.35
Investment written off	-	12,272.60
Impairment loss- Inventories written off	848.48	-
Provision for loss written back in respect of a joint venture (refer note 6.5)	(9,522.53)	-
Additional contractual interest expense and other charges	<b>9,668.74</b>	-
<b>Total exceptional items [expense/ (Income)]</b>	<b>75,304.45</b>	<b>37,597.59</b>

## Note 31 Earnings per share (EPS)

₹ in Lakhs

### Basic and diluted EPS

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)	(142,320.73)
Weighted average number of equity shares for EPS computation	(Nos.)	25,698,372
EPS - Basic and Diluted EPS	(₹)	(553.81)

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**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.

## Note 32 Contingent liabilities and commitments

### A. Contingent liabilities

₹ in Lakhs

	As at 31 March 2019	As at 31 March 2018
(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	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 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

- 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.
- 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 ₹ 100,000 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 ₹ 142,320.73 lakhs during the year ended 31 March 2019 and, has also suffered losses from operations during the preceding financial years and of that date, the Group's accumulated losses amounts to ₹ 251,038.91 lakhs and its current liabilities exceeded its current assets by ₹ 366,321.32 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	As at		
	31 March 2019	31 March 2018		
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 Group 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 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 2019	As at 31 March 2018
Total assets	108,858.24	121,145.78
Total liabilities	121,827.26	113,768.12
Contingent liability and capital commitment as at reporting date		
Capital commitment	-	79,417.88

### iii) Contingent liability and capital commitment as at reporting date

	As at 31 March 2019	As at 31 March 2018
Capital commitment	-	79,417.88

### iv) Summarised statement of profit and loss account

	Year ended 31 March 2019	Year ended 31 March 2018
Revenue	2,233.22	4,877.00
Other income	-	8.02
Total expenses (including taxes)	20,163.19	28,479.47

### 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.

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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 Brahma Putra JV	Equal JV partner	50%
Supreme Modi JV	Lead JV partner	51%
Supreme Siddhi JV	Equal JV partner	50%

## 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.

## 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:

- 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
- 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	456.60	-	-	-	-	456.60	456.60
Investments in equity instruments	6	-	3,778.93	-	-	-	-	-
Investments in mutual funds	12	-	2.63	-	-	-	2.63	2.63

₹ in Lakhs

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₹ in Lakhs

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		
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	1,137.39	-	-	-	-	1,137.39	1,137.39
Other bank balances	15	1,576.48	-	-	-	-	1,576.48	1,576.48
<b>Liabilities:</b>								
Borrowings	17,20	471,090.27	-	-	-	-	471,090.27	471,090.27
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

The carrying value and fair value of financial instruments by categories as at 31 March 2018 were as follows:

₹ in Lakhs

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	411.36	-	-	-	-	411.36	411.36
Investments in preference shares	6	-	2,607.41	-	-	-	-	-
Investments in mutual funds	12	-	54.07	-	-	-	54.07	54.07
Trade receivables	13	108,802.89	-	-	-	-	108,802.89	108,802.89
Loans	7	131.20	-	-	-	-	131.20	131.20
Others financial assets	8	14,265.51	-	-	-	-	14,265.51	14,265.51
Cash and cash equivalents	14	695.49	-	-	-	-	695.49	695.49
Other bank balances	15	1,130.88	-	-	-	-	1,130.88	1,130.88
<b>Liabilities:</b>								
Borrowings	17,20	445,376.60	-	-	-	-	445,376.60	445,376.60
Trade payables	21	19,786.78	-	-	-	-	19,786.78	19,786.78
Other financial liabilities	18	88,244.01	-	-	-	-	88,244.01	88,244.01

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## 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:

₹ in Lakhs

Particulars	31 March 2019			1 April 2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Assets</b>						
Investments in equity instruments	-	-	3,778.93	-	-	2,607.41
Investments in mutual funds	2.63	-	-	54.07	-	-

## Note 36. Disclosure in accordance with Ind-AS 24 Related Party Transactions

### A. Names of related parties and nature of relationship

₹ in Lakhs

Name of the entity	Country of incorporation	Company's holding as at (%)		Subsidiary of
		31 March 2019	31 March 2018	
<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	40.00	
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 Pvt Ltd
Supreme Ahmednagar Karmala Tembhurni Tollways Private Limited (Refer notes 2 and 3 below)	India	51.00	51.00	Supreme Infrastructure BOT Holdings Pvt Ltd
Supreme Kopargaon Ahmednagar Tollways Private Limited (Refer note 2 below)	India	51.00	51.00	Supreme Infrastructure BOT Holdings Pvt Ltd
<b>(c) Key management personnel (KMP)</b>				
Mr. Bhawanishankar Sharma - Chairman				
Mr. Vikram Sharma - Managing Director				
Mr. Vikas Sharma - Director (Whole Time Director and CFO till 15 August 2017)				
Mr. Dakshendra Brijballabh Agrawal - Non executive Director				
Mr. Sandeep Khandelwal - CFO (w.e.f 16 August 2017)				
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				
Mrs Rita Sharma - - Wife of Bhawanishankar Sharma				

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## (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)

Note1: w.e.f 10 August 2018, the Group cease to have significant influence as the company has been referred for liquidation.

Note2: 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.

## Note 36 Disclosure in accordance with Ind AS 24 Related Party Transactions

### B. Nature of Transactions

₹ in Lakhs

Transactions with related parties:		Year ended 31 March 2019	Year ended 31 March 2018
<b>Rendering of services</b>			
Supreme Ahmednagar Karmala Tembhorni Private Limited	Jointly controlled entity	-	633.41
Supreme Kopargaon Ahmednagar Tollways Private Limited	Jointly controlled entity	86.00	986.80
		<b>86.00</b>	<b>1,620.21</b>
<b>Interest unwinding on financial assets carried at amortised cost</b>			
Kalyan Sangam Infratech Limited	Other related party	45.25	40.77
		<b>45.25</b>	<b>40.77</b>
<b>Interest unwinding on financial guarantees</b>			
Rudranee Infrastructure Limited	Other related party	6.16	6.16
Supreme Kopargaon Ahmednagar Tollways Private Limited	Jointly controlled entity	21.42	21.42
		<b>27.58</b>	<b>27.58</b>

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<b>Transactions with related parties:</b>		<b>Year ended 31 March 2019</b>	<b>Year ended 31 March 2018</b>
<b>Finance cost on redeemable preference shares</b>			
BHS Housing Private Limited	Other related party	179.09	179.09
		<b>179.09</b>	<b>179.09</b>
<b>Remuneration to key managerial person</b>			
Mr. Vijay Joshi	Key Managerial Personnel	20.09	19.80
Mr. Sandeep Khandelwal	Key Managerial Personnel	35.13	17.56
Mr. V.P. Singh	Key Managerial Personnel	7.90	5.50
Mr. Vinod Agarwal	Key Managerial Personnel	6.90	3.70
Mr. S.K. Mishra	Key Managerial Personnel	7.40	5.40
Mrs. Nilima Mansukhani	Key Managerial Personnel	6.50	4.00
Mr. Dakshendra Brijbahhabh Agrawal	Key Managerial Personnel	1.50	-
		<b>85.42</b>	<b>55.96</b>
<b>Loan taken from</b>			
Mr. Bhawanishankar Sharma	Key Managerial Personnel	848.41	594.04
Mrs. Rita Sharma	Key Managerial Personnel	-	326.95
Mrs. Vikas Sharma	Key Managerial Personnel	4.56	16.42
Supreme Innovative Buildings Private Limited	Other related parties	-	3,396.85
BVB Infracorp Private Limited	Other related parties	1,549.70	-
BVR Infracorp Private Limited	Other related parties	3,073.86	-
VSB Infracorp Private Limited	Other related parties	3,297.00	-
		<b>8,773.53</b>	<b>4,334.26</b>
<b>Loan repaid to</b>			
Mr. Vikas Sharma	Key Managerial Personnel	-	20.98
Supreme Innovative Buildings Private Limited	Other related party	3,396.85	-
Mr Vikram Sharma	Key Managerial Personnel	3.37	-
		<b>3,400.22</b>	<b>20.98</b>
<b>C) Outstanding balances:</b>			₹ in Lakhs
<b>Outstanding trade receivables</b>		<b>As at 31 March 2019</b>	<b>As at 31 March 2018</b>
Supreme Kopargaon Ahmednagar Tollways Private Limited	Jointly controlled entity	883.12	852.47
Supreme Housing and Hospitality Private Limited	Other related party	65.01	653.43
BHS Housing Private Limited	Other related party	60.28	-
		<b>1,008.41</b>	<b>1,505.90</b>

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		As at 31 March 2019	As at 31 March 2018
<b>Loans receivable</b>			
Rudraanee Infrastructure Limited*	Other related party	2,227.40	2,227.40
Supreme Infrastructure BOT Holdings Private Limited	Jointly controlled entity	-	826.79
Supreme Innovative Buildings Private Limited	Other related party	111.32	-
		<b>2,338.72</b>	<b>3,054.19</b>
<b>Outstanding payables</b>			
Short-term borrowings			
Mr. Bhawanishankar Sharma	Key Managerial Personnel	3,118.38	2,269.96
Mr. Vikram Sharma	Key Managerial Personnel	1,158.07	1,161.44
Mr. Vikas Sharma	Key Managerial Personnel	735.27	730.71
Supreme Innovative Buildings Private Limited	Other related parties	-	3,396.85
BVB Infracorp Private Limited	Other related parties	1,549.70	-
BVR Infracorp Private Limited	Other related parties	3,073.86	-
VSB Infracorp Private Limited	Other related parties	3,297.00	-
		<b>12,932.28</b>	<b>7,558.96</b>
<b>Other current liabilities</b>			
Mr. Vijay Joshi	Key Managerial Personnel	8.43	9.80
Mr. Sandeep Khandelwal	Key Managerial Personnel	20.48	8.78
Mr. V.P. Singh	Key Managerial Personnel	8.75	3.15
Mr. Vinod Agarwala	Key Managerial Personnel	7.30	2.70
Mr. S.K. Mishra	Key Managerial Personnel	7.40	2.79
Mrs. Nilima Mansukhani	Key Managerial Personnel	6.50	0.99
Mr. Dakshendra Brijballabh Agrawal	Key Managerial Personnel	2.94	-
Supreme Infrastructure BOT Holdings Private Limited	Jointly controlled entity	112.29	28.96
		<b>174.09</b>	<b>57.16</b>
<b>Advance from contractees</b>			
Supreme Best Value Kolhapur (Shiroli) Sangli Tollways Private Limited	Jointly controlled entity	231.80	254.29
Supreme Ahmednagar Karmala Tembhurni Tollways Private Limited	Jointly controlled entity	3,054.17	3,054.17
Supreme Housing and Hospitality Private Limited	Other related party	25.42	25.42
Sanjose Supreme Tollways Development Private Limited	Other related party	358.28	637.21
		<b>3,669.67</b>	<b>3,971.08</b>
<b>Capital payment outstanding</b>			
Supreme Infrastructure BOT Holdings Private Limited	Jointly controlled entity	28.96	2,142.31
		<b>28.96</b>	<b>2,142.31</b>

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		As at 31 March 2019	As at 31 March 2018
<b>Corporate guarantees given and outstanding as at the end of the year</b>			
Rudraanee 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
		<b>19,400.00</b>	<b>19,400.00</b>

Notes:

a) Mr. Bhawanishankar Sharma, Mr. Vikram Sharma and Mr. Vikas Sharma have agreed for waiver of remuneration for the years ended 31 March 2019 and 31 March 2018 in view of the losses incurred by the Group.

b) 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.

c) 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 Tembhurni 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

### Note 37.1 Subsidiaries

The Group's subsidiaries as at 31 March 2019 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 2019	31 March 2018	31 March 2019	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



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## Note 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

₹ in Lakhs

Particulars	Supreme Infrastructure Overseas LLC		Supreme Mega Structures Private Limited		Supreme Panvel Indapur Tollways Private Limited	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
<b>Summarised balance sheet</b>						
Non-current assets (A)	507.36	507.36	252.27	376.98	184,961.21	157,271.76
Current assets (B)	845.49	852.23	457.63	163.73	2,222.08	1,048.83
Non-current liabilities (C)	-	-	-	-	126,273.54	111,175.64
Current liabilities (D)	2,049.88	2,049.88	308.63	136.63	32,136.57	19,666.05
<b>Net assets (A+B-C-D)</b>	<b>(697.03)</b>	<b>(690.29)</b>	<b>401.28</b>	<b>404.07</b>	<b>28,773.19</b>	<b>27,478.90</b>
<b>Net assets attributable to NCI</b>	<b>(278.81)</b>	<b>(276.12)</b>	<b>160.51</b>	<b>161.63</b>	<b>10,358.35</b>	<b>9,892.40</b>
<b>Summarised statement of profit and loss</b>						
Revenue	-	13.37	303.59	546.76	33,726.78	36,252.96
Profit/(loss) for the year	(6.74)	(45.44)	2.80	22.95	(5.72)	(4.00)
Other comprehensive income/(loss)	-	-	-	-	-	-
Total comprehensive income	(6.74)	(45.44)	2.80	22.95	(5.72)	(4.00)
Profit/(loss) allocated to NCI	(2.70)	(18.18)	1.12	9.18	(2.06)	(1.44)
OCI allocated to NCI	-	-	-	-	-	-
<b>Total comprehensive income allocated to NCI</b>	<b>(2.70)</b>	<b>(18.18)</b>	<b>1.12</b>	<b>9.18</b>	<b>(2.06)</b>	<b>(1.44)</b>
<b>Summarised cash flows</b>						
Cash flow from operating activities						
Cash flow from investing activities	*^	*^	(39.27)	8.95	(1,565.67)	99.74
Cash flow from financing activities	*^	*^	-	-	(14,523.95)	(17,778.15)
Net increase/ (decrease) in cash and cash equivalents	*^	*^	(3.00)	(0.19)	16,395.96	17,518.40
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>*^</b>	<b>*^</b>	<b>(42.28)</b>	<b>8.76</b>	<b>306.34</b>	<b>(160.01)</b>

₹ in Lakhs

Particulars	Supreme Manor Wada Bhiwandi Infrastructure Private Limited		Mohol Kurul Kamati Mandrup Tollways Private Limited		Supreme Suyog Funicular Ropeways Private Limited	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
<b>Summarised balance sheet</b>						
Non-current assets (A)	50,266.05	50,763.00	-	80.68	12,366.56	11,264.49
Current assets (B)	4,150.45	3,487.00	2.00	2.00	237.02	239.45
Non-current liabilities (C)	15,988.53	37,164.99	-	-	5,151.90	5,600.76
Current liabilities (D)	32,153.60	7,594.83	40.21	86.89	3,560.57	2,001.86
<b>Net assets (A+B-C-D)</b>	<b>6,274.38</b>	<b>9,490.17</b>	<b>(38.20)</b>	<b>(4.21)</b>	<b>3,891.12</b>	<b>3,901.32</b>
<b>Net assets attributable to NCI</b>	<b>3,199.93</b>	<b>4,839.99</b>	<b>(19.48)</b>	<b>(2.15)</b>	<b>77.82</b>	<b>78.03</b>
<b>Summarised statement of profit and loss</b>						
Revenue	3,980.06	4,210.33	-	-	214.64	337.87

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Particulars	Supreme Manor Wada Bhiwandi Infrastructure Private Limited		Mohol Kurul Kamati Mandrup Tollways Private Limited		Supreme Suyog Funicular Ropeways Private Limited	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Profit/(loss) for the year	(3,215.79)	(3,970.39)	(34.00)	(0.28)	(10.20)	(6.03)
Other comprehensive income/(loss)	-	-	-	-	-	-
<b>Total comprehensive income</b>	<b>(3,215.79)</b>	<b>(3,970.39)</b>	<b>(34.00)</b>	<b>(0.28)</b>	<b>(10.20)</b>	<b>(6.03)</b>
Profit/(loss) allocated to NCI	(1,640.06)	(2,024.90)	(17.34)	(0.14)	(0.20)	(0.12)
OCI allocated to NCI	-	-	-	-	-	-
<b>Total comprehensive income allocated to NCI</b>	<b>(1,640.06)</b>	<b>(2,024.90)</b>	<b>(17.34)</b>	<b>(0.14)</b>	<b>(0.20)</b>	<b>(0.12)</b>
<b>Summarised cash flows</b>						
Cash flow from operating activities	2,134.28	1,622.28	46.74	(0.35)	838.42	15.32
Cash flow from investing activities	3.29	(518.86)	(48.75)	-	(212.38)	(750.33)
Cash flow from financing activities	(1,932.43)	(1,219.95)	2.00	0.35	(776.35)	419.87
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>205.14</b>	<b>(116.54)</b>	<b>-</b>	<b>-</b>	<b>(150.31)</b>	<b>(315.14)</b>

\*^ Indicates disclosures that are not required

## 37.3 Interest in associates and joint venture

₹ in Lakhs

Particulars	Note	Carrying amount as at	
		31 March 2019	31 March 2018
Interest in associates	See (A) below	-	-
Interest in joint ventures	See (B) below	(10,283.30)	(9,996.25)
		<b>(10,283.30)</b>	<b>(9,996.25)</b>

### (A) Interest in associates

The Group's associates as at 31 March 2019 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.

₹ in Lakhs

Name of the entity	Country of incorporation	Ownership interest	Carrying amount as at*		Principal activities
			31 March 2018	31 March 2017	
Sohar Stones LLC	Oman	30.00%	-	-	Construction
			-	-	

\*Unlisted entity - no quoted price available

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.

Refer Note 32 for the Group share of capital commitment and contingent liability in relation to its interest in associates

### (B) Interest in joint ventures

The Group's joint ventures as at 31 March 2019 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.

# SUMMARY OF SIGNIFICANT ACCOUNTING

policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2019

₹ In Lakhs

Name of the entity	Country of incorporation	Ownership interest ***	Carrying amount as at*		Principal activities
			31 March 2019	31 March 2018	
Sanjose Supreme Tollways Development Private Limited (SSTDPL) ^	India	96.10%	-	(9,522.53)	Toll management
Supreme Ahmednagar Karmala Tembhorni Tollways Private Limited	India	51.00%	-	-	Toll management
Supreme Best Value Kolhapur (Shiroli) Sangli Tollways Private Limited	India	45.90%	-	-	Toll management
Supreme Infrastructure BOT Holdings Private Limited	India	51.00%	(10,283.30)	(473.72)	Construction
Supreme Kopargaon Ahmednagar Tollways Private Limited	India	51.00%	-	-	Toll management
			<b>(10,283.30)</b>	<b>(9,996.25)</b>	

^ w.e.f 10 August 2018, the Group cease to have significant influence as the company has been referred for liquidation.

\*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 2019 and 31 March 2018, 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**

₹ In Lakhs

Particulars	Sohar Stones LLC	
	31 March 2019	31 March 2018
<b>Summarised balance sheet</b>		
Non-current assets	507.4	514.1
Current assets	852.2	852.2
Non-current liabilities	-	-
Current liabilities	2,011.2	2,011.2
<b>Net assets</b>	<b>(651.59)</b>	<b>(644.85)</b>
<b>Group share of net assets</b>	<b>(195.48)</b>	<b>(193.46)</b>
<b>Summarised profit and loss</b>		
Revenue	-	13.4
<b>Profit/ (loss) for the year after tax</b>	<b>(6.74)</b>	<b>(45.44)</b>
<b>Other comprehensive income</b>	-	-
<b>Total comprehensive income</b>	<b>(6.74)</b>	<b>(45.44)</b>

**Note 37.5 Table below provide summarised financial information for joint ventures**

₹ in Lakhs

Particulars	Sanjose Supreme Tollways Development Private Limited		Supreme Ahmednagar Karmala Tembhorni Tollways Private Limited		Supreme Best Value Kolhapur (Shiroli) Sangli Tollways Private Limited	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Summarised balance sheet						
Non-current assets	*^	3.07	67,068.58	67,977.32	38,658.66	39,759.24
Current assets	*^	2,996.24	2.97	0.53	301.82	567.22
Non-current liabilities	*^	-	40,243.09	44,406.17	22,387.18	28,689.54

# SUMMARY OF SIGNIFICANT ACCOUNTING

policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2019

Particulars	Sanjose Supreme Tollways Development Private Limited		Supreme Ahmednagar Karmala Tembhorni Tollways Private Limited		Supreme Best Value Kolhapur (Shiroli) Sangli Tollways Private Limited	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Current liabilities	*^	585.43	26,399.99	14,210.64	17,266.51	7,016.96
<b>Net assets</b>	*^	<b>2,413.88</b>	<b>428.47</b>	<b>9,361.04</b>	<b>(693.22)</b>	<b>4,619.95</b>
<b>Group share of net assets</b>	*^	<b>2,319.74</b>	<b>218.52</b>	<b>4,774.13</b>	<b>(623.90)</b>	<b>4,157.95</b>
<b>Summarised profit and loss</b>						
Revenue	*^	-	-	800.88	-	6.16
<b>Profit/ (Loss) for the year</b>	*^	<b>(9,833.88)</b>	<b>(8,932.57)</b>	<b>(6,304.17)</b>	<b>(5,313.18)</b>	<b>(4,593.14)</b>
Other comprehensive income	*^	-	-	-	-	-
<b>Total comprehensive income</b>	*^	<b>(9,833.88)</b>	<b>(8,932.57)</b>	<b>(6,304.17)</b>	<b>(5,313.18)</b>	<b>(4,593.14)</b>

₹ in Lakhs

Particulars	Supreme Infrastructure BOT Holdings Private Limited		Supreme Kopargaon Ahmednagar Tollways Private Limited	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
<b>Summarised balance sheet</b>				
Non-current assets	26,319.69	26,337.81	2,789.15	5,612.08
Current assets	2.31	133.32	2,281.18	4,492.02
Non-current liabilities			257.58	2,666.04
Current liabilities	5,973.68	4,626.26	13,055.24	12,614.09
<b>Net assets</b>	<b>20,348.32</b>	<b>21,844.88</b>	<b>(8,242.49)</b>	<b>(5,176.03)</b>
<b>Group share of net assets</b>	<b>10,377.64</b>	<b>11,140.89</b>	<b>(8,242.49)</b>	<b>(5,176.03)</b>
<b>Summarised profit and loss</b>				
Revenue	15.31	10.20	2,217.91	4,059.76
<b>Profit/ (Loss) for the year after tax</b>	<b>(1,496.54)</b>	<b>(7,348.75)</b>	<b>(3,066.44)</b>	<b>(2,814.51)</b>
Other comprehensive income	-	-	-	-
<b>Total comprehensive income</b>	<b>(1,496.54)</b>	<b>(7,348.75)</b>	<b>(3,066.44)</b>	<b>(2,814.51)</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:

# SUMMARY OF SIGNIFICANT ACCOUNTING

policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2019

₹ In Lakhs

	31 March 2019	31 March 2018
Increase in basis points	50 basis points	50 basis points
Effect on loss before tax, increase by	2,355.45	2,226.88
Decrease in basis points	50 basis points	50 basis points
Effect on loss before tax, decrease by	2,355.45	2,226.88

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 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.

### 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. Equity price risk

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 2019 %	31 March 2018 %
Revenue from government promoted agencies	81.80	76.65
Revenue from others	18.20	23.35
	<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:

₹ in Lakhs

	31 March 2019	31 March 2018
Revenue from top customer	19,346.09	24,119.96
Revenue from top five customers	31,921.46	46,383.15

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: ^**

# SUMMARY OF SIGNIFICANT ACCOUNTING

policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2019

₹ in Lakhs

	31 March 2019	31 March 2018
Balance at the beginning of the year	2,476.60	180.00
Charge in the statement of profit and loss	-	2,296.60
Release to statement of profit and loss	-	-
Balance at the end of the year	2,476.60	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.

### 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:

₹ In Lakhs

Particulars	On demand	Less than 1 year	1 - 5 years	More than 5 years	Total
<b>As at 31 March 2019</b>					
Borrowings (including interest accrued)	139,136.23	269,970.00	192,146.56	17,509.16	618,761.95
Trade payables	-	16,115.87	-	-	16,115.87
Other financial liabilities	-	12,961.02	-	-	12,961.02
	<b>139,136.23</b>	<b>299,046.89</b>	<b>192,146.56</b>	<b>17,509.16</b>	<b>647,838.84</b>
<b>As at 31 March 2018</b>					
Borrowings (including interest accrued)	126,726.74	120,898.02	92,090.06	181,002.92	520,717.74
Trade payables	-	19,786.78	-	-	19,786.78
Other financial liabilities	-	12,902.87	-	-	12,902.87
	<b>126,726.74</b>	<b>153,587.67</b>	<b>92,090.06</b>	<b>181,002.92</b>	<b>553,407.39</b>

### 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.

₹ in Lakhs

	As at 31 March 2019	As at 31 March 2018
Total debts	618,761.95	520,717.74
Equity attributable to owners of the parent	(224,916.42)	(81,110.27)
<b>Total debts to equity ratio (Gearing ratio)</b>	<b>157.11%</b>	<b>118.45%</b>

In the long run, the Group's strategy is to maintain a gearing ratio between 60% to 75%.

# SUMMARY OF SIGNIFICANT ACCOUNTING

policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2019

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.

₹ in Lakhs

	Year ended 31 March 2019	Year ended 31 March 2018
<b>a) Changes in defined benefit obligations</b>		
Present value of obligation as at the beginning of the year	179.30	318.01
Interest cost	14.67	24.70
Current service cost	30.37	60.14
Remeasurements - Net actuarial (gains)/ losses	(123.27)	(226.67)
Benefits paid	-	(11.88)
Past Service Cost	-	15.00
<b>Present value of obligation as at the end of the year</b>	<b>101.07</b>	<b>179.30</b>
<b>b) Expenses recognised in the Statement of Profit and Loss</b>		
Interest cost	14.67	24.70
Current service cost	30.37	60.14
Past Service Cost	-	15.00
<b>Total</b>	<b>45.04</b>	<b>99.84</b>
<b>c) Remeasurement (gains)/ losses recognised in OCI</b>		
Actuarial changes arising from changes in financial assumptions	(11.26)	(9.94)
Actuarial changes arising from changes in demographic assumptions	6.04	(4.56)
Experience adjustments	(118.06)	(212.18)
<b>Total</b>	<b>(123.28)</b>	<b>(226.68)</b>
<b>d) Actuarial assumptions</b>		
	As at 31 March 2019	As at 31 March 2018
Discount rate	7.47% p.a.	7.83% p.a.
Salary escalation rate - over a long-term	6.00% p.a.	8.00% p.a.
Mortality rate	Indian assured lives mortality (2012-13) ultimate	Indian assured lives mortality (2006-08) ultimate

The attrition rate varies from 1% to 14% (31 March 2018: 1% to 8%) 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.

# SUMMARY OF SIGNIFICANT ACCOUNTING

policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2019

₹ in Lakhs

	As at 31 March 2019	As at 31 March 2018
<b>e) Quantities sensitivity analysis for significant assumption is as below:</b>		
	1% increase	
i. Discount rate	(9.21)	(16.34)
ii. Salary escalation rate - over a long-term	9.42	16.71
	1% increase	
i. Discount rate	9.72	17.25
ii. Salary escalation rate - over a long-term	(9.21)	(16.35)

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.

₹ in Lakhs

	As at 31 March 2019	As at 31 March 2018
<b>f) Maturity analysis of defined benefit obligation</b>		
Within the next 12 months	20.09	14.70
Between 2 and 5 years	62.27	77.89
Between 6 and 10 years	51.99	87.29
<b>Total expected payments</b>	<b>134.35</b>	<b>179.88</b>

## B Defined contribution plans

₹ in Lakhs

	As at 31 March 2019	As at 31 March 2018
<b>a) The Company has recognised the following amounts in the Statement of Profit and Loss for the year:</b>		
(i) Contribution to provident fund	38.36	66.16
(ii) Contribution to ESIC	33.73	13.69
	<b>72.09</b>	<b>79.85</b>

b) The expenses for leave entitlement and compensated absences is recognized in the same manner as gratuity and provision of ₹ 59.04 lakhs (31 March 2018: ₹ 132.82 lakhs has been made) has been reversed as at 31 March 2019.

	As at 31 March 2019	As at 31 March 2018
<b>c) Current/ non-current classification</b>		
<b>Gratuity</b>		
Current	19.38	14.15
Non-current	81.69	165.15
	<b>101.07</b>	<b>179.30</b>
Leave entitlement (including sick leave)		
Current	20.90	19.19
Non-current	52.87	113.63
	<b>73.77</b>	<b>132.82</b>



# SUMMARY OF SIGNIFICANT ACCOUNTING

policies and other explanatory information to the consolidated financial statements  
for the year ended 31 March 2019

## 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 comprehensive income	Rupees in lakhs	As % of consolidated total comprehensive income	Rupees in lakhs
	2	3	4	5	6	7	8	9
1								
Parent: Supreme Infrastructure India Limited	42.72%	(96,075.22)	76.99%	(110,854.98)	100.00%	123.28	76.97%	(110,731.70)
Subsidiaries								
<b>Indian</b>								
1. Supreme Infrastructure BOT Private Limited	35.31%	(79,428.86)	29.20%	(42,042.02)	-	-	29.22%	(42,042.02)
2. Supreme Panvel Indapur Tollways Private Limited	-12.79%	28,773.17	0.00%	(5.02)	-	-	0.00%	(5.02)
3. Supreme Mega Structures Private Limited	-0.18%	402.07	0.00%	(2.00)	-	-	0.00%	(2.00)
<b>Foreign</b>								
1. Supreme Infrastructure Overseas LLC	0.31%	(703.76)	0.00%	(6.73)	0.00%	-	0.00%	(6.73)
Total elimination/adjustment	34.63%	(77,883.82)	-17.00%	8,927.44	-12.00%	-	-6.21%	8,927.44
<b>TOTAL</b>	<b>100%</b>	<b>(224,916.42)</b>	<b>100%</b>	<b>(143,983.31)</b>	<b>100%</b>	<b>123.28</b>	<b>100%</b>	<b>(143,860.03)</b>

# SUMMARY OF SIGNIFICANT ACCOUNTING

policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2019

**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."

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
<b>Segment revenue</b>		
Engineering and construction	55,915.82	90,964.68
Road Infrastructure	11,784.19	9,603.03
<b>Total Revenue</b>	<b>67,700.01</b>	<b>100,567.71</b>
<b>Segment profit/ (loss) before tax, finance cost and exceptional item</b>		
Engineering and construction	2,888.18	16,690.79
Road Infrastructure	(1,327.16)	(8,035.62)
<b>Total</b>	<b>1,561.02</b>	<b>8,655.17</b>
Less: Exceptional items		
- Engineering and construction	59,427.74	25,818.88
- Road Infrastructure	15,876.71	11,778.71
<b>Profit/ (loss) before finance cost, share of profit/ (loss) of associate and joint ventures and tax</b>	<b>(73,743.43)</b>	<b>(28,942.42)</b>
<b>Segment Assets</b>		
Engineering and construction	103,863.29	154,692.51
Road Infrastructure	339,828.78	335,459.00
Unallocable corporate assets	6,959.27	6,773.85
	<b>450,651.34</b>	<b>496,925.36</b>
<b>Segment Liabilities</b>		
Engineering and construction	40,799.25	56,601.63
Road Infrastructure	13,117.88	12,960.00
Unallocable corporate liabilities	621,650.63	508,474.00
	<b>675,567.76</b>	<b>578,035.63</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

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# SUMMARY OF SIGNIFICANT ACCOUNTING

policies and other explanatory information to the consolidated financial statements  
for the year ended 31 March 2019

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**For Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm Registration No. 001076N / N500013

**For Ramanand & Associates**  
Chartered Accountants  
Firm Registration No: 117776W

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

**Rakesh R. Agarwal**  
Partner  
M.No. : 109632

**Santosh Jadhav**  
Partner  
M.No. : 115983

**Vikas Sharma**  
Director  
DIN No : 01344759  
Place : Mumbai

**Vikram Sharma**  
Managing Director  
DIN No : 01249904  
Place : Mumbai

Place : Mumbai  
Date : 17 September 2019

**Sandeep Khandelwal**  
Chief Financial Officer

**Vijay Joshi**  
Company Secretary

Place : Mumbai

Date : 17 September 2019

# FORM AOC-I

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

(₹ in Lakhs)

## A. Subsidiary Companies

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	% Share holding
1	Supreme Infrastructure BOT Pvt. Ltd.	INR	1	(39,891.12)	86,389.14	126,279.26	60,210.97	179.37	1,801.23	0	1,801.23	0	100%
2	Supreme Panvel Indapur Tollways Pvt Ltd	INR	10	28,763.17	187,334.98	158,561.81	11.5	19,346.09	(5.72)	0	(5.72)	0	64%
3	Supreme Mega Structures Pvt Ltd	INR	1	400.76	701.31	299.54	0	303.59	3.12	5.44	(2.32)	0	60%
4	Supreme Manor Wada Bhiwandi Infrastructure Pvt Ltd	INR	10	(10,980.62)	54,416.50	48,142.13	0	3,980.06	(3,215.79)	0	(3,215.79)	0	49%
5	Patiala Nabha Infra Projects Pvt Ltd (Formerly known as Supreme Infra Projects Pvt Ltd)	INR	1	(6,272.50)	7,606.20	10,682.71	0	1,022.41	(1,433.10)	0	(1,433.10)	0	100%
6	Supreme Best Value Kolhapur (Shiroli) Sangli Tollways Pvt Ltd.	INR	5	(10,293.23)	38,960.48	39,653.69	0	0	(5,313.18)	0	(5,313.18)	0	39%
7	Supreme Ahmednagar Karmala Tembhorni Tollways Pvt Ltd.	INR	57.14	(13,127.67)	67,071.55	65,921.08	0	0.00	(8,932.57)	0	(8,932.57)	0	49%
8	Supreme Infrastructure BOT Holdings Pvt. Ltd. (SIBHPL)	INR	154.90	19,898.43	26,322.00	9,500.26	26,215.50	15.31	1,496.54	0	1,496.54	0	51%
9	Supreme Kopergaon Ahmednagar Tollways Private Limited	INR	1	(15,958.49)	5,063.54	13,306.03	0	2,217.91	(3,066.45)	0	(3,066.45)	0	100%
10	Supreme Suyog Funicular Ropeways Private Limited	INR	10	(18.88)	12,606.59	8,712.47	0	214.64	(10.20)	0	(10.20)	0	98%
11	Kopergaon Ahmednagar Tollways (Phase I) Private Limited	INR	1	(11,210.00)	25,367.98	27,376.98	0	2663.36	(6,460.65)	0	(6,460.65)	0	100%
12	Supreme Infrastructure Overseas LLC	*OMR	352.03					13.37	-45.44	0	-45.44	0	60%
13	Supreme Vasai Bhiwandi Tollways Private Limited	INR	1	(9,428.14)	26,385.64	29,812.67	0	2,258.90	(2,901.39)	0	(2,901.39)	0	100%
14	Kotkapura Muktsar Tollways Private Limited	INR	51	(1,941.67)	12,535.81	11,328.47	0	1,049.12	(972.15)	0	(972.15)	0	74%
15	Mohol Kurul Kamati Mandrup Tollways Private Limited	INR	1	(39.20)	2.00	40.21	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, 2019 to the extent available.
- 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.

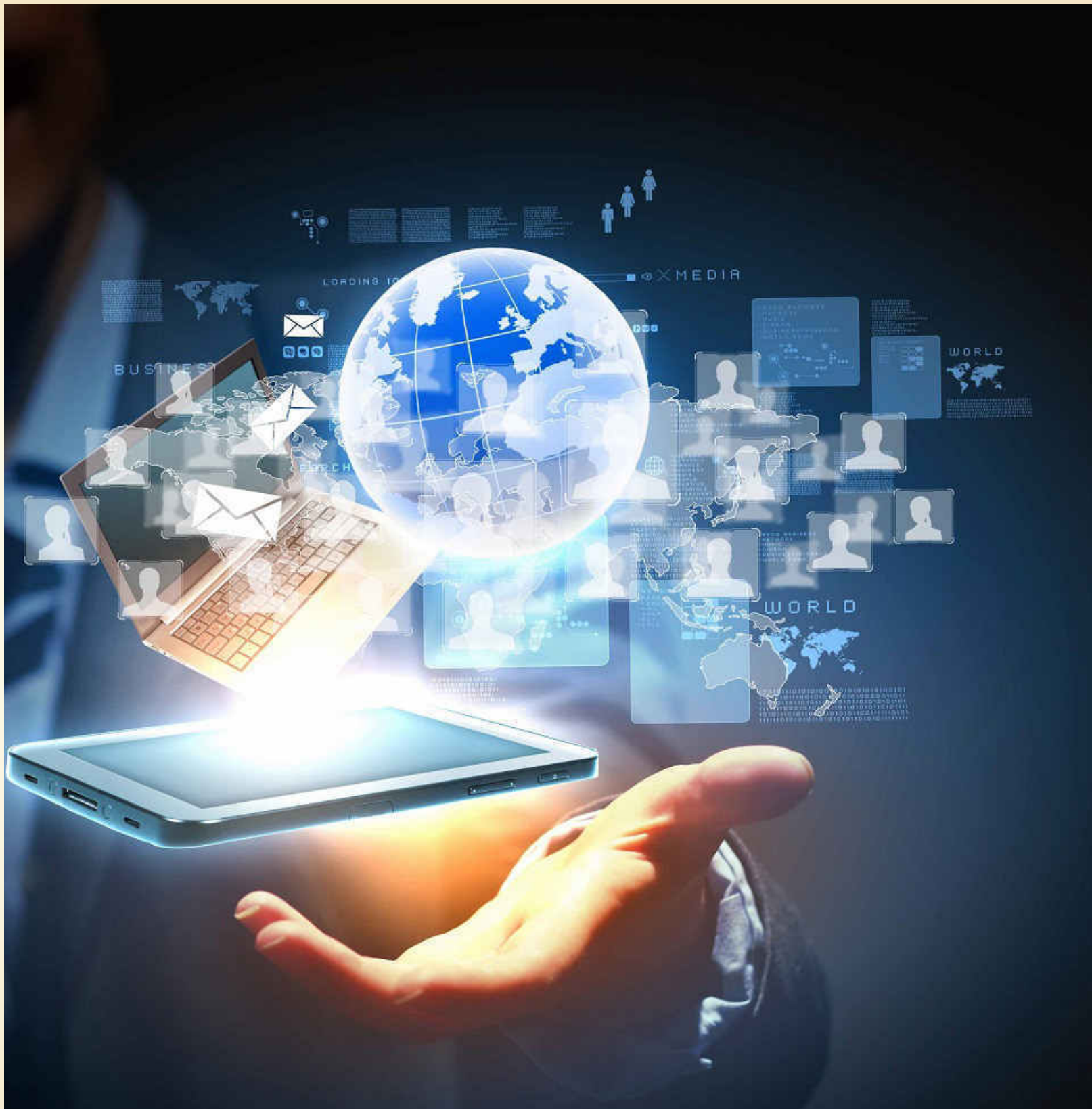
**B. Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

₹ in Lakhs

Name of Associates/ Joint Ventures	Sanjose Supreme Tollways Development Private Ltd	Sohar Stones LLC
1 Latest Audited Balance sheet Date	31/03/2018	31/03/2018
2 Shares of Associate/ Joint Ventures held by the company on the year end		
No. of shares - Equity	1,47,998	-
- Preference	7,60,000	-
Amount of Investment in Associates/ Joint Venture -	7614.79	493.89
Extent of Holding %	96.10%	30%
3 Discription of how there is significant influence	Singnificant influence over Share Capital	Singnificant influence over Share Capital
4 Reason why the associate/ joint venture is not consolidated	Consolidated	Consolidated
5 Networth attributable to shareholding as per latest audited Balance sheet	-	-
6 Profit/ Loss of the year		
i considered in Consolidation	-	-
ii Not consideration in consolidation	-	-



SUPREME INFRASTRUCTURE INDIA LTD.



**Registered Office**

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

Corporate Identification Number: L74999MH1983PLC029752

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Consolidated)

Statement on Impact of Audit Qualifications for the Financial Year ended 31 March 2019 [See Regulation 33 of the SEBI (LODR) (Amendment) Regulations, 2016]

Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
1	Income from Operations	109,727.79	69,277.22
2	Total Expenses	213,637.75	
3	Net Profit/(Loss)	(143,860.03)	
4	Earnings/(Loss) Per Share	(553.64)	
5	Total Assets	430,651.34	
6	Total Liabilities	675,567.76	
7	Net Worth	124,919.42	
8	Any other financial item (s) (as felt by appropriate by the management)		

ii. Audit Qualification (each audit qualification separately):

**(i) Auditor's Qualification on the financial results (consolidated)**

(a) As stated in Note 2 to the consolidated financial results, the Holding Company's current financial assets as at 31 March 2019 include trade receivables aggregating ₹ 41,075.63 lakhs (31 March 2018: ₹ 55,396.37 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 results. Our opinion on the consolidated financial results for the year ended 31 March 2018 was also modified in respect of this matter.

(b) As stated in Note 3(a) to the consolidated financial results, the Holding 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 consolidated financial results. Our opinion on the consolidated financial results for the year ended 31 March 2018 was also modified in respect of this matter.

(c) As stated in Note 3(e) to the consolidated financial results, relating to the Group's carrying value of net assets (capital employed) aggregating ₹ 126,960.70 lakhs and non-controlling interest amounting to ₹ 6,166.45 lakhs as at 31 March 2019 relating to Supreme Infrastructure BOT Private Limited, 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 2019 and other factors described in the aforementioned 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 results.

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 and reproduced by us as under:

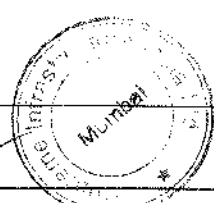
i. As stated in Note 3(b) to the accompanying consolidated financial results, which indicate that Supreme Vasai Bhiwandi Tollways Private Limited, a subsidiary of SIBPL, current maturities of long term borrowings and other current financial liabilities as at 31 March 2019 include balances aggregating ₹ 10,255.23 lakhs and ₹ 3,355.47 lakhs, respectively in respect of which direct confirmations from the respective lenders have not been received. 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 results.

ii. As stated in Note 3(c) to the accompanying consolidated financial results, 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 2019 include balances aggregating ₹ 356.47 lakhs and ₹ 96.23 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 results.

iii. As stated in Note 3(d) to the accompanying consolidated financial results, which indicate that Kopergaon 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 2019 include balances aggregating ₹ 404.36 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 results.

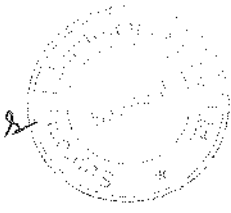
We, further draw attention to the following emphasis of matters on the consolidated financial statements of SIBPL, subsidiary of the Holding Company issued by an independent firm of Chartered Accountants vide its report dated 7 September 2019 and reproduced by us as under:

We draw attention to Note 5 to the accompanying consolidated financial results with respect to Supreme Suyog Funicular Ropeways Private Limited, a subsidiary of SIBPL, intangible assets under development as at 31 March 2019 aggregating ₹ 12,321.89 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, 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.



SUPREME INFRASTRUCTURE INDIA LTD. (AN ISO-9001/14001/OHSAS-18001 CERTIFIED COMPANY)

	<p><b>(ii) Auditor's Qualification on the Internal Financial Controls relating to above matters:</b>                  In our opinion, according to the information and explanations given to us and based on our audit procedures performed, the following material weaknesses have been identified in the operating effectiveness of the Holding Company's Internal Financial Controls over Financial Reporting as at 31 March 2019:</p> <p><b>Matter II (a) (i) (a)</b> The Holding Company's internal financial controls over financial reporting with respect to the process of assessing impairment of trade receivables were not operating effectively which could potentially result in a material misstatement in the recognition of impairment loss and the related carrying value of the trade receivables in the consolidated financial statements.</p> <p><b>Matter II (a) (i) (b)</b> The Holding Company's internal control system towards estimating the carrying value of net assets in Supreme Infrastructure BOT Private Limited, subsidiary of the holding company, in determining the need to recognize an impairment loss as per Ind AS (Indian Accounting Standards) were not operating effectively, which could potentially result in a material misstatement to the carrying value of net assets and the consequent impact on the earnings, reserves and related disclosures in the consolidated financial statements.</p> <p>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 financial statements or interim financial statements will not be prevented or detected on a timely basis.</p> <p>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, which are companies covered under the Act as at and for the year ended 31 March 2019, and the material weaknesses have affected our opinion on the consolidated financial statements of the Group and its joint venture companies, which are companies covered under the Act and we have issued a qualified opinion on the consolidated financial statements.</p>
b. Type of Audit Qualification:	Qualified Opinion
c. Frequency of qualification:	<b>Qualifications:</b> Qualification II (a) (i) (a) has been appearing from the year ended 31 March 2015; Qualification II (a) (i) (b) has been appearing from the year ended 31 March 2018 and Qualifications II (a) (i) (c) has been included for the first time during the year 31 March 2019.
d. For Audit Qualifications where the impact is quantified by the auditor, Management's Views:	Not applicable
e. For Audit Qualification(s) where the impact is not quantified by the auditor:	
(i) Management's estimation on the impact of audit	Not ascertainable
(ii) If management is unable to estimate the impact, reasons for the same:	<p>II (a) (i) (a): Trade receivables as at 31 March 2019 include ₹ 41,075.63 lakhs (31 March 2018: ₹ 55,396.37 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.</p> <p>II (a) (i) (b): Non-current borrowings, short-term borrowings and other current financial liabilities as at 31 March 2019 include balances amounting to 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. 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 2019 is based on the original maturity terms stated in the agreements with the lenders.</p> <p>II (a) (i) (c) 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 2019, 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 are 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 2019 and due to these, the Group's carrying value of net assets (capital employed) amounting to ₹ 126,980.70 lakhs and non controlling interest amounting to ₹ 6,166.45 lakhs is considered as good and recoverable.</p> <p>In case of Supreme Vesaf 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.</p>





In case of Kotkapura Muktsar Tollways Private Limited ("KMTPL"), a subsidiary company current maturities of non-current borrowings and other current financial liabilities as at 31 March 2019 include balances aggregating ₹ 366.47 lakhs and ₹ 96.23 lakhs, respectively in respect of which direct confirmations from the respective lenders have not been received. Further, out of these balance, current maturities of non-current borrowings and other current financial liabilities as at 31 March 2019 include balances aggregating ₹ 366.47 lakhs and ₹ 96.23 lakhs, respectively, represent loans which were classified as Non-Performing Assets (NPAs) by the lenders. In the absence of confirmations from the lenders, KMTPL 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.

In case of Karpangon Abad-Nagar (Phase II) Tollways Private Limited ("KATPL"), a subsidiary company current maturities of non-current borrowings and other current financial liabilities as at 31 March 2019 include balances aggregating ₹ 404.38 lakhs and ₹ 85.71 lakhs, respectively in respect of which direct confirmations from the respective lenders have not been received. Further, out of these balance, current maturities of non-current borrowings and other current financial liabilities as at 31 March 2019 include balances aggregating ₹ 404.38 lakhs and ₹ 85.71 lakhs, respectively, represent loans which were classified as Non-Performing Assets (NPAs) by the lenders. In the absence of confirmations from the lenders, KATPL 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.

In respect of Supreme Suyog Funicular Ropeways Private Limited ("SSFRPL"), Intangible Assets under Development (IAUD) as at 31 March 2019 represents amounts aggregating ₹ 12,321.89 lakhs, substantially being carried over 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 non-availability 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 30 September 2019 for completion of the project, approval for which is presently awaited and the Management is confident of getting the same approved from the 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 2019.

ii (a) (ii) Management believes that Holding Company's internal financial controls in respect of assessment of the recoverability of trade receivables and towards estimating the carrying value of net assets in Supreme Infrastructure BOT Private Limited were operating effectively and there is no material weakness in such controls and procedures.

(iii) Auditors' Comments on (i) or (ii) above:

Included in details of auditor's qualifications as stated above

**III Signatories:**

**Joint Statutory Auditors**

For Walker Chandok & Co. LLP  
 Chartered Accountants  
 Firm Registration No. 001076N / N500013

For Ramanand & Associates  
 Chartered Accountants  
 Firm Registration No. 117776W

For Supreme Infrastructure India Limited

Rakesh R. Agarwal  
 Partner  
 Membership No. : 109632

Santosh Jadhav  
 Partner  
 Membership No. : 115983

Mr. Vikram Sharma  
 Managing Director

Mr. Sandeep Khandeival  
 Chief Financial Officer

Mr. V.P. Singh  
 Audit Committee Chairman

Place : Mumbai  
 Date : 17 September 2019

Place : Mumbai  
 Date : 17 September 2019

**ANNEXURE I**

Statement on Impact on Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Standalone)

Statement on Implication of Audit Qualifications for the Financial Year ended 31 March 2019 [See Regulation 33 of the SEBI (LODR) (Amendment) Regulations, 2016]

(Amount in ₹ lakhs except earnings per share)

I	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1	Turnover / Total income	57,972.52	57,972.52
	2	Total Expenditure	168,704.22	[Refer note II (e) (ii)]
	3	Net Profit/(Loss)	(110,731.70)	[Refer note II (e) (iii)]
	4	Earnings/ (Loss) Per Share	(431.37)	[Refer note II (e) (ii)]
	5	Total Assets	274,259.67	[Refer note II (e) (ii)]
	6	Total Liabilities	370,334.90	[Refer note II (e) (ii)]
	7	Net Worth	(96,075.23)	[Refer note II (e) (ii)]
	8	Any other financial item (s) (as felt appropriate by the management)	-	-

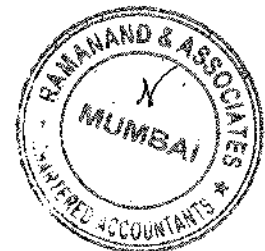
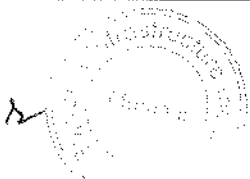
II Audit Qualification (each audit qualification separately):

a. Details of Audit Qualification:

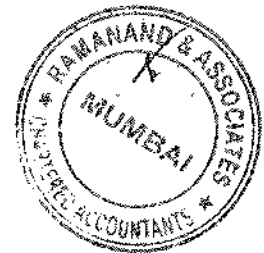
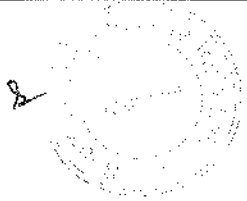
(i) Auditor's Qualification on the financial results (standalone)

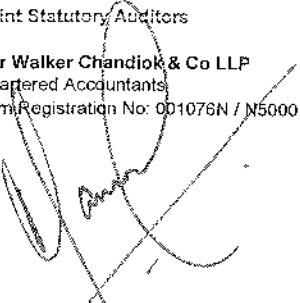
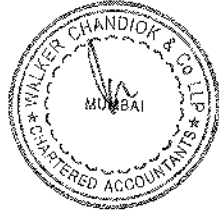


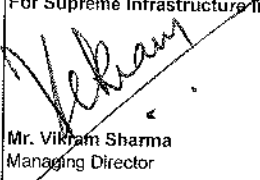
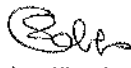


(a) As stated in Note 2 to the accompanying standalone financial results, the Company's current financial assets as at 31 March 2019 include trade receivables aggregating ₹ 45,680.90 lakhs (31 March 2018: ₹ 55,396.37 lakhs) in respect of projects which were closed/substantially closed and where the receivables 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 results. Our opinion on the standalone financial results for the year ended 31 March 2018 was also modified in respect of this matter.

(b) As stated in Note 3 to the accompanying standalone financial results, 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 results. Our opinion on the standalone financial results for the year ended 31 March 2018 was also modified in respect of this matter.


**SUPREME INFRASTRUCTURE INDIA LTD.**  
 (AN ISO-9001/14001/OHSAS-18001 CERTIFIED COMPANY)

	<p>(c) As stated in Note 5 to the accompanying standalone financial results, the Company's non-current investments as at 31 March 2019 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 results.</p>
	<p><b>(ii) Auditor's Qualification on the Internal Financial Controls relating to above matters:</b>        In our opinion, according to the information and explanations given to us and based on our audit procedures performed, the following material weaknesses has been identified in the operating effectiveness of the Company's Internal Financial Controls over Financial Reporting as at 31 March 2019:</p> <p><b>Matter II(a)(i)(a):</b> The Company's internal financial control in respect of supervisory and review controls over process of determining impairment allowance for trade receivables which are doubtful of recovery were not operating effectively. Absence of detailed assessment conducted by the management for determining the recoverability of trade receivables that remain long outstanding, in our opinion, could result in a potential material misstatement to the carrying value of trade receivables, and consequently, could also impact the loss (financial performance including comprehensive income) after tax.</p> <p><b>Matter II(a)(i)(c):</b> The Company's internal financial control in respect of supervisory and review controls over process of determining the carrying value of non-current investments were not operating effectively. Absence of detailed assessment conducted by the management for determining the carrying value of non-current investments, in our opinion, could result in a potential material misstatement to the carrying value of non-current investment, and consequently, could also impact the loss (financial performance including comprehensive income) after tax.</p> <p>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 financial statements or interim financial statements will not be prevented or detected on a timely basis.</p> <p>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 statement of the Company as at and for the year ended 31 March 2019 and the material weakness has effected our opinion on the standalone financial statements of the Company and we have issued a qualified opinion on the standalone financial statements.</p>
<p>b. Type of Audit Qualification :</p>	<p>Qualified Opinion</p>
<p>c. Frequency of qualification:</p>	<p><b>Qualifications:</b>        Qualifications II (a) (i) (a) has been appearing from the year ended 31 March 2015; Qualifications II (a) (i) (b) has been appearing from the year ended 31 March 2018; Qualification II (a) (i) (c) has been included for the first time during the year ended 31 March 2019.</p>
<p>d. For Audit Qualifications where the impact is quantified by the auditor, Management's Views:</p>	<p>Not Applicable</p>
<p>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</p>	
<p>(i) Management's estimation on the impact of audit qualification:</p>	<p>Not ascertainable</p>



<p>(ii) If management is unable to estimate the impact, reasons for the same</p>	<p>ii (a) (i) (a) : Trade receivables as at 31 March 2019 include ₹ 45,680.90 lakhs (31 March 2018: ₹ 55,396.37 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.</p> <p>ii (a) (i) (b) Non-current borrowings, short-term borrowings and other current financial liabilities as at 31 March 2019 include balances amounting to Nil (31 March 2018 ₹ 1,324.24 lakhs), Nil (31 March 2018 ₹ 294.21 lakhs) and ₹ 11,925.02 lakhs (31 March 2018 ₹ 11,510.27 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 2019 is based on the original maturity terms stated in the agreements with the lenders.</p> <p>ii (a) (i) (c) The Company, as at 31 March 2019, has non-current investments in Supreme Infrastructure BOT Private Limited ('SIBPL'), a subsidiary company, amounting to ₹ 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 has accumulated losses, causing the net worth of the entity to be fully eroded as at 31 March 2019, the underlying projects are expected to achieve adequate profitability on substantial completion of the underlying projects. Further, in case of Supreme Manowarda Bhiwandi Infrastructure Private Limited ('SMBIPL'), a subsidiary of SIBPL, lenders have referred SMBIPL to NCLT under RBI circular dated 12 February 2018, for which response is awaited from NCLT. 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 2019 and due to which these are considered as good and recoverable.</p> <p>ii (a) (ii) 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.</p>	
<p>(iii) Auditors' Comments on (i) or (ii) above:</p>	<p>Included in details of auditor's qualifications stated above</p>	
<p><b>III Signatories:</b></p>		
<p>Joint Statutory Auditors</p> <p><b>For Walker Chandiook &amp; Co LLP</b> Chartered Accountants Firm Registration No: 001076N / N500013</p>  <p><b>Rakesh R. Agarwal</b> Partner Membership No. : 109632</p>  <p>Place : Mumbai Date : 17 September 2019</p>	<p><b>For Ramanand &amp; Associates</b> Chartered Accountants Firm Registration No: 117776W</p>  <p><b>Santosh Jadhav</b> Partner Membership No. : 115983</p> 	<p><b>For Supreme Infrastructure India Limited</b></p>  <p><b>Mr. Vikram Sharma</b> Managing Director</p>  <p><b>Sandeep Khandelwal</b> Chief Financial Officer</p>  <p><b>Mr. V.P. Singh</b> Audit Committee Chairman</p>  <p>Place : Mumbai Date : 17 September 2019</p>