DRAFT PROSPECTUS
Dated [●]

Supreme Infrastructure India Limited

(Incorporated on 8th April 1983 under the Companies Act, 1956 as Supreme Asphalts Private Limited. The name of the Company was changed to Supreme Infrastructure India Private Limited vide a Fresh Certificate of Incorporation dated 10th April 2002. The Company was then converted into a public limited company vide a Fresh Certificate of Incorporation dated 30th August 2005.)

Registered Office: 8, Bhawani Service Industrial Estate, IIT Powai, Mumbai- 400 076

(The registered office of the Company was shifted from 4, Sunder Mansion, 3rd Floor, Chembur, Mumbai 400072 to 508, Swastik Chambers, C.S.T.Road, Chembur, Mumbai 400 071 w.e.f. 12th November 1985 and subsequently w.e.f. 10th August 1988 its registered office was shifted to the present address).

Tel.: 91 22 2578 2931/ 2578 3549, Fax: 91 22 2578 2931, e-mail:ipo@supremeinfra.com, website: www.supremeinfra.com

Compliance Officer: Mr. Navin T.Shah, Company Secretary

PUBLIC ISSUE OF 33, 50,000 EQUITY SHARES OF RS. 10/- EACH FOR CASH AT A PREMIUM OF RS. [●] PER EQUITY SHARE AGGREGATING RS 2177.50 LAKHS (AT THE LOWER BAND OF ISSUE PRICE OF RS. 65/- PER EQUITY SHARE) AND RS. 2512.50 LAKHS (AT THE HIGHER BAND OF THE ISSUE PRICE OF RS. 75/- PER EQUITY SHARE). THE ISSUE PRICE IS 6.5 TIMES OF THE FACE VALUE AT THE LOWER END OF THE PRICE BAND AND 7.5 TIMES OF THE FACE VALUE AT THE HIGHER END OF THE PRICE BAND. THE ISSUE WOULD CONSTITUTE 25.09% OF THE FULLY DILUTED POST ISSUE PAID-UP EQUITY CAPITAL OF THE COMPANY.

Price Band: Rs. 65/- to Rs 75/- per Equity Share of Rs. 10/- each.

RISKS IN RELATION TO THE FIRST ISSUE

This being the first issue of Equity Shares of Supreme Infrastructure India Limited, there has been no formal market for Equity Shares of the Company. The face value of the Equity Shares is Rs.10/- and the Issue Price is [●] times of the face value. The Issue Price (has determined and justified by the Lead Merchant Banker and the issuer company as stated under justification of premium on page [●] of the Draft Prospectus) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares of the Company nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. For taking an investment decision, investors must rely on their own examination of the Issuer and the Issue including the risk involved. The Equity Shares offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document.

Specific attention of the investors is drawn to the statement of Risk Factors on Page No. [●] to [●] of the Draft Prospectus.

ISSUER'S ABSOLUTE RESPONSIBILITY

Supreme Infrastructure India Limited, having made all reasonable inquiries, accepts responsibility for and confirms that the Draft Prospectus contains all information with regard to the Company and the Issue, which is material in the context of the Issue; that the information contained in the Draft Prospectus is true and correct in all material aspects and is not misleading in any material respect; that the opinions and intentions expressed herein are honestly held and that there are no other facts the omission of which makes this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares are proposed to be listed on The Bombay Stock Exchange Limited (BSE) being the Designated Stock Exchange and The National Stock Exchange of India Ltd. (NSE). The in-principle approvals from these Stock Exchanges for the listing of its Equity Shares have been received pursuant to letters dated [●] and [●] respectively.

LEAD MANAGER	REGISTRAR TO THE ISSUE
Karvy Investor Services Limited "Karvy House" 46, Avenue 4, Street No.1, Banjara Hills, Hyderabad - 500 034, Andhra Pradesh, India Tel.No.: 91-40-23312454/23320251,23320751 Fax No. : 91-40-23374714 E-mail : mbd@karvy.com Website : www.karvy.com	**Bigshare Services Private Limited** E-2, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri East, Mumbai-400 072, Tel.:+91 - 22 - 2847 3747/ 3474 Fax :+91 - 22 - 2847 5207 Website:www.bigshareonline.com Email: bigshare@bom7.vsnl.net.in Contact Person: Mr. V. Kumaresan

ISSUE PROGRAMME			
ISSUE OPENS ON	[●]	ISSUE CLOSES ON	[●]

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A. DEFINITIONS AND ABBREVIATIONS

I. CONVENTIONAL/ GENERAL TERMS

Term	Description
Articles/Articles of Association/ AoA	Articles of Association of Supreme Infrastructure India Limited
Companies Act / Act	The Companies Act, 1956 as amended from time to time
Depository	A company formed and registered under the Companies Act, 1956 and which has been granted a certificate of registration under sub-section (1A) of Section 12 of the Securities and Exchange Board of India, 1992.
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depository Participant	A person registered as such under sub-section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992.
ESOP	Employee Stock Option Plan
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time, and the regulations framed thereunder
FII	Foreign Institutional Investor (as defined under FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000) registered with SEBI.
Financial Year / Fiscal / FY	Period of twelve months ended March 31 of that particular year, unless stated otherwise
Government /GoI	The Government of India
Indian GAAP	Generally Accepted Accounting Principles in India
I.T. Act	The Income-Tax Act, 1961, as amended from time to time
Memorandum of Association / MoA	Memorandum of Association of Supreme Infrastructure India Limited
NAV	Net Asset Value being paid up Equity Share capital plus free reserves (excluding reserves created out of revaluation) less deferred expenditure not written off (including miscellaneous expenses not written off) and debit balance of Profit & Loss account, divided by number of issued Equity Shares
NRI / Non-Resident Indian	A person resident outside India who is a citizen of India or is person of Indian origin (as defined in Foreign Exchange Management (Deposit) Regulations, 2000.
OCB	Overseas Corporate Body
QIB	Public Financial Institutions as specified in Section 4A of the Companies Act, Scheduled Commercial Banks, Mutual Funds registered with SEBI, Foreign Institutional Investors registered with SEBI, Multilateral And Bilateral Development Financial Institutions, Venture Capital Funds registered with SEBI, Foreign Venture Capital Investors registered with SEBI, State Industrial Development Corporations, Insurance Companies registered with the Insurance Regulatory And Development Authority (IRDA), Provident Funds with a minimum corpus of Rs. 25 crores and Pension Funds with a minimum corpus of Rs. 25 crores
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time.
SEBI	The Securities and Exchange Board of India, constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act, 1992 as amended from time to time
SEBI Guidelines	SEBI (Disclosure and Investor Protection) Guidelines, 2000, as amended, including instructions and clarifications issued by SEBI from time to time

II. OFFERING RELATED TERMS

Applicant	Any prospective investor who makes an application for Equity Shares in terms of the Prospectus
Application Form	The form in terms of which the investors shall apply for the Equity Shares of the Company
Bankers / Bankers to the Issue	[●]
Designated Stock Exchange	Bombay Stock Exchange Limited.
Equity Shares	Equity Shares of the Company of the face value Rs. 10 each, unless otherwise specified in the context thereof
Issue / Public Issue	Public Issue of 33,50,000 equity shares of Rs. 10/- each for cash at the Issue Price of Rs. **[●]** aggregating to Rs. **[●]** Lakhs in terms of the Prospectus
Issue Opening Date	The date on which the Issue opens for subscription
Issue Closing Date	The date on which the Issue closes for subscription
Issue Period	The period between the Issue Opening Date and Issue Closing Date and includes both these dates
Issue Price	The price of Rs. **[●]**/- per Equity Share as decided by the Company and the Lead Manager at which the Equity Shares shall be issued to the public under this Issue in terms of the Prospectus
Issue Size	33,50,000 of Equity Shares of the Company
The Company / SIIL/ Supreme / We / Us / Our Company/ The Issuer	Supreme Infrastructure India Limited
Lead Manager	Lead Manager to the Issue, in this case being Karvy Investor Services Limited
Offer Document / Prospectus	The Prospectus filed with the ROC containing *inter alia* the Issue price and the number of Equity Shares to be issued and certain other information
Public Issue Account	In accordance with Section 73 of the Companies Act, 1956, an account opened with the Banker(s) to the Issue to receive monies for the Public issue
Registrar/ Registrars to the Issue	Bigshare Services Private Limited

III. COMPANY/INDUSTRY RELATED TERMS

Auditors	The Statutory Auditors of the Company, M/s Shah & Kathariya, Chartered Accountants.
Board/ Board of Directors	Board of Directors of Supreme Infrastructure India Limited
Equity Shares	Equity Shares of the Company of Rs. 10/- each unless otherwise specified in the context thereof
Equity Shareholders	Persons holding Equity Shares of the Company unless otherwise specified in the context thereof
Face Value	Value of paid up equity share capital per Equity Share, in this case being Rs. 10/- each
PPP	Public Private Partnerships
RMC	Ready Mix Conccrete
Registered Office /Registered Office of the Company	Supreme Infrastructure India Limited 8, Bhawani Service Industrial Estate, IIT Powai, Mumbai 400 076

ROC	Registrar of Companies, Maharashtra, situated at Hakoba Mills Compound, 2nd Floor, Dattaram Lad Marg, Kalachowkie, Lalbaug, Mumbai 400 033

IV. ABBREVIATIONS

Abbreviation	Full Form
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
AY	Assessment Year
BSE	Bombay Stock Exchange Limited.
A/c	Account
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CEO	Chief Executive Officer
CFO	Chief Financial Officer
EBITDA	Earning Before Interest Tax Depreciation and Amortisation
EGM	Extraordinary General Meeting
EPS	Earnings Per Share
FII(s)	Foreign Institutional Investors registered with SEBI under applicable laws
FIPB	Foreign Investment Promotion Board
FDI	Foreign Direct Investment
HUF	Hindu Undivided Family
IPO	Initial Public Offering
Karvy	Karvy Investor Services Limited
Mn	Million
MIDC	Maharashtra Industrial Development Corporation
N.A.	Not Applicable
NOC	No Objection Certificate
NR	Non-Resident
NRE Account	Non-Resident External Account
NRI(s)	Non-Resident Indians
NRO Account	Non-Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
RBI	The Reserve Bank of India
RONW	Return on Net Worth
Rs. / Rupees / INR	Indian Rupees
SEC.	Section
SIA	Secretariat for Industrial Assistance
VAT	Value Added Tax

B. RISK FACTORS

I. FORWARD LOOKING STATEMENTS

The Draft Prospectus contains certain "forward-looking statements". These forward looking statements can generally be identified by words or phrases such as "expect", "estimate", "intend", "may", "plan", "project", "shall", "will" or other words or phrases of similar import. Similarly, statements that describe Company's objectives, strategy, plans or goals are also forward-looking statements.

All forward-looking statements are subject to risks, uncertainties and assumptions about the Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from the expectations include, among others:

- General economic and business conditions;
- Company's ability to successfully implement its strategy and its growth and expansion plans;
- Factors affecting construction activity;
- Increasing competition in the infrastructure industry;
- Increases in labour costs, raw materials prices, prices of plant & machineries and insurance premia;
- Manufacturers' defects or mechanical problems with Company's plant & machineries or accidents caused by human error;
- Changes in the value of the Indian rupee and other currencies, in particular, the U.S. Dollar;
- Cyclical or seasonal fluctuations in the operating results;
- Amount that the Company is able to realize from the clients;
- Changes in laws and regulations that apply to the infrastructure industry;
- Changes in fiscal, economic or political conditions in India;
- Social or civil unrest or hostilities with neighboring countries or acts of international terrorism;
- Changes in the foreign exchange control regulations, interest rates and tax laws in India.

For further discussion of factors that could cause Company's actual results to differ, please see the section entitled "Risk Factors" included in the Draft Prospectus. In the light of inherent risks and uncertainties, the forward-looking statements, events and circumstances discussed in the Draft Prospectus might not occur and are not guarantees of future performance.

Neither the Company, it's Directors and Officers, any member of the Issue Management Team, nor any of their respective affiliates has any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, for purposes of the Issue, the Company and the Lead Manager to the Issue will ensure that investors in India are informed of material developments relating to the business until such time as the grant of listing and trading permission by the Stock Exchanges.

II. RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all of the information in the Draft Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. If any of the following risks actually occur, our business, financial condition and results of operations could suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment.

The Draft Prospectus also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in the Draft Prospectus:

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implication of any of the risks mentioned herein under:

- **The Company has not placed orders for most of the plant & machinery aggregating Rs. 778.69 Lakhs (including escalation & contingency costs), being 57.04% of the total requirement of the Company aggregating Rs.1365.09 lakhs.**

  Management Perception
  Our Company has estimated the requirement of plant & machinery aggregating around Rs. 1365.09 Lakhs out of which our Company has placed orders worth Rs.586.40 Lakhs. Our Company has already received quotations from various suppliers for the balance requirement and orders for the same will be placed in due course as per the proposed implementation schedule. The Plant & Machinery proposed to be acquired are ready for use and can be immediately put to use after procurement. Further, the estimated period of supply from the date of placement of orders or opening of Letters of Credit is between two to six months.

- **The Company proposes to utilize a sum of Rs. 450 lakhs from the proceeds of this Issue for investment in BOT / BOOT projects. The BOT/BOOT project for which the funds are proposed to be raised have not yet been identified by the Company. Further, the Company has not bid for any BOT / BOOT projects and there is no certainty that the Company shall be awarded such projects. If the company is awarded such projects the success of the project would depend upon generation of revenues which are estimated before bidding for such projects.**

  Management Perception
  The Government is encouraging private sector participation in road projects through three routes – BOT, Annuity and Special Purpose Vehicles. It is a relatively new approach which enables direct private sector investments in largescale projects such as roads, bridges and power. Our Company foresees a large opportunity in this area. Though our company has not executed BOT / BOOT projects till date we have experience in the construction activity and have successfully implemented various projects. The funds raised through this issue would strengthen our capability to quote for BOT / BOOT tenders. We propose to apportion this sum in the form of seed capital to take up BOT / BOOT projects as and when awarded to the Company. The company before bidding for such projects to make proper estimates of revenue generation shall carry out a feasibility study.

- **The plant & machinery proposed to be purchased include those which need to be imported and any fluctuation in the exchange rate may have an adverse impact on the cost of the same.**

  Management Perception
  Our Company has already placed the order for the Mobile Crusher proposed to be imported. This machinery worth Rs.548.90 lakhs constitutes 79.33% of the machinery proposed to be imported in terms of value and hence the adverse impact may be minimal.

- **Orders from a few customers viz. MMRDA, MSRDC and Public Works Department constitute 76% of the work in hand as per the existing order book of the Company. The Company's revenues shall continue to depend upon such few customers until there are major additions in the order book.**

  Management Perception
  Infrastructure development in our Country is a state subject and therefore government agencies like MMRDA, MSRDC play an active role in infrastructure development. The new projects in this sector are now being

undertaken in joint participation with the private sector generally called public-private partnerships to build large infrastructure projects. Our Company therefore receives orders from these agencies based on acceptance of our bid in a competitive bidding process. Our company therefore receives orders from these agencies based on acceptance of our bid in a competitive bidding process.

- **The Company earns major revenues from contracts awarded to it by the Central, State Government and their agencies. Any slowdown in government spending may adversely affect the growth of the Company**

  Management Perception
  Central Government, State Government, Municipal Corporation and various other agencies have been giving utmost importance to infrastructure development and have increased budgetary allocation and spending on infrastructure projects. For this purpose, special funds, budgetary allocation, external debts have been and are being raised to ensure continued availability of required funds for infrastructure development. Therefore, our Company does not anticipate any slowdown in the infrastructure sector and in fact foresees increased spending in the medium to long term scenario. Our Company has been executing government contracts since incorporation and is well versed with the modalities and functioning of the government departments.

- **The Company is dependent on road projects that generate majority of its revenues.**

  Management Perception
  The Government is focusing more on the development of roads as a measure for the overall economic development of the country. As such we have concentrated our resources towards road projects and have executed contracts for clients such as Airports Authority of India (AAI), Mumbai Port Trust (MPT) and the Coastal Department of the Public Works Department. Projects carried out by our Company in the past makes it eligible to qualify for similar and larger projects in the future.. We also plan to make a foray into new line of business such as the activity of construction of real estate.

- **The activities of the Company comprise of construction of roads, highways and related other projects. Some of the projects are high value projects and provide for levy of penalties in case of delay in completion. In case the Company is unable to meet the performance criteria and time schedules as set under the contract, the financial performance of the Company may be adversely affected.**

  Management Perception
  Our Company is conscious of this fact and therefore our company draws up the plans and strategies to schedule the execution activities to meet the time schedules of the project and minimize the risks of levy of penalty. In the past we have successfully completed certain projects ahead of schedule. For details please refer to Section titled "History and Corporate Structure" under the heading "Milestones achieved by the company" on page **[●]** of the Draft Prospectus**.**

- **The Company's revenue would largely depend upon acceptance of the bids submitted by it with the clients for the projects. In case the majority of the bids are not accepted, the performance of the Company may be adversely affected.**

  Management Perception
  Our Company has been bidding for the projects in past and has been able to procure contracts inspite of competition from various industry players. Considering the number of roads being undertaken for development, our Company does not envisage a scenario wherein it will be unable to secure projects.

- **There is a risk of escalation of cost of raw materials and also of their availability**

  Management Perception
  We estimate increase in raw material costs at the time of bidding for the project and mostly these contracts include an escalation clause to cover the rise in costs of raw materials. Raw materials like steel and cement required for completion of the projects are widely available and the risks of their availability is less as the country has a large and established cement and steel industry

- **Non-maintenance / break-down of equipment can delay the execution of the projects.**

  Management Perception
  Our Company normally constructs a workshop at the site for repair, maintenance and regular overhauling of machines. We deploy skilled personnel and mechanics at the site to minimize the chances of breakdown in

machinery. The Company carries out regular inspection and maintenance of the machines to keep them in proper running condition.

- **Improper handling of machinery and equipment can lead to accidents due to which the Company may have to pay compensation for loss of life and property**

  Management Perception
  Our Company's employees at the project site are well experienced and they ensure regular maintenance of machinery and equipment in order to minimize chances of mishaps occurring at any project site. We also have an adequate insurance cover to mitigate this risk. . For details please refer to Section titled “Company's Business” under the heading “Insurance” on page **[●]** of the Draft Prospectus**.**

- **The Company's operations may suffer a temporary setback if any of its key managerial personnel were to leave.**

  Management Perception
  Our Key Managerial Personnel possess adequate skills and experience with the requisite expertise in their fields. We are a broad based organization and have strong systems in place to ensure minimal dependence on any single individual. Successful completion of projects is ensured by proper planning, delegation and teamwork.

- **The successful completion of a project carried out in joint participation also depends upon the Company's joint venture partner/s and is therefore contingent on their performance.**

  Management Perception
  We select our Joint Venture partners taking adequate care about their strengths and capabilities. The Joint Venture agreements with these parties clearly define the liabilities of each partner as also the roles of both.

- **Employee health, safety and regulatory measures are important in the industry in which the company operates, any negligence can affect its performance.**

  Management Perception
  We are subject to laws and regulations governing, (a) relationship with employees in areas such as minimum wages, working hours, overtime, working conditions, hiring and terminating of employees, contract labour and work permits, (b) environmental, health and safety legislations. We take the required precautionary measures for our employees' welfare to ensure that they work in safe conditions. Our Company provides its workers safety equipment like helmets, boots and other equipment to ensure their safety at project sites. We also provide insurance cover to our employees.

- **The covenants in agreements executed with banks and financial institutions, among other things, require us to obtain the approval of these banks/institutions for matters such as issuing new securities (debt or equity), change in management, effecting mergers, consolidations, declaring dividends, undertaking material diversification in the business or creating subsidiaries or making certain investments. We cannot assure you that our lenders will provide us with these approvals in the future.**

  Management Perception
  Our Company believes that the Banks and Financial Institutions financing our business activities and corporate initiatives will not, unfairly hinder such plans. Though these covenants are restrictive to some extent, they ensure financial discipline, which would help the Company in the long run to improve its financial performance.

- **Adverse weather conditions and natural calamities can delay the implementation of our projects.**

  Management Perception
  Implementation of the projects undertaken may get delayed due to adverse weather conditions and natural calamities. Consequently, this may result in a delay in the execution of our contractual obligations thereby affecting our business. However, these risks are minimized as all contracts contain a force majeure clause wherein such contingencies are mutually agreed between the contractor and our Company.

- **The Company is smaller in size compared to the industry leaders in road projects which can be a negative factor for the Company in bidding for large projects.**

Management Perception
The Government's plans to improve infrastructure facilities of the Country and the proposed expenditure towards this end carry a large business potential for our company. We intend to bid for some of the projects after the completion of which we shall grow in size and consequently foresee an increase in our bidding capacity, thus enabling us to bid for contracts of larger size. In the past we have been successful in winning contracts against tough competition from bigger players. We have also entered into joint ventures with other players and have successfully completed projects of large sizes.

- **The Company's RMC Plant, Asphalt Plant, Crushing Unit and the proposed Crushing Plant based in and around Mumbai may be subject to objections by Environmentalists and the public in general.**

  Management Perception
  The RMC Plant, Asphalt Plant and proposed Crushing Plant are Eco friendly plants. Our Company has also obtained permission and clearance from appropriate authorities including the Pollution Control Board to build and operate these plants.

- **A Summary Suit has been filed against the company in the Bombay High Court claiming an amount of Rs 12.82 lakhs with interest for default made by the company in repayment of lease rent for certain vehicles leased to the company in the year 1995. For details please refer to Section titled "Legal and other Information" under the heading "Litigations filed against the company" on page [●] of the Draft Prospectus.**

- As per the last audited accounts, the Company has not provided for the following contingent liabilities:

(Rs. in Lakhs)

Particulars	**30.09.05**
Bank Guarantee	448.15

- **Equity Shares of the Company were allotted to the Promoters, Promoters Group and other persons at a price lower than the lower end of the price band of the issue in the last twelve months. For details please refer to "Notes to Capital Structure" on page [●] of the Draft Prospectus.**

- **No Agency is appointed to monitor the funds proposed to be raised in the public issue.**

EXTERNAL RISK FACTORS

- **The price of our Equity Shares may be highly volatile.**
  The prices of our Equity Shares on the Indian Stock Exchanges may fluctuate after this Issue as a result of several factors including:
  - Volatility in Indian and global securities market;
  - Our results of operations and performance;
  - Performance of our competitors and perception in the Indian market about investment in the infrastructure sector;
  - Adverse media reports on the Company or the Indian infrastructure industry;
  - Changes in the estimates of our performance or recommendations by financial analysts;
  - Significant development in India's economics liberalization and de-regulation policies; and
  - Significant development in India's fiscal and environmental regulations.
  - There can be no assurance that the price at which our Equity Shares are initially traded will correspond to the prices at which our Equity Shares will trade in the market subsequent to this Issue.

- **Infrastructure growth prospects are highly dependent on Government Policies.**

- **The Company's performance is highly dependent upon the growth of business and economy in the Country, which generates the demand for construction and development. An economic down turn may negatively impact the operating results of the Company**.

- **Various incentives are offered by the Government for development of infrastructure, particularly in development of roads. Adverse change in the focus of the Government may affect the future business prospects of the Company.**

- **Changes in technology may render Company's current Plant & Machineries obsolete or require it to make substantial capital investments for latest Plant & Machineries.**

- **Increasing employee / labour compensation in India may erode some of Company's competitive advantage and may reduce its profit margins.**

- **Any change in the regulatory environment may have an impact on the business of the Company.**

.

- **Any changes in the tax laws in India particularly income tax might lead to increased tax liability of the Company thereby putting pressures on profitability.**

- **Change in tax laws, particularly income tax, can have an impact on the post-tax profits of the Company**

- **Stability of policies & political situation: A significant change in India's economic liberalization and deregulation policies could affect the business and economic conditions in India, which in turn could have an impact on the Indian companies with a concurrent effect on the market for the Company's products and services.**

  The economic liberalization process is continuing in India and there is a reasonable consistency in the policies despite changes in the government and the Company has reason to believe that this will continue through the foreseeable future.

- **There has been no public market for the equity shares of the Company and its prices on listing of its equity shares may fluctuate. There can be no assurance that an active trading market for the Equity Shares will develop or be sustained after this Issue or that the prices at which the Equity Shares are sold through this issue will correspond to the prices at which the Equity Shares will trade in the market subsequent to this Issue.**

Notes to Risk Factors:

1. Investors are advised to refer to the para on "Basis for Issue Price" on Page No. **[●]** of the Draft Prospectus before making any investment in this Issue
2. Investors may please note that in the event of over-subscription, allotment shall be made on a proportionate basis in accordance with the SEBI Guidelines and in consultation with Bombay Stock Exchange Limited (The Designated Stock Exchange).
3. The book value per share of the Company was Rs. 70.25 as on March 31, 2005 and Rs 15.36 as on 30th Septemeber, 2005.
4. The net worth of the Company as per its Financials was Rs. 1053.68 lakhs as on March 31, 2005 and Rs 1382.83 Lakhs as on 30th Septemeber, 2005.
5. Issue comprises of 33,50,000 Equity Shares of Rs. 10/- each issued for cash at a premium of Rs. [●] per share aggregating to Rs. [●] Lakhs
6. The average cost of acquisition of Equity Shares of the Promoter is as follows:

Name of the Promoter	**Average Cost of Acquisition (in Rs.)**
Mr. Bhawani Shankar Sharma	1.67
Mr. Vikram Sharma	1.80
Mr. Vikas Sharma	1.75

7. Other than as disclosed either in related party transaction or otherwise, the promoters / directors / key management personnel of the Company have no interest, other than their shareholding in the Company or out of any business relation with any of the ventures in which they are interested.

8. The Promoter Group/ directors of the Company have not purchased and or sold / financed any shares of the Company during the past six months other than as disclosed in the notes to the Capital Structure on page [●].
9. The investors are free to contact the Lead Manager or the Compliance Officer for any complaint / clarification/information pertaining to the Issue, who will be obliged to attend to the same.
10. Details of Related Party Transactions for the year ended March 31, 2005 and for the six months period ended 30th September, 2005 are given on Page [•] of the Draft Prospectus.
11. The Company has made a Bonus Issue of Equity Shares in the ratio of 5 Equity Share for every one Equity Share held by the shareholders. This bonus issue was made through capitalization of reserves. The allotment of these Equity Shares was made on 26th August 2005.

C. INTRODUCTION

I. SUMMARY

(i) Summary of the Industry and Business of Supreme Infrastructure

The infrastructure sector comprising of transportation, communications, electricity and other services constitutes the backbone of any growing economy. Supply bottlenecks of critical services can severely hamper growth and development. The Tenth Five Year Plan has targeted an annual growth of 8 per cent in GDP over 2002-07 as compared to the average of 5.6 to 5.7 per cent recorded during the eighties and nineties. However, further acceleration of growth requires significant investments in infrastructure. The energy-transport infrastructure, in particular, will be a major determinant of an acceleration in GDP growth. According to the Tenth Five Year Plan, the cumulative investment requirement during 2001-02 to 2005-06 has been estimated at US$ 156 billion. Of this, 40 per cent is required in the power sector, 11 per cent in telecom and around 14 per cent in roads and railways.

All the infrastructure sectors need sufficient funds for expansion and maintenance of existing facilities. To address this need as well as improve efficiency, a number of policy measures have been initiated recently. In order to create an adequate provision of various public goods, the Government has changed its role from direct producer of public goods and focuses on facilitating and encouraging public-private partnership, including Foreign Direct Investment.

Business of Supreme Infrastructure

Supreme Infrastructure is a medium sized company in the infrastructure sector and is engaged in the following activities:-

- Construction of Roads, Highways, widening of Highways and execution of contracts awarded to it (based on tenders / bids submitted by it) by various agencies such as Mumbai Metropolitan Region Development Authority (MMRDA), Maharashtra State Road Development Corporation (MSRDC), Public Works Department (PWD), Municipal Corporation of Greater Mumbai (MCGM), Mumbai Port Trust (MPT), Mumbai Transport Project, Railway (MTP), Airports Authority of India (AAI), Bombay Municipal Corporation (BMC), RCF Ltd. and also from some private sector companies.
- Owns and operates a Ready Mix Concrete (RMC) Plant for captive consumption and also for sale to other parties.
- Owns and operates an Asphalt Plant for captive consumption and also for sale to other parties
- Crushing Plant for crushing the stones / boulders into aggregates to be used in the building and road construction.

Supreme Infrastructure has completed more than 50 projects in the last few years valued at more than Rs.11285 Lakhs till 30th September 2005.

II. THE ISSUE

Equity Shares offered:	33,50,000 Equity Shares
Of which:	
As per SEBI Guidelines, a minimum of 50% of the net offer to the public is reserved for allotment to individual investors applying Equity Shares of or for a value of not more than Rs. 1,00,000/-.	16,75,000 Equity Shares
The remaining 50% of the offer to the public is reserved for individuals applying for Equity Shares of a value more than Rs.1,00,000/- and corporate bodies / institutions etc.	16,75,000 Equity Shares
Unsubscribed portion in either of these categories shall be added to the other category interchangeably.	
Equity Shares prior to the Issue	**1,00,00,000** Equity Shares
Equity Shares after the Issue	**1,33,50,000** Equity Shares
Objects of the Issue	
The Company intends to deploy the net proceeds of the fresh issue of shares for funding its acquisition/upgradation of plant and machinery, to meet the requirement of incremental working capital, investment in BOT / BOOT projects and to meet the expenses of the Issue. Please see the section under the heading "Objects of the Issue" on page **[●]** of the Draft Prospectus for further details.	

III. FINANCIAL SUMMARY

Statement of profit and loss for last five years and latest period as restated

(Rs. In Lakhs)

Period ended on	2000-01	2001-02	2002-03	2003-04	2004-05	Six months 30/09/05
Income						
Sales:						
Of Products manufactured by the company	1043.22	991.02	614.14	2172.83	4628.39	2106.08
Of products traded by the Company						
Other Income	18.98	27.05	34.73	11.98	14.96	8.89
Increase/(Decrease) in inventory	0	0	150.24	198.61	32.45	62.35
Total Income	**1062.2**	**1018.07**	**799.11**	**2383.42**	**4675.8**	**2177.32**
Expenditure						
Raw materials & goods consumed	747.07	593.77	448.82	1798.84	3412.4	640.56
Staff Costs	6.66	11.81	5.68	6.2	15.67	4.94
Other Manufacturing & Operating expenses	125.76	157.23	128.58	242.89	264.8	980.12
Selling & Administrative expenses	54.42	69.99	54.85	76.81	38.52	18.29
Interest	23.89	34.44	63.99	68.06	209.22	119.86
Depreciation	43.42	35.95	55.10	61.50	88.41	50.00
Miscellaneous expenditure written off						
Total expenditure	**1001.22**	**903.19**	**757.02**	**2254.30**	**4029.02**	**1813.77**
Net Profit before tax and extraordinary items	**60.98**	**114.88**	**42.09**	**129.12**	**646.78**	**363.55**
Provision for taxation						
Current Tax	6.80	0.00	3.40	2.50	50.00	27.00
Deferred Tax	0.00	0.00	4.96	6.86	15.82	7.39
Net Profit after tax & before extraordinary items	54.18	114.88	33.73	119.76	580.96	329.16
Extraordinary items (net of tax)	0.00	0.00	0.00	0.00	0.00	0.00
Net Profit after Extra Ordinary Items	54.18	114.88	33.73	119.76	580.96	329.16
TDS Written off			4.40			
Short Provision for tax (F.Y.1999-2000)			2.69			
Net profit as per audited accounts	54.18	114.88	26.64	119.76	580.96	329.16
Deferred tax Liability of Earlier Years as per accounts			(14.23)			
Total Net Profit available for appropriations as per audited accounts	54.18	114.88	12.41	119.76	580.96	329.16
Adjustments						
Adjustment on account of Deferred tax Asset of earlier year			0.06			
Adjustment on account of Prior Period Item being Provision for tax of F.Y. 1999-2000			2.69			

Adjustments on account of failure to make provision for gratuity	(0.14)	(0.02)	(0.02)	(0.39)	(0.17)	
Adjustment on account of Deferred Tax			0.01	0.14	0.04	
Net Profit/(Loss) as restated	54.04	114.86	15.15	119.51	580.83	
Balance of P&L B/f	36.38	90.42	205.28	220.43	242.12	
APPROPRIATIONS						
Transfer to general reserve			0.00	97.82	675.00	
Proposed dividend				0.00	15.00	
Tax on proposed dividend				0.00	2.10	
Balance carried to Balance sheet	**90.42**	**205.28**	**220.43**	**242.12**	**130.85**	**329.16**

Statement of Assets and Liability Statement as restated

(Rs. In Lakhs)

As at	2000-01	2001-02	2002-03	2003-04	2004-05	30/09/05
A. Fixed Assets						
Fixed Assets- gross block	228.09	395.97	473.01	1183.14	1271.32	1408.70
Less: Depreciation	43.42	115.12	170.23	227.58	315.99	365.99
Net Block	**184.67**	**280.85**	**302.78**	**955.56**	**955.33**	**1042.71**
Less: Revaluation Reserve	-	-	-	-	-	-
Net Block after adjustment for	-	-	-	-	-	-
Revaluation Reserve	-	-	-	-	-	-
B. Investments	0	7.81	2.98	99.53	0	
C. Current assets, loans and advances						
Inventories	21.43	4.88	153.7	198.61	139.81	793.81
Receivables	88.03	181.71	118.38	1142.7	1904.70	1281.64
Cash and bank balances	1.57	2.40	4.38	5.70	2.27	21.9
Other current assets	164.75	228.77	191.48	281.90	474.13	459.15
Loans and advances	109.37	200.51	218.87	110.94	201.61	356.59
Misc. Exp. W/off					8.77	8.77
Total assets (A+B+C)	**569.82**	**906.93**	**992.57**	**2794.94**	**3686.62**	**3964.57**
D. Liabilities and provisions						
Loan funds						
Secured loans	151.5	322.63	326.91	1126.59	1394.85	1605.38
Unsecured loans	16.35	21.05	52.61	72.19	29.28	26.27
Deferred tax Liability (Net)	0	0	19.11	25.83	41.62	49.01
Current liabilities and provisions						
Sundry Creditors	154.61	221.47	193.93	1087.84	973.98	658.62
Provisions	54.44	34.00	77.08	40.05	193.21	242.46
Total (D)	**376.90**	**599.15**	**669.64**	**2352.50**	**2632.94**	**2581.74**
E. Net worth						
Represented by:						
Shareholders funds						
Share capital	102.50	102.50	102.50	102.50	150.00	900.00
Reserves and surplus	90.42	205.28	220.43	339.94	903.68	482.83
Less: Revaluation Reserve	0	0		0		
Reserves (Net of Revaluation Reserve)	90.42	205.28	220.43	339.94	903.68	482.83
Less: Miscellaneous expenditure not	0	0	0	0		
written off						
Net worth (E)	**192.92**	**307.78**	**322.93**	**442.44**	**1053.68**	**1382.83**
Total Liabilities(D+E)	**569.82**	**906.93**	**992.57**	**2794.94**	**3686.62**	**3964.57**

IV. General Information

SUPREME INFRASTRUCTURE INDIA LIMITED
Registered Office:
8, Bhawani Service Industrial Estate,
IIT Powai,
Mumbai- 400 076
Tel.: 91, 22, 25782931, 2578 3549
Tele-Fax: 91 22 25782931
e-mail:,ipo@supremeinfra.com
website:www.supremeinfra.com
Compliance Officer: Mr. Navin T. Shah

The Company is registered with the Registrar of Companies Maharashtra at Mumbai situated at Hakoba Mills Compound, 2nd Floor, Dattaram Lad Marg, Kalachowkie, Lalbaug, Mumbai 400 033**,** Registration No. 11-29752

Board of Directors:
The Company is currently managed by a Board comprising of 6 directors. Mr. Bhawanishankar H. Sharma is the Executive Chairman. Mr. Vikram B Sharma, Managing Director, is managing the day-to-day affairs of the Company. The Company's Board of Directors comprises of the following:

Name	Designation
Mr.Bhawanishankar H Sharma	Executive Chairman
Mr.Vikram B Sharma	Managing Director
Mr.Vikas B Sharma	Wholetime Director
Mr. Bishambhar Dayal Gupta	Independent Director
Mr. Hari Das Sharma	Independent Director
Mr. Mukul Agarwal	Independent Director

Brief details of Chairman, Managing Director and Whole-time Director:

Mr. Bhawanishankar H. Sharma, Chairman aged 58 years is Graduate in Science from Rajasthan University.

After completion of education in 1964, he shifted to Bombay and worked for seven years in the family owned Petrol Pump at Powai. After gaining the commercial and business knowledge, he commenced the quarrying business at his land at Powai. He was one of the first 100 Quarry Owners in Bombay. After successfully establishing and running of quarrying activities he also started activities of manufacturing of Silica Sand and Edible Oil manufacturing units in Jaipur. He is also one of the largest land owners in Mumbai.

In 1983, he along with the other promoters formed the Company and commenced the activities of quarrying and asphalting. In 1988, he took over the management and ownership of the Company and transformed into a successful company from an ailing unit which was inherited from its predecessors. Under his guidance and supervision, the Company has made substantial progress in a span of 16 years. The Company has progressed well and today the Company is registered as A Class Company with BMC and Class I with PWD, Maharashtra thereby making it eligible to bid for tenders of any amount of these departments and other authorities accepting the eligibility criteria set by these departments.

He had implemented many schemes in manufacturing operations to make the unit independent and efficient such as converting the manual Crushing Unit into automatic machine operated unit by installation of imported Crushing Machine from USA. After successful implementation of automization of crushing process, an automatic Asphalt Plant was also installed. He has been instrumental for completing successfully Tenders awarded to the Company by Bombay Municipal Corporation of concretization of roads of approximately 10675 Cu. Mtrs in period of twelve months time where there was no concept of Ready Mix Concrete. This has immensely increased the technical bid capacity of the Company.

He has also worked for 20 years as President of Quarry Manufacturers Association, Bombay during the period from 1980 to 2000.

Mr. Vikram Sharma, Managing Director aged 31 years, having qualification of Bachelor of Engineering in Civil from Bombay University. He joined the Company as a Director in August 1998. Before completion of graduation he started working with the Company and gained the experience of construction activities. After completion of graduation in 1999 he joined the Company on full fledged basis and took over the responsibility of procurement and execution of projects. In the year 1999 construction of solid approach road from Mahim Junction to Bandra Worli Sealink awarded to the Company by Maharashtra State Road Development Corporation was his first project after joining the Company which was successfully completed under his guidance and supervision. Since, then the Company has completed and carried out various prestigious projects of many Government Organization viz. Public Works Department, Maharashtra State Road Development Corporation, Bombay Municipal Corporation and Mumbai Metropolitan Regional Development Authority under his supervision.

With the successful execution and completion of many contracts under his expertise, the Company has become eligible for the handling of new contracts like construction of bridge work, sewerage systems and large contract work of concretization.

He played an important role in implementing the plans for upgradation and removal of bottlenecks in order to improve the production capacity of the Asphalt Plant and the Crushing Unit of the Company. He has been instrumental in successfully installing and commissioning of Ready Mix Concrete Plant in October 2003.

The steps taken by him for enabling the company to enter into joint ventures with other infrastructure companies has resulted in the enhancement of the company's bidding capacity.

Mr. Vikas Sharma Wholetime Director aged 27 years is a Commerce Graduate from Bombay University and also holds a Masters in Management Studies (MMS) Degree with specialization in Finance. He joined the Company in August 1998 as a Director of the Company to support and further expand the operations of the Company. He completed his studies in 2003 and immediately joined the Company on full time basis by taking over responsibility of Accounts, Administration and Finance Departments. He has introduced certain systems and policies in the Company such as segmentwise reporting, daily reporting from the manufacturing units and project sites. Such measures introduced by him have helped better co-ordination among the various departments of the Company. The timely completion of projects need availability of finance and towards this end his efforts have resulted the credit facilities being increased from Rs.1 crore two years ago to the present level of Rs.42 crores.

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr._Navin T Shah
8, Bhawani Service Industrial Estate,
IIT Powai, Mumbai- 400 076
Tel.: 91 22 25782931, 2578 3549,
Telefax: 91 22 25782931
e-mail: navinshah@supremeinfra.com

Investors can contact the Compliance Officer in case of any pre-offer or post-issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary account, refund orders, etc.

LEGAL ADVISORS TO THE COMPANY

Rajani Associates
F-4, Panchsheel, 53, 'C' Road, Churchgate
Mumbai - 400 020
Contact Person: Prem Rajani
Tel No: 91 22 22021010,
Fax No: 91 22 22021011
E-mail: info@rajaniassociates.net

BANKERS TO THE COMPANY

State Bank of India
Backbay Reclamation Branch, Raheja Chambers
Free Press Journal Marg, Nariman Point
Mumbai – 400 021
Contact Person: Mr. N.S.Nagarkatte
Tel No: 91 22 22842196
Fax No: 91 22 2204 3252
E-mail: sbibbr@bol.net.in

LEAD MANAGER

Karvy Investor Services Limited

"Karvy House", 46 Avenue 4, Street No. 1,
Banjara Hills, Hyderabad – 500 034
Andhra Pradesh, India
Contact Person: Mr. T R Prashanth Kumar
Tel: 91 40 2331 2454
Fax: 91 40 2337 4714
e-mail: mbd@karvy.com
Website: www.karvy.com

REGISTRAR TO THE ISSUE
Bigshare Services Private Limited,
E-2, Ansa Industrial Estate,
Sakivihar Road, Saki Naka,
Andheri East, MUMBAI 400 072.
Contact Person: Mr. V. Kumaresan
Tel: +91 – 22 – 2847 3747/3474
Fax: +91 – 22 – 2847 5207
Website: www.bigshareonline.com
Email: bigshare@bom7.vsnl.net.in

BANKERS TO THE ISSUE
[•]

BROKERS TO THE ISSUE
All members of the recognized Stock Exchanges would be eligible to act as Brokers to the Issue

AUDITORS

Shah & Kathariya
Chartered Accountants
Room No-6, Kermani Bldg,
4th Floor., 27, Sir P M Road,
Fort, Mumbai- 400 001
Tel No: 022 2285 6615
TeleFax No: 022 56315 562

Credit Rating
This being an issue of Equity Shares, credit rating is not required.

Trustees
This being an issue of Equity Shares, appointment of Trustees is not required.

Monitoring Agency
No Agency is appointed to monitor the funds proposed to be raised in the public issue.

Appraising Agency
The funds being raised in the public issue are not meant for any specific project and hence no appraising agency is involved.

Underwriters to the Issue
The issue is not being underwritten.

V. CAPITAL STRUCTURE

Share Capital as at the date of filing of Draft Prospectus with SEBI is set forth below:

SHARE CAPITAL		(Rs. In Lakhs)	
		Face Value	Premium
A. Authorized Capital			
1,50,00,000	Equity Shares of Rs. 10 each	1,500.00	
B. Issued Subscribed And Paid-Up Capital			
1,00,00,000	Equity Shares of Rs. 10 each fully paid-up	1,000.00	
C. Present Issue to the public in terms of the Draft Prospectus			
33,50,000	Equity Shares of Rs. 10 each fully paid up	335.00	[•]
D. Equity Share Capital after the Issue			
1,33,50,000	Equity Shares of Rs. 10 each	1335.00	[•]
E. Share Premium Account			
	Before the Issue	-	600.00
	After the Issue		[•]

As per SEBI Guidelines, a minimum of 50% of the net offer to the public is reserved for allotment to individual investors applying Equity Shares of or for a value of not more than Rs. 1,00,000/-.	16,75,000 Equity Shares
The remaining 50% of the offer to the public is reserved for individuals applying for Equity Shares of a value more than Rs.1,00,000/- and corporate bodies / institutions etc.	16,75,000 Equity Shares

Details of Increase in Authorized Capital

Sr.No.	Particulars of Increase	Date of Meeting	Nature of Meeting
1.	Rs. 5 Lakhs divided into 5000 equity shares of Rs.100 each	On Incorporation	- -
2.	From Rs.5 Lakhs to Rs. 10 Lakhs	26th July 1984	EGM
3.	From Rs.10 Lakhs to Rs. 20 Lakhs	20th November 1996	EGM
4.	From Rs.20 Lakhs to Rs. 50 Lakhs	7th August 1998	EGM
5.	From Rs.50 Lakhs to Rs. 125 Lakhs	30th March 1999	EGM
6.	From Rs.125 Lakhs to Rs. 200 Lakhs	28th March 2005	EGM
7.	From Rs.200 Lakhs to Rs. 1500 Lakhs	20th July 2005	EGM

Note for Increase in Authorized Share Capital:
On 20th July 2005, the nominal value of the shares was subdivided from Rs.100/- to Rs.10/-

Notes to Capital Structure

a) Capital History

Date of Allotment	No. of Shares	Cumulative Total Shares	Face Value (Rs.)	Cumulative Paid-up Capital Rs.	Issue Price (Rs.)	Consideration	Reasons for allotment (bonus, swap etc.)	Cumulative Share Premium (Rs.)
08.04.83	30	30	100	3,000	100	Cash	Incorporation	Nil
19.03.84	4,970	5,000	100	5,00,000	100	Cash	Allotment	Nil
10.04.86	5,000	10,000	100	10,00,000	100	Cash	Allotment	Nil
31.03.97	10,000	20,000	100	20,00,000	100	Cash	Allotment	Nil
30.03.99	82,500	1,02,500	100	1,02,50,000	100	Cash	Allotment	Nil
03.05.04	22,500	1,25,000	100	1,25,00,000	100	Cash	Allotment	Nil
28.03.05	25,000	1,50,000	100	1,50,00,000	100	Cash	Allotment	Nil
20.07.05	15,00,000	15,00,000	10	1,50,00,000	NA	NA	Split	Nil
26.08.05*	75,00,000	90,00,000	10	9,00,00,000	10	Capitalization of Reserves	Bonus	Nil
12.01.06	10,00,000	100,00,000	10	10,00,00,000	70	Cash	Allotment	6,00,00,000

* The company issued bonus shares in the ratio of five equity shares for every one equity share held by the shareholders.

b. Details of Promoter Contribution and Lock-In

Name of Promoters	Date of Allotment	Date of Transfer & made fully Paid up	Consideration	No. of Shares	Face Value (Rs.)	Issue / Transfer Price (Rs.)	% of Post Issue Paid up Capital	Lock in Periods (years)
Mr.Bhawani Shankar Sharma	26.08.05		Bonus	2075500	10	10	15.54%	3 yrs
Mr.Bhawani Shankar Sharma jtly with Mrs. Rita Sharma	26.08.05		Bonus	724500	10	10	5.43%	3 yrs
		Total		**2800000**			**20.97%**	

c) Promoter's Contribution and Lock-in Period in respect of Promoters, whose name figure in the Prospectus as Promoters in the paragraph on "Promoters":

Sr. No.	Name of Promoters	Date of Allotment	Date of Transfer & made fully Paid up	Consideration	No. of Shares	Face Value (Rs.)	Issue / Transfer Price (Rs.)	% of Post Issue Paid up Capital
1	Mr.Bhawani Shankar Sharma	08.04.83	08.04.83	Cash	10	100	100	
		---	30.08.88	Cash	3970	100	100	
		---	30.08.88	Cash	310	100	100	
		---	30.08.88	Cash	1200	100	100	
		31.03.97		Cash	10000	100	100	
		--	31.03.99	Cash	10	100	100	
		--	24.03.2001	Cash	10	100	100	
		--	24.03.2001	Cash	30000	100	100	
			Sub-Total(1)		45510			
		20.07.05			**455100**	10	Split of Face Value	**3.41%**
		26.08.05		Bonus	2275500	10	10	17.04%

			Total (1)		**2730600**			**20.45%**
2	Mr.Bhawani Shankar Sharma jointly with Mrs.Rita Sharma	19.03.84	--	Cash	1000	100	100	
		10.04.86		Cash	3490	100	100	
		28.03.05		Cash	10000	100	100	
			Sub-Total(2)		14490			
		27.05.05			144900	10	Split of Face Value	
					144900			**1.09%**
		26.08.05		Bonus	724500	10	10	5.43%
			Total (2)		**869400**			**6.51%**
3	Mr.Vikram Sharma	29.04.99		Cash	17000	100	100	
			24.03.2001	Cash	12500	100	100	
			Sub-Total(3)		29500			
		27.05.05			**295000**	10	Split of Face Value	**2.21%**
		26.08.05		Bonus	1475000	10	10	11.05%
			25.11.2005		30000	10	10	**0.22%**
			Total (3)		**1800000**			**13.48%**
4	Mr.Vikas Sharma	03.05.04		Cash	22500	100	100	
		28.03.05		Cash	14700	100	100	
			Sub-Total(4)		37200			
		27.05.05			**372000**	10	Split of Face Value	**2.79%**
			23.08.2005	Cash	-75000	10		-0.56%
		26.08.05		Bonus	1485000	10	10	11.12%
			25.11.2005		18000	10	10	0.13%
			Total (4)		**1800000**			**13.48%**
			Total (1 to 4)		**7200000**			**53.93%**

d) The above Promoters have vide their letter dated 11th January 2006 given their consent for lock-in as stated above. Shares issued last shall be locked in first. The entire pre-issue capital, other than that locked in as minimum promoters contribution shall be locked in for a period of one year from the date of allotment in this Issue. The shares of the Company held by M/s Hexagram Investments Private Limited (a SEBI registered Foreign Venture Capital Investor) shall not be subject to lock-in.

The Details of the shares under lock-in for a period of one year are as under :-

Sr. No.	Name	Number of Shares	Lock-in Period
1.	Mr. Bhawani Shankar Sharma	655100	1 year
2.	Mr.Bhawani Shankar Sharma jointly with Mrs.Rita Sharma	144900	1 year
3.	Mr.Vikram Sharma	1,800,000	1 year
4.	Mr.Vikas Sharma	1,800,000	1 year
5.	Mrs. Barkha Sharma	205,000	1 year
6.	Mrs. Rita Sharma	630,000	1 year
7.	Mrs. Phoolkuvar Sharma	90,000	1 year
8.	Mrs. Shweta Sharma	205,000	1 year
9.	Mrs. Asha Agrawal	225,000	1 year

10.	Shrimm Securities India Pvt. Ltd	100,000	1 year
11.	W G Associates Private Limited	325,000	1 year
12.	Mr. B. D. Gupta	10,000	1 year
13.	Mr. H.D.Sharma	10,000	1 year
	Total	**62,00,000**	

e) The Promoters' contribution is not being brought-in less than the specified minimum lot of Rs. 25,000/- per application from each individual and Rs. 1,00,000/- from companies.

f) Pre-issue & Post-issue shareholding pattern:

Category	Pre Issue		Post Issue	
	Shares	**%**	**Shares**	**%**
Promoters				
Mr.Bhawani Shankar Sharma	2,730,600	27.31%	2,730,600	20.45%
Mr. Bhawani Shankar Sharma Jtly with Mrs. Rita Sharma	869,400	8.69%	869,400	6.52%
Mr.Vikram Sharma	1,800,000	18.00%	1,800,000	13.48%
Mr.Vikas Sharma	1,800,000	18.00%	1,800,000	13.48%
Sub-total (a)	**7,200,000**	**72.00%**	**7,200,000**	**53.93%**
Promoter Group				
Mrs. Barkha Sharma	205,000	2.05%	205,000	1.54%
Mrs. Rita Sharma	630,000	6.30%	630,000	4.72%
Mrs. Phoolkuvar Sharma	90,000	0.90%	90,000	0.67%
Mrs. Shweta Sharma	205,000	2.05%	205,000	1.54%
Sub-total (b)	**1,130,000**	**11.30%**	**1,130,000**	**8.46%**
Promoter Group's Total Shareholding [(a)+(b)] = (A)	**8,330,000**	**83.30%**	**8,330,000**	**62.40%**
Others				
Mrs. Asha Agrawal	225,000	2.25%	225,000	1.69%
Shrimm Securities India Pvt. Ltd	100,000	1.00%	100,000	0.75%
W G Associates Private Limited	325,000	3.25%	325,000	2.43%
Hexagram Investments (P) Ltd.	1,000,000	10.00%	1,000,000	7.49%
Mr. B. D. Gupta	10,000	0.10%	10,000	0.07%
Mr. H.D.Sharma	10,000	0.10%	10,000	0.07%
Others – Sub-total (B)	**1,670,000**	**16.70%**	**1,670,000**	**12.51%**
Public (C)	-		**3,350,000**	**25.09%**
Grand Total [(A)+(B)+(C)]	**1,00,00,000**	**100.00%**	**1,33,50,000**	**100.00%**

g) Buyback and Standby arrangement

There is no "buy back" or "stand by" arrangement for purchase of Equity Shares by the Company, its Promoters, Directors, or Lead Managers for the Equity Shares offered through the Draft Prospectus.

h) In case of over-subscription, allotment will be on proportionate basis as detailed in Para on "Basis of Allotment". An over-subscription to the extent of 10% of the Net Offer to Public can be retained for the purpose of rounding off to the nearer multiple of one Equity Share, while finalizing the allotment. Consequently, the actual allotment may go up by a maximum of 10% of the Net Offer to Public, as a result of which, the post Issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Shares held by the Promoters and subject to lock- in shall be suitably increased; to ensure that 20% of the Post Issue paid-up capital is locked in.

i) The Company has not raised any bridge loan against the proceeds of this Issue.

j) The entire issue price per share is payable on application and hence there shall be no partly paid shares in this issue.

k) As per SEBI Guidelines, a minimum of 50% of the net offer to the public is reserved for allotment to individual investors applying for Equity Shares of or for a value of not more than Rs. 1,00,000/-. The remaining 50% of the offer to the public is reserved for individuals applying for Equity Shares of a value more than Rs.1,00,000/- and corporate bodies / institutions etc.

l) Unsubscribed portion in any reserved category may be added to any other reserved category.

m) The Top Ten shareholders as on date of filing of the Draft Prospectus with SEBI are as under :-

Sr. No.	Name	No. of Shares
1	Mr.Bhawani Shankar Sharma	2730600
2	Mr.Vikram Sharma	1800000
3	Mr.Vikas Sharma	1800000
4	Hexagram Investments (P) Ltd.	1000000
5	Mr. Bhawani Shankar Sharma Jtly with Mrs. Rita Sharma	869400
6	Mrs. Rita Sharma	630000
7	W G Associates Private Limited	325000
8	Mrs. Asha Agrawal	225000
9	Mrs. Barkha Sharma	205000
10	Mrs. Shweta Sharma	205000

n) The Top Ten shareholders 10 days prior to the date of filing of the Draft Prospectus with SEBI

Sr. No.	Name	No. of Shares
1	Mr.Bhawani Shankar Sharma	2730600
2	Mr.Vikram Sharma	1800000
3	Mr.Vikas Sharma	1800000
4	Hexagram Investments (P) Ltd.	1000000
5	Mr. Bhawani Shankar Sharma Jtly with Mrs. Rita Sharma	869400
6	Mrs. Rita Sharma	630000
7	W G Associates Private Limited	325000
8	Mrs. Asha Agrawal	225000
9	Mrs. Barkha Sharma	205000
10	Mrs. Shweta Sharma	205000

(to be updated at the time of filing the Prospectus with the RoC)

o) The shareholders as on two years prior to the date of filing of the Draft Prospectus with SEBI are as under :-

Sr. No.	Name	No. of shares held*
1	Mr. Bhawani Shankar Sharma	45510
2	Mr. Bhawani Shankar Sharma Jtly with Mrs. Rita Sharma	4490
3	Mr. Vikram Sharma	29500
4	Mrs. Barkha Sharma	23000

* All these shares were of Rs.100/- each.

(to be updated at the time of filing the Prospectus with the RoC)

p) As of the date of the Draft Prospectus, there are no outstanding financial instruments or any other right, which would entitle the existing Promoters or shareholders, or any other person any option to receive Equity Shares after the offering.

q) The details of the sales and purchases of the shares of the Company by the Promoters, Promoters Group during a period of six months preceding the date on which the Draft Prospectus is filed with SEBI are as under :-.

SNO.	Sold By	Purchased By	NO. OF SHARES	Price	DATE
1	Mr. Vikas B. Sharma	WG Associates Pvt. Ltd.	37500	10	23-08-05
2	Mr. Vikas B. Sharma	Asha M. Agrawal	37500	10	23-08-05
3	Mrs. Barkha Sharma	Mr. Vikram Sharma	30000	Rs.10/-	06.12.2005
4.	Mrs. Barkha Sharma	Mr. Vikas Sharma	18000	Rs.10/-	06.12.2005
5.	Mrs. Barkha Sharma	Mrs. Rita Sharma	624000	Rs. 10/-	06.12.2005
6.	Mrs. Barkha Sharma	Mrs. Shweta Sharma	309000	Rs.10/-	06.12.2005
7.	Mrs. Barkha Sharma	Mrs. Phoolkuvar Sharma	84000	Rs.10/-	06.12.2005
8.	Mrs. Barkha Sharma	W G Associates Pvt. Ltd.	100000	Rs.10/-	14.12.2005
9.	Mrs. Shweta Sharma	Shrimm Securities Pvt. Ltd.	100000	Rs.10/-	14.12.2005
10.	Mrs. Barkha Sharma	Mr. H.D. Sharma	10000	Rs. 10/-	12.01.2006
11.	Mrs. Shweta Sharma	Mr. B.D. Gupta	10000	Rs.10/-	12.01.2006

r) Shares Issued for consideration other than cash

The Company has issued Bonus Shares in the ratio of 5 Equity Shares for every Equity Share held by capitalization of reserves on August 26, 2005.

s) The Equity Shares held by persons other than the Promoters, prior to the Issue, which are locked-in may be transferred to any other person holding Equity Shares which are locked in subject to continuation of lock-in in the hands of the transferees for the remaining period and compliance of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997 as applicable.

t) The Equity Shares to be held by the Promoters under lock-in period shall not be sold/hypothecated/transferred during the lock-in period. However, the Equity Shares may be transferred amongst Promoter/Promoter group or to a new Promoter or persons in control of the Company, subject to continuation of lock-in in the hands of the transferees for the remaining period and compliance of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997 as applicable.

u) The Company has not issued any shares out of revaluation reserves.

v) There would be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from submission of the Draft Prospectus with SEBI until the Equity Shares offered through the Draft Prospectus have been listed.

v) The Company presently does not have any intention or proposal to alter its capital structure for a period of six months from the date of opening of the Issue, by way of split/consolidation of the Equity Shares or further issue of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise, or if the Company goes in for acquisitions and joint ventures the Company might consider raising additional capital to fund such activity or use shares as currency for acquisition and/or participation in such joint venture.

w) There shall be only one denomination of the Equity Shares of the Company, unless otherwise permitted by law. The Company shall comply with disclosure and accounting norms as may be specified by SEBI from time to time.

x) No single applicant can make an application for number of shares, which exceeds the number of shares offered.

y) The company has **14** shareholders as on the date of filing this Offer Document with the SEBI.

z) The Company has neither granted any options nor issued any shares under any ESOP or ESPS.

VI. OBJECTS OF THE ISSUE

The Objects of the Issue are

A. to raise financial resources for part financing
   I. Purchase and / or upgradation of Plant and Machinery
   II. Long Term Working Capital Requirement
   III. Investment in Build Operate & Transfer (BOT) / Build Own Operate and Transfer (BOOT) projects.
   IV. Public Issue Expenses

B. To get the equity shares of our Company listed on BSE and NSE

The main objects clause and objects incidental or ancillary to the main objects of the MoA of the Company enable it to undertake its existing activities and the activities for which the funds are being raised through this Issue.

A) REQUIREMENT OF FUNDS

The requirement of funds as per the Company's estimates are as under:

The total estimated requirement of funds is as follows

Rs in Lakhs

Sr. No.	**Description**	**Amount**
I.	Purchase of Machinery	1365.10
II.	Long Term Working Capital	812.40
III.	Investments in BOT / BOOT projects	450.00
IV.	Public Issue Expenses	250.00
	Total	**2877.50**

B) FUNDING PLANS (MEANS OF FINANCE):

The above fund requirement is proposed to be met through the following funding plan:

Sr. No.	**Description**		**Total**
			Rs in Lakhs
I	Private Placement		700.00
II	PROCEEDS FROM THE PRESENT IPO		
	Equity Shares of Rs. 10 each at Rs. **[•]**		
	Share Capital		335.00
	Share Premium		[•]
	TOTAL		[•]

Note: The Funds Requirement has been ascertained at the lower band of Issue Price of Rs. 65/- per Equity Share. In case, the Issue Price is fixed at a higher price, the excess amount (Maximum upto Rs. 335 Lacs) will be used for General Corporate Purposes.

Appraisal:

The fund requirement has not been appraised by any external agency and as such all the future requirements are based on the management estimates.

DETAILS OF THE REQUIREMENT OF FUNDS

(I) Purchase of Machinery:
With the increase in contract activity and simultaneous execution of multiple contracts, the company proposes to enhance plant & machinery capacities by acquiring new machineries & upgrading existing machineries as under:

Sr. No.	Description	Supplier	Quantity	Unit Cost (Rs. Lakhs)	Total Estimated Cost (Rs. Lakhs)	Date of quotations relied upon
1	Mobile Crusher *	Metso Minerals	1	548.9	548.9	21st April 2005
2	Upgradation of The Existing Crushing Plant	Puzzolana Machinery Fabricators	1	58.67	60	16th January 2006
3	Ready Mix Concrete Plant	Schwing Stetter (I) Pvt. Ltd	1	74.7	74.7	19th August 2005
4	Concrete Pump	Schwing Stetter (I) Pvt. Ltd	1	85.5	120.43	31st December 2005
5	Asphalt Sensor Paver	Writgen India	1	104.38	104.38	18th August 2005
6	Indigenous Asphalt Sensor Paver	Gujarat Apolo Equipments Ltd	1	37.5	37.5	5th July 2005
7	Transit Mixer Vehicle (Comet)	Ashok Leyland	3	10.63	31.89	18th August 2005
8	Transit Mixer	Schwing Stetter (I) Pvt. Ltd	3	9.67	29.01	20th April 2005
9	Tippers (Taurus)	Automotive Manufacturer Pvt. Ltd	4	15.34	61.36	18th August 2005
10	Excavator	Bombay JCB Earthmovers	2	44.46	88.92	18th August 2005
11	Cold Milling Machine *	Writgen India Pvt. Ltd.	1	143	143	15th December 2005
	Sub-Total				**1300.09**	
	Add :- Contingencies @ 5%				65.00	
	Total				**1365.09**	

*Imported Machinery.
The company has not purchased nor does it intend to purchase any second hand machinery.

Order for the Mobile Crusher has been placed vide order dated 14th May 2005 along with an advance of Rs 15 Lakhs however the Letter of Credit has not yet been opened by the Company. Further order for Asphalt Sensor Paver has been placed vide order dated 25th June, 2005 along with an advance of Rs 51,000.

Note :- The validity of some of the quotations has expired and the actual cost of acquisition may vary at the time of purchase or placement of order.

(II) Long Term Working Capital
State Bank of India has sanctioned fresh credit facilities vide letter no.BRB/MC/NSN/1282 dated 6th August 2005 as per details given below:-

Facility	Limit (Rs.in Lakhs)
Fund Based	
CC (Stock & B.Debts)	1000 *
DDP (Cheques)	(350) *

SLOC (Fresh)	150
Term Loan (Existing)	(149) *
Term Loan (Fresh)	405
Total FBL	1704
NFBL	
BG	2200 *
LC	300 *
Onetime L / C (within TL)	(405)
TOTAL NBFL	2500
FBL + NFBL	4204
* Take over from Syndicate Bank	

Further, Supreme has orders in hand worth Rs.5799 Lakhs as on 31st December 2005, which are forming part of the table appearing on page [•] of the Draft Prospectus. With the orders in hand, tenders bid for by Supreme and the plans of the Company to increase its business in view of the thrust on Infrastructure Development, the Company has estimated its Long Term Working Capital requirement as under, which has not been assessed by any bank or financial institution:-

PARTICULARS	**AMOUNT (Rs. In Lakhs)**
Raw Material	75.00
Work-in- Progress	468.75
Sundry Debtors	1875.00
Advances - EMD, Retention, Security Deposits, etc.	350.00
Other Current Assets	112.71
Sub-Total	2881.46
Less : Sundry Creditors	481.25
Other Current Liabilities (Other than Bank Borrowings)	31.75
Sub-total	513.00
Total Working Capital Requirement	2368.46
Less : Available Net Working Capital with the Company as on 31-03-2005	1556.06
Long Term Working Capital Requirement	812.40

III) Build Operate & Transfer (BOT) / Build Operate Own & Transfer (BOOT) Projects

The development of infrastructure requires large investments that cannot be undertaken out of public financing alone. Infrastructure projects may not always be financially viable because of long gestation periods and limited financial returns. Keeping these concerns in mind with a view to promote Public Private Partnerships (PPP) in infrastructure, in order to attract private capital as well as the techno-managerial efficiencies associated with it, the Government of India, through the Ministry of Finance, Department of Economic Affairs, Infrastructure Section has launched a scheme for support to public private partnerships in infrastructure in the month of July 2005 for providing financial support to bridge the viability gap of infrastructure projects undertaken through PPPs.

A number of projects have been planned on Build, Operate and Transfer (BOT) basis (toll-based projects). The huge upfront capital investment and high risk of revenue collection have been recognized as potential deterrents to private sector participation.

The company proposes to undertake development of such projects and invest a sum of Rs. 450 lakhs as capital in the same. The returns on such investments are based on the working of the project specific SPV and is not assured.

The funds raised through this issue would strengthen the capability of SIIL to quote for a BOT / BOOT tenders. The management proposes to apportion this sum in form of seed capital to take up BOT / BOOT projects as and when awarded to the Company. The Board of Directors of the Company may decide to deploy the funds earmarked for BOT / BOOT projects for any other purpose based on their assessment of the progress made by the Company in such projects. Such a change in the deployment shall be under the close supervision of the Internal Auditors.

(IV) Issue and Preliminary Expenses

The Company proposes to issue 33,50,000 fresh Equity Shares of the face value of Rs. 10/- each in the present Issue. The expenses on the IPO have been estimated at Rs. 250 lakhs representing [●] % of the Issue size as per the details given below:

(Rs in Lakhs)

Sr. No.	Description	Total
1	Lead Managers Fees	[●]
2	Registrar's Fees	[●]
3	Legal Fees	[●]
4	Advertising Expenses	[●]
5	Other Expenses (incl. Filing Fees, Listing Fees, Depository Charges, etc.)	[●]
6	Miscellaneous Expenses/ Contingencies	[●]
	TOTAL	

The Company estimates that the total public issue expenses will not exceed Rs.250 lakhs.

General Corporate Purposes
In case, the Issue Price is fixed at a higher price, the excess amount (Maximum upto Rs. 335 Lacs) will be used for General Corporate Purposes. including but not limited to strategic initiatives, entering into strategic alliances, partnerships, joint venture and acquisitions, developing vendors and ancillaries, investment in technology up-gradation, investment in other segments of the industry, meeting exigencies which the Company in the ordinary course may not foresee and repayment of debts.

As of the date of the draft Prospectus, the Company has not entered into any letter of intent or any other commitment for any such acquisition/investments/joint ventures or definitive commitment for any such strategic initiatives and acquisitions.

The Board of Directors of the Company will review various opportunities from time to time.

SCHEDULE OF IMPLEMENTATION

Net Issue proceeds after meeting public issue expenses will be utilized for investment in BOT / BOOT projects, long-term working capital requirement and general corporate purposes, as and when required. The Plant & Machineries proposed to be acquired are ready to use and can be put in operation at any of the working sites after the procurement. The schedule related to Placement of Orders and procurement of remaining Plant & Machineries is as under:

Particulars	Schedule
Completion of Placement of Orders for Machinery	March 2006
Completion of Procurement of Machinery	May 2006

SOURCES OF FINANCING OF FUNDS ALREADY DEPLOYED
The company has not incurred any expenditure for the objects of the issue other than advance paid for orders placed for plant & machinery and part of the issue expenses which has been met from internal accruals.

The entire expenditure is proposed to be incurred by the Company in the fiscal 2006-07.

INTERIM USE OF FUNDS

Pending utilization of funds as stated above, the Company intends to invest the proceeds of this Issue in high quality, interest / dividend bearing short term / long term liquid instruments including deposits with banks for the necessary duration. These investments would be authorized by the Board or a duly authorized committee thereof.

VII. BASIC TERMS OF ISSUE

The Equity Shares being offered are subject to the provisions of the Companies Act, 1956, the Memorandum and Articles of the Company, the terms of the Draft Prospectus, Application Form and other terms and conditions as may be incorporated in the Allotment Advice, and other documents / certificates that may be executed with in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, Government of India, Stock Exchanges, The Government of the State of Maharashtra, RBI, ROC and / or other authorities, as in force on the date of the Issue and to the extent applicable.

BASIS FOR ISSUE PRICE

Investors should read the following summary with the Risk Factors included from page number [●] to [●] and the details about the Company and its financial statements included in the Draft Prospectus. The trading price of the Equity Shares of the Company could decline due to these risks and you may lose all or part of your investments.

Qualitative Factors

The Promoters are professionals within the industry domain and possessing technical expertise and have experience in the area of business of the Company.

A profit making Company for the last ten years with an existence of over 2 decades and experienced management team

The company is well equipped to handle large orders and is registered as a Class "I" by PWD and as "A" Class contractor by Bombay Municipal Corporation and Public Works Department as Class "I" Contractor and entitled to bid for and accept Works and Orders as per its bidding capacity.

Having work in hand worth Rs. 5799 Lakhs as on 31st December 2005, which are under various stages of implementation. The company has already bid for the tenders for infrastructural work with the authorities such as MMRDA, NHAI, MCGM etc,. and has been pre qualified for various project.

Quantitative Factors

1. Earning Per Share (EPS)

Year Ended	**EPS (Rs.)**	**Weight**
31.03.2003	3.29	1
31.03.2004	11.66	2
31.03.2005	38.73	3
Weighted Average	**23.80**	

2. Price/Earning Ratio (P/E) in relation to Issue Price of [●]

Based on the results of FY 2005, adjusted EPS is Rs.**38.73** on Equity Share of face value of Rs. 10 each and the P/E Multiple is [●] times at an issue price of Rs. [●]

1. <u>Return on Net Worth (RONW)</u>

Year Ended	**RONW %**	**Weight**
31.03.2003	4.69	1
31.03.2004	27.01	2
31.03.2005	55.12	3
Weighted Average	**37.34**	

4 Minimum Return on Increased Net Worth required to maintain pre-issue EPS - [●]

5 Net Asset Value (NAV) per share

a. NAV as on March 31, 2005 Rs. **70.25**

b. Issue Price Band Rs. **65/-** to Rs. **75/-**

c. NAV after the Issue **[●]**

Note:

Net Asset Value Per Share = Equity Share Capital *plus* Reserves & Surplus excluding reevaluation reserve *less* Miscellaneous Expenditure to the extent not written off /No. of Equity Shares

6. Comparison with Peer Group

Name of the Company in the peer Group	Period Ended	Accounting Ratios			
		Book Value (Rs)	**RONW (%)**	**EPS (Rs.)**	**P/E multiple**
ERA Construction	March 2005	58.70	20.2	3.60	23.1
Valecha Engg		73.50	16.80	11.10	21.6
MSK Projects		44.80	13.30	3.10	17.10
Subhash Projects		20.20	4.60	0.90	193.90

Source – Capital Market Jan 2- 15, 2006

7. The Face Value of the Equity Shares is Rs.10/- per Equity Share and the Issue Price is **6.5** times of the Face Value at the lower price band and **7.5** times at the higher price band.

The Lead Manager believes that the Issue Price in the price band of minimum of Rs.65/- and maximum of Rs. 75/- is justified in view of the above qualitative and quantitative parameters. The investors may want to peruse the risk factors and the financials of the Company including important profitability and return ratios, listed out in the Auditors' report in Financial Information of the Draft Prospectus to have a more informed view of the investment proposition**.**

TAX BENEFITS

The Company has been advised by M/s Shah & Katharia, Tax Auditors of the Company, vide their letter that under the current provisions of the Income Tax Act, 1961 and the existing laws for the time being in force, the following benefits, *interalia*, will be available to the Company and the Members. However, an investor is advised to consider in his own case the tax implications of an investment in the shares from time to time. The statement of tax benefits certificate from the Tax Auditors of the Company is reproduced below:

To,
Board of Directors,
Supreme Infrastructure (India) Ltd.,
Mumbai

"We hereby report that the enclosed annexure states the possible tax benefits available to Supreme Infrastructure (India) Ltd, (the "Company") and its shareholders under the current direct tax laws. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill. The benefits discussed below are not exhaustive.

This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

We do not express any opinion or provide any assurance as to whether:
_ The Company or its shareholders will continue to obtain these benefits in future; or
_ The conditions prescribed for availing the benefit have been / would be met with.

The contents of this annexure are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the interpretation of current tax laws.

FOR SHAH & KATHARIA **Place : Mumbai**
CHARTERED ACCOUNTANTS **Date : 30/10/2005**
-Sd/-
(P.M Katharia)
Partner
Membership No. 31315

ANNEXURE TO THE STATEMENT OF TAX BENEFITS

A. TO THE COMPANY

Under the Income Tax Act, 1961 ("Act")

1. As per the provisions of section 80-IA (1) read with 80IA (4) of the Act, the Company is eligible to claim 100% tax benefit with respect to profit derived from "Developing, Operating and Maintaining any Infrastructure Facility". However, the benefit is available subject to fulfillment of conditions prescribed under the section.
2. The Company is eligible under section 35D of the Act to a deduction equal to one-fifth of certain specified expenditure, including specified expenditure incurred in connection with the issue for the extension of the industrial undertaking, for a period of five successive years subject to the limits provided and the conditions specified under the said section.
3. As per the provisions of section 10(34) of the Act, dividends received from domestic companies are exempt in the hands of company.
4. According to the provisions of section 10(38) of the Act, long-term capital gain on sale of equity shares where the transaction of sale is charges to STT shall be exempt from tax.
5. As per provisions of section 111A of the Act, short-term capital gain on sale of equity shares where the transaction of share is chargeable to STT shall be subject to tax @ 10% (plus applicable surcharge and educational cess).

B. TO THE RESIDENT MEMBERS OF THE COMPANY

Under the Income Tax Act, 1961 ("Act")

1. Members will be entitled to exemption, under section 10(34) of the Act, in respect of the income by way of dividend received from the Company.
2. According to the provisions of section 10(38) of the Act, long-term capital gain on sale of equity shares where the transaction of sale is charges to STT shall be exempt from tax.
3. As per provisions of section 111A of the Act, short-term capital gain on sale of equity shares where the transaction of share is chargeable to STT shall be subject to tax @ 10% (plus applicable surcharge and educational cess).

Under Wealth Tax Act, 1957

Assets as defined under section 2 (ea) of the Wealth Tax Act, 1957 does not include shares in companies and hence, shares are not liable to wealth tax.

C. TO THE NON-RESIDENT INDIAN MEMBERS OF THE COMPANY

Under the Income Tax Act, 1961 ("Act")

1. According to the provisions of section 10(38) of the Act, long-term capital gain on sale of equity shares where the transaction of sale is charges to STT shall be exempt from tax.
2. As per provisions of section 111A of the Act, short-term capital gain on sale of equity shares where the transaction of share is chargeable to STT shall be subject to tax @ 10% (plus applicable surcharge and educational cess).
3. Under section 115E of the Act, capital gains arising to a Non-Resident on transfer of shares in the Company, subscribed to in convertible foreign exchange and held for a period exceeding 12 months shall be concessionally taxed at the flat rate of 10% (without indexation benefit plus surcharge & education cess as applicable).
4. Under section 115F of the Act, long-term capital gains arising to a Non-Resident on transfer of shares in the Company, subscribed to in convertible foreign exchange shall be exempt from income tax, if net consideration is invested in specified asset within six months of the date of transfer. If only part of the consideration is so invested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax, if the specified assets are transferred or converted within three years from the date of their acquisition.
5. Under provision of section 115G of the Act, it shall not be necessary for a Non-Resident Indian to furnish his return of income if his only source of income is investment income or long term capital gains or both arising out of assets acquired, purchased or subscribed in convertible foreign exchange and tax deductible at source has been deducted there from.

6. Under provision of section 115-I of the Act, a Non-Resident Indian may elect not to be governed by the provisions of chapter XII-A for any Assessment Year by furnishing his Return of Income under section 139 of the Act declaring therein that the provision of this chapter shall not apply to him for that Assessment Year and if he does so, the provisions of this chapter shall not apply to him for that assessment year; instead the other provision of the Act shall apply.
7. Non-Resident shareholders will be entitled to exemption, under section 10(34) of the Act, in respect of the income by way of dividend received from the Company.
8. Where any Double Taxation Avoidance Agreement [DTAA] entered into by India with any other country provides for a concessional tax rate or exemption in respect of income from the investment in the Company's shares, those beneficial provisions shall prevail over the provisions of the Act in that regard.
9. Section 88E provides that where the total income of a person includes income chargeable under the head "Profit and Gains of business or profession' arising from purchase or sale of an equity share in a company entered into a recognized stock exchange i.e. from taxable securities transactions, he shall get rebate equal to the securities transaction tax paid by him in the course of his business. Such rebate is to be allowed from the amount of income tax in respect of such transactions calculated by applying average rate of income tax.

Under Wealth Tax Act, 1957

Assets as defined under section 2 (ea) of the Wealth Tax Act, 1957 does not include shares in companies and hence, shares are not liable to wealth tax.

D. TO FOREIGN INSTITUTIONAL INVESTORS

1. According to the provisions of section 10(38) of the Act, long-term capital gain on sale of equity shares where the transaction of sale is charges to STT shall be exempt from tax.
2. As per provisions of section 111A of the Act, short-term capital gain on sale of equity shares where the transaction of share is chargeable to STT shall be subject to tax @ 10% (plus applicable surcharge and educational cess).
3. Under Section 115AD(1)(b)(ii) of the Act, Income by way of Short Term Capital Gain arising from the transfer of shares (otherwise than as mentioned in 2 above) held in the Company for a period of less than 12 months will be taxable @ 30% (plus applicable surcharge and education cess).
4. Under Section 115AD(1)(b)(iii) of the Act, Income by way of Long Term Capital Gain arising from the transfer of shares (otherwise than as mentioned in 1 above) held in the Company will be taxable @10% (plus applicable surcharge and education cess). It is to be noted here that the benefits of indexation and foreign currency fluctuation protection as provided by Section 45 of the Act are not available to Foreign Institutional Investors.
5. Income by way of dividend received on shares of the Company is exempt u/s 10(34) of the Act.
6. Where any Double Taxation Avoidance Agreement (DTA) entered into by India with any other country provides for a concessional tax rate or exemption in respect of income from the investment in the Company's shares, those beneficial provisions shall prevail over the provisions of the Act in that regard.
7. Section 88E provides that where the total income of a person includes income chargeable under the head "Profit and Gains of business or profession' arising from purchase or sale of an equity share in a company entered into a recognized stock exchange i.e. from taxable securities transactions, he shall get rebate equal to the securities transaction tax paid by him in the course of his business. Such rebate is to be allowed from the amount of income tax in respect of such transactions calculated by applying average rate of income tax.

E. TO MUTUAL FUNDS

As per the provisions of Section 10(23D) of the Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made there under, Mutual Funds set up by public sector banks or public financial institutions and Mutual Funds authorized by the Reserve Bank of India would be exempt from income tax.

Subject to conditions as the Central Government may by notification in the official Gazette specify in this behalf.

F. VENTURE CAPITAL COMPANIES/FUND

In terms of section 10(23FB) of the Income Tax Act, 1961 all venture capital companies/funds registered with Securities and Exchange Board of India, subject to the conditions specified, are eligible for exemption from Income Tax on all their income, including dividend from and income from sale of shares of the company.

Notes:

1. All the above benefits are as per the current tax law as amended by the Finance Act, 2005.
2. The stated benefits will be available only to the sole/first named holder in case the shares are held by joint holders.
3. In respect of Non-Residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreements, if any, between India and the country in which the Non-Resident has fiscal domicile.
4. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her participation in the Issue.

FOR SHAH & KATHARIA **Place : Mumbai**
CHARTERED ACCOUNTANTS **Date : 30/10/2005**

Sd/-
(P.M Katharia)
Partner
Membership No.31315

D. ABOUT THE ISSUER

I. INDUSTRY OVERVIEW

THE INFRASTRUCTURE CHALLENGE

The infrastructure sector comprising of transportation, communications, electricity and other services constitutes the backbone of any growing economy. Supply bottlenecks of critical services can severely hamper growth and development. The Tenth Five Year Plan has targeted an annual growth of 8 per cent in GDP over 2002-07 as compared to the average of 5.6 to 5.7 per cent recorded during the eighties and nineties. However, further acceleration of growth requires significant investments in infrastructure. The energy-transport infrastructure, in particular, will be a major determinant of an acceleration in GDP growth. According to the Tenth Five Year Plan, the cumulative investment requirement during 2001-02 to 2005-06 has been estimated at US$ 156 billion. Of this, 40 per cent is required in the power sector, 11 per cent in telecom and around 14 per cent in roads and railways.

All the infrastructure sectors need sufficient funds for expansion and maintenance of existing facilities. To address this need as well as improve efficiency, a number of policy measures have been initiated recently. In order to create an adequate provision of various public goods, the Government has changed its role from direct producer of public goods and focuses on facilitating and encouraging public-private partnership, including Foreign Direct Investment.

This effort has borne fruit over the last five years. According to a World Bank report, India was amongst the top ten developing countries to receive private participation in infrastructure projects worth US$ 27.7 billion (in 2001). Changes have also been initiated with an emphasis on implementing commercially viable projects, well-enforced user charges and a regulatory framework that fosters competition.

Availability of infrastructure, key challenges, regulatory changes, future targets and public-private participation and opportunities in critical infrastructural segments such as roads is discussed below.

Roads

The Indian road network has witnessed a quantum leap as new institutional arrangements (based on a self financing revenue model comprising tolls and cess) and highway engineering of international standards have led to better connectivity. The Indian road network of 3.3 million kms is the second largest in the world. Roads carry about 70 per cent of the freight and about 85 per cent of passenger traffic. The road network can be broadly divided into Expressways, National Highways, State Highways, District Roads and Rural Roads. The National Highways have a length of about 65,569 km and carry about 40 per cent of the road-based traffic; the state highways and district roads cover about 5,98,000 kms while the rural and other roads cover about 2,650,000 kms of road length.

Recent Initiatives in the Roads Sector

A number of road projects have been initiated to strengthen the road network. The National Highways Development Project (NHDP Phase I & II) comprises of 5,846 km Golden Quadrilateral (GQ) connecting the four major metro cities, 7,300 km of North- South & East- West corridors and 1,133 km of port connectivity and other projects at an investment of US$ 12 billion. Already over 4000 kms of road length has been constructed.

To tackle the resource constraint, Central Road Fund (CRF) has been augmented to mobilize the dedicated cess fund levied on diesel and petrol. This fund is being leveraged for market borrowings and is being used for implementation of NHDP. In addition, innovative methods of financing such as Build Operate and Transfer (BOT), annuity based BOT and Special Purpose Vehicle (SPV) systems have been put in place to attract the private sector. Measures initiated by the Government to improve the road network are as follows:

- Capital grant up to 40 per cent of project cost to enhance viability on a case-to-case basis
- Entrepreneur allowed to collect and retain tolls in BOT projects
- 100 per cent Foreign Direct Investment (FDI) allowed in road sector projects
- 100 per cent tax exemption in any consecutive 10 years out of 20 years
- Duty free import of specified modern high capacity equipment for highway construction
- Control of National Highways Bill 2002 passed to prevent unauthorized occupation of highway land
- The Central Road Fund was augmented and the corpus of this fund would be utilized for the development of State and National Highways. The Government has imposed a cess of US$ 0.03 per litre on petrol and diesel to mop up funds for the development of roads

Progress of NHDP (as on August 31, 2004)

Length (in kms)	GQ	NS-EW	Port Connectivity Total and other projects	Total
Total	5846	7300	1133	14279
Completed	3121	653	263	4037
Under implementation	2725	410	350	3485
Balance length to be awarded	0	6211	520	6731
Cumulative expenditure (US$ billion)	4.09	0.49	0.35	4.93

Source: Department of Road Transport & Highways, Ministry of Shipping, Road Transport & Highways

Future Targets

The 10th Plan has targeted the completion of the GQ and N-S, E-W corridors under NHDP Phase I and II by 2005 and 2007, respectively. In addition, a total length of over 10,000 km under NHDP Phase-III is proposed to be widened to 4-lane or 2- lane highways with paved shoulders (where 4- laning is not justifiable immediately) at an estimated cost of US$ 12 billion on BOT basis. Under NHDP Phase–III, upgradation of these 10.000 km includes

(a) Connectivity of all State capitals in Phase I & II
(b) Stretches of high traffic volume not included in Phase I & II
(c) Connectivity from NHDP to places of tourist importance, heritage sites, places of economic importance, pilgrimage centres and agricultural 'mandis'.

Private Sector Participation in the Roads Sector

Liberalization of the economy has resulted in a noticeable increase in private sector participation in construction and operation of highways. The Government has initiated about 50 'public private partnership' projects costing around US$ 2 billion under the Build-Operate-Transfer (BOT) scheme (Toll Based. Annuity and SPVs). This includes an agreement between NHAI and CIDB Inventure, Malaysia, in May 2001 for four-laning of NH-5 and NH-9 for US$ 0.15 billion. Other foreign players who have participated in the roads sector are - AIDC Group of USA and STRADC of Philippines for the Vivekananda Bridge project; DS Construction Ltd of UK (JI-DSC) for Delhi-Gurgaon Expressway Project (along with Jaiprakash Industries Ltd). NHDP Phase-III projects are to be funded on BOT basis.

Investment Opportunities for the Private Sector

- Around 50 National Highways projects costing about US$ 1924 million are in different stages of construction or in operation with extensive private sector participation
- Four-laning of 10,000 km at an estimated cost of about US$ 12 billion to be taken up on Build-Operate Transfer (BOT) basis
- Model Concession Agreements (MCA) for large BOT projects costing more than US$ 21 million, small BOT Projects costing up to US$ 21 million and annuity based projects have been finalised
- Investment of US$ 34.3 billion required to remove deficiencies in National Highways
- Participation in construction of bridges, by-passes and other highway-related en route activities
- Private sector as investors in BOT projects on BOT and annuity basis and participation in bonds and direct borrowings
- Manufacture of construction equipment
- Improvement in urban roads and connectivity in major metros of Delhi, Mumbai, Bangalore, Chennai, Kolkata and Hyderabad

(Source : http://dipp.nic.in)

SCHEME FOR SUPPORT TO PUBLIC PRIVATE PARTNERSHIPS IN INFRASTRUCTURE

There is a significant deficit in the availability of physical infrastructure across different sectors and that this is hindering economic development of our country. The development of infrastructure requires large investments that cannot be undertaken out of public financing alone. Infrastructure projects may not always be financially viable because of long gestation periods and limited financial returns. Keeping these concerns in mind with a view to promote Public Private Partnerships (PPP) in infrastructure, in order to attract private capital as well as the techno-managerial efficiencies associated with it, the Government of India, through the Ministry of Finance, Department of Economic Affairs, Infrastructure Section has launched a scheme for support to public private partner ships in infrastructure in the month of July 2005 for providing financial support to bridge the viability gap of infrastructure projects undertaken through PPPs. The salient features of the scheme are enumerated below :-

Eligibility

In order to be eligible for funding under this Scheme, a PPP project shall meet the following criteria:

(a) The project shall be implemented i.e. developed, financed, constructed, maintained and operated for the Project Term by a Private Sector Company to be selected by the Government or a statutory entity through a process of open competitive bidding; provided that in case of railway projects that are not amenable to operation by a Private Sector Company, the Empowered

Committee may relax this eligibility criterion.

(b) The PPP Project should be from one of the following sectors:

- (i) Roads and bridges, railways, seaports, airports, inland waterways;
- (ii) Power;
- (iii) Urban transport, water supply, sewerage, solid waste management and other physical infrastructure in urban areas;
- (iv) Infrastructure projects in Special Economic Zones; and
- (v) International convention centres and other tourism infrastructure projects;

Provided that the Empowered Committee may, with approval of the Finance Minister, add or delete sectors/sub-sectors from the aforesaid list.

(c) The project should provide a service against payment of a predetermined tariff or user charge.

(d) The concerned Government/statutory entity should certify, with reasons;

- (i) that the tariff/user charge cannot be increased to eliminate or reduce the viability gap of the PPP;
- (ii) that the Project Term cannot be increased for reducing the viability gap; and
- (iii) that the capital costs are reasonable and based on the standards and specifications normally applicable to such projects and that the capital costs cannot be further restricted for reducing the viability gap.

Government Support

(1) The total Viability Gap Funding under this scheme shall not exceed twenty percent of the Total Project Cost; provided that the Government or statutory entity that owns the project may, if it so decides, provide additional grants out of its budget, but not exceeding a further twenty percent of the Total Project Cost.

(2) Viability Gap Funding under this scheme will normally be in the form of a capital grant at the stage of project construction. Proposals for any other form of assistance may be considered by the Empowered Committee and sanctioned with the approval of Finance Minister on a case-by-case basis.

(3) Viability Gap Funding up to Rs. 100 crore (Rs. One hundred crore) for each project may be sanctioned by the Empowered Institution subject to the budgetary ceilings indicated by the Finance Ministry. Proposals up to Rs. 200 crore (Rs. Two hundred crore) may be sanctioned by the Empowered Committee, and amounts exceeding Rs. 200 crore may be sanctioned by the Empowered Committee with the approval of Finance Minister.

(4) Unless otherwise directed by the Ministry of Finance, the Empowered Institutions may approve project proposals with a cumulative capital outlay equivalent to ten times the budget provisions in the respective Annual Plan.

(5) In the first two years of operation of the Scheme, projects meeting the eligibility criteria will be funded on a first-come, first served basis. In later years, if need arises, funding may be provided based on an appropriate formula, to be determined by the Empowered Committee, that balances needs across sectors in a manner that would make broad base the sectoral coverage and avoid pre-empting of funds by a few large projects.

Approval of project proposals.

(1) Project proposals may be posed by a Government or statutory entity which owns the underlying assets. The proposals shall include the requisite information necessary for satisfying the eligibility criteria specified above.

(2) Projects based on standardized/model documents duly approved by the respective Government would be preferred. Stand-alone documents may be subjected to detailed scrutiny by the Empowered Institution.

(3) The Empowered Institution will consider the project proposals for Viability Gap Funding and may seek the required details for satisfying the eligibility criteria.

(4) Within 30 days of receipt of a project proposal, duly completed as aforesaid, the Empowered Institution shall inform the sponsoring Government/statutory entity whether the project is eligible for financial assistance under this Scheme. In case the project is based on standalone documents (not being duly approved model/standard documents), the approval process may require an additional 60 (sixty) days.

(5) In the event that the Empowered Institution needs any clarifications or instructions relating to the eligibility of a project, it may refer the case to the Empowered Committee for appropriate directions.

(6) Notwithstanding the approvals granted under this scheme, projects promoted by the Central Government or its statutory entities shall be approved and implemented in accordance with the procedures specified from time to time.

(7) In cases where viability gap funding is budgeted under any on-going Plan scheme of the Central Government, the inter-se allocation between such on-going scheme and this scheme shall be determined by the Empowered Committee.

Procurement process for PPP Projects

(1) The Private Sector Company shall be selected through a transparent and open competitive bidding process. The criterion for bidding shall be the amount of Viability Gap Funding required by a Private Sector Company for implementing the project where all other parameters are comparable.

(2) The Government or statutory entity proposing the project shall certify that the bidding process conforms to the provisions of this Scheme and convey the same to the Empowered Institution prior to disbursement of the Grant.

Appraisal and monitoring by Lead Financial Institution

(1) Within four months from the date on which eligibility of the project is conveyed by the Empowered Institution to the concerned Government/ statutory entity, the PPP project shall be awarded in accordance with paragraph 6 above e; provided that upon application made to it by the concerned Government/statutory entity, the Empowered Institution may extend this period by not more that two months at a time.

(2) The Lead Financial Institution shall, within three months from the date of bid award, present its appraisal of the project for the consideration and approval of the Empowered Institution; provided that upon application made to it by the concerned Government/statutory entity, the Empowered Institution may extend this period by not more than one month at a time.

(3) The Lead Financial Institution shall be responsible for regular monitoring and periodic evaluation of project compliance with agreed milestones and performance levels, particularly for the purpose of disbursement of Viability Gap Funding. It shall send quarterly progress reports to the Empowered Institution which will make a consolidated progress report once every quarter for review by the Empowered Committee.

Disbursement of Grant

(1) A Grant under this scheme shall be disbursed only after the Private Sector Company has subscribed and expended the equity contribution required for the project and will be released in proportion to debt disbursements remaining to be disbursed thereafter.

(2) The Empowered Institution will release the Grant to the Lead Financial Institution as and when due, and obtain reimbursement thereof from the Finance Ministry.

(3) The Empowered Institution, the Lead Financial Institution and the Private Sector Company shall enter into a Tripartite Agreement for the purposes of this scheme. The format of such Tripartite Agreement shall be prescribed by the Empowered Committee from time to time.

Revolving Fund

A revolving fund of Rs. 200 crore (Rs. Two hundred crore) shall be provided by the Finance Ministry to the Empowered Institution. The Empowered Institution shall disburse funds to the respective lead financial Institutions and claim reimbursement thereof from the Ministry of Finance.

II. COMPANY'S BUSINESS

Supreme Infrastructure is a medium sized construction Company that is engaged in the following activities:-

- Construction of Roads, Highways, widening of Highways and execution of contracts awarded to it (based on tenders / bids submitted by it) by various agencies such as Mumbai Metropolitan Region Development Authority (MMRDA), Maharashtra State Road Development Corporation (MSRDC), Public Works Department (PWD), Municipal Corporation of Greater Mumbai (MCGM), Mumbai Port Trust (MPT), Mumbai Transport Project, Railway (MTP), Airports Authority of India (AAI), Bombay Municipal Corporation (BMC), RCF Ltd. and also from some private sector companies.
- Operating a Ready Mix Concrete (RMC) Plant for the captive consumption of the RMC as well as for sale to other parties.
- Operating an Asphalt Plant for meeting the requirements of Asphalt for the projects under execution by it and
- Crushing Plant for crushing the stones / boulders into aggregates of various types for use in the construction activities.

Details of the Business of Issuer Company

The details of the location of the Company's registered office and manufacturing units are provided below :-

Sr. No.	Location	Utilization	Nature of Possession
1	8, Bhawani Service Industrial Estate I.I.T. Powai Mumbai – 400 076	Registered Office	Owned
2	Next to Tennis Court, Behind Lake Castle Bldg, Hiranandani Complex. Powai 400 076	All the manufacturing units of the Company are located at this site.	Leased hold from Mr. B.S. Sharma

Location of the existing manufacturing units of the Company:

The Ready Mix Concrete (RMC) plant, crushing unit and the Asphalt Plant are located at Powai / Chandivali in Mumbai. As regards the construction business of the Company, the location of the project depends upon the sites at which the contracts awarded to the Company are located, which usually vary from project to project.

The existing RMC plant has a capacity of producing 30 cubic meter of RMC per hour. The growth in turnover from contract business make it imperative for the Company to enhance the capacity by setting up another RMC plant the details of which are described under " proposed business".

The Crushing unit has the capacity to crush Stone Metal upto 80 MT / hour. The current capacity of aggregates generated by the crushing unit is mainly used for captive consumption and is also sold in the market for use by other players construction business. The company feels that there is scope for consumption of larger quantity of aggregates in view of the derived growth in demand as a consequence of the government initiatives to attract more investment in the infrastructure structure and real estate. Keeping this in mind it is necessary for the company to augment the capacity of its crushing unit the details of which are mentioned under "proposed business".

The Asphalt plant currently has a capacity to generate 60-70 MT of asphalt per hour. The output of the plant is mainly used for captive consumption for projects under execution by the Company.

Location of the projects under execution:
In the past the company has executed 50 projects awarded by various organisations. Presently the Company has 9 projects under execution / to be executed with almost the same number of sites till 31st December 2005.

Location of the new business units
As stated under the heading "Details of the Requirement of Funds" on page [•] of the Draft Prospectus, the issue is being made to part finance (a) the acquisition of a mobile crushing plant, (b) upgradation of the existing crushing plant, (c) acquisition of a new ready mix concrete plant, (d) acquisition of concrete pump, (e) acquisition of Asphalt Pavers, acquisition of transit mixers and acquisition of tippers & excavators.

- **Acquisition of a mobile crushing plant**
  The mobile crushing plant as the name suggests, shall not be located at any one place but shall be used at the various sites where the company shall be executing the projects. The capacity of the mobile crushing plant shall be 130 MT / hour.

- **Upgradation of the existing crushing plant**
  The existing crushing plant is located at Powai, Mumbai and the upgradation of the same shall enhance its performance from the current 80 MT /hour to 130 MT/hour.

- **Acquisition of a new ready mix concrete plant**
  The new ready mix concrete plant shall be installed at Powai. This plant shall make available an additional 60 cubic meter per hour capacity to the company for use at its various sites where projects will be executed by the company as well as supply of the Ready Mix Concrete to other users who are executing various projects across Mumbai.

- **Acquisition of concrete pump**
  The concrete pump proposed to be acquired shall be installed on a chassis of a truck and would be mobile. The location of the same would depend upon the site. Where it would be required, and shall enhance the ability of the company to generate and supply the concrete at a faster rate at the site where the projects are under execution.

- **Acquisition of Asphalt Pavers, Transit mixers, tippers and excavators**
  The imported as well as the indigenous Asphalt Pavers, the transit mixers and tippers & excavators shall be mobile and shall be stationed at the various sites during the period when the different projects are under execution.

Plant and Machinery

Current Business

The present activities of the Company involve use of equipment such as Dumpers, Vibratory Rollers, Excavators, Tata Hitachi Buckets, Poclain Excavators, Sensor Paver, Finishers, Concrete Mixers, Stationer Drum Mix Plant, with Wet Dust Collector, Generators, Static Road Rollers, Vibrators of various types (Screed Vibrator, Needle Vibrator, Plant Vibrators, Non tilting concrete mixers, Concrete Mixers, Sieves, Compressors, Joint Cutting Machines Bitumen Sprayer, Buldozers, Graders, Transit Mixers and Cement Bulkers. The Company owns all these items in sufficient numbers to cater to the needs for execution of the work orders / contracts awarded currently to the Company.

The Company's Asphalt Plant and RMC Plant cater to the current in-house requirements of Asphalt and Ready Mix Concrete. In addition, the Company also supplies Asphalt and Ready Mix Concrete to outside parties after its in-house requirements are met.

Proposed Business
The estimated cost of the Plant & Machinery required for the project is Rs.1365.10 Lakhs. The details are given on page [●] of the Draft Prospectus.

Technology
The company has been in the business since 1983 and has gained adequate experience to execute projects that meet the prescribed criteria and completed within the prescribed time limits. The Company possesses and uses modern construction technology which are adapted to suit the requirements under the different conditions in India. Further, Mr. Vikram Sharma Managing Director of the company is a technocrat and the company also has engineers on its rolls who have adequate experience in the line of construction.

Process

Presently, the Company has three manufacturing units viz-

- Crusher Unit,
- Ready Mix concrete plant and
- Asphalt mix plant.

All the units are strategically located at Powai and enables mobilization of the finished products to the various sites in and around Mumbai in a very convenient manner.

All the three units have adequate infrastructure in terms of manpower, material handling equipment, machinery / equipment required for transportation of products to various sites, power connection and water.

Name of the Unit	Capacity	Details of machine	Power Connection	Man power
Crusher Unit Set up in 1983	Crushing of Stone Metal upto 80 MT / hour	1. Crusher Plant 2. Excavators 3. Trucks (4 nos)	125 KV own Generator	25
Ready Mix Concrete Plant Set up in 2003	30 Cubic Meter per hour	The plant was manufactured by a German Company named Schwing Stretter. Installed in 2003. It consist of - Cement Silo - Computerized Concrete Mixer - Control room - Transit Mixers (7 nos)	125 KV from REL	75
Asphalt Unit Set up in 1983	60-70 MT / hour	Complete computerized unit Consists of complete set up of machineries, lab, lab equipments, Dumpers, Pavers, Rollers, Bitumen Bouzer etc	200 KV own Generator	73

MANUFACTURING PROCESS AT DIFFERENT UNITS

CRUSHING UNIT

The manufacturing cycle starts with the permission of blasting. The Blasting process is carried out under strict supervision. The stones are extracted from the mine through excavators after the blasting. Once stones are extracted, then they are manually broken into smaller stones termed as boulders. These boulders are then transported to Crushing Unit.

After crushing, the boulders are converted into four different sizes from 1mm to 4mm. These products are termed as C1, C2, C3 and C4 metal powder. This crushed metal is then transported to Ready Mix Plant and Asphalt Plant to sites directly as per the requirement.

READY MIX CONCRETE UNIT

The metals brought from Crushing Plant are stored into bins along with river sand and metal powder. As per the mix design and required quantity, the metal is mixed with sand, cement, and fly ash to produce Ready mix concrete with the help of Concrete Mixer. The concrete is then transported to site in a transit mixer.

ASPHALT PLANT

The metal stored in bins is conveyed through conveyer belts with the help of computer operated conveyors into the Hot Mix Drum. In this drum the metals are heated to make them moisture free so as to ascertain the quality to mix with bitumen. Once the moisture is evaporated then the metal are mixed with bitumen with the help of furnace oil. Every product has a different quantity of bitumen percentage in it. Once the mix is ready the mix is conveyed into dumpers and transported to sites where it is to be laid with pavers.

BUSINESS OF OPERATING AS CONTRACTORS AND DEVELOPERS OF VARIOUS INFRASTRUCTURE PROJECTS

The whole process in this business is a lengthy one and commences with the release / invitation of tenders / bids by the prospective clients. In response to the same, the Company obtains the details of the tender and its team of engineers examines the site to carry out a techno-economic feasibility study based on which they submit their recommendations. At the time of submitting the technical and financial bids in response to the tender, the recommendations of the team of engineers are considered. Mostly these tenders receive more than one response depending on whether the respondents meet the eligibility criteria or not. After the evaluation of the bids submitted, the client decides about awarding the contract. When the Company bags a contract, the job of execution of the contract as per the terms and conditions laid down in it is allocated to a project team. The project in-charge procures the details of the project from the client or from the agency appointed by the client and accordingly determines the requirement of labour, materials, equipment / machinery, power, water, etc. and also decides on the location and size of the site office. The requisition forwarded by the project in-charge also lays down the time limits within which each stage of the activity has to be completed so that the materials, equipment / machinery etc. are made available to the team for execution of the project on time. The Company has laid down procedures for monitoring the quality of the jobs executed and timely completion as well. The company also has an adequately equipped laboratory to carry out the testing that is one of the methods of implementing quality control. Milestone payments are made by the client after the person authorized by them inspects the stage of completion of the work and certifies the same. On completion of the full work in respect of the project, the final payments are released by the client.

COLLABORATIONS

The company has not entered into any technical collaboration.

INFRASTRUCTURE FACILITIES

Raw Materials

The major raw materials used by the company for its various activities are as under :-

1. Cement
2. Bitumen
3. Aggregates
4. Steel

5. Sand

The requirements of most of the above raw materials depend on the contracts in hand and the progress of work on each contract and hence it is difficult to estimate annual requirement of the quantity of the various raw materials. Purchases of the above raw materials are made from the local markets where adequate quantities of the same are available. 70% of the requirement of aggregates is sourced from own quarry and the balance is purchased from the market.

Utilities

Water

The Crushing Unit and the Ready Mix Concrete Plant use a large quantity of water in the manufacturing process and the requirement of the same is met from the borewell at the Company's site at Powai. The water requirement for the various projects at the different sites are met through supplies made by the client or from sources near the sites. Alternately, water tankers carry water for meeting the water requirements at the different sites.

Power

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 for the three manufacturing units are met from Reliance Energy Limited's normal distribution sources and from generator sets.

The power required at the project sites for operating the machinery / equipment and lighting are met from the regular distribution sources and is arranged by the clients who award the contracts. At the project sites where the power supply cannot be arranged Diesel Generating sets are used to meet the requirement of power.

Fuel

The requirement of Diesel and LDO for operating the machinery / equipment and Generating Sets are met by supplies from the local markets and are available in adequate quantities.

Greases and lubricating oil

The requirement of Greases and Lubricating Oil for the machinery / equipment and Generating Sets are met by supplies from the local markets and are available in adequate quantities.

Manpower

The current staff strength of the Company is 173 as per details given below:-

Sr. No.	Unit	No. of Employees
1	Crushing Unit	25
2	Asphalt Plant	73
3	RMC Plant	75
	Total	**173**

PRODUCTS / SERVICES

The company manufactures the following products for its in-house consumption as well as for sales to other users

(a) Crushed metal
(b) Ready mix concrete
(c) Asphalt.

Crushed metal

PRODUCTS	USES
Boulders-midsize Stone, partially crushed	This is generally used for base formation of any kind of concrete & Asphaltic Roads. Generally used for filling or level rising since borders has adequate size and strength required at bed level.
4mm metal/C4	This is a metal of 4mm size derived from crushing of stone. It is substantially used for laying in, a layer prior to Asphalt work. This is also used in repairing of pot holes or spot repair

	works.
C1/metal1 & C2/metal2	These products we get, after advance crushing of metal, it is further reduced to metal1, and metal2 i.e. as per their size 1mm & 2mm. Both these metals are used in different quantities as per the mix design. M1 & M2 are two main products used for manufacturing of Ready mix concrete and Asphatic products. Both these metals are of great demand as far as construction work is concerned.
Metal Powder	This is a fine and dust derived from crushing process. This is also used in concrete mix and Asphalt concrete.

Ready mix concrete

The company presently has the facilities to produce / generate 30 cubic meter of ready mix concrete per hour. Further, with the acquisition of the new ready mix concrete plant, the capacity available at the company shall stand enhanced to 90 cubic meter of ready mix concrete per hour. The areas surrounding the site where the company's existing ready mix concrete plant is located has been witness to a lot of construction activity which has been rising steadily over the past 15 years and it has been experienced by the company that it was becoming difficult to meet its own increasing requirements as well as that of the outside demand. Hence, the company felt it was necessary to go in for a new ready mix concrete plant that would enhance its capacity and enable it to cater to the increased requirements of ready mix concrete.

PRODUCTS	USES
M100/M10	This is the mix with lowest concentration of cement. This is generally used for leveling at site or for casting of base level or PCC bed.
M150/M15	This mix is slightly richer than M10. It is mostly used in casting of objects which do not load bearing capacity or even used in drainage work.
M20/ M200 & M25/ M250	These grades are of equal importance as far as building construction is concerned. Both these grades are extensively used by builders for R.C.C work of a building i.e. columns, beams, slabs etc. These Mix are mainly supported by structural engineers for construction industry.
M30/ M300 & M35/ M30	These grades are used for concretization of roads. These grades are rich enough to support the traffic weight on per cubic feet basis.
M40/M400 & M45/M450	These are the richer grade products that are being produced by R.M.C plant. These grades are used for roads at reclaimed grounds or buildings with a very specific design or usage. These grades are also used where projects are time bound because the cement ratio in such a mix gets the strength required twice as much to get the required strength e.g. a building slab with M25 grade may required 21 days for gaining the desired strength to do the further work, where as the same strength could be gained within a weeks time with the usage of M40 grade.

Asphalt

The Asphalt plant of the company situated at Powai has a capacity of manufacturing 60-70 MT / hour of Asphalt which is used for its own in-house requirements as well as for sale to other contractors.

PRODUCT	MIX	USES
Mecadam	4% + C1+C2	These are the various products/ Asphalt mixes
Silcoat	7% + Grit + Stone dust	Usage depends upon the strata of the place where road is to be made. All the products are differentiated on the basis of bitumen mix with the common

		metal.
Asphalt concrete	6.5 + Powder + C1 bitumen	Most commonly used mix are macadam and Asphalt Concrete.

Market

The Company uses its own products for captive consumption and other players in the market who are engaged in the construction activities and execution of projects use the company's products and services.

Competition
The industry in which the company operates has a number of organized and unorganized players and the competition is intense. ACC and L&T are having RMC plants where they source it to the outside people as compared to which the production at the Company's plants are used for captive consumption and also supplied to small players in the market.

Business Strategy

The Company recognizes the importance of the construction industry in India especially the high impetus given by the Government of India to make up deficits in infrastructure rapidly. Road construction is the company's forte that it has developed after years of dedicated work. The Company will continue to bid aggressively for the road related infrastructural projects – leveraging and building the specialization and prequalification and thereby participating in more states and regions and gaining access to more complex projects. The expertise gained by the company in completing projects awarded by the Mumbai Port Trust, Airport Authority of India, MTP and PWD have opened up the scope of bidding for similar projects by the company which require special skills that have been acquired during implementation of the aforementioned projects.

The object for which this issue is being made includes purchase of modern machinery/equipment to enhance the capacity and technical ability of the company to undertake projects awarded to it. This is the first step in the company's business strategy to leverage upon the expertise acquired during the course of undertaking projects requiring specialized skills including working as per the high standards of World Bank requirements. The enhanced capacity together with improved quality of work by using the modern imported equipment will enable the company to take up more and more projects. This in turn will make the company eligible for qualifying for larger bids due to its enhanced bidding capacity.

Future Prospects

The Government of India has laid emphasis on the need for improvement in the infrastructure in various sectors for the all round growth of the economy with a view to achieve the growth plans of the 10th 5year plan. The government has been making endeavors to bring necessary changes in the regulatory framework to encourage and attract enhanced investment in the infrastructure development. Towards this end the government itself has been spending large sums on development of infrastructure such as building/widening of national highways, ports and airports. The implementation of the above plans will benefit all the players in the industry in which the company operates by way of large value of contracts to bid for and execute, growth in demand for aggregates, asphalt and for RMC all of which are the main segments in which the company operates.

The total road length in India has increased significantly from 3.99 lakh kms as of 31.3.1951 to 33.83 lakh kms as of 31.3.2002. The surfaced road lengths have also increased from 1.57 lakh kms to around 16.04 lakh kms in the same period. Surface length constitutes 47.3% of total road length as of 31.3.2002, up from a level of 39.3% of the total road length as of 31.3.1951.

Among the different categories of roads, National Highways constitute around 2%, State Highways 4%, PWD roads 21% and urban roads 7%. The rest of the road length in the country is accounted for by the rural roads. While development and maintenance of National Highways is under the purview of the Centre, all other categories of roads come under the purview of the respective States/UT Governments.

The country's road network can broadly be divided into three categories viz. (a) National Highways (b) State Highways and Major District Roads, and (c) rural roads. The National Highways, running across the length and breadth of the country, have a length of 65,569 km. Though they comprise only about 2 per cent of the road network, they carry about 40 per cent of the road based traffic.

State Highways (SHs) and Major District Roads (MDRs) constitute the secondary system of road infrastructure of the country. The State Highways provide linkages with the National Highways, district headquarters, important towns, tourist centres and minor ports. Their total length is about 1,37,711 km. Major District Roads run within the district, connecting areas of production with markets, rural areas to the district headquarters and to State Highways/National Highways. It is assessed that the secondary system caries about 40 per cent of the total road traffic and comprises about 20% of the total road length. By acting as the link between the rural and urban areas, the State Highways and Major District Roads contribute significantly to the development of the rural economy and industrial growth of the country.

The last link in the chain is rural roads. Rural connectivity is a key component of rural development and contributes significantly to generating higher agricultural incomes and productive employment opportunities besides promoting access to economic and social services. Studies show that rural roads have a significant impact on poverty reduction as well.

The existing road network is showing signs of serious distress because of neglect of maintenance, which is highly uneconomic from the national point of view. Out of the total length of 65,569 km., about 25,000 km is under severe strain due to high volume of traffic. One of the main factors responsible for this is the upgradation of large segments of State Highways to National Highways during the Ninth Plan. Total estimated cost of removing deficiencies on National Highways is about Rs.1,65,000 crore. The present allocation for maintenance of National Highways is only 40% of the requirements based on the norms for maintenance. The situation in respect of State roads is still worse. Due to resource constraints private sector also need to be involved in maintenance of National Highways.
(Source : National Transport Policy)

India has a vast road network of about 3.32 million km of which the NH and the state highways together account for 1,95,000 km length. The composition of road traffic has grown from 12 per cent freight and 31.6 per cent passenger traffic in 1950-51 to an estimated 65 per cent freight and 87 per cent passenger traffic during the Tenth Five Year Plan period. Traffic on the roads is growing at the rate of 7-10 per cent per annum while the growth in vehicles has been to the tune of 12 per cent per annum for the past few years. The road network, therefore, needs to be expanded and strengthened at a very fast pace not only to cater to the increased volume of traffic, but also to provide improved accessibility to the hinterland. Though the 65,569-km long NH, which are the responsibility of the Department, constitute only 1.98 per cent of the total road length, it carries 40 per cent of road traffic. The highways need to be improved rapidly to provide for speedy and economical carriage of goods and people. Further, road transport needs to be regulated for better energy efficiency, reduction in pollution and enhanced road safety.

Historically, investments in the road infrastructure, particularly in the highways, were being made by the government sector mainly because of the large volume of resources required, long gestation period, uncertain returns and various associated externalities. The galloping resource requirements and the concern for managerial efficiency and consumer responsiveness have, in recent times, led to an active involvement by the private sector also. To give a fillip to this, the Department of Road Transport and Highways had laid down comprehensive policy guidelines for private sector participation in the highway sector and the government has also announced several incentives such as tax exemptions and duty-free import of road building equipments and machinery. Model Concession Agreements have also been finalised for major road projects.

A number of projects have been planned on Build, Operate and Transfer (BOT) basis (toll-based projects). The huge upfront capital investment and high risk of revenue collection have been recognised as potential deterrents to private sector participation. To address this, in addition to giving several incentives, the government has also decided to offer some projects on annuity basis. A Concession Agreement for BOT projects under annuity payment scheme has been finalised and a number of projects taken up on annuity payment system. The National Highways Authority of India (NHAI) has also formed Special Purpose Vehicles (SPVs) for funding road projects.

The Central government has created a dedicated fund, called Central Road Fund (CRF) from the collection of cess of Re.1/- per litre on petrol and diesel. The Union Budget for 2003-04 introduced an additional levy of cess of 50 paise per litre on petrol and high speed diesel. The fund is distributed for development and maintenance of NH, rural roads, state roads other than rural roads and for provision of railway over bridges/under bridges and other safety features. The Department is additionally charged with the responsibility for approval and release of funds to states for development of state roads under the CRF. The Department is also responsible for evolving standards and specifications for roads and bridges in the country besides acting as a repository of technical knowledge on roads and bridges.

Road Development
The government has embarked upon a massive National Highways Development Project (NHDP) in the country. The NHDP Phase I and Phase II is the largest highway project ever undertaken in the country. Under this project, about 14,279 km of NH are proposed to be four or six laned at an estimated cost of Rs.64,639.00 crore. This is being implemented by the NHAI.

The NHDP Phase I and Phase II consist of the following components:
Golden Quadrilateral (GQ), comprising National Highways connecting four metro cities viz., Delhi, Mumbai, Chennai and Kolkata, has a total length of 5846 km. As on 30 November 2004, 4203 km length had already been four laned and work is continuing on the remaining length. The GQ, with the exception of three projects, will be completed by December 2005.

North-South and East-West Corridors (NSEW) comprising the National Highways connecting Srinagar to Kanyakumari (including the Kochi- Salem spur) and Silchar to Porbandar, has a total length of about 7300 km. As on 30 November 2004, four/six laning of 675 km has already been completed and work on 388 km is under implementation. The work on the remaining length of NSEW corridor is scheduled to be awarded by June 2005. The NSEW corridor is targeted for completion by December 2007.

The NHAI has also been implementing four laning of about 356 km of highways to provide connectivity to 12 major ports and 777 km on other National Highways. As on 30 November 2004, four laning of about 69 km roads of port connectivity and 194 km of other National Highways has been completed.

Apart from the NHDP, there are about 41,290 km of NH which are being maintained with the funds available from the budget. Various development works like improvement of riding quality, widening to four or two lanes, strengthening, construction of bypasses and rehabilitation/construction of bridges etc. have been undertaken on the NH. During 2004-05, as on 30 November 2004, 264 proposals involving a cost of Rs.615.322 crore have been sanctioned. A total of 221 km of single lane have been widened to two-lane, 264 km strengthened and work on rehabilitation/construction of 29 bridges was completed till 31 October 2004.

The development of the NH-34 corridor from Barasat (km 31) to Raiganj (km 398) in West Bengal, at an estimated cost of Rs. 1085.7 crore, has been taken up with the loan assistance of Asian Development Bank (ADB). The project is for improvement and capacity augmentation of about 369 km stretch of NH- 34 by the addition of 1.5 m paved shoulders on both sides of the carriageway, strengthening of existing pavement, four-laning of urban stretches, construction of seven road over bridges (ROBs) and two major bridges. The technical bids received for a length of 263 km are being evaluated, while technical bids for the balance length of 104 km have been evaluated and approved by the ADB. The project is scheduled for completion by June 2007.

The government has already announced several incentives such as tax exemptions, duty free import of road building equipments and machinery in order to encourage private sector participation in road development. A total of 30 tollbased projects valued at Rs. 4527.16 crore have been taken up on BOT basis. Of these, 21 projects have been completed and work is on in nine projects. The major deterrent to private sector participation is the huge upfront capital investment and high risks of revenue collection. To address this, the government has decided to offer some projects on annuity basis. Eight projects valued at about Rs. 2354 crore awarded on annuity basis are in progress. The NHAI has also formed SPVs for funding road projects. SPVs are separate legal entities formed under the Companies Act, 1956. It involves some cash support from the NHAI in the form of equity/debt; while the rest of funds come from ports/financial institutions/ beneficiary organisations in the form of equity/debt. The amount spent on development of roads/highways is to be recovered through tolls within a prescribed concession period. Eleven projects valued at about Rs. 2139.00 crore have been identified under SPV funding. Four projects costing Rs. 713.00 crore have been completed and 7 projects are in progress on SPV funding basis.

The Department is primarily responsible for development and maintenance of NH in the country. All roads other than NH in states fall within the jurisdiction of respective state governments. However, to assist the state governments in their road development programme, the Central government also provides funds from the CRF and also for certain selected state roads of inter-state connectivity and economic importance. The Department is also responsible for evolving standards and specifications for roads and bridges in the country besides acting as a repository of technical information on roads and bridges.

As on 30 November 2004, the length of NH stood at 65,569 km.

The NH system suffers from various deficiencies of capacity constraints, pavement crust, geometrics and safety features. It was assessed at the time of the formulation of the Tenth Five Year Plan that removal of deficiencies on the existing NH network would require resources to the tune of Rs. 1,65,000 crore. Improvement of the NH is being undertaken by way of widening and strengthening of existing highways, reconstruction/widening bridges, and constructing bypasses on selective basis within available resources. While the government is providing increasing budgetary allocation for projects in the highway sector and has undertaken major initiatives for upgrading in high density corridors, it has not been possible to allocate sufficient funds matching the needs because of competing demands from other sectors, especially the social sector. The physical programmes of road development of removing the financial bottlenecks need concerted efforts in the form of mobilisation of funds from other sources. Inflow of private sector funds is expected to bridge the resource gap to some extent.

Development and Maintenance of National Highways

An allocation of Rs.745.56 crore for maintenance and Rs.1782.00 crore, including allocations to states made from the resources generated through the collection of user charges on bridges (Permanent Bridge Fee Fund) for development of NH entrusted to state governments and the Border Roads Organisation (BRO), has been made for 2004-05.

An allocation of Rs.5058 crore has been made to NHAI in 2004-05 for development and Rs. 70 crore for maintenance of NH entrusted to the NHAI. During the current financial year, up to 30 November 2004, the NHAI incurred an expenditure of Rs. 4250.72 crore on various projects, including the externally aided projects entrusted to it.

Central Road Fund

In recognition of the need of funds for road infrastructure, the Union Budget for 1998-99 had provided for the levy of additional excise duty and additional custom duty of Re.1 per litre of petrol. Subsequently, in the Union Budget for 1999-2000, an additional duty of Re.1 per litre of high speed diesel was levied. In 2003-04, an additional levy of cess of 50 paise per litre was levied on petrol and high speed diesel. The revenue from the cess would be used to finance all categories of roads. This fund has been given the statutory status by Central Road Fund Act, 2000.

An allocation of Rs. 5361 crore has been made under the CRF for 2004- 05 with the following break-up:-

Allocations from the Central Road Fund

(Rs. in crore)

Grants to state governments and Union Territories for state roads	868.00
Grant to states and Union Territories for roads of inter-state connectivity and economic importance	96.00
National Highways	1848.00
Rural roads	2148.00
Railways	401.00
Total	5361.00

· The funds earmarked for NH are being allocated to the NHAI for the NHDP.
· The funds for state roads are disbursed to the states for development of state highways and major district roads.
· A total of 272 works for improvement of state roads involving expenditure of Rs.589.14 crore have been sanctioned from the CRF for 2004-05 till 30 November 2004.

EXTERNALLY AIDED PROJECTS

The NHAI is implementing several projects with foreign assistance in the form of loans from the World Bank, ADB and the Japan Bank of International Cooperation (JBIC) to the tune of US$1345 million, US$950 million and Yen 32060 million respectively.

- Third National Highway Project or TNHP (LN4559-IN), involving four-laning of 477 km of NH sections in the states of Uttar Pradesh, Bihar and Jharkhand. The total amount of the loan is US$ 516 million.
- A loan agreement was signed in July 2001 with the World Bank for a loan of US$ 589 million for the Grand Trunk Road Improvement Project (GTRIP), comprising four-laning of 422 km of NH section in the states of Uttar Pradesh, Bihar and Jharkhand.
- The Allahabad bypass project (ABP) is for development of 84.71 km length of NH-2 in Uttar Pradesh from km 158 to km 242.71 including bridge portion. The sanctioned cost is Rs. 1060.49 crore, with the loan assistance of US$ 240 million from the World Bank.

- The World Bank on 21 December 2004 has approved a loan of US$620 million from the International Bank for Reconstruction and Development (IBRD) for the Lucknow-Muzzaffarpur National Highways Project (LMNHP) which envisages improving the institutional capabilities to manage road programmes, assets and services on a more commercial basis.
- The NH sections proposed for upgrading to four-lane divided carriageway under the project are all located along a 513 km continuous stretch between Lucknow and Muzzaffarpur along the East-West corridor in the states of Uttar Pradesh and Bihar. The entire stretch is divided into five engineering design contract packages: Lucknow-Ayodhya (126 km); Ayodhya-Gorakhpur (117 km); Gorakhpur-Gopalganj (106 km); Gopalgang-Muzzaffarpur (134 km); and Gorakhpur Bypass (40 km). The NHAI has proposed civil works for the first four sections (totalling 483 km) to be taken up through Bank financing and the Gorakhpur Bypass through the NHAI's own financing. The feasibility study and detailed engineering design including the Environmental Assessment and Resettlement Action Plan for all packages are being carried out by design consultants funded by NHAI's own funds, under terms of reference (TOR) cleared by the Bank.
- Surat Manor Toll Way Project - The project envisages the widening of 175.6 km length of the existing two-lane carriageway section of the Surat-Manor road (km. 263.4 to km. 439.0) to a four-lane divided carriageway facility. The sanctioned cost of the project is Rs. 1331.35 crore. The commissioning of this project will complete the continuous four-lane section of NH-8 from Vadodara to Mumbai, which is a part of the Golden Quadrilateral. A loan agreement of US$ 180 million was signed between the ADB and the NHAI in October 2000.
- Tumkur-Haveri Project - A loan agreement has been signed with the ADB for a loan amount of US$ 240 million for upgrading of the Tumkur-Haveri section of NH-4 to a fourlane divided carriageway for a length of 259 km under the Western Transport Corridor Project. The sanctioned cost of the project is Rs. 1151.00 crore. The project has been divided into five construction packages.
- East-West Corridor Project - The four-laning of the 506.60 km Porbandar-Deesa section of the East-West corridor in Gujarat has been taken up at an estimated cost of Rs.2573.50 crore, of which the ADB is financing Rs.1587.00 crore (US$ 320 million) as a part of its loan for 2002.
- West Bengal Corridor Development Project - 7.1.11 The West Bengal Corridor Project will develop the NH-34 corridor from Barasat (km 31) to Raiganj (km 398) in West Bengal at an estimated cost of Rs. 1085.70 crore with loan assistance from ADB. The project will be funded from three sources - ADB (Rs. 698.89 crore), counterpart funding by the government of India (Rs. 329.00 crore) and counterpart funding by the government of West Bengal (Rs. 57.81 crore). The project has been divided into three construction packages: Package A (km 31-km 193), Package B (km 193-km 297) and Package C (km 297-km 398). Pre-qualification applications for civil works for Packages A and C have been received and are being evaluated. The technical bids for Package B have been evaluated and approved by ADB. The project is scheduled for completion by June 2007.
- Naini Bridge Project - 7.1.12 A loan agreement with JBIC (IDP-91) for Yen 10037 million was signed in January 1994 for the construction of a bridge over the Yamuna river at Naini on NH-27 in Uttar Pradesh. The work was awarded in July 2000 with the concurrence of JBIC. Work on the project was started in October 2000. The project was completed in July 2004.
- Four-Laning of Tada-Nellore and Vijayawada-Nandigama Sections - A memorandum of understanding (MoU) was signed between NHAI and Construction Industry Development Board (CIDB) of Malaysia on 19 December 2000 for four-laning of the Tada-Nellore section of NH-5 and Vijayawada- Nandigama section of NH-9 in Andhra Pradesh at a cost of Rs.760 crore with the help of Malaysian investment under the BOT scheme. This will be inclusive of a grant of Rs. 167.50 crore from NHAI. The CIDB will be entitled to collect toll for recovering its investment. The Concession Agreement was signed between NHAI and CIDB of Malaysia on 27 March 2001. The Tada-Nellore and Vijayawada- Nandigama sections have been opened to traffic in May 2004 and September 2004, respectively.

NEW INITIATIVES

The developments of NH which are not under NHDP are being taken up, keeping in mind the availability of funds, condition of the road, inter-state priority and volume of traffic. Since the funds available are not sufficient to take up large development works, the Department is considering other initiatives like encouraging public-private partnership and collection of funds through cess on petrol and diesel. The various programmes contemplated are given below :

- National Highways Development Project – NE
- National Highways Development Project Phase-III

- National Highways Development Project Phase-IV

National Highways Development Project – NE
The Department is aware of the importance of the north-eastern region. Considering the status of the development of the roads in this region, an Accelerated North-East Road Development Project is under consideration, which will mainly provide connectivity to all the state capitals and district headquarters in the north-east, including four-laning of the 315 km of NH between Nagaon and Dibrugarh in Assam and two/four-laning of 288 km of NH in Meghalaya, Nagaland and Sikkim. The proposal would include upgrading other stretches of NH and state highways considered critical for economic development of the north-east region.

National Highways Development Project Phase-III
For rehabilitation and upgrading about 10,000 km length of existing NH to four-lane dual carriageway configurations on BOT basis has been proposed as Part III of NHDP. The programme generally comprises stretches of NH carrying high volume of traffic, connecting state capitals with the NHDP Phases I and II network and providing connectivity to places of economic, commercial and tourist importance. The work will be started in phases during the remaining part of the Tenth Plan period and during the Eleventh Plan.

National Highways Development Project Phase-IV
With a view to providing balanced and equitable distribution of the improved/widened highways network throughout the country, a proposal is also being worked out for upgrading 23,000 km of single lane highways to two-lane with paved shoulders and for strengthening of 18,000 km of the existing two-lane highways and construction of paved shoulders under NHDP Phase-IV on BOT basis.

The above three programmes can, however, be taken up for their implementation only after approval by the government.
(Source : Annual Report 2004-05, Government of India, Department of Road Transport & Highways Ministry of Shipping, Road Transport & Highways)

Mumbai Urban Infrastructure Project
Mumbai is the commercial and financial capital of India, generating about 5% of India's GDP and contributes over one third of the country's tax revenues.

In addition, it handles major part of the port traffic of the country. With rapid urbanisation and industrialisation during the last three decades, the population growth has been mainly in the suburbs i.e. north of Mahim and Sion while the population growth in the island city has remained more or less stagnant. The population in the suburbs increased from 5 million in 1981 to 8.8 million in 2001, while the population in the island city increased from 3.28 million to 3.30 million during the same period. The city of Mumbai with its present population of over 12 million generates more than 10 million daily passenger trips catered by suburban railway and public transport bus services provided by BEST. The ever growing vehicular and passenger demands, coupled with constraints on capacity augmentation of the existing network, have resulted in chaotic conditions during peak hours.

The five main north-south roads in the suburbs are not fully developed to the planned width, have many bottleneck points and constraints due to large number of intersections with major and minor roads. Similarly, the major east-west links proposed in the Wilbur Smith Associate Study of 1962 have not been finalised. During the last 4 decades there has been growth in vehicular ownership in Greater Mumbai, particularly in the suburban areas, resulting in immense pressure and increasing bottlenecks. The vehicular population in the last four decades increased from 1.5 lakhs in 1971 to 1.29 million in 2001.

The World Bank funded MUTP focuses mainly on strengthening of mass transport particularly improvements in suburban railway services in terms of efficiency and capacity, with very few proposals of road improvements.

On the above background and looking beyond MUTP improvements and considering the future travel demand by growing population, it has been considered necessary to take urgent steps to strengthen the road infrastructure in Mumbai. With a view to supplement MUTP, MMRDA initiated the process for an ambitious project known as Mumbai Urban Infrastructure Project (MUIP) with the main objective of road network improvements and efficient traffic dispersal system in Greater Mumbai.

Objectives

- To prepare a traffic dispersal model for efficient mobility and connectivity.
- To develop major North-South road links in suburbs including a Mass Rapid Transit Connectivity.
- To strengthen / augment the East-West Connectivity in the suburbs.
- To provide efficient / fast pubic transport corridors.
- To facilitate safe and convenient movement for pedestrians (Subways / FOBs / Footpaths) including Station Area Traffic Improvement Schemes (SATIS).
- To provide high capacity uninterrupted road connection to both the Airports.
- To remove level crossings in Mumbai
- To provide bus terminals / bus depots and to create facilities for passengers.

Master Plan

The master plan of proposed schemes under MUIP for Eastern Suburbs, Western Suburbs and Island City including improvements / provision of DP Roads, Elevated Roads, Flyovers, ROBs, Vehicular Subways, Pedestrian Subways, Station Area Improvement Schemes (SATIS), high capacity bus corridors etc. The summary of all the improvement schemes are given below:

Schemes	Eastern Suburbs	Western Suburbs	Island City	Overall
DP Roads (No)	52	60	22	134
DP Roads (in Km)	195.41	150.87	116.00	462.28
Elevated Roads	6	--	4	10
Flyovers	10	17	14	41
ROBs	1	7	8	16
Vehicular Subways	8	1	1	10
Pedestrian Subways	27	5	24	56

Cost of the Schemes

The GOM approved the Master Plan at an estimated cost of Rs. 2,648.00 crores. Cost of projects identified under priority-1 is estimated as Rs. 1980 crores. A total length of 462 km of DP roads having width more than 25 meters would be implemented in MUIP over next 3 years. Under priority-1, 344 km of roads are proposed for full development. Bids have been invited for priority North-South and East-West Corridors. Detailed designs and bids documents for other priority components are at finalisation stage.

Schemes for private participation

The Study identified certain projects which could encourage private participation and developing the same. Following are some of the projects with their estimated costs.

1	**Eastern Freeway**	**Rs. 300 crores**
2	**Goregaon Mulund Link Road connecting Western and Eastern Suburbs.**	**Rs. 125 crores**

Implementation Strategy

MMRDA is designated as a nodal agency for implementation of MUIP. The projects identified by the concerned agencies such as MMRDA, MCGM, MSRDC and PWD will be implemented/completed within three years.

The Resettlement and Rehabilitation of Project Affected Persons Mumbai Urban Infrastructure Project (MUIP)

About 35000 slum families are affected by MUIP. For smooth implementation of MUIP, it is necessary to rehabilitate eligible slum dwellers. The rehabilitation and resettlement of PAPs affected by MUIP will be undertaken according to the Government of Maharashtra’s policy of slum rehabilitation and by using powers of Slum Rehabilitation Authority vested in MMRDA. Thus about 21000 slum families can be rehabilitated in the schemes which are approved at various sites e.g. Poonam Nagar–Majas, Oshiware–Goregaon, Anik–Chembur, Anik Bhakti Park–Chembur, Borla–Ghatkopar-Mankhurd Link Road, Tata Nagar-Mankhurd, Kanjurmarg(W)-LBS, Bhandup. *(Source : www.mmrdamumbai.org)*

Capacity and capacity utilization
The details of the capacity of the three manufacturing units of the Company have been given on page [•] of the Draft Prospectus.

Insurance
The company has obtained insurance cover from M/s The New India Assurance Company Limited for its Office premises where the registered office of the company is situated and also for the furniture, fixtures and fittings at the premises. The Standard Fire and Special Perils Policy is valid up to 15th June 2006.

The company had also obtained a Standard Fire and Special Perils Policy from M/s United India Insurance Co. Ltd for (a) Asphalt Plant, (b) Ready Mix Concrete Plant, (c) Crushing Unit and (d) Concrete Pump and the same was valid up to 15th August 2006.

The Workmen Compensation policy obtained by the company from M/s The New India Assurance Company Limited is valid up to 4th July 2006 which covers a specific number of employees with a threshold limit of wages engaged in civil work road constructions anywhere in Maharashtra.

Property
There is no property intended to be purchased from the proceeds of the Issue.

Employee Stock Option Scheme
The company does not have any Employee Stock Option Scheme.

III. KEY INDUSTRY- REGULATIONS AND POLICIES

Some of the laws which govern the our activities are as under :-

- The Explosive Act,1884
- The Standards of Weights and Measures Act, 1976
- The Minimum Wages Act, 1948
- Workmen Compensation Act, 1923
- Labour Laws
- Vehicle Registration and Transportation Laws.

IV. HISTORY AND CORPORATE STRUCTURE

History and major events

Supreme Infrastructure India Limited was incorporated as Supreme Asphalts Private Limited vide Certificate of Incorporation No.29752 of 1983 dated 8th April, 1983 with Registrar of Companies, Maharashtra at Mumbai. The name was changed to Supreme Infrastructure India Private Limited vide fresh Certificate of Incorporation dated 10th April 2002. Subsequently, it was converted into a Public Limited Company and the name was changed to Supreme Infrastructure India Limited vide fresh Certificate of Incorporation dated 30th August 2005.

The Company was incorporated on 8th April 1983 by the then Promoters Mr. Bhawani Shankar Sharma, Mr. Ved Prakash Gupta and Mr. Hirendra Kumar Sinha. The Company was incorporated with the objects of commencing activities in construction field and supplying of asphalt.

The Company's shareholding and management was with the three promoters and over the period of time two of the promoters Mr. Ved Prakash Gupta and Mr. Hirendra Kumar Sinha disassociated from the Company with effect from 1999 and ceased to be promoters of the Company.

Mr. Vikram Sharma and Mr. Vikas Sharma, sons of Mr. Bhawani Shankar Sharma joined the Company as Directors of the Company.

The Company started executing the orders of BMC and PWD at various sites and concreting of roads. After establishing in the field the Company further expanded its activities and procured contract of MMRDA and MSRDC. Presently the Company is registered as Class I contractor with PWD and A** with BMC and is so eligible to bid for their tenders without any restriction in terms of value. Moreover, these registrations and class are also accepted and acknowledged by MMRDA and MSRDC.

The Company has executed projects the completion of which has enabled the Company to achieve specialization in projects requiring execution of World Bank aided projects that have stringent specifications. Thus the Company becomes eligible to bid for tenders of construction of runways at airports in future. The Company is also eligible to bid for jobs related tidal area projects, construction of small jetties and port connectivities which require special skills which have now been acquired by the Company after the execution of these projects.

Present Business Operations and Projects in Hand

The work in hand as on 31st December 2005 is worth Rs.5799 Lakhs and most of these projects are from agencies such as MMRDA, MSRDC and PWD. The current order book position of the Company reflects that 76% of the contracts in terms of value are from these customers and accordingly, a major portion of the Company's revenues are dependant on these customers.

The Company is also executing a project for MUTP of earthwork and civil construction for laying of railway tracks between Vidya Vihar and Ghatkopar as a part of the Kurla-Thane (Phase-I) railway project being built under the World Bank aided Mumbai Urban Transport Project (MUTP). Completion of this project will strengthen the company's ability to bid for such specialized projects.

The brief details of the work in hand are as under :-

Sr. No.	Description of the Work	Agency	Cost of Work (Rs. In Lakhs)	Cost of Work to be completed (Rs. in Lakhs)
1	Improvement of Nagpur Aurangabad National Highway Standard Road, Section Talegaon to Shingnapur (Length - 31.93 Km)	MSRDC	2203.00	800.00
2	Earthwork and Civil construction between Vidyavihar and Ghatkopar Stations for Kurla-Thane Rail Line in Mumbai (Phase I, Railway Project)	MTP, Railway	470.00	450.00
3	Strengthening of Sea Wall from Nariman Point to Girgaum Chowpatty in Mumbai	PWD, Coastal	293.00	80.00
4	Supply of Cement concrete material for construction of buildings etc.	Hiranandani Constructions	500.00	480.00

5	Supply of Cement concrete material for construction of buildings etc.	GHP Corporation	600.00	200.00
6	Widening & resurfacing of Western Express Highway from Andheri Flyover to JVLR Junction (Km 518/600 to 516/400) in Mumbai	MMRDA	4057.00	1800.00
7	Concretization of extended import yard at MPH Octroi Check Naka, Mankhurd, Mumbai	MCGM	272.00	40.00
8	Resurfacing of the Internal Road with Asphaltic Macadam and Asphaltic Concrete Materials	MPT	179.00	179.00
9	Widening and straightening of Western Express Highway, Airport Junction to Andheri Flyover	MMRDA	1770.00	1770.00
	Total			**5799.00**

The Company had entered into a Joint Venture Agreement with Dee Dee Infrastructure Engineering Private Limited on 15th December, 2000 for joint bidding of projects. The Joint venture was awarded the contract for the Talegaon Shingnapur project mentioned in the above table. However, M/s Dee Dee Infrastructure Engineering Private Limited has ceased to be a joint venture partner. The work on the contract for the Talegaon Shingnapur project awarded to this Joint Venture is being carried out by SIIL. The main features of the joint venture deed are given below.

Dee Dee Infrastructure Engineering Private Limited (DDIEPL) : The Company had entered into a Joint Venture Agreement with Dee Dee Infrastructure Engineering Private Limited having its registered office at 417, Srikanth Chamber, Next to R.K.Studio, Sion Trombay Road, Chembur, Mumbai – 400 071. It has formed a Joint Venture under the name and style of "Supreme Asphalts Pvt. Ltd Company Joint Venture" vide Joint Venture Deed dated 15th December 2000.

The terms of the agreement are briefly as enumerated below :

- The Company shall act as Leader of the Joint Venture for the purpose of preparing and submitting the tenders in its name i.e. in the name of M/s Supreme Infrastructure India Limited.
- If the said Joint Venture is successful in procuring the said works the parties of the Joint Venture Agreement as per understanding reached by the parties wherein the responsibilities of each of the two parties will be clearly defined.
- Their performance of the contracts and execution of the works will be subject to the overall control of a supervisory board that will consist of representatives of both parties.

The brief particulars of M/s Dee Dee Infrastructure Engineering (Pvt) Limited are mentioned hereunder:

Place of Registration	Mumbai
Year of Incorporation	24th September, 1997
Paid-up Share Capital	Rs.24. lacs
Turnover of the financial year ending 31.03.04	251.57 lacs
General Information	The main objects of the Company include to undertake as Engineer and / or Contractors either alone and jointly with any other company or person complete or partial works of all description like erection and construction of building, construction repairs and maintenance of road, work of earth filling, work of construction etc.

Milestones achieved by the Company:

Year	**Milestones**
1997	Installed Drum Mix Technology in Asphalt Plant to raise capacity to 60 M.T. per hour.
1997-2000	Successfully completed project of widening and strengthening of National Highway Sect from BARC junction to Mankhurd including existing bridge widening in Mumbai under PWD. The value of the contract was Rs.4.82 crores.
1998	Was awarded the Project of Bombay Port Trust for concreting of storage yard in MOD yard including drainage system Sewree of amounting to Rs. 2.61 crores and was completed one month ahead of schedule.

1999	Successfully completed approach road to the Bandra-Worli sea link at Mumbai. The value of the project was Rs.8.60 crores as a sub-contractor.
2000-2002	Completed the sect of KM 503/00 to 512/00 i.e. improvement to Parli- Gangakhed Palam Loha Road Maharashtra State Highway 2, project valued at Rs.4..75 crores under World Bank Aid programme.
2000-2004	Completed the project of Eastern Express Highway from RCF Circle to JVLR junction in Mumbai worth Rs.3.75 crores as per NHAI Standards.
2002-2005	Completed 85% of the work of widening and strengthening of Nagpur-Butibori section , Shrigapur – Talegaon section as per N. H. standards for a length of 32 Km including major bridges etc.awarded by MSRDC valued at Rs.22.97 crores.
2003-2004	Completed the Anik-Wadala Link road project in Mumbai with Slip form Concrete Paver valued at Rs.7.75 crores as a sub-contractor.

Registered Office of the Company

The premises where the registered office of the Company is situated is owned by the company and was purchased from M/s Bhawani Vanaspati Udyog Pvt. Ltd. vide an agreement dated 30th April 1998.

Previous place of registered office	Shifted to	Date of change
4, Sunder Mansion, 3rd Floor, Chembur, Mumbai – 400 072	508, Swastik Chambers, C.S.T.Road Chembur, Mumbai – 400 071	12th November 1985
508, Swastik Chambers, C.S.T.Road Chembur, Mumbai – 400 071	8, Bhawani Industrial Estate, IIT Powai, Mumbai – 400 076	10th August 1988

Changes in the Memorandum of Association of the Company

Since its incorporation the following changes have been effected to the Memorandum of Association:

Date of Shareholder Approval	Particulars
26th July 1984	Increase in Authorized Capital from Rs.5,00,000/- to Rs.10,00,000/-
20th November 1996	Increase in Authorized Capital from Rs.10,00,000/- to Rs.20,00,000/-
7th August 1998	Increase in Authorized Capital from Rs.20,00,000/- to Rs.50,00,000/-
30th March 1999	Increase in Authorized Capital from Rs.50,00,000/- to Rs.1,25,00,000/-
8th February 2002	Alteration of Objects Clause
10th April 2002	Change of name from Supreme Asphalts Private Limited to Supreme Infrastructure India Private Limited
28th March 2005	Increase in Authorized Capital from Rs.1,25,00,000/- to Rs.2,00,00,000/-
20th July 2005	Split in the Face Value of Shares
20th July 2005	Increase in Authorized Capital from Rs.2,00,00,000/- to Rs.15,00,00,000/-
26th August 2005	Converted to a Public Limited Company

Changes in the Articles of Association of the Company

Since its incorporation the following changes have been effected to the Articles of Association

Date of Shareholder Approval	Particulars
26th July 1984	Increase in Authorized Capital from Rs.5,00,000/- to Rs.10,00,000/-
20th November 1996	Increase in Authorized Capital from Rs.10,00,000/- to Rs.20,00,000/-
7th August 1998	Increase in Authorized Capital from Rs.20,00,000/- to Rs.50,00,000/-
30th March 1999	Increase in Authorized Capital from Rs.50,00,000/- to Rs.1,25,00,000/-
28th March 2005	Increase in Authorized Capital from Rs.1,25,00,000/- to Rs.2,00,00,000/- insertion of clause for Capitalisation of Reserve.
20th July 2005	Split in the Face Value of Shares
20th July 2005	Increase in Authorized Capital from Rs.2,00,00,000/- to Rs.15,00,00,000/-
26th August 2005	The entire existing Articles of Association were altered

The details of the capital raised by the Company are given in the section entitled "Capital Structure" on page **[●]** of the Draft Prospectus.

Main and Other Objects of the Company:
The main objects of the Company as stated in the Memorandum of Association are:
To carry on the business in India and abroad as civil contractors, infrastructure development contractors and engineers and civil engineers, electrical engineers, mechanical engineers, architects, interior decorators and to construct, acquire, , develop, establish, consult provide, maintain, administer or otherwise undertake contract for any type of civil construction, infrastructure development works, mining operations, road construction, erection, lay out, repair, demolition work of highways, subways, underground tunnels, runways, flyovers, bridges, freeways, railways, earthwork and irrigation projects, power house, reclamations, buildings, apartments, reservoirs, water courses, dams, jetties, water works, water treatment plant, gardens, recreation facilities, power transmission lines, factory sites, RCC & steel structure and steel fabrication, godowns, warehouses, lands and houses, drainage and sewage systems, air field, apron and hanger works in India and/or outside India under various schemes such as Build, Operate and Transfer (BOT), Build Operate Lease and Transfer (BOLT), and Build, Operate, Own and Transfer (BOOT). and to construct, sell, lease, license, sublet, mortgage, exchange, transfer or otherwise dispose of or residential, offices, industrial institutional or commercial or developers of housing schemes, townships, holiday resorts, hotels, motels, auditoriums and maintaining and rehabilitation of all types of structures, flats, houses, factories, shopping complexes, garages, warehouses, buildings, works, workshops, hospitals, nursing homes, clinics, godowns and other commercial and educational purposes.

Subsidiaries of the Company
The Company has no subsidiaries

Shareholders Agreement:
There is no Shareholders Agreement existing as on date in respect of the shares of the Company. Further, the company has also not entered into any shareholders agreement in respect of shares of any other company.

Other Agreements: Joint Ventures
Maheshwari Brothers Limited (MBL) : The Company has entered into a Joint Venture (JV) Agreement with Maheshwari Brothers Limited having its registered office at 23A, Netaji Subhash Road, Calcutta – 700 001. It has formed a Joint Venture under the name and style of "MBL-Supreme" for execution of a contract for widening and construction of Western Express Highway from Andheri Flyover to JVLR junction (Km 518.6 to Km 516.40) vide an agreement dated 15th September 2004.

The main features of the MoU are as under :-

- The parties to the JV shall be jointly and severally liable to the Employer for the execution of the Contract.
- The duration of the JV shall be 18 months or till the completion of the work.
- Participation share of MBL would be 60% and that of the Company would be 40%.
- The parties shall share the rights and obligations, risk, cost and expenses, working capital, other resources, profits or losses or others arising out of or in relation to execution of the project in proportion to the participation share except otherwise agreed.
- MBL would be the lead partner of the JV.

The brief particulars of **Maheshwari Brothers Limited** are mentioned hereunder:

Place of Registration	Calcutta
Year of Incorporation	Incorporated on 25th August 1995.
Paid-up Share Capital	Rs.724.25
Turnover of the financial year ending 31.03.05	Rs.14334.59 Lacs
General Information	The main objects of the Company include the business as contractor for all types and nature of contracts and projects including civil, mechanical, structural, engineering, electrical, labour, mining etc.

Strategic Partners:
The Company does not have any strategic partners except the parties to the agreement referred to above under the heading "Other Agreements".

Financial Partners:
The Company does not have any financial partners except the parties to the agreement referred to above under the heading "Other Agreements".

V. Management

As per the Articles of Association, the Company must have a minimum of three (3) and a maximum of twelve (12) Directors. As of December 2005, the Company has six (6) Directors of which the Company has three full time directors.

Board of Directors

The following table sets forth details regarding the Board of Directors:

Name , Age, Designation, Address and Occupation	Date of Appointment	Qualifications	Other Directorships
Mr.Bhawanishankar H Sharma 58 years, Sharma Bungalow Behind Lake Castle Building Hiranandani Complex Powai Mumbai 400 076 Chairman	08th April 1983	B.Sc.	None
Mr.Vikram B Sharma 31 years Sharma Bungalow Behind Lake Castle Building Hiranandani Complex Powai Mumbai 400 076 Managing Director	21st August 1998	B.E.- Civil	None
Mr.Vikas B Sharma 27 years Sharma Bungalow Behind Lake Castle Building Hiranandani Complex Powai Mumbai 400 076 Wholetime Director	21st August 1998	MMS (Finance)	None
Mr. Hari Das Sharma 67 years D-51, Panchsheel Enclave, New Delhi - 110017 Independent Director	15th November 2005	M.Sc (Eng)	• Supernal Corrugation (India) Ltd • Ruhi Construction Co. Ltd. • Unitech Builders Ltd • Unitech Industries Ltd. • Unitech Golf Resorts Ltd. • Unitech Business Parks Ltd. • New India Construction Co. Ltd. • Global Perspective Ltd. • Greenline Construction Ltd. • Somerville Developers Ltd. • Aditya Properties Pvt Ltd. • Unitech Realty Pvt ltd. • Unising Realty Pvt. Ltd. • Speciality Builders & Exporters (P) Ltd. • Gurgaon Recreation Park Ltd. • City Maintenance Services Pvt. Ltd.

Name , Age, Designation, Address and Occupation	Date of Appointment	Qualifications	Other Directorships
Mr. B. D. Gupta 67 years B-XI / 8124 Vasant Kunj New Delhi 110 070 Independent Director	15th November 2005	M. Com, AICWA	• Cosmo Ferrites Limited • Metaljunction.com Limited • Indian School of Petroleum • University of Petroleum and Energy Studies
Mr. Mukul .M. Agarwal 34 years Address- 9th Floor, Kanta Apartments, East Avenue, Sharad Chandra Chatterjee Marg, Santacruz (West), Mumbai 400054. Mumbai - 400097 Independent Director	15th November 2005	B.Com	• Namah Capital Resources Ltd. • Param Capital Research Pvt Ltd. • Pranam Reality Pvt Ltd.

Brief Profile of the Directors (Promoters) :

Mr. Bhawani Shankar Sharma, Mr. Vikram Sharma and Mr. Vikas Sharma being the Promoter Directors of the Company, their profiles are mentioned under the head "Promoters" on page [●] of the Draft Prospectus for further details.

Brief Profile of other Directors

Mr. Hari Das Sharma, Independent Director, Age – 67, is graduation in Civil Engineering, B.E. (Hons) and recipient of Gold Medal for standing first in Merit List in University. He had a brilliant academic record and hence he was declared as a 'Commonwealth Scholar' by the governments of U.K. and India. He has also done his post graduation M. Sc. (Engineering) in Advanced Structural Engineering from University of Southampton, U. K. He has 45 years of experience in different positions in Government, Public and Private Sectors. He has worked in various capacities as a civil engineer such as Engineer Member of Delhi Development Authority. He was deputed by the Government of India as an advisor to Iraq for NBCC Projects. He has also worked with World bank for their low cost housing projects in Philippines. Presently he is Senior Executive Director in Unitech Limited heading their Real Estate Division.

Mr. Bishambhar Dayal Gupta, (M.Com, AICWA) is 67 years of age and is an Independent Director. He completed his M.Com from Rajasthan University and is an Associate Member of the Institute of Cost & Works Accountants of India. He has about 45 years of experience in finance, management and project advisory.

From 1990 To 1994, he had worked as Director (Finance) of Fortune-500 Company in India. He was on the Board of Directors of Indian Oil Corporation Limited as a Wholetime Director from November 1990 to November 1994.

During the period of 1995-2001, he had worked as Executive Director of J M Morgan Stanley Ltd and was responsible for North India Territory with particular emphasis on Government and PSUs business in the field of Corporate Advisory, disinvestment, Debt mobilization, IPOs, Mergers & Acquisitions and other Investment Banking Activities.

Currently he is a senior advisor to Chairman of a top Oil & Gas PSU. Besides, he is also Chairman of Board of Governors of a oil business school and a governor of petroleum, university and independent director on a public-private joint ventures.

Mr. Mukul M Agarwal, Independent Director, Age-34, is Commerce Graduate from Bombay University. Presently he is an Investor and Trader in Capital Market. He is a Director of Namah Capital Resources Ltd (Member of the National Stock Exchange of India Ltd). Param Capital Research Pvt Ltd.(Member of the Bombay Stock Exchange Ltd Derivatives segment) And Pranam Reality Pvt Ltd. He is also a member of the Multi Commodity Exchange.

Details of borrowing powers:
The members of the Company accorded their consent vide a special resolution passed at the Extra ordinary General Meeting of the Company held on 26th August 2005 pursuant to Section 293(1)(d) of The Companies Act, 1956 for borrowing from time to time upto Rs. 100 Crores.

Terms of Appointment & Compensation of Managing Directors / Whole time Directors

Mr. Bhawani Shankar Sharma

1. Mr. Bhawani Shankar Sharma is the Chairman of the Company with effect from 1st April 2005 for period of five years.

2. Mr. Bhawani Shankar Sharma will be entitled to salary and perquisites viz:

A. Salary	Rs. 125000/- (Rupees One lac Twenty five thousand per month (inclusive of all the perquisites as mentioned in Clause B hereafter)
B. Perquisites	The Chairman and Director shall be entitled to the following perquisites and shall form part of the Salary
1.	House rent allowance @ 60% of salary or Company owned fully furnished residential accommodation, along with all amenities, facilities and utilities, reimbursement of expenses incurred on gas, electricity, water, services of watchman and gardner etc. medical reimbursement for self and family incurred in India and/or abroad, leave travel concession for self and family, reimbursement of expenses incurred at clubs, company maintained vehicles with driver, premium towards personal accident insurance, telephone communication facilities at residence etc.
2.	Other Perquisites Contribution to the Provident Fund, Superannuation Fund and Gratuity as per the rules of the Company and as applicable to the senior Executives of the Company or as may be modified by the Government from time to time. One full month's leave for every eleven months of service and encashment of unavailed leave, if nay, subject to the rules as applicable to the Senior Executives of the Company.
3 :	Commission The Chairman will also be entitled to, over and above the existing remuneration, a commission of not exceeding 1% of net profits of the Company computed under Section 349, 350 of the Companies Act, 1956, as may be decided by the Board of Directors in its absolute discretion such that the total remuneration and commission do not exceed the limits described in Section 198 and 309 of the Companies Act, 1956.

Where in any Financial Year during the currency of tenure as Chairman, the Company has no profits or if its profits are inadequate, the Company may pay remuneration by way of salary, perquisites, other allowances etc. to the Chairman not exceeding the limits specified under part II of Schedule XIII to the Companies Act, 1956

Sitting Fees
The Chairman shall not be paid any sitting fees for attending the meeting of the Board of Directors or Committees thereof from the date of their appointment.

Others
Reimbursement of actual entertainment expenses, actual traveling and hotel expenses for the company's business and/or allowances as per the Company's Rules.

Mr. Vikram Sharma

1. Mr. Vikram Sharma is appointed as Managing Director of the Company with effect from 1st April 2005 for period of five years.

2. Mr. Vikram Sharma will be entitled to salary and perquisites viz:

A. Salary — Rs. 125000/- (Rupees One lac Twenty five thousand per month (inclusive of all the perquisites as mentioned in Clause B hereafter)

B. Perquisites — The Managing Director shall be entitled to Following perquisites and shall form part of the Salary

1. House rent allowance @ 60% of salary or Company owned fully furnished Residential Accommodation, along with all amenities, facilities and utilities, reimbursement of expenses incurred on gas, electricity, water, services of watchman and Gardner etc. medical reimbursement for self and family incurred in India and/or abroad, leave travel concession for self and family, reimbursement of expenses incurred at clubs, company maintained vehicles with driver, premium towards personal accident insurance, telephone communication facilities at residence etc.

2. Other Perquisites
Contribution to the Provident Fund, Superannuation Fund and Gratuity as per the rules of the Company and as applicable to the senior Executives of the Company or as may be modified by the Government from time to time.

One full month's leave for every eleven months of service and encashment of unavailed leave, if nay, subject to the rules as applicable to the Senior Executives of the Company.

3 : Commission
The Managing Director will also be entitled to, over and above the existing remuneration, a commission of not exceeding 1% of net profits of the Company computed under Section 349, 350 of the Companies Act, 1956, as may be decided by the Board of Directors in its absolute discretion such that the total remuneration and commission do not exceed the limits described in Section 198 and 309 of the Companies Act, 1956.

Where in any Financial Year during the currency of tenure as Managing Director, the Company has no profits or if its profits are inadequate, the Company may pay remuneration by way of salary, perquisites, other allowances etc. to the Managing Director not exceeding the limits specified under part II of Schedule XIII to the Companies Act, 1956.

Sitting Fees
The Managing Director shall not be paid any sitting fees for attending the meeting of the Board of Directors or Committees thereof from the date of their appointment.

Others
Reimbursement of actual entertainment expenses, actual traveling and hotel expenses for the company's business and/or allowances as per the Company's Rules.

Mr. Vikas Sharma

1. Mr. Vikas Sharma is appointed as Wholetime Director of the Company with effect from 1st April 2005 for period of five years.

2. Mr. Vikas Sharma will be entitled to salary and perquisites viz:

A. Salary — Rs. 125000/- (Rupees One lac Twenty five thousand per month (inclusive of all the perquisites as mentioned in Clause B hereafter)

B. Perquisites — The Wholetime Director shall be entitled to following perquisites and shall form part of the Salary

1. House rent allowance @ 60% of salary or Company owned fully furnished Residential Accommodation, along with all amenities, facilities and utilities, reimbursement of expenses incurred on gas, electricity, water, services of watchman and Gardner etc. medical reimbursement for self and family incurred in India and/or abroad, leave travel concession for self and family, reimbursement of expenses incurred at clubs, company maintained vehicles with driver, premium towards personal accident insurance, telephone communication facilities at residence etc.

2. Other Perquisites
Contribution to the Provident Fund, Superannuation Fund and Gratuity as per the rules of the Company and as applicable to the senior Executives of the Company or as may be modified by the Government from time to time.

One full month's leave for every eleven months of service and encashment of unavailed leave, if nay, subject to the rules as applicable to the Senior Executives of the Company.

3 : Commission
The Wholetime Director will also be entitled to, over and above the existing remuneration, a commission of not exceeding 1% of net profits of the Company computed under Section 349, 350 of the Companies Act, 1956, as may be decided by the Board of Directors in its absolute discretion such that the total remuneration and commission do not exceed the limits described in Section 198 and 309 of the Companies Act, 1956.

Where in any Financial Year during the currency of tenure as Wholetime Director, the Company has no profits or if its profits are inadequate, the Company may pay remuneration by way of salary, perquisites, other allowances etc. to the Wholetime Director not exceeding the limits specified under part II of Schedule XIII to the Companies Act, 1956.

Sitting Fees
The Wholetime Director shall not be paid any sitting fees for attending the meeting of the Board of Directors or Committees thereof from the date of their appointment.

Others
Reimbursement of actual entertainment expenses, actual traveling and hotel expenses for the company's business and/or allowances as per the Company's Rules.

Corporate Governance

The SEBI Guidelines in respect of Corporate Governance shall be applicable to the Company immediately upon listing of its shares on the Stock Exchanges. The Company undertakes that it shall take the necessary steps to comply with all the requirements of the guidelines on Corporate Governance as would be applicable to it upon listing of its shares. In this regard, the Company has already set up an Audit Committee, Remuneration Committee and Investor Grievance Committee as per the requirements of the guidelines.

Audit Committee

The audit committee comprises of three Board members namely, Mr. B. D. Gupta (Chairman of the Committee), Mr. H.D. Sharma and Mr. Mukul Agarwal. The Committee was constituted on 15th November 2005.

The responsibilities of the audit committee inter alia include the following:

• Overseeing the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible
• Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services
• Reviewing with management the annual financial statements before submission to the Board, focusing primarily on:
  o Any changes in accounting policies and practices
  o Major accounting entries based on exercise of judgment by management
  o Qualifications in draft audit report
  o Significant adjustments arising out of audit
  o The going concern assumption
  o Compliance with accounting standards
  o Compliance with stock exchange and legal requirements concerning financial statements

• Any related party transactions i.e. transactions of the company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of company at large
• Reviewing with the management, external and internal auditors, the adequacy of internal control systems
• Reviewing the adequacy of internal audit function, 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
• Discussing with internal auditors any significant findings and follow up there on
• 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
• Discussing with external auditors before the audit commences on the nature and scope of audit and after the audit to ascertain any area of concern
• Reviewing the company's financial and risk management policies
• 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
• To monitor the utilization of funds which is to be raised by this proposed issue of Equity Shares

Investor Grievance Committee

We have constituted the Share Allotment/Share Transfer/Transmission and Shareholders; Grievance Redressal Committee. The Committee was constituted on 15th November 2005. The members of the Committee are Mr. Mukul Agarwal (Chairman), Mr. B. D. Gupta, and Mr. Vikram Sharma,, Directors of the Company.

The features of the Committee are as follows:
• The Committee shall have powers to approve/authenticate all the Share transfers/transposition/transmission requests received from the Shareholders. However requests for issue of duplicate share certificates shall be passed on to the Board of Directors of the Company.
• The Committee shall resolve all the complaints received from the Investors/Shareholders within 7 days of receipt of the same.
• The Secretary shall place before the Board the status of various complaints received by the Committee in every Board meeting.

• The Committee shall have powers to delegate their powers to any two officers of the Company at their sole discretion.
The Committee shall meet at least once in every quarter of the year.

Remuneration Committee
We have constituted the Remuneration Committee at the Board Meeting held on 15th November 2005
The members of the Committee are Mr. H. D. Sharma (Chairman), Mr. Mukul Agarwal and Mr. B. D. Gupta.

Shareholding of Directors in the Company
The Articles of Association of the Company do not require the Directors to hold any equity shares in the Company as qualification shares. The following table sets out the shareholding of the Directors who hold shares either in their personal capacity or as joint holder, as at the date of the Draft Prospectus.

Sr. No.	Name of the Directors	Number of Equity Shares
1	Mr.Bhawanishankar Sharma	3600000
2	Mr.Vikram B Sharma	1800000
3	Mr.Vikas B Sharma	1800000
4	Mr. Hari Das Sharma	10000
5	Mr. Mukul .M. Agarwal	Nil
6	Mr. B.D. Gupta	10000
TOTAL		**7220000**

Interest of Directors (Other than promoter directors)
The Director, other than Promoter directors are independent directors and apart from their compensation and the shares of the Company held by them have no interest in the Company.

All Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by the Company with any company/firm in which they hold Directorships or any partnership firm in which they are partners as declared in their respective declarations.

Interest of Promoter Directors
The Company has entered into a MoU on 8th November 2005 with the Promoter of the Company Mr. Bhawanishankar Harishchandra Sharma for developing the land owned by him. The salient features of the MoU are as under :-

Land	The MoU is in respect of 27 acres of land at Village Powai, Mumbai owned by the Promoter. As per the municipal rules, the owner of the land is entitled to develop the land for IT and allied use.
Area proposed to be developed	(a) The owner is entitled to develop the said plot for IT user and allied user to the extent of 435092 square feet. (b) The transit camp tenements proposed to be constructed in accordance with the Slum Rehabilitation Scheme of the Slum Rehabilitation Authority, Government of Maharashtra will be for an area admeasuring about 4,50,000 square feet. (c) In lieu of the construction of the transit camp tenements, the owner is entitled to further construct 11,25,000 square feet as a saleable area.
Other Terms	the owner of the land shall pay to the company as under :- (a) A sum of Rs.1650/- per square feet to the Company for the construction of building for IT user and allied user aggregating Rs.7179.02 lakhs. (b) a sum of Rs.700/- per square feet to the Company for the construction of the tenements aggregating Rs.3150 lakhs. (c) A sum of Rs.1200/- per square feet to the Company for the saleable area aggregating Rs.13500 lakhs.
Duration	The company to complete the development of the land within a period of 36 months from the date getting the commencement certificate.
Responsibility	The Company shall be responsible for putting up the proposal for the development with

	the Slum Rehabilitation Scheme, Mumbai Municipal Corporation and all other statutory authorities and to take all necessary permissions for the development of the said plot for other purposes.
	The Company shall be entitled to appoint their own Architect, Structural Engineer, Contractor and Workers.

Except as stated on page [•] of the Draft Prospectus, the Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of the Draft Prospectus in which the directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them.

Changes in the Directors

The following changes have taken place in the Board of Directors of the Company during the last three years.

Name of Director	Date of Appointment/ Resignation	Date of Appointment/ Resignation	Reason for Change
Mr.Sudhir S Bhukanwala	21-08-1998	24-01-2003	Personal Reasons
Mr.Vijay C Shetty	21-08-1998	24-01-2003	Personal Reasons
Mr.Shrikant G Sharma	10-08-1988	05-05-2003	Personal Reasons
Mr.Vimal Kumar Sharma	19-12-1993	15.11.2005	Personal Reasons
Mr. Hari Das Sharma	15-11.2005		Strengthen the Board
Mr. Mukul Agarwal	15-11-2005		Strengthen the Board
Mr. B.D. Gupta	15-11-2005		Strengthen the Board

ORGANISATION STRUCTURE

MR. B.H SHARMA
(Chairman)

- MR. VIKRAM SHARMA (Managing Director)
  - MR. S.K BANERJEE (Chief Project Manager)
  - JAGDISH PATEL (General Manager Production)
  - MR. NAGU NAVRE (Crusher Plant) (Unit In-Charge)
  - MR. SOMAJI THOMBARE (RMC Plant) (Unit In-Charge)
  - MR. R.S PANDEY (Asphalt Plant) (Unit In-Charge)
- MR. VIKAS SHARMA (Executive Director)
  - MR. NAVIN T. SHAH (Company Secretary)
  - MR. P.A FRANCIS (Finance Manager)
  - MR. NITIN CHAVAN (Accounts Manager)
  - MS JYOTI POOJARI (PR & Liasoning)

Key Management Personnel
At present, the Company has a total strength of 173 employees who are the permanent employees of the Company.

The details of the key managerial personnel of the Company are as follows:

Sr. No.	Name	Designation & Functional area	Age (yrs)	Qualification	Experience (years)	Details of Previous employment
1	Mr. S.K.Banerjee	Chief Project Manager	65	B.E. Civil	32 yrs	BARC Retired Chief Engineer
2	Mr. Anna Chari	Senior Engineer	53	B.E. Civil	28 yrs	PWD Retired Dy. Engineer
3	Mr. Mathure	Lab Technician	54	B.S.C	28 yrs	Worked as Lab Technician at B.M.C Bandra Lab
4	Mr. Nitin Makre	Quality Engineer	33	B.E. Civil	11 Yrs	Worked with Q & M Consultants as quality consultant.
5	Mr. Ashok Jaiswal	Site Incharge	29	B.E. Civil	7 Yrs	Joint company after Graduation.
6	Mr. Girish Chari	Site Incharge	28	B.E. Civil	5 yrs	Previously Self-employed in construction firm.
7	Mr. Jagdish Patel	General Manager Production	52	B.A.	23 Yrs	He is working with the firm ever since in-corporation
8	Mr. R. S. Pandey	Production Manager Asphalt Plant	42	Diploma in Civil	9 yrs.	Was employed in a infrastructure company in state of U.P
9	Mr. Nagu Navre	Production Manager Crusher Division	56	Under Graduate	23 yrs	He is working with the company ever since in-corporation.
10	Mr. Somaji Thombare	Production Manager Ready Mix Concrete Plant	30	Diploma in Mechanical Engineer	6 Yrs	Worked with Qmax Consultants as Plant In-Charge for 2 Yrs.
11	Mr. Joy Samuel	Senior Project Manager	48	B E Civil	14 yrs	Joined the company immediately after Graduation from state of Kerala.
12	Mr. Pankaj Sharma	Project Co-ordinator	31	B.E Civil	8 yrs	None
13	Mr. P.A Francis	Finance Manager	43	B.Com	21 yrs	M/s J. H. Khatri & Co.
14	Mr. Nitin Chavan	Accounts Manager	36	B. Com	14 yrs	Was engaged as Accounts in Pavan Turnkey Project Co. Ltd. which is infrastructure company
15	Ms. Jyoti Poojari	Manager Administration	23	B. Com	7 yrs	M/s. Bombay Engg Ind.
16	Mr. Navin Shah	Company Secretary	67	C.S.	45 years	

All the key management personnel are on the payrolls of the Company as permanent employees.

Brief Profile of Key Managerial Personnel

Mr. S.K. Banerjee is working as a chief Project Manager. He is a civil engineer and has 32 years of experience in the industry. He has worked with BARC as a chief engineer. He joined Supreme Infrastructure India Ltd in November 2005. Under his administration, company has been completing various projects which includes widening and resurfacing of Western Express Highway a MMRDA project. The Gross Remuneration payable to him is 3.75 Lakhs per annum.

Mr Anna Chari is working as a Senior Engineer. He is a civil engineer and has 28 years of experience in this field. He is the retired Chief Engineer from P.W.D. He joined Supreme Infrastructure India Ltd in Feb 2003. Company has successfully completed the project of widening and resurfacing of Eastern Express Highway from R.C.F circle to J.V.L.R junction under his supervision. The Gross Remuneration payable to him is Rs 2.00 Lakhs per annum.

Mr. Mathure is working as a Lab Technician in Supreme Infrastructure India Ltd. He has done his Bachelors in Science. He joined Supreme Infrastructure India Ltd in June 2002. He has worked with BMC as a Lab technician for 26 years. He has been instrumental in setting up the Lab at Ready Mix Concrete Plant and Asphalt Plant where all the materials purchased and produced are tested under his supervision. The Gross remuneration payable to him is Rs 1.00 Lakhs per annum.

Mr. Nitin Makre is working as a Quality Engineer. He is a civil engineer and has 11 years of experience. He joined Supreme Infrastructure India Ltd in August 2001. He has worked with Q & M as a quality consultant. Currently our company production takes place on his approval of mix design for concrete and asphalt. He has played a vital role in getting the order from various construction companies for Ready Mix Concrete on basis of his mix design The Gross remuneration payable to him is Rs 2.40 Lakhs per annum.

Mr. Ashok Jaiswal is working as a Site Incharge He is a civil engineer and has 7 years of experience He joined Supreme Infrastructure India Ltd on completion of his graduation in March 1998. He has controlled and executed the job works of various sites in last seven years including the works of Mumbai Port Trust. The Gross remuneration payable to him is Rs 1.00 Lakhs per annum.

Mr. Girish Chari is working as a Site Incharge. He is a civil engineer and has 5 years of experience. He joined Supreme Infrastructure India Ltd in October 2003. Before joining Supreme Infrastructure India Ltd, he had his own construction business. He has successfully supervised the M.T.P Projects of the company. Currently he is Site In-Charge of B.M.C Project of concretization of octroi yard at sion panvel highway The Gross remuneration payable to him is Rs 1.44 Lakhs per annum.

Mr.Jagdish Patel, is working as the General Manager Production Ready Mix Concrete Division. He is having 23 years of experience in the Infrastructure Industry. He joined Supreme Infrastructure India Ltd. in 1983. He is responsible for installation and functioning of every production unit of the company in past and present. As on date, he is overall In-Charge of all the three production units and their management The Gross Remuneration to him is Rs.1.40 Lakhs per annum.

Mr.R S Pandey is the Production Manager and is in Charge of Asphalt Division. He is a Diploma Holder in Civil Engg. He was appointed in Supreme Infrastructure India Ltd. in June 2001. He is having total 9 years of experience. Mr. Pandey manages Day to day orders and productions for captive requirements as well as outside sales in his daily schedule. His gross remuneration is Rs.1.10 Lakhs per annum.

Mr.Nagu Navre is the Production Manager in the Crusher Division. He is associated with the Company since the inception. He is responsible for successful running of the Stone Crusher Division of company. Obtaining required permission for blasting quarrying and conducting the same for procurement of stone, metal is done under his supervision. His gross remuneration is Rs.1.20 Lakhs per annum.

Mr. Somaji Thombare is the Production Manager in Ready Mix Concrete Division. He has diploma in Mechanical Engineering and has 6 years of experience. He joined Supreme Infrastructure India Ltd in October 2003. He has worked with Qmax Consultants as Plant in charge for 2 years. He is responsible for the production of R.M.C unit. He also has a credit of obtaining orders from construction companies like Nirmal Lifestyle, Universal, Prime Construction, R.R Education Trust etc. His gross remuneration is Rs.1.20 Lakhs per annum.

Mr.Joy Samuel is the Project in Charge in Supreme Infrastructure India Ltd. and is a B.E. Civil by Qualification. He is associated with the Company since 1995. He is having total 14 years of work experience. He is a vital link between Chief project manager and project co-ordinator procurement of raw material for individual site, their supply on those particular sites any required documentation and any other requirements related to man power is also taken care by him The gross remuneration to him is Rs.1.20 Lakhs per annum.

Mr.Pankaj Sharma is also a Project In Charge and is a B.E. Civil by Qualification. He is associated with the Company since 1995. He is having total 8 years of work experience. He supervises the schedule and there related implementation on various sites. Company has recently completed the project of P.W.D (Coastal) at Marine Drive under his supervision. The gross remuneration to him is Rs.1.20 Lakhs per annum.

Mr.P A Francis is a Senior Manager in the Company and is an B.Com by qualification. He joined Supreme Infrastructure India Ltd on 17th October 2005. He is having more than 21 years of experience. Mr. Francis with his capability has managed to frame required budgets for the individual production unit of the company and its resultant costing in purchase and sales cost, which has been, benefited the company .His gross salary is Rs.1.55 Lakhs per annum.

Mr.Nitin Chavan, Deputy Manager, is a B Com Graduate. He is in the company from 1998. Prior to Supreme Infrastructure India Ltd. he was working for Pavan Trunkey Projects Co.Ltd. Mr. Nitin has successfully administrated the company accounts even for outstation projects including the ongoing sites at Amaravati. He has handled all income tax related matters right upto obtaining assessment orders for respective financial years. All other matters including sales tax, P.F, ESIC etc are also taken care under his supervision. His total work experience is 14 years and his annual remuneration is Rs.1.20 Lakhs.

Ms.Jyoti Poojari, Manager-Liasion, is working in Supreme Infrastructure India ltd. since 1997. Her total work experience is more than 7years. Prior to SIIL, she was working in Bombay Engg. Ind. She holds a post of administrating public relation and liasoning work of the company. She has benefited the company through her way of promoting relations with persons who are suppliers to the company or purchaser of the company. She manages the documentation works with all related departments and the documentation part when it comes to filing of new tender or any documentation related to banking. Her annual remuneration is Rs.1.10 Lakhs.

Mr. Navin T. Shah:- He was a practicing Company Secretary with the qualification of C.S and experience of more than 45 years in his stream. He however retired from his practice and joined our company in November 2005.

Shareholding of Key Managerial Personnel

The key employees of the Company do not hold any shares in the issuer as on the date of the Draft Prospectus.

Bonus or Profit Sharing Plan for the Key Managerial Personnel

There is no Profit Sharing Plan for the Key Managerial Personnel. The Company makes bonus payments to the employees based on their performances, which is as per their terms of appointment.

Changes in Key Managerial personnel

Following have been the changes in the key managerial personnel during the last three years

Name	Date of joining	Date of resignation	Designation	Reason
Mr. P A. Francis	15th October 2005	---	Senior Manager	For Accounts Department
Mr. S.K. Banerjee	15th December 2005	---	Chief Project Manager	For Project administration and execution
Mr. Navin T. Shah	15th November 2005	---	Company Secretary	Legal Requirement

Employee Stock Option Scheme

The Company does not have any Employee Stock Option Scheme.

Payment or Benefit to Officers of the Company (non salary related)

There has been no such payment or benefit to the Officers of the Company. There has been no benefit paid or given within the two proceeding years or intended to be paid or given to any officer and no consideration shall be made for payment of giving of the benefit.

PROMOTERS

Mr. Bhavani Shankar Sharma, Mr Vikram Sharma and Mr. Vikas Sharma are the promoters of Supreme Infrastructure India Limited. A brief profile of the promoters is given herewith:

Mr.Bhavani Shankar Sharma Chairman
Voter ID No. :- Not Available
Driving Licence No.90RJ-14/DL/1342 (88110230)
Passport No.B 0144211
PAN Number- ANVPS4539G
Bank Account No. Savings A/C-50092010056693, Syndicate Bank, Chembur Branch.

Mr. Bhawanishankar H. Sharma, Chairman aged 58 years is Graduate in Science from Rajasthan University. After completion of education in 1964, he shifted to Bombay and worked for seven years in the family owned Petrol Pump at Powai. After gaining the commercial and business knowledge, he commenced the quarrying business at his land at Powai. He was one of the first 100 Quarry Owners in Bombay. After successfully establishing and running of quarrying activities he also started activities of manufacturing of Silica Sand and Edible Oil manufacturing units in Jaipur. He is also one of the largest land owners in Mumbai.

In 1983, he along with the other promoters formed the Company and commenced the activities of quarrying and asphalting. In 1988, he took over the management and ownership of the Company and transformed into a successful company from an ailing unit which was inherited from its predecessors. Under his guidance and supervision, the Company has made substantial progress in a span of 16 years. The Company has progressed well and today the Company is registered as A Class Company with BMC and Class I with PWD, Maharashtra thereby making it eligible to bid for tenders of any amount of these departments and other authorities accepting the eligibility criteria set by these departments.

He had implemented many schemes in manufacturing operations to make the unit independent and efficient such as converting the manual Crushing Unit into automatic machine operated unit by installation of imported Crushing Machine from USA. After successful implementation of automization of crushing process, an automatic Asphalt Plant was also installed. He has been instrumental for completing successfully Tenders awarded to the Company by Bombay Municipal Corporation of concretization of roads of approximately 10675 Cu. Mtrs in period of twelve months time where there was no concept of Ready Mix Concrete. This has immensely increased the technical bid capacity of the Company.

He has also worked for 20 years as President of Quarry Manufacturers Association, Bombay during the period from 1980 to 2000.

Mr Vikram Sharma Managing Director
Voter ID No. : Not Available
Driving Licence No.MH 03 92 11481
Passport. A6323883
PAN Number. ANZPS6085M.
Bank Account No.- Savings A/C-50092010054908, Syndicate Bank, Chembur Branch

Mr. Vikram Sharma, Managing Director aged 31 years, having qualification of Bachelor of Engineering in Civil from Bombay University. He joined the Company as a Director in August 1998. Before completion of graduation he started working with the Company and gained the experience of construction activities. After completion of graduation in 1999 he joined the Company on full fledged basis and took over the responsibility of procurement and execution of projects. In the year 1999 construction of solid approach road from Mahim Junction to Bandra Worli Sealink awarded to the Company by Maharashtra State Road Development Corporation was his first project after joining the Company which was successfully completed under his guidance and supervision. Since, then the Company has completed and carried out various prestigious projects of many Government Organisation viz. Public Works Department, Maharashtra State Road Development Corporation, Bombay Municipal Corporation and Mumbai Metropolitan Regional Development Authority under his supervision.

With the successful execution and completion of many contracts under his expertise, the Company has become eligible for the handling of new contracts like construction of bridge work, sewerage systems and large contract work of concretization.

He played an important role in implementing the plans for upgradation and removal of bottlenecks in order to improve the production capacity of the Asphalt Plant and the Crushing Unit of the Company. He has been instrumental in successfully installing and commissioning of Ready Mix Concrete Plant in October 2003.

The steps taken by him for enabling the company to enter into joint ventures with other infrastructure companies has resulted in the enhancement of the company's bidding capacity.

Mr. Vikas Sharma, Wholetime Director
Voter ID No. Not Available
Driving Licence No.MH03/2000/4809
Passport. B0144225
PAN Number. AMWPS2364P
Bank Account No.- Savings A/C-113/23502, State Bank of India, Powai Branch.

Mr. Vikas Sharma Wholetime Director aged 27 years is a Commerce Graduate from Bombay University and also holds a Masters in Management Studies (MMS) Degree with specialization in Finance. He joined the Company in August 1998 as a Director of the Company to support and further expand the operations of the Company. He completed his studies in 2003 and immediately joined the Company on full time basis by taking over responsibility of Accounts, Administration and Finance Departments. He has introduced certain systems and policies in the Company such as segmentwise reporting, daily reporting from the manufacturing units and project sites. Such measures introduced by him have helped better co-ordination among the various departments of the Company. The timely completion of projects need availability of finance and towards this end his efforts have resulted the credit facilities being increased from Rs.1 crore two years ago to the present level of Rs.42 crores.

We confirm that Permanent Account Number, Bank Account Number and Passport Number of the Promoters have been submitted to BSE and NSE at the time of filing the Draft Prospectus with them.

Common Pursuits

Vikram Enterprises is a proprietorship concern of Mr Vikram Sharma, the promoter and director of the issuer Company and operates out of the premises of the registered office of the company. Further, this firm is in the business of crushing and it also supplies aggregates to the Company.

Interest of the Promoters

The Promoters may be deemed to be interested to the extent of shares held by them, their friends or relatives, and benefits arriving from their holding directorship in the company.

The Promoters are not interested in any property acquired by Supreme within two years from the date of the Draft Prospectus except as stated under the section on Business on page **[●]**.

The Promoters are not interested in any loan or advance given by the Company, neither are they beneficiary of any such loans or advances.

Except as disclosed above and Related party transaction on Page **[●]**, the Promoters of the Company have no interest other than reimbursement of expenses incurred or normal remuneration or benefits, if any.

Payment or benefit to Promoters of the Company

Except as stated on page [•] of the Draft Prospectus, no amount or benefit has been paid or given within two years or is intended to be paid or given to any of our promoters or officers except the normal remuneration for services rendered as directors, officers or employees.

Related Party Transactions

The details of related party transactions please refer to the Auditors Report on page **[●]**.

Currency of Presentation

In the Draft Prospectus, all references to “Rupees” and “Rs.” and “Indian Rupees” are to the legal currency of the Republic of India.

Dividend Policy

The declaration and payment of dividends will be recommended by the Board of Directors and shareholders of the company, in their discretion, and will depend on a number of factors, including but not limited to the company’s earnings, capital requirements and overall financial condition. The details of dividend paid by the Company are as follows:

Year/ Period ended	Dividend %	Dividend Amount (Rs. In lakhs)
2004-05	10%	15

E. FINANCIAL STATEMENTS

I. AUDITOR'S REPORT

To,
The Board of Directors,
Supreme Infrastructure (India) Ltd.
8, Bhawani Service Industrial Estate
IIT Powai, Andheri (East)
Mumbai – 400 076

Dear Sirs,

We have examined the financial information of Supreme Infrastructure (India) Ltd. (formerly Supreme Infrastructure (India) Private Limited) ('the Company') as attached to this report stamped and initialled by us for identification. The said financial information has been prepared in accordance with the requirements of paragraph B(1) of Part II of Schedule II to the Companies Act, 1956 ('the Act'), the Securities and Exchange Board of India ("SEBI") - Disclosure and Investor Protection Guidelines, 2000 (as amended vide Circular No. 11 on August 14, 2003 and Circular no. SEBI/CFD/DIL/DIP/13/2004/28/5 dated May 28, 2004) ('the Guidelines') issued by the Securities and Exchange Board of India on January 19, 2000 in pursuance of Section 11 of the Securities and Exchange Board of India Act, 1992; and related clarifications and in accordance with your instructions dated December 24, 2005 requesting us to carry out work in connection with the Offer Document to be issued by the Company in connection with its proposed Initial Public Offering of Equity Shares ("the Issue").

1. Financial Information As Per Audited Financial Statements:

We have examined the attached restated assets & liabilities of the company for the financial periods/years ended September 30, 2005, March 31, 2005, March 31, 2004, March 31, 2003, March 31, 2002 and March 31, 2001 (Annexure I) and the attached statement of restated Profit and Loss Account for each of these periods/years ended on those dates (Annexure II), and the related financial statement schedules as restated to reflect the retrospective effect of the accounting policies adopted by the Company as at March 31, 2005 (Annexure III) together referred to as the 'Summarised Statements'. These summarised statements have been extracted from the financial statements for the periods/ years ended September 30, 2005, March 31, 2005, March 31, 2004, March 31, 2003, March 31, 2002 and March 31, 2001 as audited by us and adopted by the Board of Directors and members except for the period ended September 30, 2005 which is approved by the board of directors in their meeting held on 26th October, 2005.

Based on our examination we report as under:

a. The restated profits and losses have been arrived at after charging all operating and management expenses including depreciation and after making such adjustments/ restatements and regrouping as in our opinion are appropriate in the respective years.
b. The restated assets and liabilities of the Company for the above period are as set out below after making such adjustments/restatements and regroupings as in our opinion are appropriate in the respective years.
c. The Summary Statements of the Company have been restated with retrospective effect (wherever possible) to reflect the accounting policies adopted by the Company as at March 31, 2005. These and other adjustments are explained in Annexure IV.
d. All the material qualifications in the Auditors' Report, which required adjustment to the summary statements' have been appropriately adjusted.
e. We further report that the Company has not declared dividend in respect of the four financial years ended 31st March 2001, 2002, 2003 and 2004 and that it has declared dividend @ 10% for the year ended 31st March, 2005.

2. **Other Financial Information**

2.1 We have examined the following financial information relating to the Company proposed to be included in the Offer Document/Prospectus, and annexed to this report:

i) Summary of accounting ratios based on the restated profits relating to earnings per share, net asset value and return on net worth (Annexure ' V ')
ii) Statement of Tax Shelters (Annexure 'VI')
iii) Capitalization Statements of the Company (Annexure 'VII')

The financial information contained in this report, have been extracted from the audited accounts for the years ended March 31, 2001, 2002, 2003, 2004 and 2005.

In our opinion, the financial information of the Company, as attached to this report as mentioned in paragraphs 1 and 2 above, read with respective significant accounting policies and notes as annexed to this report and after making adjustments and regroupings as considered appropriate, has been prepared in accordance with Part II of Schedule II of the Act and the Guidelines issued by SEBI.

This report is intended solely for your information and for inclusion in the Offer Documents in connection with the specific Initial Public offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

FOR SHAH & KATHARIA
CHARTERED ACCOUNTANTS

Place : Mumbai
Date : 11th January 2006

(P.M Katharia)
Partner
Membership No. 31315

INDEX OF FINANCIAL INFORMATION

Annexure 'I' – Summary Statement of Assets and Liabilities as restated:

(Rs in Lakhs)

As at	2000-01	2001-02	2002-03	2003-04	2004-05	30/09/05
A. Fixed Assets						
Fixed Assets- gross block	228.09	395.97	473.01	1183.14	1271.32	1408.70
Less: Depreciation	43.42	115.12	170.23	227.58	315.99	365.99
Net Block	**184.67**	**280.85**	**302.78**	**955.56**	**955.33**	**1042.71**
Less: Revaluation Reserve						
Net Block after adjustment for						
Revaluation Reserve						
B. Investments	0	7.81	2.98	99.53	0	
C. Current assets, loans and advances						
Inventories	21.43	4.88	153.7	198.61	139.81	793.81
Receivables	88.03	181.71	118.38	1142.7	1904.70	1281.64
Cash and bank balances	1.57	2.40	4.38	5.70	2.27	21.9
Other current assets	164.75	228.77	191.48	281.90	474.13	459.15
Loans and advances	109.37	200.51	218.87	110.94	201.61	356.59
Misc. Exp. W/off					8.77	8.77
Total assets (A+B+C)	**569.82**	**906.93**	**992.57**	**2794.94**	**3686.62**	**3964.57**
D. Liabilities and provisions						
Loan funds						
Secured loans	151.5	322.63	326.91	1126.59	1394.85	1605.38
Unsecured loans	16.35	21.05	52.61	72.19	29.28	26.27
Deferred tax Liability (Net)	0	0	19.11	25.83	41.62	49.01
Current liabilities and provisions						
Sundry Creditors	154.61	221.47	193.93	1087.84	973.98	658.62
Provisions	54.44	34.00	77.08	40.05	193.21	242.46
Total (D)	**376.90**	**599.15**	**669.64**	**2352.50**	**2632.94**	**2581.74**
E. Net worth						
Represented by:						
Shareholders funds						
Share capital	102.50	102.50	102.50	102.50	150.00	900.00
Reserves and surplus	90.42	205.28	220.43	339.94	903.68	482.83
Less: Revaluation Reserve	0	0		0		
Reserves (Net of Revaluation Reserve)	90.42	205.28	220.43	339.94	903.68	482.83
Less: Miscellaneous expenditure not	0	0	0	0		
written off						
Net worth (E)	**192.92**	**307.78**	**322.93**	**442.44**	**1053.68**	**1382.83**
Total Liabilities(D+E)	**569.82**	**906.93**	**992.57**	**2794.94**	**3686.62**	**3964.57**

Annexure IIA – Summary Statement of Profit and Loss as Restated

(Rs. In lacs)

Period ended on	2000-01	2001-02	2002-03	2003-04	2004-05	30/09/05
Income						
Sales:						
Of Products manufactured by the company	1043.22	991.02	614.14	2172.83	4628.39	2106.08
Of products traded by the Company						
Other Income	18.98	27.05	34.73	11.98	14.96	8.89
Increase/(Decrease) in inventory	0	0	150.24	198.61	32.45	62.35
Total Income	**1062.2**	**1018.07**	**799.11**	**2383.42**	**4675.8**	**2177.32**
Expenditure						
Raw materials & goods consumed	747.07	593.77	448.82	1798.84	3412.4	640.56
Staff Costs	6.66	11.81	5.68	6.2	15.67	4.94
Other Manufacturing & Operating expenses	125.76	157.23	128.58	242.89	264.8	980.12
Selling & Administrative expenses	54.42	69.99	54.85	76.81	38.52	18.29
Interest	23.89	34.44	63.99	68.06	209.22	119.86
Depreciation	43.42	35.95	55.10	61.50	88.41	50.00
Miscellaneous expenditure written off						
Total expenditure	**1001.22**	**903.19**	**757.02**	**2254.30**	**4029.02**	**1813.77**
Net Profit before tax and extraordinary items	**60.98**	**114.88**	**42.09**	**129.12**	**646.78**	**363.55**
Provision for taxation						
Current Tax	6.80	0.00	3.40	2.50	50.00	27.00
Deferred Tax	0.00	0.00	4.96	6.86	15.82	7.39
Net Profit after tax & before extraordinary items	54.18	114.88	33.73	119.76	580.96	329.16
Extraordinary items (net of tax)	0.00	0.00	0.00	0.00	0.00	0.00
Net Profit after Extra Ordinary Items	54.18	114.88	33.73	119.76	580.96	329.16
TDS Written off			4.40			
Short Provision for tax (F.Y.1999-2000)			2.69			
Net profit as per audited accounts	54.18	114.88	26.64	119.76	580.96	329.16
Deferred tax Liability of Earlier Years as per accounts			(14.23)			
Total Net Profit available for appropriations as per audited accounts	54.18	114.88	12.41	119.76	580.96	329.16
Adjustments						
Adjustment on account of Deferred tax Asset of earlier year (Refer Note No. 2(b) in Annexure IV)			0.06			
Adjustment on account of Prior Period Item being Provision for tax of F.Y. 1999-2000 (Refer Note No. 2(c) of Annexure IV)			2.69			
Adjustments on account of failure to make provision for gratuity (Refer Note No. 2(a) in Annexure IV)	(0.14)	(0.02)	(0.02)	(0.39)	(0.17)	
Adjustment on account of Deferred Tax (Refer Note No. 2(b) in Annexure IV)			0.01	0.14	0.04	

Net Profit/(Loss) as restated	54.04	114.86	15.15	119.51	580.83	
Balance of P&L B/f (Refer Annexure IIB)	36.38	90.42	205.28	220.43	242.12	
APPROPRIATIONS						
Transfer to general reserve			0.00	97.82	675.00	
Proposed dividend				0.00	15.00	
Tax on proposed dividend				0.00	2.10	
Balance carried to Balance sheet	**90.42**	**205.28**	**220.43**	**242.12**	**130.85**	**329.16**

Annexure IIB – Profit and Loss Account as at April 1, 2000 **(Rs. In Lakhs)**

Profit and loss Account Balance as at April 1, 2000		39.07
Less:	Adjustment on account of Prior Period Item (Refer Note No. 2(c) in Annexure IV)	2.69
Profit and loss Account Balance as restated		**36.38**

Annexure IIIA - Details of Unsecured Loans

The following table represents the break up of outstanding unsecured loan in respect of the Supreme Infrastructure (India) Ltd. as on March 31, 2005

(Rs. In Lacs)

Sr No.	Name of the Lender	Amount
1	Bhawanishankar Sharma	10.00
2	Vikram Sharma	6.84
3	Phool K. Sharma	0.10
4	Chitranjan Sharma	3.00
5	Omkaar Engg	1.13
6	GHP Corp	3.03
7	Suncity Hsg	2.50
8	Star Distributor	2.50
9	Others	0.18
	TOTAL	**29.28**

Note:- All the aforesaid Unsecured loans from Promoters/Shareholders and Others have no fixed repayment schedule.

Annexure IIIB - Restated Cash Flow Statement

(Rs. In Lacs)

Particulars	2000-01	2001-02	2002-03	2003-04	2004-05	30/09/05
Cash Flows from Operating Activities						
Net Profit Before Taxation	60.98	114.88	42.09	129.12	646.78	363.55
Adjustments for:						
Depreciation	43.42	35.95	55.10	61.50	88.41	50.00
Provision for Gratuity	-0.14	-0.02	-0.02	-0.39	-0.17	
Interest/Dividend Income	0	0	0	0	0	
Amortisation	0	0	0	0	0	
(Profit)/loss on sale of assets	-1.97	0	0	0	0	
Interest paid	23.89	34.44	63.99	68.06	209.22	119.86
Depreciation written back	0	0	0	0	0	
Exchange Gain/(loss)	0	0	0	0	0	
Operating profit before Working Capital Changes	126.18	185.25	161.16	258.29	944.24	533.41
Change in Debtors	-57.79	-93.68	63.33	-1024.32	-762.00	623.06
Change in Inventories	3.47	16.55	-148.82	-44.91	58.80	-654.00
Change in Other Current Assets	-70.41	-155.15	18.94	17.51	-282.90	-140.00
Change in Current Liabilities	-24.10	46.42	34.65	863.60	55.09	-258.72
Fixed Deposits	0.00	0.00	0.00	0.00	0.00	0.00
Misc. Expenditure	0	0	-4.40	0	-8.77	0
Tax paid	-6.8	0	-22.52	-9.22	-65.78	-34.39
Net Cash Flow from Operating Activities (A)	-29.48	-0.61	102.34	60.95	-61.31	69.36
Cash Flow from Investing Activities						
Purchase of Fixed Assets	-1.65	-132.14	-77.04	-714.28	-88.18	-137.38
CWIP	0	0	0	0	0	
Sale of Fixed Assets	0	0	0	0	0	
Interest / Dividend Income	0	0	0	0	0	
Sale of Investments	0	-7.81	4.83	-96.55	99.53	0
Net Cash Flow used in Investing Activities (B)	-1.65	-139.95	-72.21	-810.83	11.35	-137.38
Cash Flows from Financing Activities						
Changes in Borrowings	55.24	175.83	35.84	819.26	225.35	207.52
Proceeds from Issuance of Capital	0.00	0.00	0.00	0.00	47.50	
Interest paid	-23.89	-34.44	-63.99	-68.06	-209.22	-119.86
Exchange Gain						
Dividend Paid	0.00	0.00	0.00	0.00	-17.10	0.00
Movement in reserves						
Net Cash Flow from Financing Activities (C)	31.35	141.39	-28.15	751.2	46.53	87.66
Net increase in cash and cash equivalents (A+B+C)	0.25	0.83	1.98	1.32	-3.43	19.64
Cash and Cash Equivalents (opening) Bal)	1.32	1.57	2.40	4.38	5.70	2.27
Cash and Cash Equivalents (Closing)	1.57	2.4	4.38	5.70	2.27	21.90
Add: Fixed Deposits placed with various Banks	0	0	0	0	0	
Cash and Bank Balance as per Balance Sheet	1.57	2.4	4.38	5.70	2.27	21.90

Annexure IIIC - Age wise analysis of Sundry Debtors

Age-wise break-up		Amount
2004-05	Less than six months	**1550.78**
	More than six months	**353.92**
Total		**1904.70**
2003-04	Less than six months	**1142.70**
	More than six months	**NIL**
Total		**1142.70**
2002-03	Less than six months	**46.22**
	More than six months	**72.16**
Total		**118.38**
2001-02	Less than six months	**130.06**
	More than six months	**51.65**
Total		**181.71**
2000-01	Less than six months	**53.46**
	More than six months	**34.57**
Total		**88.03**

Annexure IIID – Break up of Other Income

Rs. in Lakhs

Particulars	**Years**					**Six Months Period ended**
	2001	**2002**	**2003**	**2004**	**2005**	**30.09.2005**
Profit on Sale of Assets	1.97	-	-			
Discount Received	0.97	0.00	0.03			
Misc. Receipts	-	5.50	-			
Interest Received	16.04	21.04	5.79			
Rent Received	-	0.51	2.20			
Sale of Scrap	-	-	0.62			
Hire Charges Received	-	-	0.81			
Transportation Charges Received	-	-	25.27			
Total	**18.98**	**27.05**	**34.73**	**11.98**	**14.97**	**8.89**

Note :- For the years 2004 and 2005 and for the six month period ended 30th September 2005, as the figures of other income do not exceed 20% of the Net Profit (before tax) of the respective years and period, the necessary break up for those years and period is not furnished.

Annexure IIIE - Certificate regarding quoted investments

Sr No.	**Details of Investments**	**Aggregate Book value (Rs)**	**Aggregate Market value/quoted value (Rs)**	**Diminution in the value (Rs)**
------------------	---------------------	------NIL--------	---------------------	---------------------

Annexure IIIF - Statement of Related Party Transactions

Information on Related Party Disclosures as per Accounting Standards (AS-18) on Related Party Disclosures is given below: -
List of related parties with whom transactions have taken place during the year ended 31st March, 2005.

(A) **Associates**
1. Chitrarth Studios
2. Vikram Enterprises

(B) **Key Managerial Person**
1. Mr. Bhawanishankar Sharma
2. Mr. Vikram B. Sharma
3. Mr. Vikas B. Sharma

(C) **Relatives of key Managerial Person**
1. Mrs. Rita B. Sharma
2. Mr. Vimalkumar Sharma
3. Mrs. Phoolkuvar Sharma

(D) **Enterprises over which persons described in (B) above and their relatives are able to exercise significant influence:**
---------------Nil------------

Amount (Rs. Lakhs)

Sr. No.	Nature of Transactions	Associates	Key Management Personnel	Relatives of Key Management Personnel	Entities in which Key Management Personnel have significant influence	Total
		A	B	C	D	(A TO D)
A)	**Share Capital**					
	Share Capital raised	-	47.50	-	-	47.50
B)	**Loans Taken:**					
	Balance as at 1st April,2004	-	14.99	9.20	-	24.19
	Taken during the year	-	146.65	0.10	-	146.75
	Repaid during the year	-	144.80	9.20	-	154.00
	Balance as at 31st March,2005	0.00	16.84	0.10	0.00	16.94
	Loans Given:					
	Balance as at 1st April,2004	Nil	Nil	Nil	-	Nil
	Given during the year	73.00	57.59	30.10	-	160.69
	Recd during the year	44.49	38.06	14.85	-	97.40
	Balance as at 31st March,2005	28.51	19.53	15.25		63.29
C)	Receivables as on 31.03.2005	36.85	-	-	-	36.85
D)	Payables as on 31.03.2005	-	-	-	-	-
E)	**INVESTMENT**					
	DEBENTURE	-	-	-	-	-
F)	**SALES**	-	-	-	-	-
G)	**PURCHASES**	-	-	-	-	-
H)	**INCOME**					
	Job Work Income	-	-	-	-	-
	Service Charges Received	-	-	-	-	-
I)	**Expenses:**					
	Job Work Charge	-	-	-	-	-
	Processing Charges	-	-	-	-	-
	Managerial Remuneration		5.40	-	-	5.40
	Dividend		15.00	-	-	15.00
J)	**CONTINGENT**					
	LIABILITIES					
	Corporate Guarantee given					
	Security given					

List of related parties with whom transactions have taken place for the period ended 30th Sept, 2005.

Amount (Rs. Lakhs)

Sr. No.	Nature of Transactions	Associates	Key Management Personnel	Relatives of Key Management Personnel	Entities in which Key Management Personnel have significant influence	Total
		A	B	C	D	(A TO D)
A)	**Share Capital**					
	Share Capital raised		750.00			750.00
B)	**Loans Taken:**					
	Balance as at 1st April,2005	0.00	16.84	0.10	0.00	16.94
	Taken during the year	25.96	-	-	2.62	28.58
	Repaid during the year	0.30	-	-	-	0.30
	Balance as at 30th Sept, 2005	25.76	16.84	-	2.62	45.22
	Loans Given:					
	Balance as at 1st April,2005	28.51	19.53	15.25	-	63.29
	Given during the period	110.79	103.92	12.78	-	227.49
	Recd during the period	47.14	52.16	18.28	-	117.58
	Balance as at 30th Sept, 2005	92.16	71.29	9.75	-	173.20
C)	Receivables as on 30.09.2005	31.21	-	-	-	31.21
D)	Payables as on 30.09.2005	-	-	-	-	-
E)	**INVESTMENT**					
	DEBENTURE	-	-	-	-	-
F)	**SALES**	-	-	-	-	-
G)	**PURCHASES**	-	-	-	-	-
H)	**INCOME**					
	Job Work Income	-	-	-	-	-
	Service Charges Received	-	-	-	-	-
I)	**EXPENSES:**					
	Job Work Charge	-	-	-	-	-
	Processing Charges	-	-	-	-	-
	Managerial Remuneration	-	2.70	-	-	2.70
	Dividend	-	-	-	-	-
J)	**CONTINGENT**					
	LIABILITIES					
	Corporate Guarantee given	-	-	-	-	-
	Security given					

Annexure IIIG - Schedule of Contingent Liabilities

(Rs. In Lakhs)

Particulars	**31/03/2005**	**30/09/2005**
Guarantees given by the bank	498.92	448.15

Annexure IV – Notes on Significant Accounting Policies and Notes on Adjustments for Restated Financial Statements

(1) Significant Accounting Policies

a. Method of Accounting

The financial statements have been prepared under the historical cost convention, on the accrual basis of accounting and in accordance with the generally accepted accounting practises in India.

b. Use of Estimates

The Preparation of the financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of financial statements. The recognition, measurement, classification or disclosures of an item or information in the financial statements have been made relying on these estimates. The Actual results could differ from those estimates.

c. Revenue Recognition

1. The Company follows the Percentage of Completion Method of accounting for all contracts. The revenue from the execution of the contracts is recognised proportionately with the degree of completion achieved under each contract, matching revenue with expenses incurred and after considering the total contract value and associated cost.
2. Contract prices are either fixed or subject to price escalation clause. Amounts due in respect of price escalation and/or variation in contract work approved by the contractees are recognised as revenue only when there are conditions in the contract for such claims or variations and/or evidence of the acceptability of the same from the contractees.
3. The Unbilled work in progress is recognised as revenues and is valued at the lower of cost or net realisable value upto the stage of completion.
4. The work completed but not certified is accounted at the rates mentioned in the contracts (i.e. at Contract prices).
5. In case of joint ventures/consortium executed wholly by the company, the revenue from the execution of the contracts is recognised proportionately with the degree of completion achieved under each contract, matching revenue with expenses incurred and after considering the total contract value and associated cost and profit/(loss) arising from the operation are recognised in which such profit /(loss) arise.

d. Fixed Assets

The Fixed Assets are stated at cost less accumulated depreciation. The Costs of Fixed Assets comprises of its purchase price and directly attributable cost if any for bringing the asset in operational condition for its intended use.

e. Depreciation

The Company follows the written down value method of depreciation at the rates and in the manner prescribed in the schedule XIV of the Companies Act, 1956.

f. Investments

Current Investments are carried at lower of cost and fair value. Long Term investments are carried at cost. Provision for diminution in the value of long term investments is made, if such decline is other than temporary in the opinion of the management.

g. Accounting for taxes on Income

Provisions for current income-tax is made after taking into considerations benefits admissible under the provisions of the Income-tax Act, 1961.

Deferred tax resulting from “timing differences” between book and tax profits is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. Deferred tax assets are recognised and carried forward only if there is a virtual/reasonable certainty that the assets will be realised in future.

h. Accounting of Employee Benefits

The Company makes contribution to Provident Fund and the same is charged to Profit and Loss account. Provision for gratuity is made as per Payment of Gratuity Act, on the assumption that all the employees retire at the year end and charged to profit and loss account.

i. Provisions and Contingent Liabilities

The Company recognises a provision when there is a present obligation as a result of a past event that probably requires outflow of resources, which can be reliably estimated. Disclosures for a contingent liability is made, without a provision in books, when there is an obligation that may, but probably will not, require outflow of resources.

j. Miscellaneous Expenditure

Miscellaneous Expenditure is amortised over a period of ten years in ten equal instalments.

k. Inventories

Inventories are valued at cost or net realisable value whichever is less. The Cost is being determined on First in First out basis (FIFO). Work in Progress is valued at cost inclusive of material, labour and related overheads.

l. Joint Venture

a.) The Assets, Liabilities and expenditure arising out of the contract executed wholly by the company pursuant to the joint venture contract are accounted under the respective heads in these financial statements. Income from contract is accounted net of Joint Venture Shares under turnover in these financial statements.

b.) The Joint venture project at Amravati was jointly undertaken by the Company with M/s. Dee Dee Infrastructural Engineers Pvt. Ltd. In the financial year ending March 31, 2005, M/s. Dee Dee Infrastructural Engineers Pvt. Ltd. Suo moto quit from the joint venture abdicating its rights and other benefits which had accrued to it. Thus, the company is now the sole and only company left to complete the project. All the assets, liabilities, income and expenses of the joint venture have thus been accounted for in the separate financial statements of the company during the financial year ending March 31, 2005.

(2) Notes on Adjustments

a. Gratuity

The Company adopted the practise of accounting of gratuity on cash basis. Accordingly, the financial statements have been restated to include therein the Provision of Gratuity calculated as per the Payment of Gratuity Act, on the assumption that all the employees retire at the year end.

b. Deferred Tax

The Company adopted the Accounting Standard 22, "Accounting for taxes on Income" issued by the Institute of Chartered Accountants of India for the first time in preparing the financial statements for the year ended March 31, 2003. Accordingly, the deferred tax asset/liability (Rs. 0.06 lakhs) arising on account of the adjustment on account of provision of gratuity for the years prior to financial year ending March 31, 2003 has been accounted from the reserves and surplus as on 1st April, 2002 and the deferred tax asset/liability pertaining to the years ended March 31, 2003, 2004 and 2005 (i.e. Rs. 0.01, Rs. 0.14 and Rs. 0.04 respectively) have been accounted for in the respective years giving corresponding effect to the statement of profits of those years.

c. Prior Period Item

In the financial statements for the year ended March 31, 2003, the company had recognised/charged off Rs. 2.69 Lakhs as prior period. For the purpose of this statement, the said expense, have been appropriately adjusted in the year it relates to (i.e. Financial year 1999-2000). Thus, the Opening Balance of Profit & Loss account for financial year 2000-01 i.e. Rs. 39.07 Lakhs have been reduced to the extent of Rs. 2.69 Lakhs to reflect the effect of Short Provision of tax.

Annexure V - Accounting ratios

	2000-01	2001-02	2002-03	2003-04	2004-05	30/09/05
Earning per Share (EPS) (Rs)	5.27	11.21	3.29	11.66	38.73	3.66
Cash earning Per share (Rs)	9.52	14.72	8.67	17.69	44.62	4.21
Return on net worth (%)	28.01	37.32	4.69	27.01	55.12	23.80
Net Asset Value per share (Rs)	18.82	30.02	31.51	43.16	70.25	15.36

Note:- The shares have been split in Rs.10/- face value from Rs.100/- face value with effect from 28/08/2005. However, for the sake of comparision the EPS has been calculated based on Rs.10/- face value for all the years.

1. EPS represents basic earnings per share calculated as Net Profit after Tax before extraordinary items (PAT) divided by number of equity shares at the end of the fiscal year
2. Cash EPS represents PAT for the year plus non-cash charges divided by the number of equity shares at the end of the fiscal year. Non-cash charges comprise depreciation, amortization of business development expenses, loss on sale of fixed assets, and loss on sale of investments
3. Return on net Worth is arrived at by dividing PAT by total shareholder's funds (Net Worth) at the end of the year
4. Net Assets value per share, computed as per net equity method, is arrived at as Equity net worth at the end of the year miscellaneous expenses not written off and divided by the number of equity shares at the end of the fiscal year.

Annexure VI – Tax Shelter Statement

(Rs. In lacs)

Year ending March 31	2001	2002	2003	2004	2005
Tax at Notional Rate	**21.43**	**41.01**	**15.47**	**44.01**	**236.67**
Adjustments:					
Export Profits	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
Difference Between Tax depreciation and book depreciation	**3.00**	**7.11**	**13.49**	**19.12**	**43.24**
Other adjustments	**39.90**	**104.88**	**21.66**	**99.37**	**538.11**
Net adjustments	**36.90**	**111.99**	**35.15**	**118.49**	**581.35**
Tax saving thereon	**14.59**	**39.98**	**12.92**	**43.55**	**212.73**
Total taxation	**6.84**	**1.03**	**2.55**	**0.46**	**23.94**
Taxation on extraordinary items	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
Tax on profits before extraordinary items.	**6.84**	**1.03**	**2.55**	**0.46**	**23.94**

Year ending March 31	2001	2002	2003	2004	2005
Tax rate	39.55%	35.70%	36.75%	36.75%	36.5925
Tax at actual rate of profit	21.43	41.01	15.47	44.01	236.67
Adjustments					
Permanent Differences:					
i) 80 IA	47.21	104.90	22.99	159.77	539.10
ii)					
iii)					
Timing Differences:					
i)Depreciation Difference	3.00	7.11	13.49	19.12	43.24
ii)Delayed Payment of PF. ESIC			1.31	9.64	0.82
iii)Provision for Tax	6.79				
iv)Provision for gratuity	0.14	0.02	0.02	0.39	0.17
v)Other	0.38			50.37	
Net Adjustments	36.90	111.99	35.15	118.49	581.35
Tax saving thereon	14.59	39.98	12.92	43.55	212.73
Total Taxation	6.84	1.03	2.55	0.46	23.94

Annexure VII - Capitalisation Statement

(Rs. In lacs)

	Pre-issue as at 31st March '05	**Pre-issue as at 30th Sept '05**	**Adjusted for the Public Issue**
Borrowing			
Short term debt (Bank O/D)	1028.84	1264.77	[•]
Long term debt (Term Loan)	204.71	272.37	
Other Debt	190.56	94.52	
Total debt	**1424.11**	**1631.66**	
Shareholders' funds			
Share Capital			
-Equity	**150.00**	**900.00**	
Less: Calls in arrears	**-**	**-**	
-Preference	**-**	**-**	
Share Premium	**-**	**-**	
Reserves & surplus	**903.68**	**482.83**	
Less: Miscellaneous Expenditure not written off	**-8.77**	**-8.77**	
Total Shareholders' funds	**1044.91**	**1374.06**	
Long term debt/Equity ratio	**1 : 5.10**	**1 : 5.04**	

II. FINANCIAL INFORMATION OF GROUP CONCERNS

The group companies or firms promoted by the company or its promoters are as follows.

Mr. Vikas Sharma, Promoter is the Proprietor of a firm known as Chitrarth Studios which is in the business of providing infrastructure facilities for media and entertainment industry viz. Television programmes, serials, film and advertisements since the year 2000.

Financial performance

(Rs. in Lakhs)

Particulars	**For the year ended**			
		31-3-2003	**31-3-2004**	**31-3-2005**
Sales		35.13	60.48	73.15
Other Income		1.07	0.00	1.94
PBT		5.02	8.15	6.75
PAT		5.02	8.15	6.75
Capital		11.47	17.76	24.21
Net Worth		11.47	17.76	24.21

2]

Mr. Vikram Sharma, Promoter is the Proprietor of Vikram Enterprise, a firm in the business of quarrying & crushing since 1996.

Financial performance

(Rs. in Lakhs)

Particulars	**For the year ended**			
		31-3-2003	**31-3-2004**	**31-3-2005**
Sales		37.12	2.84	23.95
Other Income		0.18	35.28	0
PBT		0.78	1.04	1.98
PAT		0.78	1.04	1.98
Capital		-2.72	-1.68	0.50
Net Worth		-2.58	-1.68	0.50

Related party transaction with Group Concerns
For details of transactions with Group Concerns, please refer to Annexure IIIF of the Financial Statements on page [●] of the Draft Prospectus

Changes in Accounting Policies
Details of Changes in accounting policies have been mentioned under the head 'Financial Information' on page **[●]** of the Draft Prospectus.

III. Management Discussion and Analysis of the Financial Condition and Results of the Operations As Reflected In the Financial Statements

Overview of business of the Company

Supreme Infrastructure is a medium sized company in the infrastructure sector and is engaged in the following activities:-

- Construction of Roads, Highways, widening of Highways and execution of contracts awarded to it (based on tenders / bids submitted by it) by various agencies such as Mumbai Metropolitan Region Development Authority (MMRDA), Maharashtra State Road Development Corporation (MSRDC), Public Works Department (PWD), Municipal Corporation of Greater Mumbai (MCGM), Mumbai Port Trust (MPT), Mumbai Transport Project, Railway (MTP), Airports Authority of India (AAI), Bombay Municipal Corporation (BMC), RCF Ltd. and also from some private sector companies.
- Owns and operates a Ready Mix Concrete (RMC) Plant for captive consumption and also for sale to other parties.
- Owns and operates an Asphalt Plant for captive consumption and also for sale to other parties
- Crushing Plant for crushing the stones / boulders into aggregates to be used in the building and road construction.

Supreme Infrastructure has completed more than 50 projects in the last few years valued at more than Rs.11285 Lakhs till 30th September 2005.

Significant developments subsequent to the last financial year

In our opinion there are no such significant developments that have taken place from the date of the last financial statements that have an adverse material impact on our financials.

Factors that may affect results of the operations

- Changes in government policies relating to Construction Industry.
- Increase in power tariff and fuel charges
- Impact of the Fiscal Budget on the Construction Sector.
- Variation in price of Raw Materials.

Discussion on Results of Operations

Summary of Past Financial Results

Period ended on	**30/09/05**	**% to Total Income**	**31/03/05**	**% to Total Income**	**31/03/04**	**% to Total Income**	**31/03/03**	**% to Total Income**	**31/03/02**	**% to Total Income**
Income										
Sales:										
Of Products manufactured by the company	2106.08	96.73	4628.39	98.99	2172.83	91.18	614.14	76.95	991.02	97.34
Of products traded by the Company		0.00								
Other Income	8.89	0.41	14.96	0.32	11.98	0.50	34.73	4.26	27.05	2.66
Increase (decrease) in inventory	62.35	2.86	32.45	0.69	198.25	8.32	150.24	18.79	0	0.00
Total Income	**2177.32**	**100.00**	**4675.8**	**100.00**	**2383.06**	**100.00**	**799.11**	**100.00**	**1018.07**	**100.00**
Expenditure										
Raw materials & goods consumed	640.56	29.42	3412.4	72.98	1798.48	75.47	448.82	56.16	593.77	58.32
Staff Costs	4.94	0.23	15.67	0.34	6.2	0.26	5.68	0.71	11.81	1.16
Other Manufacturing expenses	980.12	45.01	264.8	5.66	192.52	8.08	128.58	16.09	157.23	15.44
Selling & distribution expenses	18.29	0.84	38.52	0.82	127.18	5.34	54.85	6.86	69.99	6.87
Interest	119.86	5.50	209.22	4.47	68.06	2.86	63.99	8.01	34.44	3.38
Depreciation	50	2.30	88.41	1.89	61.5	2.58	55.1	6.90	35.95	3.53
Miscellaneous expenditure written off		0.00		0.00		0.00		0.00		0.00
Total expenditure	**1813.77**	**83.30**	**4029.02**	**86.17**	**2253.94**	**94.58**	**757.02**	**94.73**	**903.19**	**88.72**
		0.00								
Net Profit before tax and extraordinary items	**363.55**	**16.70**	**646.78**	**13.83**	**129.12**	**5.42**	**42.09**	**5.27**	**114.88**	**11.28**
Provision for taxation	34.39	1.58	65.82	1.41	9.36	0.39	8.36	1.05	0	0.00
Net Profit after tax & before extraordinary items	329.16	15.12	580.96	12.42	119.76	5.03	33.73	4.22	114.88	11.28
Extraordinary items (net of tax)		0.00				0.00	0.00	0.00		0.00
Net Profit after extraordinary items	**329.16**	**15.12**	**580.96**	**12.42**	**119.76**	**5.03**	**33.73**	**4.22**	**114.88**	**11.28**

Comparison between 30th September, 2005 and 31st March, 2005.

Some significant developments during the six months ended September, 2005 as compared with March 31st, 2005.

Significant developments

- The company has completed its project under PWD of beautification of Marine Drive, Mumbai valued at Rs 4 crores for the first 650 meters patch starting from Hotel Hilton Towers to Hotel Marine Plaza.
- The company installed its new computerized Asphalt Plant which increased its capacity of production from 50 MT to 85 MT per day.
- The company has declared its maiden dividend @ 10% per equity share in AGM on 30-07-2005.
- This year company received an assessment from Tax department of its claim under Section 80IA of the Income Tax Act of 1961. This has benefited the company as its profits from infrastructure development projects will be tax free.
- The company has declared bonus shares in the ratio 5:1 on 26-8-2005

During the six months the trend of income generated is somewhat the same as generated in the Fiscal year 2004-2005. 96.73% of the income is from the products manufactured by the company. Only 0.41% was generated through other income. During this period the company had outsourced some of its work. This year also saw an abnormal decrease in the raw material cost as a percentage to Total Income. This was due to subcontracting activities where the raw materials are used by the sub-contractor only. This subcontracting has increased other manufacturing expenses substantially. This period saw a better PAT as percentage to sales. This is achieved because of improvement of operating margins and tax benefits.

Comparison of Fiscal Year 2005 with Fiscal Year 2004.

Some significant developments during the Year were

- The company was awarded the project of widening and resurfacing the Western Express Highway from Andheri to Jogeshwari in Joint Venture with Maheshwari Brothers Limited for the value of 4057 lakhs.
- The company increased the capacity of its readymix concrete (RMC) unit with a fleet of 3 new transit mixers to the existing 4 transits mixers and also purchased a concrete pump for the purpose of pumping the concrete material from ground level upto an extent of 7 to 8 floor of an under construction site.
- This year our term loan and working capital limits were raised by the banker i.e. Syndicate Bank from Rs. 10.05 Crores to Rs.11.25 Crores.

Total Income

This year saw a high increase in total income from Rs. 2383.06 lacs to Rs 4675.8 lacs. This year also saw that the operations generated 98.99% of the total Income. This was mainly because of execution of large contracts and increase in capacity utilization of RMC and Asphalt plants.

Operating Expenditure

This year saw the company achieved better operating efficiency from 89.15% as a percentage to Total Income to 79.80%. This is mainly due to substantial decrease in selling and distribution expenses and stabilization of production of recently installed RMC plant.

Interest

This year the interest cost grew from Rs 68.06 lacs to Rs 209.22 lacs. As a percentage to income also it has gone up from 2.86% to 4.47%. This is due to increase in bank borrowings due to enhanced working capital limits and increase in term loan facilities for purchase of new machinery.

Depreciation

This year depreciation cost was a bit higher from 61.5 lacs to 88.41 lacs. This was due to purchase of fixed assets of Rs. 88 Lakhs during the year.

Profit after Tax.

This year there was a leap in the Profit after Tax from 119.76 lacs to Rs 580.96 lacs. The PAT ratio to total income increased from 5.03% to 12.42. This was achieved because of due to increase in turnover and margins.

Comparison of Fiscal Year 2004 with Fiscal Year 2003.

Some significant developments during the Year were

- The company has installed a RMC plant of 30 cubic meter/ hour at its Powai site.
- This year our term loan and working capital limits were raised by the banker i.e. Syndicate Bank from Rs. 2 Crores to Rs.10.05 Crores. At the same time Bank Guarantee & Letter Of Credit limits were raised to Rs.12 Crores.
- This year the company has added Rs. 740.50 in the Fixed Assets which includes RMC Plant.

Total Income

This year saw an increase in total income to Rs. 2383.06 lacs from Rs 799.11 lacs. This year also saw that the operations generated 91.18% of the total Income from 76.95%. This was mainly because of execution of large contracts like Concretization of Arnik Wadala Link Road at Mumbai.

Operating Expenditure

This year the Operating Expenditure increased from 79.83% to 89.15% as a percentage to Total Income. This is because of increase in the cost of material & labour.

Interest

This year the interest cost marginally increased from Rs 63.99 lacs to Rs 68.06 lacs. This was due to utilization of increased credit facility from the bank at the end of the year.

Depreciation

This year depreciation cost was a slightly higher from 55.1 lacs to 61.50 lacs. This was due to addition to Plant & machinery.

Profit after Tax.

This year there was a leap in the Profit after Tax from 19.50 lacs to Rs 119.76 lacs. This was achieved because of increase in turnover & margins.

Comparison of Fiscal Year 2003 with Fiscal Year 2002

Some significant developments during the Year were

- This year the company was adversely affected by general economic slowdown & recession.
- The company's turnover decreased due to delay in finalization of work orders from the concerned government department.

Total Income

This year saw a decrease in total income to Rs. 799.11 lacs from Rs 1018.07 lacs. This year also saw that the operations generated 95.74% of the total Income from 97.34%.

Operating Expenditure

This year the Operating Expenditure increased from 89.15% to 88.72% as a percentage to Total Income. This is because of marginal increase in the cost of material & labour.

Interest

This year the interest cost increased from Rs 34.44 lacs to Rs 63.99 lacs. This was due to utilization of increased Term Loan from the finance companies.

Depreciation

This year depreciation cost was a slightly higher from 35.95 lacs to 55.10 lacs. This was due to addition to Plant & machinery.

Profit after Tax.

This year there was a dip in the Profit after Tax from 114.88 lacs to Rs 33.73 lacs. This was due to decrease in turnover.

Review of Assets and Liabilities

- Gross block, which is mainly comprised of Office Premises, Asphalt Plant, RMC Plant, Transit mixtures, concrete pump, excavators, dumpers, asphalt pavers, furniture and fixtures, office equipment and computers etc.

Rs. in Lakhs

	September 2005	March 2005	March 2004	March 2003	March 2002
Gross Block	1408.70	1271.32	1183.83	473.01	395.97
Less Depreciation	365.99	315.99	227.58	170.23	115.12
Net Block	1042.71	955.33	955.55	302.78	280.85

Current Assets and Liabilities

Current Assets, Loans and Advances are comprised mainly of:

- Sundry Debtors which mainly consisted of Government Departments like MMRDA, Port Trust, MSRDC, BMC etc.
- Deposits with the contractees in form of Retention money, Security Deposits and Earnest Money Deposits (EMD).
- Fixed Deposits with the bank paid for the margin of bank guarantees.
- Inventories of Raw material and work in progress at various sites.
- Cash and Bank Balances

Current Liabilities and Provisions

- They mainly consist of sundry creditors for the supply of Raw material and expenses.

Secured Loans and Unsecured Loans

Secured loans are comprised of long-term debt and certain short-term debt. Unsecured loans comprises of short term loans from promoters and their relatives.

Unusual or infrequent events or transactions

There are no unusual or infrequent events or transactions.

Significant economic changes that materially affected or are likely to affect income from continuing operations

Nil

Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations

There are no known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations

Future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known

Nil

The extent to which material increases in net sales or revenue are due to increased sale volumes, introduction of new products or services or increased sales prices

Increases in revenues are by and large linked to increases in volume of business activity carried out by the Company.
The Company operates in only one industry segment – Construction industry

Status of any publicly announced new products or business segment

The Company is presently engaged in the business of Road Construction.. As defined under the terms of this issue, the Company intends to get into the foray of Real Estate

The extent to which business is seasonal:

The business is not seasonal; however during monsoon the progress on site gradually decreases due to rains.

Competitive conditions

For details on Competition, please refer page no. [●] of the Draft prospectus

F. LEGAL AND OTHER INFORMATION

I. Outstanding Litigations and Material Developments

Save as stated herein under, based on records available, there are no outstanding/pending litigations, suits, criminal/civil prosecutions, proceedings initiated for offences (including past cases, economic offences etc) irrespective of whether specified in paragraph (1) of part 1 of Schedule XIII of the Companies Act, 1956 and litigations for tax liabilities against our Company, its Promoters, Directors and their concerns and there are no defaults/non payment/overdues of statutory dues, institutional/bank dues and dues towards holders of debentures, bonds and fixed deposits and arrears of preference shares etc., other than unclaimed liabilities of Supreme, and other concerns of the Promoters.

CONTINGENT LIABILITY AGAINST THE COMPANY

As on September 30, 2005 the contingent liability outstanding against the Company is as follows:

(Rs. in Lakhs)

Particulars	**30.09.05**
Bank Guarantee	448.15

<u>LITIGATIONS FILED AGAINST THE COMPANY</u>

<u>Civil Disputes</u>

1. One Arpan Leasing Company Limited has filed a Summary Suit (Summary Suit No. 1488 of 1999) in the Bombay High Court against the Company claiming an amount of Rs. 12.82 Lakhs with interest for default made by the Company in repayment of lease rent for certain vehicles leased to the Company in the year 1995. The Company has filed its Written Statement on December 20 ,2004 and has disputed the claim of the Plaintiff. The Company has stated in its Written Statement that it had already paid an amount of Rs. 14.64 Lakhs to the Plaintiff prior to the filing of this suit and the fact was the Plaintiff had taken a loan from Bank of Baroda in order to lease a vehicle to the Company. The Plaintiff in turn had defaulted in the repayment of the said loan in relation to which the Bank of Baroda had also filed a suit. The Company has further stated in its reply that the entire claim towards the loan taken by the Plaintiff from the Bank had been repaid by the Company to the Plaintiff but the Plaintiff had defaulted in forwarding the payment to the Bank. The matter shall come for hearing in the Court in the normal course.

LITIGATION AGAINST OUR DIRECTORS OTHER THAN PROMOTERS

There are no litigations against the promoters of the Company.

LITIGATION WHERE PROMOTERS ARE INVOLVED

1. In the above suit filed by Arpan Leasing Company Limited i.e. (Summary Suit No. 1488 of 1999) in the Bombay High Court against the Company, a Promoter Mr. Bhawanishankar Sharma has also been made a party to the suit.

LITIGATION INVOLVING THE PROMOTERS PROPRIETORY FIRMS

There are no litigations pending against proprietary concerns of the Promoters. There are no group companies.

MATERIAL DEVELOPMENTS

Except as stated under the section titled "Management's Discussion and Analysis of Financial Statements and Results of Operations" on page [•] of the Draft Prospectus and our financial statements included herein, no material developments have taken place after September 30, 2005, the date of the latest balance sheet, that would materially adversely affect the performance or prospects of our Company.

II. GOVERNMENT AND OTHER APPROVALS

We have received all the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies/certification bodies required for our business and no further approvals are required by us for carrying on the present as well as proposed business activities of the Company. It must, however, be distinctly understood that in granting the above approvals, the Government and other authorities do not take any responsibility for the financial soundness of the Company or for the correctness of any of the statements or any commitments made or opinions expressed.
In view of the approvals listed below, we can undertake this Issue and our current business activities and no further major approvals from any statutory authority are required to continue those activities.

III. GOVERNMENT APPROVALS /LICENSING ARRANGEMENTS

We have received all the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies/certification bodies required for our business and no further approvals are required by us for carrying on the present as well as proposed business activities of the Company. It must, however, be distinctly understood that in granting the above approvals, the Government and other authorities do not take any responsibility for the financial soundness of the Company or for the correctness of any of the statements or any commitments made or opinions expressed.

In view of the approvals listed below, we can undertake this Issue and our current business activities and no further major approvals from any statutory authority are required to continue those activities.

The following are the details of licenses, permissions and approvals taken by the Company under various Central and State Laws for carrying out its business.

1. The Company has been registered as Class I contractor by the PWD under its certificate no. 120/2002-2003 dated April 15, 2002. The certificate is valid upto October 19, 2006.

2. The Company has registered its asphalt plant with the BMC by a certificate no. Dy.Ch.E./1981/Rds/City dated July 7, 2005 which is valid upto March 31, 2006.

3. The Company has registered its Readymix concrete plant with the BMC by a certificate no. Dy.Ch.E./5149/Rds/E.S. dated October 26, 2005 which is valid upto June 30, 2006.

4. The Company has obtained a certificate no. C-C-926 from Maharashtra Pollution Control Board, Mumbai dated September 30, 2003 to establish its Readymix concrete plant and Asphalt plant, both situated at Powai, Mumbai. The certificate is valid upto March 31, 2007.

5. The Company has obtained sales tax registration no. 400076/S/423 by a certificate dated August 13, 1998 issued by the Sales Tax Department, Maharashtra under Section 22/22A of The Bombay Sales Tax Act, 1959.

6. The Company has obtained registration under the Shops and Establishment Act, 1948 for its readymix and concrete plant and a certificate dated June 22, 2005 has been issued by the Government of Maharashtra. The registration is valid up December 31, 2007.

7. The Company has been registered as A class contractor by the BMC under its certificate no. 046 dated July 27, 1983 with regard to road construction . The certificate has been renewed from time to time by the Company and is now valid upto 31st May 2006.

Applied For

1. The Company has applied for TIN number for registration under VAT

The Company shall obtain the necessary approvals from the relevant authorities in relation to any BOT / BOOT projects that may be received by the Company and the real estate construction activity at the time of commencement of these projects. As regards the proposed quarrying facility, appropriate approvals shall be taken after the project is undertaken by the Company.

OTHER REGULATORY AND STATUTORY DISCLOSURES

AUTHORITY FOR THE PRESENT ISSUE

The Issue has been authorized pursuant to a resolution of the Board of Directors of the Company adopted at its meeting held on 15th November 2005 and by a special resolution adopted pursuant to Section 81(1A) of the Companies Act, 1956, at the Extra Ordinary General Meeting of the Company held on 6th December 2005.

PROHIBITION BY SEBI

The Company, its directors, its Promoters, its Subsidiary, other companies/ ventures promoted by our Promoters and companies with which the Company's Directors are associated as directors or promoters have not been prohibited from accessing the capital markets or restrained from buying, selling or dealing in securities under any direction or order passed by SEBI.

ELIGIBILITY FOR THE ISSUE

In terms of the Clause 2.2.1 of the SEBI (DIP) Guidelines, 2000 an unlisted company may make an initial public offering (IPO) of equity shares or any other securities which may be converted into or exchanges with equity shares at a later date, only if it meets all the following conditions:

(a) The company has net tangible assets of at least Rs. 3 crores in each of the preceding 3 full years (of 12 months each), of which not more than 50% is held in monetary assets:

Provided that if more than 50% of the net tangible assets are held in monetary assets, the company has made firm commitments to deploy such excess monetary assets in its business/project;

(b) The company has a track record of distributable profits in terms of Section 205 of the Companies Act, 1956, for at least three (3) out of immediately preceding five (5) years;
Provided further that extraordinary items shall not be considered for calculating distributable profits in terms of Section 205 of Companies Act, 1956;

(c) The company has a net worth of at least Rs. 1 crore in each of the preceding 3 full years (of 12 months each);

(d) In case the company has changed its name within the last one year, atleast 50% of the revenue for the preceding 1 full year is earned by the company from the activity suggested by the new name; and

(e) The aggregate of the proposed issue and all previous issues made in the same financial year in terms of size (i.e., offer through offer document + firm allotment + promoters' contribution through the offer document), does not exceed five (5) times its pre-issue networth as per the audited balance sheet of the last financial year.)

In terms of the certificate issued by M/s. Shah & Kathariya, Chartered Accountants, dated 19th January 2006, the Company satisfies the above eligibility criteria as follows:
Rs. in lakhs

Financial Year	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005
Net Tangible Assets	569.82	906.93	992.57	2794.94	3677.85
Monetary Assets	1.57	2.40	4.38	5.71	2.27
Monetary Assets(%)	0.28%	0.26%	0.44%	0.20%	0.06%
Distributable Profit After Tax	54.18	114.88	15.16	119.76	580.96
Networth	192.92	307.78	322.93	442.44	1044.91

Net tangible assets are defined as the sum of all the net assets of the company, excluding intangible assets as defined in Accounting Standard (AS 26) issued by Institute of Chartered Accountants of India.

Monetary Assets are defined as the sum of Cash on Hand, Liquid Investments, Balance with Scheduled Bank in Current accounts and Fixed Deposits and balance with Post Office Savings account.

The Company undertakes that the number of allottees, i.e. persons receiving Allotment in the Offer shall be at least 1000, otherwise, the entire application money will be refunded forthwith. In case of delay, if any, in refund, the Company shall pay interest on the application money at the rate of 15% per annum for the period of delay.

DISCLAIMER CLAUSE

AS REQUIRED, A COPY OF THE DRAFT PROSPECTUS HAS BEEN SUBMITTED TO SEBI.

IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE SUBMISSION OF THE DRAFT PROSPECTUS TO SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN DRAFT PROSPECTUS. THE LEAD MANAGER, *KARVY INVESTOR SERVICES LIMITED* HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI GUIDELINES FOR DISCLOSURES AND INVESTOR PROTECTION IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER COMPANY ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, KARVY INVESTOR SERVICES LIMITED HAS FURNISHED TO THE SEBI, A DUE DILIGENCE CERTIFICATE DATED 25th JANUARY, 2006 IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992 WHICH READS AS FOLLOWS:

I. **WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS ETC., AND OTHER MATERIALS IN CONNECTION WITH THE FINALIZATION OF THE OFFER DOCUMENT PERTAINING TO THE SAID ISSUE.**

II. **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PROJECTED PROFITABILITY, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS MENTIONED IN THE ANNEXURE AND OTHER PAPERS FURNISHED BY THE COMPANY.**

WE CONFIRM THAT:

- a **<u>THE DRAFT PROSPECTUS FORWARDED TO THE SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;</u>**
- b **ALL THE LEGAL REQUIREMENTS CONNECTED WITH THE SAID ISSUE, AS ALSO THE GUIDELINES, INSTRUCTIONS, ETC. ISSUED BY SEBI, THE GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
- c **THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO INVESTMENT IN THE PROPOSED ISSUE.**

III **WE CONFIRM THAT BESIDE OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT PROSPECTUS ARE REGISTERED WITH SEBI AND TILL DATE SUCH REGISTRATION IS VALID.**

IV **WE SHALL SATISFY OURSELVES ABOUT THE WORTH OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS IF THE ISSUE IS UNDERWRITTEN.**

V. **WE CERTIFY THAT WRITTEN CONSENT FROM SHAREHOLDERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND WILL NOT BE DISPOSED / SOLD/ TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT PROSPECTUS.**

THE FILING OF OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER SECTION 63 OF THE COMPANIES ACT, 1956 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI, FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGER (S) (MERCHANT BANKERS) ANY IRREGULARITIES OR LAPSES IN THE OFFER DOCUMENT.

CAUTION / GENERAL DISCLAIMER

Investors may note that the Company and the Lead Manager accept no responsibility for statements made otherwise than in the Draft Prospectus or in the advertisements or any other material issued by or at the instance of the Company and that anyone placing reliance on any other source of information would be doing so at his/her own risk.

The Lead Manager accepts no responsibility, save to the limited extent as provided in the Memorandum of Understanding entered into between the Lead Manager, Shareholder and the Company.

All information shall be made available by the Company and the Lead Manager to the investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including in research or sales reports.

JURISDICTION

This Issue is made in India to persons resident in India (including Indian nationals resident in India who are majors, Hindu Undivided Families, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks and regional rural banks, co-operative banks (subject to RBI permission), Trusts (registered under Societies Registration Act, 1860, or any other Trust law and are authorized under their constitution to hold and invest in shares), permitted insurance companies and to NRIs and FIIs as defined under the Indian Laws. The Draft Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the Draft Prospectus comes is required to inform himself about and to observe any such restrictions. Any disputes arising out of this Issue will be subject to the jurisdiction of courts in Mumbai only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that his Draft Prospectus has been submitted to the SEBI. Accordingly, the Equity Shares, represented thereby may not be offered or sold, directly or indirectly, and the Draft Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of the Draft Prospectus nor any sale hereunder shall, under any circumstances create any implication that there has been no change in the affairs of the Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Investors may please note that Central Government / RBI does not take any responsibility for the financial soundness or correctness of the statements disclosed in the Draft Prospectus.

DISCLAIMER CLAUSE OF THE BOMBAY STOCK EXCHANGE LIMITED (“BSE”) (DESIGNATED STOCK EXCHANGE)

As required, a copy of the Draft Prospectus has been submitted to the BSE. BSE has given vide its letter dated **[●]**, permission to this Company to use the Exchange’s name in this offer document as one of the Stock Exchange on which the Company’s securities are proposed to be listed. The Exchange has scrutinised this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner-

a Warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or

b Warrant that this Company’s securities will be listed or will continue to be listed on the Exchange; or

c Take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

DISCLAIMER CLAUSE OF THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED(NSE)

As required, a copy of the Draft Prospectus has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter dated **[●]**, granted permission to the Company. to use the Exchange's name in the Draft Prospectus as one of the Stock Exchanges on which the Company's securities are proposed to be listed subject to, the Company fulfilling the various criteria for listing including the one related to paid up capital (i.e. the paid up capital shall not be less than 10 crores and market capitalisation shall not be less than Rs. 25 crores at the time of listing). NSE has scrutinised the Draft Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Company. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the Draft Prospectus has been cleared or approved by NSE; nor does in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Draft Prospectus; nor does it warrant that the Company's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of the Company, its promoter, its management or any scheme or project of the Company.

Every person who desires to apply for or otherwise acquire any securities of the Company may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the NSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription or acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

UNDERTAKING FROM PROMOTERS AND DIRECTORS

The Company accepts full responsibility for the accuracy for the information given in the Draft Prospectus and confirms that to the best of their knowledge and belief, there are no other facts, their omission of which make any statement in the Draft Prospectus misleading and they further confirm that they have made all reasonable inquiries to ascertain such facts. The company further declares that the Stock Exchanges to which an application for official quotation is proposed to be made do not take any responsibility for the financial soundness of this offer or for the price at which the Equity Shares are offered or for the correctness of the statement made or opinions expressed in this offer document. The Promoters / Directors declare and confirm that no information / material likely to have a bearing on the decision of investors in respect of the shares offered in terms of the Draft Prospectus has been suppressed, withheld and/or incorporated in the manner that would amount to mis-statement, misrepresentation and in the event of its transpiring at any point of time till allotment / refund, as the case may be, that any information/material has been suppressed / withheld and / or amounts to a mis-statement / mis-representation, the Promoters/Directors undertake to refund the entire application monies to all the subscribers within 7 days thereafter without prejudice to the provisions of Section 63 of the Companies Act.

FILING

A copy of the Draft Prospectus, has been filed with the Corporate Finance Department of SEBI, at B Wing, First Floor, Mittal Court, Nariman Point, Mumbai - 400 021.

A copy of the Draft Prospectus, along with documents required to be filed under Section 60B of the Act, would be delivered for registration to the Registrar of Companies, Maharashtra at Mumbai, and a copy of the Prospectus to be filed under Section 60 of the Act would be delivered for registration with the Registrar of Companies.

LISTING

Initial listing applications have been made to NSE and BSE for permission to list the Equity Shares and for an official quotation of the Equity Shares of the Company. BSE will be the Designated Stock Exchange for the Issue.
If the permission to deal in and for an official quotation of the Equity Shares are not granted by any of the above mentioned Stock Exchanges, the Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the Draft Prospectus. If such money is not repaid within 8 days after the day from which the Issuer becomes liable to repay it (i.e. from the date of refusal or within 70 days from the date of Issue Closing Date, whichever is earlier), then the Company and every director of the Company who is an officer in default shall, on and from expiry of 8 days, will be jointly and severally liable to repay the money, with interest as prescribed under Section 73 of the Companies Act, 1956.

The Company with the assistance of the Lead Manager shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges mentioned above are taken within seven working days of finalisation of basis of allotment for the Issue

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68A of the Act, which is reproduced below: "Any person who:

(a) makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or

(b) otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name,

shall be punishable with imprisonment for a term which may extend to five years."

CONSENTS

The written consents of Promoters, Directors, Company Secretary, Auditors, Legal Advisors, Lead Manager to the Issue, Registrars to the Issue, Bankers to the Company and Bankers to the Issue to act in their respective capacities, have been obtained and filed along with a copy of the Draft Prospectus with the Registrar of Companies, Maharashtra, Mumbai as required under Section 60 of the Act and such consents have not been withdrawn up to the time of delivery of the Draft Prospectus for registration.

EXPERT OPINION

The Company has not obtained any expert opinion apart from whatever is already mentioned in the Draft Prospectus.

EXPENSES OF THE ISSUE

The expenses of the Issue payable by the Company inclusive of brokerage, fees payable to the Lead Manager to the Issue, Registrar to the Issue, Legal Advisors, stamp duty, printing, publication, advertising and distribution expenses, bank charges, listing fees and other miscellaneous expenses will not exceed Rs. 250 lakhs, and will be met out of the proceeds of the present issue.

DETALS OF FEES PAYABLE

Particulars	**Amount (Rs. Lakhs)**	**% of total issue expenses**	**% of total issue size**
Lead Managers			[●]
Registrars			[●]
Advertising and Marketing Expenses			[●]
Legal Advisors			[●]
Others			[●]
Misc / Contingency expenses			[●]
Total			[●]

UNDERWRITING COMMISSION

No underwriting commission is payable as the issue is not proposed to be underwritten.

BROKERAGE

Brokerage will be paid by the Company at the rate of 1.50% on the issue price of Equity shares offered to the public on the basis of allotment made against applications bearing the stamp of the members of any recognized Stock Exchanges in India in the Broker's Column. Brokerage at the same rate will also be payable to the Bankers to the Issue in respect of allotments made against applications procured by them, provided the relevant forms of applications bear their respective stamps in the Broker's Column.

In case of tampering or over-stamping of Brokers / Agent's Codes on the application form, the company's decision to pay brokerage in this respect will be final and no further correspondence will be entertained in this matter.

PREVIOUS PUBLIC OR RIGHTS ISSUES

This is the first public issue of the Company. The company has not made any public issue previously.

PREVIOUS ISSUE OF SHARES OTHERWISE THAN FOR CASH
The Company has issued bonus equity shares in the ratio of 5 shares for every share held on 26/08/2005.

COMMISSION OR BROKERAGE ON PREVIOUS ISSUES
The company has not made any public or rights Issue since its inception and has not paid any commission or brokerage.

PARTICULARS IN REGARD TO THE COMPANY AND OTHER LISTED COMPANIES UNDER THE SAME MANAGEMENT WITHIN THE MEANING OF SECTION 370(1)(B) OF THE COMPANIES ACT, 1956, WHICH MADE ANY CAPITAL ISSUE DURING THE LAST THREE YEARS
There are no listed companies under the same management within the meaning of section 370 (1)(B) of the Companies Act, 1956 that made any capital issue during the last three years.

PROMISES VS PERFORMANCE
The company has not made any public issue of shares since its incorporation. There are no group companies, which has made any public issues.

OUTSTANDING BONDS/ DEBENTURES
There are no outstanding debentures or bonds or redeemable preference shares or any other instruments issued by the issuer company outstanding as on the date of Draft Prospectus.

STOCK MARKET DATA
This being the first public issue by the Company, no stock market data is available.

DISCLOSURE ON INVESTOR GRIEVANCES AND REDRESSAL SYSTEM
The Company will settle investor grievances expeditiously and satisfactorily. The agreement between the Company and the Registrar will provide for retention of records with the Registrar for a period of one year from the last date of dispatch of Letters of Allotment / Share Certificates / Refund Orders to enable the investors to approach the Registrar for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue Bigshare Services Pvt Ltd, Mumbai, giving full details such as name, address of the applicant, number of Shares applied for, amount paid on application and the bank branch / collection center where the application was submitted.

Disposal of Investor Grievances
The average time required by the Company / Registrar for the redressal of routine investor grievances shall be seven working days from the date of receipt of the complaint. In case of non-routine complaints and where external agencies are involved, the Company/Registrar would strive to redress these complaints as expeditiously as possible. Investors can also contact the Compliance Officer for any investor grievances.

COMPLIANCE OFFICER
Mr. Navin T. Shah is the Compliance officer and investors may get in touch with him for redressal of grievances if any in respect of the issue at the address given below:-
8, Bhawani Service Industrial Estate,
IIT Powai,, Mumbai- 400 076
Tel.: 91 22 25782931, 2578 3549, Telefax: 91 22 25782931, e-mail: navinshah@supremeinfra.com

There are no listed Companies under the same management within the meaning of Section 370 (1B) of the Companies Act, 1956.

CHANGES IN THE AUDITORS DURING THE LAST THREE YEARS AND REASONS THEREOF
There have been no changes in the auditors of the Company during the past three years.

CAPITALISATION OF RESERVES OR PROFITS DURING THE LAST FIVE YEARS

On 26th August 2005, the Company has issued 75,00,000 bonus shares to shareholders in the ratio of 5 bonus shares for every shares held in the Company by capitalization of Rs. 7,50,00,000/- from the free Reserves.

REVALUATION OF ASSETS DURING THE LAST FIVE YEARS

The Company has not revalued its assets during the last five years

OFFERING INFORMATION

Terms Of The Issue
The Equity Shares being issued are subject to the provisions of the Companies Act, our Memorandum and Articles, the terms of the Draft Prospectus, Application Form and other terms and conditions as may be incorporated in the allotment advice and other documents/ certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws, as applicable, guidelines, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by SEBI, Government of India, Stock Exchanges, RBI, Registrar of Companies and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Ranking of Equity Shares
The Equity Shares being offered shall be subject to the provisions of our Memorandum and Articles and shall rank *pari passu* in all respects with the other existing Equity Shares of the Company including rights in respect of dividend. The Allottees will be entitled to dividend or any other corporate benefits (including dividend), if any, declared by the Company after the date of Allotment.

Mode of payment of dividend
The declaration and payment of dividends will be recommended by the Board of Directors and theshareholders, in their discretion, and will depend on a number of factors, including but not limited to our earnings, capital requirements and overall financial condition.

Face Value and Price Band
The Equity Shares with a face value of Rs.10/- each are being offered in terms of the Draft Prospectus and the Issue Price is [•] times of the Face Value. The Price Band is Rs.65 to Rs.75 per Equity Share of Rs. 10/- each. At any given point of time, there shall be only one denomination for the Equity Shares of the Company, subject to applicable laws.

Compliance with SEBI Guidelines
The Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholder
Subject to applicable laws, the Equity Shareholders shall have the following rights:
- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act and Memorandum and Articles of Association of the Company.

For a detailed description of the main provisions of the Company's Articles of Association relating to voting rights, dividend, forfeiture and lien, transfer and transmission and/or consolidation/splitting, see "Description of Equity Shares and Terms of Articles of Association" on Page **[●]** in the Draft Prospectus.

Market Lot
In terms of Section 68B of the Companies Act, the Equity Shares of the Company shall be allotted only in dematerialised form. In terms of existing SEBI Guidelines, the trading in the Equity Shares of the Company shall only be in dematerialised form for all investors.

Since trading of our Equity Shares will be dematerialised mode, the tradable lot is one Equity Share. Allotment of Equity Shares through this Offer will be done only in electronic form in multiples of 1 Equity Share subject to a minimum allotment of [•] Equity Shares to the successful applicants. For details of allotment, see "Other Regulatory and Statutory Disclosure – Basis of Allotment".

Nomination Facility to the Investor
In accordance with Section 109A of the Companies Act, the sole or first applicant, along with other joint applicants, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicants, death of all the applicants, as the case may be, the Equity Shares transmitted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or

she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/ transfer/ alienation of Equity Share(s) by the person nominating.

In accordance with Section 109B of the Companies Act, any person who becomes a nominee by virtue of the provisions of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue will be made only in dematerialized mode, there is no need to make a separate nomination with us. Nominations registered with respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

Minimum Subscription
If the company does not receive the minimum subscription of 90% of the issued amount on the date of closure of the issue, or if the subscription level falls below 90% after the closure of issue on account of cheques having being returned unpaid or withdrawal of applications, the company shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 days after the company becomes liable to pay the amount, the company shall pay interest as per Section 73 of the Companies Act, 1956.

Minimum Number Of Allottees:
Further in terms of Clause 2.2.2A of the SEBI DIP Guidelines, the prospective allottees shall be not less than 1000 in numbers, else the Company shall not make an allotment pursuant to this Issue.

Arrangements for Disposal of Odd Lots
The Company's shares will be traded in dematerialized form only and therefore the marketable lot is 1 share. Therefore there is no possibility of odd lots.

Letters of Allotment or Refund Orders
The Company shall give credit to the Beneficiary Account with DPs within two (2) working days of finalisation of the basis of allotment of Equity Shares. The Refund Orders shall be dispatched within a period of 10 weeks and in Case of any delay in refund, interest shall be paid at the prescribed rate under section 73(2) / 73(2A) of the Act. The Company shall dispatch Refund Orders, if any, of value up to Rs.1,500/- by "Under Certificate of Posting", and will dispatch Refund Orders above Rs.1,500/- if any , by registered post or speed post at the sole or first applicant's sole risk.

In accordance with the Act, the requirements of the Stock Exchange and the SEBI Guidelines, the Company further undertakes that:

- Allotment of Equity Shares will be made only in dematerialized form within 30 days from the Issue Closing Date;
- Despatch of refund orders will be done within 30 days from the Issue Closing Date;
- The Company shall interest at 15% per annum (for any delay beyond the 30 day time period as mentioned above), if allotment is not made, refund orders are not dispatched and/or demat credits are not made to investors within 30 day prescribed time period above.

The Company will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Issue. Refunds will be made by cheques, pay-orders or demand Drafts drawn on a bank appointed by us, as an Escrow Collection Bank and payable at par at places where applications are received. Bank charges, if any, for encashing such cheques, pay orders or demand Drafts at other centers will be payable by the Applicants.

Restriction On Transfer And Transmission Of Shares
Nothing contained in the Articles of Association of the Company shall prejudice any power of the Company to refuse to register the transfer of any share.

No fee shall be charged for sub-division and consolidation of share certificates (physical form), debenture certificates and detachable warrants and for sub-division of letters of allotment and split, consideration, renewal and pucca transfer receipts into denomination corresponding to the market units of trading.

ISSUE PROCEDURE

PROCEDURE FOR APPLICATION AND MODE OF PAYMENT

OPTION TO SUBSCRIBE

In terms of section 68B of the Companies Act, 1956, the equity shares in this offer shall be allotted only in dematerialized form (i.e. not in the form of physical certificates but the fungible and be represented by the statement issued through electronic mode)

HOW TO APPLY

Availability of Prospectus and Application Forms

The Memorandum, Form 2A containing the salient features of the Prospectus together with Application Forms and copies of the Prospectus may be obtained from the Registered Office of the Company, Lead Managers to the Issue, Brokers to the Public Issue, Registrar to the Issue and at the collection centres of the Bankers to the Issue, as mentioned on the Application Form.

TERMS OF PAYMENT

a) For Indian Resident Public
The application (**WHITE** in colour) must be for a minimum of **[●]** equity shares and thereafter in multiples of **[●]** shares. The entire amount of Rs. [●] per share is payable on application.

b) For Non-Resident Indians (NRI's) / Foreign Financial Institutions (FII's)
The application (**BLUE** in colour) must be for a minimum of **[●]** equity shares and thereafter in multiples of [●] shares. The entire amount of Rs. [●] per share is payable on application.

c) For Mutual Funds/Banks/Financial Institution (FI's)
The application must be for a minimum of [●] equity shares and thereafter in multiples of 100 equity shares. The entire amount of Rs. . [●] per share is payable on application.

WHO CAN APPLY

Application may be made by

i. Indian nationals resident of India who are adult individuals in single name or joint names (not more than three)
ii. Hindu Undivided Families through the Karta of the Hindu Undivided Family
iii. Companies, Bodies Corporate and Societies registered under the applicable laws in India and authorised to invest in the Shares
iv. Indian Mutual Funds registered with SEBI
v. Indian Financial Institutions and Banks
vi. Venture Capital Funds / Foreign Venture Capital investors registered with SEBI
vii. State Industrial Development Corporation
viii. Insurance Companies registered with Insurance Regulatory and Development Authority;
ix. Provident Funds with minimum corpus of Rs.25 Crore;
x. Pension Funds with minimum corpus of Rs.25 Crore;
xi. Trusts who are registered under the Societies Registration Act, 1860 or any other trust law and are authorised under its constitution to hold and invest in shares
xii. Commercial Banks and Regional Rural Banks. Co-operative Banks may also apply subject to permission from the Reserve Bank of India
xiii. Permanent and regular employees of the Company
xiv. Non-Resident Indians (NRIs) on a repatriable/ non-repatriable basis
xv. Foreign Institutional Investors (FIIs) on a repatriable/non repatriable basis

Applications cannot be made by

a) Minors

b) Foreign Nationals (except NRIs)

c) Overseas Corporate Bodies (OCBs)

d) Partnership firms or their nominees

Application by NRIs/FIIs/Foreign Venture Capital Funds/Multilateral and Bilateral Development Financial Institutions

As per the current provisions of the Foreign Exchange Management (transfer or issue of security by a person resident outside India) regulations, 2000, there exists a general permission for the NRIs/ FII's/ Foreign Venture Capital Fund registered with SEBI/ Multinational And Bilateral Development Financial Institutions to invest in shares of an Indian company by way of subscription in a public issue. However, such investments would be subject to other investment restrictions under RBI and/or SEBI regulations as may be applicable to such investors. Based on the above provisions, it will not be necessary for the investors to seek separate permission from the RBI for this specific purpose. However, it is to be distinctly understood that there is no reservation for FIPBI, NRIs, FIIs and Foreign Venture Capital Funds registered with SEBI/ Multinational and Bilateral Development Financial Institutions and all Non Residents, NRI, FII, Foreign Venture Capital Fund registered with SEBI and Multinational And Bilateral Development Financial Institutions applicants will be treated on the same basis with other categories for the purpose of allocation.

As per the policy of the RBI, Overseas Corporate Bodies cannot participate in this Issue.
The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account of benefit of, "U.S. Persons" (as defined in the Regulation S of the Securities Act), except pursuant to any exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

In terms of the Regulation 15A (1) of the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, the Foreign Institutional Investor or sub-account ("FIIs) may issue, deal in or hold, off-shore derivative instruments such as Participatory Notes, Equity Linked Notes or any other similar instruments against underlying securities being allocated to such FIIs.

Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under the relevant regulations or statutory guidelines.
As per the current regulations, the following restrictions are applicable for investments by mutual funds:

- No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds
- No mutual fund under its scheme should own more than 10% of any company's paid-up capital carrying voting rights

As per current regulations, the following restrictions are applicable for investment by FIIs:

- No single FII can hold more than 10% of the post-issue paid-up capital of the Company (i.e. 10% of **[●]** Equity Shares of Rs. 10 each). In respect of an FII investing in the Equity Shares of the Company on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of the total issued capital or 5% of the total issued capital of the Company in case such sub-account is a foreign corporate or an individual

As of now, the aggregate FII holding in our Company cannot exceed 24% of the total issued capital of the Company. With the approval of the Board of Directors and the shareholders by way of a special resolution, the aggregate FII holding can go up to 100%.

As per the current regulations, the following restrictions are applicable for SEBI registered Venture Capital Funds and Foreign Venture Capital Investors:

The SEBI (Venture Capital Funds) Regulations, 1996 and the SEBI (Foreign Venture Capital Investors) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. Accordingly, the holding by any individual venture capital fund or foreign venture capital investor registered with SEBI should not exceed 25 % of our Company's paid-up capital. The aggregate holdings of venture capital funds and foreign venture capital investors registered with SEBI could, however, go up to 100 % of our Company's paid-up equity capital.

The above information is given for the benefit of the applicants. We and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may happen after the date of the

Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

PROCEDURE FOR APPLICATION

APPLICATION BY RESIDENT INDIAN PUBLIC

1. Application must be made only:
   a. On the prescribed Application Form (WHITE in colour) and completed in full in BLOCK LETTERS in English, except signature(s) in accordance with the instructions contained herein and in the application form and is liable to be rejected if not so made.
   b. For a minimum of [●] Equity Shares and in multiples of [●] thereafter.
   c. In single name or joint names (not more than three);
   d. By Indian Nationals resident in India, and
   e. In the names of individuals, limited companies or statutory corporations/institutions and NOT in the names of Minors, Foreign Nationals, Non-Residents, trusts, (unless the Trust is registered under the Societies Registration Act, 1860 or any other applicable Trust laws and is authorised under its constitution to hold shares and debentures in a Company), Hindu Undivided Families, partnership firms or their nominees. In case of HUF's application shall be made by the Karta of the HUF.

2. An applicant in the net public category cannot make an application for that number of securities exceeding the number of securities offered to the public. Payment should be made in cash or by cheque/Bank Draft drawn on any bank (including a Co-operative Bank) which is situated at and is a Member or Sub-member of the Banker's Clearing House located at the place where the application is submitted. If the amount payable on application is Rs. 20,000 or more, such payment must be effected only by way of an account payee cheque/ or Bank Draft in terms of section 269SS of the Income-Tax Act, 1961. Otherwise the applications may be rejected and application money refunded without any interest.

3. A separate cheque or Bank draft should accompany each application form. Applicants should write the Share Application Number on the back of the Cheque /draft. Outstation Cheques will not be accepted and applications accompanied by such cheques drawn on outstation banks are liable for rejection. Money Orders/Postal Orders will not be accepted.
4. All Cheques or Bank Drafts must be payable to any of the Bankers to the Public Issue with whom the application is lodged and marked **"Name of the Bank A/c- Supreme - Public Issue"** and crossed "Account Payee Only" **(e.g. SBI - A/c Supreme - Public Issue).**
5. All application Forms duly completed together with cash/ cheque/bank draft for the amount payable on application must be delivered before the closing of the subscription list to any of the Bankers to the Public Issue named herein or to any of their branches mentioned on the reverse of Application Form, and NOT to the Company or to the Lead Managers to the Public Issue or to the Registrars to the Public Issue.
6. No receipt will be issued for the application money. However, Bankers to the Public Issue and/or their branches receiving the applications will acknowledge receipt by stamping and returning acknowledgment slip at the bottom of each application form.
7. All Cheques/Bank Drafts accompanying the application form should contain the Application Form Number on the reverse of the instrument.
9. The applicant should fill in the details of his/her bank account in the space provided in the application form failing which the application is liable to be rejected.
10. Applicants residing at places where the designated branches of the Banker to the Issue are not located may submit/mail their applications at a their sole risk alongwith Demand Draft payable at Mumbai only payable to **"Supreme - Public Issue"**

For further instructions please read Application Form carefully.

APPLICATION BY NRIs/ FIIs ON A REPATRIABLE BASIS
Application made by NRIs

1. Application should be made only
   a. In the names of individuals or in the names of FIIs but not in the names of minors, firms, partnerships, OCBs, foreign nationals or their nominees.
   b. With remittances from abroad for the amount payable on application per share through approved banking channels or out of funds held in Non-Resident External (NRE) / Foreign Currency Non

Resident (FCNR) accounts maintained with Banks authorised to deal in foreign exchange in India, along with the Certificate from the Bank issuing the Draft confirming that the Draft has been issued by debit to NRE / FCNR account.

2. Applications for the NRI category can be obtained from the Registered Office of the Company at 8, Bhawani Industrial Estate, IIT Powai, Mumbai – 400 076, or from the Lead Manager or Registrar to the Issue.
3. The allotment of Equity Shares to NRIs shall be subject to RBI approval or any other requisite authority as may be necessary under the existing Exchange Control Regulation. The sale proceeds of such investment in Equity Shares by NRIs will be allowed to be repatriated along with the income thereon, subject to instructions from RBI then in force and subject to Indian Tax Laws, provided that the investments are made by inward remittance from abroad through approved banking channels or out of funds held in NRE / FCNR accounts maintained with a Bank in India.
4. Refunds/dividends and other distributions, if any, will be payable (net of Bank charges/commission) in Indian Rupees. In case of applicants who remit their application money from funds held in NRE / FCNR accounts, such payments shall be credited to their respective NRE / FCNR accounts (details of which shall be furnished in the space provided for this purpose in the Application Form), under intimation to them. In case of applicants who remit their money through Indian Rupee Drafts from abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as maybe permitted by RBI at the exchange rate prevailing at the time of remittance and will be dispatched by registered post, or if the applicants so desire, will be credited to their NRE / FCNR accounts, details of which are to be furnished in the space provided for this purpose in the application Form. The Company will not be responsible for loss, if any, incurred by the applicant on account of conversion of Foreign Currency into Indian Rupees and vice versa.
5. All cheques / Bank Drafts accompanying the Application Form must be made payable to the "**___ Bank A/c Supreme - Public Issue- NRI"** and crossed **"Account Payee only".**
6. **NRIs wishing to pay through NR(O) Accounts shall not use the form meant for NRIs and must apply only in the form meant for Resident Indian Public.**

GENERAL INSTRUCTIONS

1. Application must be made in the prescribed Application Form and completed in Full in BLOCK LETTERS in English as per the instructions contained herein and in the Application Form and are liable to be rejected if not so made.

2. An applicant in the public category can make an application only for a maximum of Equity Shares that are offered to the public.

3. Thumb impressions and signatures other than in English/ Hindi or any other language specified in the 8^{th} Schedule to the Constitution of India, must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under his/ her official seal.

4. **Applications under Power of Attorney**:
   In Case of applications under Powers of Attorney or by Companies, Bodies Corporate, Societies registered under the applicable laws, trustees of Trusts, Provident Funds, Superannuation Funds, Gratuity Funds, a certified copy of the Power of Attorney or the relevant authority, as the Case may be, must be lodged separately at the office of the Registrars to the Issue simultaneously with the submission of the Application Form, indicating the serial number of the Application Form and the name of the Bank and the branch office where the application is submitted.

   The Company in its absolute discretion reserves the right to relax the above condition of simultaneous lodging of the Power of Attorney along with the Application Form subject to such terms and conditions as it may deem fit.

5. **PAN/ GIR Number**
   Where application(s) is/are for Rs.50,000 or more, the applicant or in the case of a application in joint names, each of the applicant, should mention his/her Permanent Account Number (PAN) allotted under the I.T.Act. The copy of the PAN card or PAN allotment letter is required to be submitted with the application form. Applications without this information and documents will be considered incomplete and are liable to be rejected. It is to be specifically noted that Applicant should not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground. In case the Sole/First Applicant and Joint Applicant(s) is/are not required to obtain PAN, each of the Applicant(s) shall mention "Not Applicable" and in the event that the sole Applicant and/or the joint Applicant(s) have applied for PAN which has not yet been allotted each of the Applicant(s) should mention "Applied for" in the Application Form. Further, where the Applicant(s) has mentioned "Applied

for" or "Not Applicable", the Sole/First Applicant and each of the Joint Applicant(s), as the case may be, would be required to submit Form 60(Form of declaration to be filed by a person of declaration to be filed by a person who does not have a permanent account number and who enters into any transaction specified in rule 114B), or, Form 61 (form of declaration to be filed by a person who has agricultural income and is not in receipt of any other income chargeable to income tax in respect of transactions specified in rule 114B), as may be applicable, duly filled along with a copy of any one of the following documents in support of the address: (a)Ration Card (b) Passport (c) Driving License (d) Identity Card issued by any institution (e) Copy of the electricity bill or telephone bill showing residential address (f) Any document or communication issued by any authority of the Central Government, State Government or local bodies showing residential address (g)Any other documentary evidence in support of address given in the declaration. It may be noted that Form 60 and Form 61 have been amended vide a notification issued on December 1, 2004 by the Ministry of Finance, Department of Revenue, Central Board of Direct Taxes. All Bidders are requested to furnish, where applicable, the revised Form 60 or 61 as the case may be.

6. **Joint Applications in the case of individuals**
Applications can be in single or joint names (not more than three). In the case of joint applications, all payments will be made out in favour of the first applicant. All communications will be addressed to the first named Applicant whose name appears in the Application Form at the address mentioned therein.

7. Applications may be made by Hindu Undivided Families (HUF) through the Karta of the HUF and will be treated at par with individual applications.

8. **Multiple Applications**
An Applicant should submit only one Application Form (and not more than one) for the total number of Equity Shares applied for. Two or more applications in single or joint names will be deemed to be multiple applications if the sole and/ or first Applicant is one and the same.

   In case of application by Mutual Funds, a separate application can be made in respect of each scheme of an Indian Mutual Fund registered with SEBI and such applications will not be treated as multiple applications provided that the application made by the Asset Management Company/ Trustees/ Custodian clearly indicate their intention as to the scheme for which the application has been made.

   The Company reserves the right to accept or reject, in its absolute discretion, any or all multiple applications. A separate single cheque/Draft must accompany each Application Form.

9. **Stockinvest**
Investors will not have the facility of applying through Stockinvest instrument, as RBI has withdrawn the Stockinvest scheme vide notification No.DBOD.NO.FSC.BC.42/24.47.001/2033-04 dated 5.11.2003.
Note:
   - Applicants are requested to write their names and the serial number of the Application Form, on the reverse of the instruments, by which the payments are being made to avoid misuse of instruments submitted along with the applications for Equity Shares.
   - Applications by NRIs on non-repatriation basis can be made using the Form meant for Public out of the funds held in Non Resident (Ordinary) Account (NRO). The relevant Bank Certificate must accompany such forms. Such Applications will be treated on par with the applications made by the public.

10. **UNIQUE IDENTIFICATION NUMBER – MAPIN**

    With effect from July 1, 2005, SEBI has decided to suspend all fresh registrations for obtaining Unique Identification Number (UIN) and the requirement to contain/ quote UIN under the SEBI (Central Database of Market Participants) Regulations, 2003 and circular issued in connection thereto by its circular bearing number MAPIN/Cir-13/2005.

For further instructions, please read the Application Form carefully.

FOR FURTHER INSTRUCTIONS REGARDING APPLICATIONS FOR THE EQUITY SHARES, INVESTORS ARE REQUESTED TO READ THE APPLICATION FORM CAREFULLY.

Submission of completed Application Forms
All applications duly completed and accompanied by cash/ cheques/ demand Drafts/ shall be submitted at any of the

branches of the Bankers to the Issue (listed in the Application Form) before the closure of the Issue. Applications should NOT be sent to the office of the Company, the Lead Managers to the Issue.

Application Forms along with Bank Drafts payable at Mumbai can also be sent by registered post with acknowledgement due to the Registrars to the Issue, Bigshare Services Pvt. Limited so that the same can be received before the closure of the subscription list. **The envelopes should be superscribed with the word "Supreme" and marked to "the Head - IPO".**

No separate receipts will be issued for the application money. However, the Bankers to the Issue or their approved collecting branches receiving the duly completed Application Form will acknowledge receipt of the application by stamping and returning to the applicant the acknowledgement slip at the bottom of each Application Form.

Applications shall be deemed to have been received by the Company only when submitted to the Bankers to the Issue at their designated branches or on receipt by the Registrars as detailed above and not otherwise.
For further instructions, please read the Application Form carefully.

ACCEPTANCE OF APPLICATIONS
The Company reserves the right to accept or reject, any application, in whole or in part, without assigning any reason thereof. If the application is rejected in full, the whole of the application money received will be refunded by Registered

Post to the applicant. If the Application Form is accepted in part, the excess application money will be refunded to the Applicant. Such refund, if any, will carry interest @ 15% p.a. after 30 days from the closure of the Issue for the period of delay beyond 30 days.

BASIS OF ALLOTMENT:
In the event of public Issue of Equity Shares being over-subscribed, the allotment will be on a proportionate basis subject to minimum allotment being equal to the minimum application size, i.e. [●] shares as explained below:

1. A minimum 50% of the net Issue to the Indian public will be made available for allotment in favour of those individual applicants who have applied for Equity Shares of or for a value of not more than Rs.100,000/-. This percentage may be increased in consultation with the Designated Stock Exchange depending on the extent of response to the Issue from investors in this category. In case allotments are made to a lesser extent than 50% because of lower subscription in the above category, the balance Equity Shares would be added to the higher category and allotment made on a proportionate basis as per relevant SEBI Guidelines. The Executive Director/ Managing Director of the Designated Stock Exchange along with the Lead Manager and the Registrars to the Issue shall be responsible to ensure that the basis of allotment is finalised in a fair and proper manner in accordance with the SEBI Guidelines.
2. The balance of the net Issue to Indian public shall be made available to investors including Corporate Bodies/ Institutions and individual Applicants who have applied for allotment of Equity Shares for a value of more than Rs.100,000/-.
3. The Unsubscribed portion of the net Issue to any of the categories specified in (1) or (2) shall be made available for allotment to Applicants in the other category, if so required.
4. Applicants will be categorized according to the number of Equity Shares applied for.
5. The total number of shares to be allotted to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of shares applied for in that category (number of applicants in the category multiplied by the number of shares applied for) multiplied by the inverse of the over subscription ratio.
6. Number of the shares to be allotted to the successful allottees shall be arrived at on a proportionate basis i.e. total number of shares applied for by each Applicant in that category multiplied by the inverse of the over subscription ratio.
7. All the Application Forms where the proportionate allotment works out to less than [●] shares per Applicant, the allotment shall be made as follows:

    i. Each successful Applicant shall be allotted a minimum of [●] shares; and
    ii. The successful Applicants out of the total Applicants for that category shall be determined by draw of lots in such a manner that the total number of shares allotted in that category is equal to the number of shares worked out as per (6) above.

8. If the proportionate allotment to an Applicant works out to a number that is more than [●] but is a fraction, then the fraction equal to or higher than 0.50 shall be rounded off to the next integer and If that fraction is lower than 0.50, the fraction shall be ignored.
9. All Applicants in such categories shall be allotted shares arrived at after such rounding off.
10. If the shares allocated on a proportionate basis to any category is more than the shares allotted to the Applicants in that category, the balance available shares for allotment shall be first adjusted against any other category, where the allocated shares are not sufficient for proportionate allotment to the successful Applicants in that category.
11. The balance shares, if any, remaining after such adjustment shall be added to the category comprising applicants applying for minimum number of shares.
12. The process of rounding off to the nearest integer subject to a minimum allotment being equal to [●], which is the minimum application size in this Issue, may result in the actual allotment being higher than the shares offered. However, it shall not exceed 10 % of the net offer to public.

Mode of making refunds

The Company shall make refunds to applicants in case of oversubscription using the following modes :-

(a) In case of applicants residing in any of the centers specified by SEBI, the refunds shall be credited to the bank accounts of applicants through electronic transfer of funds by using Electronic Clearing Service (ECS) Direct Credit, Real Time Gross Settlement (RTGS) or National Electronic Funds Transfer (NEFT), as is for the time being permitted by the Reserve Bank of India.
(b) In case of other applicants – by dispatch of refund orders by registered post, where the value is Rs.1500/- or more, or under certificate of posting in other cases, (subject however to postal rules and
(c) In case of any category of applicants specified by SEBI – crediting of refunds to the applicants in any other electronic manner permissible under the banking laws for the time being in force which is permitted by SEBI from time to time.

Option to Subscribe

Equity Shares being issued through this Prospectus can be applied for in the dematerialized form only. Applicants ***will not have*** the option of getting Allotment in physical form. The Equity Shares, on Allotment, shall be traded only in the dematerialised segment of the Stock Exchanges.

Interest in case of delay in Despatch of Allotment Letters/Refund Orders in case of Public Issues

The Company agrees that as far as possible allotment of securities offered to the public shall be made within 30 days of the closure of the public issue. The Company further agrees that it shall pay interest at rate of 15% per annum if the allotment letters/refund orders have not been dispatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner within 30 days from the date of closure of the Issue. However, applications received after the closure of issue in fiulfillment of underwriting obligations to meet the minimum subscription requirement shall not be entitled for the said interest.

EQUITY SHARE IN DEMATERIALISED FORM WITH NSDL OR CDSL

As per the provisions of Section 68B of the Companies Act, the Equity Share of the Company can be held in a dematerialised form, (i.e. not in the form of physical certificates but be fungible and be represented by the Statement issued through electronic mode).

Successful allottees in this Issue will be compulsorily allotted Equity Shares in dematerialised form. In this context, two Tripartite agreements have been signed between the Company, the Registrar to the Issue and the Depositories:

1. Copy of Tri-partite Agreement dated [●] 2005 between NSDL, the Company and Bigshare Services Private Limited.
2. Copy of Tri-partite Agreement dated [●] 2005 between CDSL, the Company and Bigshare Services Private Limited.

All investors can seek allotment only in dematerialised mode. However, an investor will have an option to hold the shares in physical form or demat form. After the allotment in the proposed Issue, allottees may request their respective DPs for rematerialization of shares if they wish to hold shares in physical form. Applications without relevant details of his or her depository account are liable to be rejected.

1. An applicant applying for shares must have at least one beneficiary account with any of the Depository Participants (DPs) of NSDL or of CDSL, registered with SEBI, prior to making the application.

2. The Applicant must necessarily fill in the details (including the Beneficiary Account no. and DP ID no.) in the Application Form.
3. Equity Shares allotted to an applicant in the electronic mode will be credited directly to the respective Beneficiary Accounts (with the DP)
4. Name(s) in the share Application Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
5. The Registrar to this Issue will directly send non-transferable Allotment Letters/ Refund Orders to the Applicant.
6. Application will be liable to be rejected if incomplete or incorrect details are given under the heading 'Request for shares in electronic form' in the Application Form.
7. The applicant is responsible for the correctness of the Applicant's demographic details given in the Application Form vis-à-vis those with his/ her DP.
8. It may be noted that Equity Shares in electronic form can be traded only on the Stock Exchanges having electronic connectivity with NSDL and CDSL. Both the Stock Exchanges where the Equity Shares of the Company are proposed to be listed are connected to NSDL and CDSL.
9. Trading in the Equity Shares of the Company would be in only dematerialised form for all investors.

Undertaking by the Company

The Company undertakes as follows:

a) that the complaints received in respect of this Issue shall be attended to expeditiously and satisfactorily;
b) that all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at all the stock exchanges where the Equity Shares are proposed to be listed within seven working days of finalisation of the basis of allotment;
c) that funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed under the heading "Modes of making refunds" on page [•] of the Draft Prospectus, shall be made available to the Registrar to the issue by the Issuer.
d) that where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 30 days of closure of the issue giving the details of the bank where refunds shall be credited along with the amount and expected date of electronic credit of refund.
e) that the refund orders or allotment advice to the NRIs or FIIs shall be dispatched within specified time; and
f) that no further issue of Equity Shares shall be made till the Equity Shares issued through the Draft Prospectus are listed or until the application monies are refunded on account of non-listing, under-subscription etc.

Utilization of Issue proceeds

The Board of Directors of the Company Certify that:

- all monies received out of the Fresh Issue shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;
- details of all monies utilized out of Fresh Issue referred above shall be disclosed under an appropriate separate head in the balance sheet of the Company indicating the purpose for which such monies have been utilised; and
- details of all unutilised monies out of the Fresh Issue, if any shall be disclosed under the appropriate separate head in the balance sheet of the Company indicating the form in which such unutilized monies have been invested.

The company shall not have recourse to the Issue proceeds until approval for trading of Equity Shares from all the stock exchanges where listing is sought is received.

Pending utilisation of net proceeds of the Fresh Issue as specified under the section "Objects of the Issue" the net proceeds will be invested by the Company in high quality interest bearing liquid instruments including but not limited to deposits with banks for the necessary duration.

Restrictions on Foreign Ownership of Indian Securities

Foreign investment in Indian securities is regulated through the industrial policy of Government of India, or the Industrial Policy and FEMA. While the Industrial Policy prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Foreign Investment Promotion Board of the Government of India ("FIPB") and the RBI. Under present regulations, the maximum permissible FII investment in our Company is restricted to 24% of our total issued capital. This can be raised to 100% by adoption of a Board resolution and special resolution by our shareholders; however, as of the date hereof, no such resolution has been recommended to Board or our shareholders for adoption.

By way of Circular No. 53 dated December 17, 2003, the RBI has permitted FIIs to subscribe to shares of an Indian company in a public Issue without prior RBI approval, so long as the price of Equity Shares to be issued is not less than the price at which Equity Shares are issued to residents.

The transfer of Equity Shares of NRIs, FIIs, Foreign Venture Capita Investors registered with SEBI and Multilateral and Bilateral Development Financial institutions shall be subject to the conditions as may be prescribed by the government of India or RBI while granting such approvals.

DESCRIPTION OF EQUITY SHARES AND TERMS OF ARTICLES OF ASSOCIATION

MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

Capitalised terms used in this section have the meaning given to such terms in the Articles of the Company.
Pursuant to Schedule II of the Companies Act, 1956 and the SEBI (DIP) Guidelines, the main provisions of the Articles of Association of the Company relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares and or their consolidation/splitting are detailed below.

No regulations contained in Table 'A' of Schedule I of the Companies Act, 1956, shall apply to this Company, but the regulations for the management of the Company and for the observance of the Members thereof and their representatives shall, subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of, or addition to, its regulation by Special Resolution, as prescribed by the said Companies Act, be such as are contained in these Articles of Association. The provisions of the Companies Act, 1956 override the Articles of the Company.

Article **Particulars**

5. **Increase in Capital**

The Company in General Meeting may from time to time by Ordinary Resolution increase the capital by the creation of new shares, the increases to be of such aggregate amount and to be divided into Shares of such respective amounts as the resolution shall prescribe, subject to the provisions of the Act, any shares of the original or increased capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the General Meeting resolving upon the creation thereof, shall direct, and if no direction be given, as the Directors shall determine, and in particular, such shares may be issued with a preferential or a qualified right to dividends, and in the distribution of the assets of the Company in conformity with Section 87 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the provisions of Section 97 of the Act.

10. **Reduction of Capital**

The Company may from time to time by Special Resolution, subject to the provisions of Section 78, 80, 100 to 104 inclusive of the Act, reduce its Share Capital and any Capital Redemption Reserve Account or Securities Premium Account in any manner for the time being authorised by law, and in particular without prejudice to the generality of the foregoing power may:

a) extinguish or reduce the liability on any of its shares in respect of share capital not paid up;

b) either with or without extinguishing or reducing liability on any of its shares, cancel any paid up share capital which is lost or is unrepresented by available assets; or

c) either with or without extinguishing or reducing liability on any of its shares, pay off any paid-up share capital which is in excess of the wants of the Company;

and may, if and so far as is necessary, alter its Memorandum, by reducing the amount of its share capital and of its shares accordingly.

11. ***Sub-division, consolidation and cancellation of shares***

A. The Company in general meeting may subject to the provisions of Section 94 of the Act by Ordinary Resolution alter the capital clause condition of its Memorandum as follows, that is to say, it may:

a) Consolidate and divide any of its Share Capital into Shares of larger amounts than its existing shares;

b) Sub-divide its shares or any of them into shares of smaller amount than originally fixed by the Memorandum, so however, that in the sub-division the proportion between the amount paid-up and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived and so that as between the holders of the shares resulting from such sub -division one or more of such shares may, subject to the provisions of the Act, be given any preference or advantage or otherwise over the others or any other such share.

c) Convert all or any of its fully paid-up shares in to stock and reconvert that stock into fully paid-up shares of any denomination.

d) Cancel shares which, on the date of such General Meeting have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of shares so cancelled;

B. The cancellation of shares in pursuance of this Article shall not be deemed to be reduction of Share Capital.

12. **Modification of rights**

A. Whenever the capital, by reason of the issue of Preference Shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to each calls may subject to the provisions of Sections 106 and 107 of the Act be modified, commuted, affected or abrogated, or dealt with by agreement between the Company and any person purporting to contract on behalf of that class, provided such agreement is ratified in writing by holders of at least three-fourths in nominal value of the issued shares of the class or is confirmed by a Special Resolution passed at separate general meeting of the holders of shares of that class. The provision of these Articles relating to General Meetings shall mutatis mutandis apply to every such separate meeting. This Article shall not derogate from any power which the Company would have if this Article were omitted.

B. Subject to and in accordance with the applicable provisions of the Companies Act, 1956 and all other applicable provisions of law (including any statutory modification or re-enactment thereof for the time being in force or as may be enacted from time to time) and subject to such other approvals/permissions or sanctions as may be required, the Company shall have power to acquire, purchase, sell, dispose off, provide finance for the purchase of any of its own fully/ partly paid shares whether or not they are redeemable and to make the payment out of Capital Reserves or otherwise in respect of such acquisition, purchase, financing.

34. **DEMATERIALISATION OF SECURITIES**

a) For the purpose of this Article :-

‘Beneficial Owner’ means a person or persons whose name is recorded as such with a depository ;

‘SEBI’ means the Securities & Exchange Board of India ;

‘Depository’ means a company formed and registered under the Companies Act, 1956 , and which has been granted a certificate of registration to act as a depository under the Securities & Exchange Board of India Act, 1992 ; and

‘Security’ means such security as may be specified by SEBI from time to time.

b) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its securities and to offer securities in a Company in a dematerialised form pursuant to the Depositories Act, 1996.

c) Every person subscribing to securities offered by the Company shall have the option to receive security certificate or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificate of Securities.

If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottees as the beneficial owner of the security.

d) All securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in Section 153, 153A, 153B, 187B and 187C of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

e) (a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner.

(b)Save as otherwise provided in (a) above , the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.

(c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.

f) Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronics mode or by delivery of floppies or discs.

g) Nothing contained in section 108 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

h) Notwithstanding anything in the Act or these Articles, where securities dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

i) Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository.

j) The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996 shall be deemed to be the Register and Index of Members and Security holders for the purposes of these Articles."

35. **Issue of Shares without Voting Rights**

Subject to provisions of Section 86(a)(ii) and the notified rules thereunder, the Directors may issue such share upon such terms and conditions and with such rights and privileges annexed thereto as thought fit and as may be permitted by law.

36. **Buy-Back of Shares and Securities**

. Notwithstanding anything contained in these articles, the Board of Directors may, if thought fit, buy back, such of the Company's own shares or securities as it may think necessary, subject to such limits under Section 77A and such other applicable provisions of the Act and the rules thereunder.

Postal Ballot

39. The Company may pass such resolution by postal ballot in the manner prescribed by Section 192A of the Act and such other applicable provisions of the Act and any future amendments or re-enactment thereof. Notwithstanding anything contained in the provisions of the Act, the Company shall in the case of a resolution relating to such business, as the Central Government may, by notification, declare to be conducted only by postal ballot, get such resolution passed by means of postal ballot instead of transacting such business in a general meeting of the Company.

LIEN

55. **Company to have lien on shares**

The Company shall have a first and paramount lien upon all the shares (other than fully paid up shares) registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof, for all moneys (Whether presently payable or not) called or payable at a fixed time in respect of such shares, and no equitable interest in any shares shall be created except upon the footing and upon the condition that Article 30 hereof is to have full effect. In the case of partly paid shares the Issuer's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares. Any such lien shall extend to all dividends from time to time declared in respect of such shares. Unless otherwise agreed the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares. Provided that the Board Directors may at any time declare any shares wholly or in part to be exempt from the provisions of this clause.

56. **Outsider's claim not to affect Company's lien**

The Company shall be entitled to treat the registered holder of any share or debenture as the absolute owner thereof and accordingly shall not(except as order by a Court of Competent Jurisdiction or by statute required) be bound to recognize equitable or other claim to, or interest in, such shares or debentures on the part of any other person. The Company's lien shall prevail notwithstanding that it has received notice of any such claims.

57. **As to enforcing lien by sale.**
For the purpose of enforcing such lien the Board may sell the shares subject hereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and may authorize one of their members to execute a transfer thereof on behalf of and in the name of such Member. No sale shall be made until such period as aforesaid shall have arrived, and until notice in writing of the intention to sell shall have been served on such Member or his representatives and default shall have been made by him or them in payment, fulfillment, or discharge of such debts, liabilities or engagements for fourteen days after such notice.

58 **Transfer of share sold under lien**

a) To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchase thereof.

b) The purchaser shall be registered as the holder of the shares comprised in any such transfer.

c) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the same

59. **Application of proceeds of sales**
The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a like for sums not presently payable as existed upon the shares before the sale) be paid to person entitled to the shares at the date of the sale.

FORFEITURE AND SURRENDER OF SHARE

60. **If money payable on shares not paid notice to be given to member**
If any Member fails to pay the whole or any part of any call or installments or any money due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Directors may at any time thereafter, during such time as the call or installment or any part thereof or the other moneys remain unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, send a notice on such Member or on the person (if any) entitled to the share by transmission, requiring him to pay such call or installment or such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

61. **Form of Notice**
The notice shall name a day (not being less that fourteen days from the date of the notice) and a place or places on and at which such calls or installments and such interest thereon at such rate not exceeding 18 percent per annum as the Directors shall determine from the day on which such call or installment ought to have been paid and expenses as aforesaid are to the paid. The notice shall also state that, in the event of the non-payment at or before the time and at the place appointed, the shares in respect of which the calls was made or installment is payable, will be liable to be forfeited.

62. **Default in payment, shares to be forfeited**
If the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which, such notice has been given, may at any time thereafter before payment of all calls or installments, Interest and expenses due in respect thereof be forfeited by a ordinary resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited shares and not actually paid before the date of forfeiture which shall be the date on which the ordinary resolution of the Directors is passed forfeiting the shares.

63. **Notice of Forfeiture to Member**
When any share shall have been so forfeited notice of the forfeiture shall be given to the Member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner

invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.

64. **Forfeited share to be property of the company and may be sold etc.**
Any share so forfeited shall be deemed to be the property of the Company, and may be sold, re-allotted, or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board shall think fit and at any time before a sale or disposal as aforesaid the board may cancel the forfeiture on such terms as it thinks fit.

65. **Surrender of forfeited shares**
Upon forfeiture of shares, the member shall forthwith surrender the shares to the Company.

66. **Liability on forfeiture**
Any member whose shares have been forfeited shall cease to be a member in respect of those shares but shall notwithstanding the forfeiture be liable to pay and shall forthwith pay to the Company, on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment, at such rate not exceeding eighteen percent per annum or as the Board may determine and the Board may enforce the payment thereof, if it thinks fit.

67. **Effect of forfeiture**
The forfeiture of a share shall involve extinction, at the time of the forfeiture, of all interest in and all claims and demand against the Company, in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.

68. **Evidence of forfeiture**
A declaration in writing that the declarant is a Director or Secretary of the Company and that a share in the Company has been duly forfeited in accordance with these Articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares.

69. **Validity of Sale under these Articles**
Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers therein before given, the Board may appoint some person to execute an instrument of transfer of the shares sold and cause the Purchaser's name to be entered in the Register in respect of the shares sold, and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money, and after his name has been entered in the Register in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

70. **Cancellation of share certificate in respect of forfeited shares**
Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a duplicate certificate or certificates in respect of the said shares to the person or persons entitled thereto distinguishing it on them in such manner as they think fit from the certificates not so delivered.

71. **Power to annul forfeiture**
The Board may at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.

72. **Surrender of shares**
The Directors may subject to the provisions of the Act, accept a surrender of any share or by any member desirous of surrendering on such terms as the Directors may think fit.

73. **Provisions to apply to debentures also**
The provisions of the Articles under this chapter to the extent applicable, shall mutatis mutandis apply to debentures of the Company.

TRANSFER AND TRANSMISSION OF SHARES

74. **Register of Transfer**
The Company shall keep a book to be called "Register of Transfer", and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any share held in material form.

75. **Instrument of Transfer**
Shares in the Company may be transferred by instrument in writing in such form and by such procedure as may from time to time be prescribed by law. Subject thereto the directors may prescribe a common form of for instruments of transfer which may from time to time be altered by the Directors.

76. **Transfer by Joint Holders**
In the case of transfer of shares/debentures held by joint holders, the transfer will be effective only if it is made by all the joint holders.

77. **Transfer form to be completed and Presented to the Company**
The Instrument of Transfer duly stamped and executed by the transferor and the transferee shall be delivered to the Company in accordance with the provisions of the Act. The instrument of transfer shall be accompanied by such evidence as the Board may require to prove the title of transferor and his right to transfer the shares and every registered Instrument of Transfer shall remain in the custody of the Company until destroyed by order of the Board, The Transferor shall be deemed to be the holder of such shares until the name of the Transferee shall have been entered in the Register of Members in respect thereof. Before the registration of the transfer, the certificate or certificates of the shares must be delivered to the Company.

78. **Transfer Books and Register of Members when closed**
The Board shall have power on giving not less than seven days previous notice by advertisement in some newspaper circulation in the district in which the Office of the Company is situated to close the Transfer Books, the Register of Members or Register of Debenture holders at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in a year.

79. **Directors may refuse to register Transfers**

a) Subject to the provisions of Section 111 of the Act and Section 22 A of the Securities Contracts (Regulation) Act, 1956, the Board may, at its own absolute and uncontrolled discretion and by giving reasons decline to register or acknowledge any transfer of shares, debentures, debenture warrants, whether fully paid or not (notwithstanding that the proposed transferee be already a Member) but in such cases it shall within two months from the date on which the instrument of transfer was lodged with the Company send to the transferee and the transferor notice of the refusal to register such transfer. The Board shall not refuse the registration of transfer on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever.

b) Without prejudice to the generality of provisions of Articles 79 (a), the Board may refuse to register transfer of shares, debentures or debenture warrants, listed on any of the registered Stock Exchanges, in the name of the transferee on any one or more of the following grounds, namely:-

i) That the instrument of transfer is not proper or has not been duly stamped and executed or that the certificate relating to the share/s, debenture/s, debenture warrant/s, has not been delivered to the company, or that any other requirement under the law relating to registration of such transfer has not been complied with;

ii) That the transfer of shares, debentures or debenture warrants is in contravention of any law;

iii) That the transfer of shares, debentures or debenture warrants is likely to result in such a change in the composition of the Board of Directors as would be prejudicial to the interest of the company or to Articles 172;

iv) That the transfer of shares, debentures or debenture warrants is prohibited by any order of any Court, Tribunal or other Authority under any law for the time being in force;

c i) The Board shall before the expiry of two months from the date on which the instrument of transfer is lodged with the company for the purposes of such transfer, form its opinion as to whether such registration ought not to be refused on any of the grounds mentioned in Articles 79 (b);

ii) If the Board has formed the opinion that such registration ought to be refused on the grounds, mentioned in Clause (i) of Article 79 (b), it shall intimate the transferor and transferee by notice;

iii) If the Board forms an opinion that such registration ought to be refused on any of the grounds mentioned in Clause (i) of Article 79 (b), it shall intimate the transferor and transferee by notice.

iv) If the Board forms an opinion that such registration ought to be refused on any of the grounds mentioned in Clause (ii) to (iv) of Article 79 (b), it shall make a reference to the Tribunal, if required, under the Law.

d) The Board shall not issue debenture/bonds with the right to allotment or conversion into shares without sanction of the company in the general meeting.

80. **Transfer of shares**

i) An application of registration of the transfer of shares may be made either by the transferor or the transferee provided that where such application is made by the transferor, no registration shall in the case of partly paid shares be effected unless the company gives notice of the application to the transferee and subject to the provisions of Clause (d) of this Article, the company shall unless objection is made by the of Members the name of the transferee in the same manner and subject to same conditions as if the application for registration was made by the transferee.

ii) For the purpose of Clause (i) above notice to the transferee shall be deemed to have been duly given if sent by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered to him in the ordinary course of post.

iii) It shall be not be lawful for the company to register a transfer of any shares unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation if any, of the transferee has been delivered to the company along with the Certificate relating to the Shares and if no such Certificate is in existence, along with the letter of allotment of shares. The Directors may also call for such other evidence as may reasonably be required to show the right of the transferor to make the transfer, provided that where it is proved to the satisfaction of the Directors of the Company that an instrument of transfer signed by the transferor and the transferee has been lost, the company may, if the Directors think fit, on an application in writing made by the transferee and bearing the stamp required by an instrument of transfer register the transfer on such terms as to indemnity as the Directors may think fit.

iv) Nothing in Clause 80 (iii) above shall prejudice any power of the company to register as shareholder any person to whom the right to any share has been transmitted by operation of law.

v) Nothing in this Article shall prejudice any power of the company to refuse to register the transfer of any share.

81. **Custody of instrument of transfer**

The instrument of transfer shall after registration be retained by the company and shall remain in their custody. All instruments of transfer which the Directors may decline to register, shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all transfer deeds lying with the company after such period as they may determine.

82. **Notice of application when to be given**

Where, in the case of partly paid shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provision of Section 110 of the Act.

83. **Death of one or more Joint holders of shares**

Subject to Article 30 hereof in the case of the death of any one or more of the persons named in the Register of Members as the joint-holders of any shares, the survivor or survivors shall be the only persons recognised by the Company as having any title to or interest in such shares, but nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liabilities on shares held by him jointly with any other person.

84. **Title to Shares of Deceased Member**

The executors or administrators or holders of a Succession Certificate or the legal representatives of a deceased Member (not being one or two or more joint-holders) shall be the only persons recognised by the Company as having any title to the shares registered in the name of such Member and the Company shall not be bound to recognise such executors or administrators or holders of a Succession Certificate or the legal representatives unless such executors or administrators or legal representatives shall have first obtained Probate or Letters of Administration or Succession Certificate, as the case may be, from a duly constituted Court in the Union of India, provided that in any case where the Board in its absolute discretion thinks fit, the Board may dispense with production of Probate or Letters of Administration or Succession Certificate, upon such terms as to indemnify or otherwise as the Board in its absolute discretion may think necessary and under Article 83 register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased Member, as a Member.

85. **Nomination**

i) Every holder of shares in, or holder of debentures of, a company may, at any time, nominate, in the prescribed manner, a person to whom his shares in, or debentures of, the company shall vest in the event of his death.

ii) Where the shares in, or debentures of, a company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the shares or debentures of the company shall vest in the event of death of all the joint holders.

iii) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of such shares in, or debentures of the company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares in or debentures of the company, the nominee shall, on the death of the shareholder or holder of debentures of the company or, as the case may be, on the death of the joint holders become entitled to all the rights in the shares or debentures of the company or, as the case may be, all the joint holders, in relation to such shares in, or debentures of the company to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner.

iv) Where the nominee is a minor, it shall be lawful for the holder of the shares, or holder of debentures, to make the nomination to appoint in the prescribed manner any person to become entitled to shares in or debentures of the company, in the event of his death, during the minority.

v) Any person who becomes a nominee by virtue of the provisions of Section 109A of the Act, upon the production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either-

(a) to be registered himself as holder of the share or debenture, as the case may be; or
(b) to make such transfer of the share or debenture, as the case may be, as the deceased shareholder or debenture holder, as the case may be, could have made.

vi) If the person being a nominee, so becoming entitled, elects to be registered as holder of the share or debenture, himself as the case may be, he shall deliver or send to the company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased shareholder or debenture holder, as the case may be.

vii) All the limitations, restrictions and provisions of this Act relating to the right to transfer and the registration of transfers of shares or debentures shall be applicable to any such notice or transfer as aforesaid as if the death of the member had not occurred and the notice or transfer were a transfer signed by that shareholder or debenture holder, as the case may be.

viii) A person, being a nominee, becoming entitled to a share or debenture by reason of the death of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share or debenture except that he shall not, before being registered a member in respect of his share or debenture, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share or debenture, until the requirements of the notice have been complied with.

86. **No Transfer to Minor etc.**

Only fully paid-up shares or debentures shall be transferred to a minor acting through his/her legal or natural guardian under no circumstances shares or debentures be transferred to any insolvent or a person of unsound mind.

87. **Registration of Persons entitled to shares otherwise than by transfer, "The Transmission Article.**

a) Subject to the provisions of the Act and Articles 79 to 85 any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any Member, or by any lawful means other than by a transfer in accordance with these Articles may, with the consent of the Board (which is shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which be proposes to act under this Article or of such title as the Board thinks sufficient either be registered himself as the holder of the shares or elect to have some person nominated by him and approved by the Board registered as such holder, provided nevertheless, that if such person shall elect to have his nominee registered he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained, and until he does so, he shall not be freed from any liability in respect of the share. This Article is hereafter called "The Transmission Article".

b) A transfer of the share or other interest in the Company of a deceased member thereof made by his legal representative shall, although the legal representative is not himself a member be as valid as if he has been a member at the time of the execution of the instrument of transfer.

88. **Refusal to register on transmission**

The Board shall have the same right to refusal register a person entitled by transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration.

89. **Person entitled may receive dividend without being registered as member**

A person entitled to a share by transmission shall, subject to the right of the Directors, retain such dividends or money as hereinafter provided, be entitled to receive and may give discharge for any dividends or other moneys payable in respect of the shares.

90. **Claimant to be entitled to same advantage**

The person becoming entitled to a share by reason of the death, lunacy, bankruptcy or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled as if he were registered holder of the shares except that he shall not before being registered as a member in respect of the share, be entitled in respect of it, to exercise any right conferred by membership in relation to the meeting of the company provided that the Board may at any time give notice requiring any such persons to elect either to be registered himself or to transfer the shares and if the notice is not complied within sixty days, the Board may thereafter withhold payment of all dividends, interests, bonus or other moneys payable in respect of the shares until the requirements of the notice have been complied with.

91. **Fee on registration of transfer probate etc.**

a) No fee shall be charged for:

i) Registration of transfer of the Company's shares, debentures and Detachable warrants;

ii) Sub-division and consolidation of share certificates, debenture certificates and detachable warrants and for sub-division of letters of allotment and split, consideration, renewal and pucca transfer receipts into denomination corresponding to the market units of trading;

iii) sub-division of renounceable letters of right;

iv) issue of new certificates in replacement of those which are old, decrepit or worn out or where the pages on the reverse for recording transfer have been fully utilized;

v) registration of any power of attorney, probate, letters of administration or similar other documents.

b) Fees as agreed upon with the Stock Exchanges will be charged for :

i) issue of new certificate in replacement of those that are torn, defaced, lost or destroyed;

ii) sub-division and consolidation of shares and debenture certificates and for sub-division of letters of allotment and split, consolidation renewal and pucca transfer receipts into denominations other than those fixed for the market unit of trading.

92. **Fee on transfer or transmission**

The company may charge such fees (as may be decided by the Directors from time to time and for any period of time) in respect of transfer or transmission of the shares, subject to the stipulations, rules, regulations of stock exchange or the statute concerned in this regard.

93. **Company not liable for disregard of a notice, prohibiting registration of a transfer**

The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer and may have entered such notice or referred thereto, in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, thought it may have been entered or referred to in some book of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

94. **Directors may require evidence of transmission**

Every transmission of a share shall be verified in such manner as the Directors may require, and the company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the company with regard to such registration which the Directors at their discretion

95. **Transfer of shares in Dematerialised form**

In the case of transfer or transmission of shares or other marketable securities where the company has not issued any certificates and where such shares or securities are being held in an electronic and fungible form in a Depository, the provisions of the Depositories Act,1996 shall apply.

96. **Transfer or transmission of debentures and/or detachable warrants**

The provisions of these Articles shall mutatis mutandis apply to the transfer or transmission by operation of law of debentures and / or detachable warrants of the Company.

DIVIDENDS

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Division of profits

Subject to the provision of Section 205 of the act and the rules made there under, the profits of the Company, subject to any special rights relating thereto created or authorized to be created by these Articles and subject to the provision of these Articles, shall be divisible among Members in proportion to the amount of capital paid-up or credited as paid-up on the shares held by them respectively.

211 **The Company in General Meeting may declare a dividend**

The Company in General Meeting may declare dividends to be paid to Members according to their respective rights but no dividends shall exceed the amount recommended by the Board, but the Company in General Meeting may declare a smaller dividend.

212. **Dividends only to be paid out of profit**

No dividend shall be declared or paid except in accordance with Section 205 and Section 205 A of the Act and no dividend shall carry interest as against the Company. The declaration of the Board as the amount of profits of the Company shall be conclusive. Where a dividend has been declared, either the dividend shall be paid or the warrant in respect thereof shall be posted to the shareholder entitled to the payment of the dividend within time prescribed under Section 207 of the Act.

213. **Dividend payable to Registered holders**

No dividend shall be paid by the Company in respect of any share except to the registered holder of such share or to his order or to his banker.

214. **Interim Dividend**

Subject to the provision of the Act, the Board may, from time to time pay to the Members such interim dividend as in their judgment the position of the Company justifies.

215 **Capital paid-up in advance at interest, not to earn dividend**

Where Capital is paid in advance of calls, such capital may carry interest but shall not in respect thereof confer a right to dividend or participate in profits.

216 **Dividends in proportion to amount paid up**

All dividends can be apportioned and paid proportionately to amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividends as from a particular date, such share rank for dividend accordingly.

217 **Right to dividend rights / Bonus shares to be held in abeyance pending registration of transfer**

Subject to the provisions of the Act, where any instrument of transfer of shares has been delivered to the Company for registration and the transfer of such shares has not been registered by the company, notwithstanding anything contained in any other provisions of the Act, the company shall: (a) transfer the dividend in relation to such shares to the special account referred to an Section 205-A unless the Company is authorized by the registered holder of such shares in writing to pay such dividend to the transferee specified in such instruments of transfer, and (b) keep in abeyance in relation to such shares any offer of rights shares under section 81 (1) (a) and any issue of fully paid bonus shares in pursuance of section 205 (3) of the Act.

218 **Transfer of shares must be registered**

A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

219 **Dividend etc. to joint holders**

Any one of several persons who are registered as the joint-holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends or bonus or other moneys payable in respect of such shares.

220 **No member to receive dividend whilst indebted to the Company and Company's right of reimbursement there out**

No member shall be entitled to receive payment of any interest or dividend in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares or otherwise on any other account whatsoever, either alone or jointly with any other person or persons, and the Board may deduct from the interest or dividend payable to any Member all sums of money so due from him to the Company.

221. **Dividend how Remitted**

Unless otherwise directed any dividend may be paid by cheques or warrant or by a pay slip or receipt having the force of a cheque or warrant or through an electronic clearing system (ECS), sent through the post of the registered address of the Member or person entitled or in case of joint-holders to that one of them first named in the Register in respect of the joint-holding. Every such cheques or warrant or pay-slip shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transmission, or for any dividend lost to the Member or person entitled thereto by the forged endorsement of any cheque or warrant or the forged signature of any pay slip or receipt or the fraudulent recovery of the dividend by any other means. When a dividend cheque, warrant, pay slip or receipt is so posted the Company shall be deemed to have paid the dividend to the person entitled to it.

222.

Unclaimed dividend

The Company shall not forfeit any unpaid or unclaimed dividend and such dividends shall be dealt with according to the provisions of Section 205A, 205B and, 205C of the Companies Act, 1956.

223. **Dividend and call together**

Any General Meeting declaring a dividend, may, on the recommendation of the dividend, make a call on the Member of such amount as the meeting fixes, but so that the call on each Member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend; and the dividend may, if so arranged between the Company and the Member be set off against the calls.

224. ***Penalty for failure to distribute dividends***

The Company shall pay interest at such rate stipulated under Section 207 for failure to distribute dividend within 30 days.

225. **Unpaid dividend**

Where a dividend has been declared by a Company but has not been paid, or the warrant in respect thereof has not been posted, within 30 days from the date of the declaration to any shareholder entitled to the payment of the dividend, the Company shall, within 7 days from the date of expiry of the said period of 30 days transfer the total amount of dividend which remains unpaid or in relation to which no dividend warrant has been posted within the said period of 30 days, to special account to be opened by the Company in that behalf in any scheduled Bank to be called "Unpaid dividend account of SUPREME INFRASTRUCTURE INDIA LIMITED.

226. **Dividend to be payable in cash**

Save as stated in Article 255, no dividend shall be payable except in cash. Provided that nothing in this Article shall be deemed to prohibit the capitalization of profits or reserves of the Company for the purpose of issuing fully paid up bonus shares or paying up any amount for the time being unpaid on any shares held by the members of the Company.

227. **Special provisions in respect of dividend**

Subject to the provisions of Section 205 of the Act and if and in so far as may not be prohibited by that Section or any of the Provisions of the Act, any General Meeting sanctioning or declaring a dividend in terms of these Articles may direct payment of such dividend, wholly or in part, by the distribution of partly or fully paid up, shares and the Directors shall give effect to such direction and where any difficulty arises in regard to the distribution, they may settle the same as they think expedient, and in particular may issue fractional certificates or that fractions of less value than Rupee one may be disregarded, in order to adjust the right of the parties and may vest any such shares, in trustees upon such trusts for the person entitled to the dividend as may seem expedient to the Directors. When required the Directors shall comply with Section 75 of the Act and the Directors may appoint any person to sign any contract thereby requires on behalf of the persons entitled to the dividend and such appointment shall be effective.

228. **Capitalisation of profits and reserves**

a) The Company in General meeting may, upon recommendation of the Board resolve that it is desirable to capitalize any undivided profits of the Company not required for paying the fixed dividends on any Preference shares (including profits carried and standing to the credit of any reserve or reserves or other special account and profit arising from the realization of any capital assets or the issue of shares at a premium) and accordingly that the Directors be authorised to the member who would have been entitled to receive the same had such sums been distributed by way of dividends in accordance with their rights, and to apply such profits on their behalf on the footing that they become entitled thereto as capital either in or towards paying up the amount, if any, for the time being unpaid on any shares by such members respectively, or in paying up in full un-issued shares, debentures or securities of the Company of a nominal amount equal to such profits, such shares, debentures or securities to be allotted and distributed, credited, as fully paid-up, to and amongst such members in the proportion aforesaid, or partly in one way and partly in other. Whenever such resolution as aforesaid shall have been passed, the Directors shall make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all the allotments and issues of fully paid shares, debentures or securities, if any, and generally shall do all acts and things required to give effect thereto with full power to the Directors to make such provisions by the issue of fractional certificates or by payment in cash or otherwise as they think fit for the case of shares, debentures or securities becoming distributable in fraction and also to authorise any person to enter on behalf of all the members in to an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares to which they may be entitled upon such capitalisation, or (as they case may require) for the payment by the Company on their behalf by the application thereto of their respective proportions of the profits resolved to be capitalized of the amounts or any parts of the amounts remaining unpaid on their existing shares, and any agreement made under such authority shall be effective and binding on all such members.

b) If the Company shall have redeemed any redeemable preference shares, all or any part of any capital redemption fund arising from the redemption of such shares may by resolution of the Company be applied in paying up in full or in part any new shares or any shares then remaining un-issued to be issued such members of the Company or other persons as the Directors may resolve up to an amount equal to the nominal amount of the shares so issued.

LIST OF MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by the Company or contracts entered into more than two years before the date of this Prospectus) which are or may be deemed material have been entered or to be entered into by the Company. These contracts, copies of which have been attached to the copy of the Draft Prospectus have been delivered to the Registrar of Companies, Maharashtra, Mumbai for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered office of Supreme Infrastructure India Limited at between 11:00 am. to 5:00 p.m on working days from the date of this Prospectus until the date of closure of the Issue.

MATERIAL CONTRACTS

1. Memorandum of Understanding dated 25th January, 2006 entered into by the Issuer Company with Karvy to act as the Lead Managers to the Issue
2. Memorandum of Understanding dated 19th December, 2005 entered into with Bigshare Services Pvt. Limited, to act as the Registrar to the Issue

DOCUMENTS FOR INSPECTION

1. Memorandum and Articles of Association of the Company as amended from time to time
2. Certificate of incorporation of the Company dated 8th April 1983.
3. Fresh Certificate of Incorporation consequent to change of name dated 10th April 2002 and 30th day of August 2005 respectively.
4. Certificate of Registration of Special Resolution passed for Alteration of Objects dated 15th March 2002 and 30th August 2005 respectively.
5. Copies of the Agreement dated 10th June, 2005 between the Company and Chairman, Managing Director and Executive Director respectively.
6. Copy of the resolution passed at the meeting of the Board of Directors held on 15th November 2005 and a Special Resolution passed at the Extra Ordinary General Meeting of the Company held on 6th December 2005 pursuant to Section 81(1A) of the Companies Act
7. Consents of the Directors, Company Secretary, Lead Manager to the Issue, Legal Advisors, Bankers to the Company, Bankers to the Issue, Compliance Officer and Registrars to the Issue, to include their names in the Draft Prospectus to act in their respective capacities
8. The report of the statutory auditors, M/s. Shah & Kathariya, Chartered Accountant dated 11th January, 2006 mentioned in the Draft Prospectus and copies of balance sheet and profit and loss account of the Company referred to therein
9. Resolution of the Meeting of the Board of Directors held on 15th November 2005 for the formation of the Company's Audit Committee and Remuneration Committee and Investor Grievance Committee.
10. Due Diligence Certificate dated on 25th January, 2006, from Lead Manager Karvy Investor Services Limited
11. Copies of the Initial Listing Application made to BSE and NSE dated [•]
12. Tripartite agreement dated [•] between the Company, Bigshare Services Pvt. Ltd and NSDL, for offering depository services.
13. Tripartite agreement dated [•], between the Company, Bigshare Services Pvt. Ltd and CDSL, for offering depository services.
14. SEBI Observation letters dated [•] and Company's reply dated [•]
15. In-principle listing approval dated [•] from BSE
16. In-principle listing approval dated [•] from NSE

Any of the contracts or documents mentioned in the Draft Prospectus may be amended or modified at any time, if so required, in the interest of the Company or if required by the other parties, without reference to the shareholders, subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

All the relevant provisions of the Companies Act, 1956, and the guidelines issued by the Government of India or the guidelines issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act 1992, as the case may be, have been complied with and no statement made in the Draft Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or the rules made thereunder or guidelines issued, as the case may be. All the said legal requirements connected with this said issue as also the guidelines, instructions etc.issued by SEBI, the Government and any other competent authority in this behalf have been duly complied with.

We, the directors of Supreme Infrastructure India Limited, hereby declare and confirm that no information / material likely to have a bearing on the decision of the investors in respect of the Equity Shares issued in terms of the Draft Prospectus has been suppressed / withheld and / or incorporated in the manner that would amount to misstatement / misrepresentation. The Company further certifies that all the statements in the Draft Prospectus are true and correct.

SIGNED BY ALL THE DIRECTORS OF SUPREME INFRASTRUCTURE INDIA LIMITED

Mr. Bhawanishankar Sharma Executive Chairman	**Mr Vikram Sharma** Managing Director
Mr. Vikas Sharma Whole time Director	**Mr. Hari Das Sharma** Director
. Mr.Mukul M Agarwal Director	**Mr. Bishambhar Dayal Gupta** Director

Place: Mumbai
Date ___________