

AUDITED
BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED
31 MARCH 2022

Supreme Suyog Funnicular Ropeways Private Limited

Supreme Suyog Funnicular Ropeways Private Limited
Balance Sheet as at 31 March 2022

	Note No.	As at 31 March 2022 Rs. in lakhs	As at 31 March 2021 Rs. in lakhs
ASSETS			
Non-current assets			
Intangible assets under development	3	15,388.99	14,525.10
Financial assets			
Other financial assets	4	27.84	31.39
Other non-current assets	5	6.19	6.19
Total non-current assets		15,423.02	14,562.68
Current assets			
Financial assets			
Cash and cash equivalents	6	0.00	0.11
Other financial assets	4	3.55	3.55
Other current assets	5	0.05	0.05
Total current assets		3.60	3.71
TOTAL ASSETS		15,426.62	14,566.39
EQUITY AND LIABILITIES			
Equity			
Equity share capital	7	10.00	10.00
Subordinated debt	7	3,900.00	3,900.00
Other equity		(53.54)	(41.96)
Total equity		3,856.46	3,868.04
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	8	-	-
Total non-current liabilities		-	-
Current liabilities			
Financial liabilities			
Trade Payable	9	-	-
- to micro enterprises and small enterprises		-	-
- to others		169.91	168.83
Borrowings	8	6,568.64	6,568.64
Other financial liabilities	10	4,743.52	3,879.75
Other current liabilities	11	88.09	81.14
Total current liabilities		11,570.16	10,698.35
TOTAL EQUITY AND LIABILITIES		15,426.62	14,566.39

Notes 1 to 27 form an integral part of the financial statements

This is the Balance Sheet referred to in our audit report of even date

For CA Sandesh Deorukhkar
Chartered Accountants

For and on behalf of the Board of Directors

CA Sandesh Deorukhkar
Proprietor
Membership No.: 044397

Vikram Sharma
Director
DIN: 01249904

Shyam Khandelwal
Director
DIN No.: 08912505

Place: Mumbai
Date:

Place: Mumbai
Date:

Supreme Suyog Funnicular Ropeways Private Limited
Statement of Profit and Loss for the year ended 31 March 2022

	Note No.	Year ended 31 March 2022 Rs. in lakhs	Year ended 31 March 2021 Rs. in lakhs
Income			
Contract Revenue	12	-	-
Total income		<u>-</u>	<u>-</u>
Expenses			
Cost of Construction	13	-	-
Employee Benefit Expenses	14	-	-
Finance costs	15	10.40	10.39
Other expenses	16	1.18	4.77
Total expenses		<u>11.58</u>	<u>15.16</u>
Profit/(loss) before tax		<u>(11.58)</u>	<u>(15.16)</u>
Tax expense			
Current income tax			
Deferred income tax / (credit)			-
Profit/(loss) for the year (A)		<u>(11.58)</u>	<u>(15.16)</u>
Other comprehensive income			
Items not to be reclassified subsequently to profit or loss			
Items to be reclassified subsequently to profit or loss			
Other comprehensive income for the year, net of tax (B)		<u>-</u>	<u>-</u>
Total comprehensive income for the year, net of tax (A+B)		<u>(11.58)</u>	<u>(15.16)</u>
Earnings/(loss) per equity share of nominal value Rs. 10 each Basic and diluted (in Rs.)	17	(11.58)	(15.16)

Notes 1 to 27 form an integral part of the financial statements

This is the Statement of Profit and Loss referred to in our audit report of even date

For CA Sandesh Deorukhkar
Chartered Accountants

For and on behalf of the Board of Directors

CA Sandesh Deorukhkar
Proprietor
Membership No.: 044397

Vikram Sharma
Director
DIN: 01249904

Shyam Khandelwal
Director
DIN No.: 08912505

Place: Mumbai
Date:

Place: Mumbai
Date:

Supreme Suyog Funnicular Ropeways Private Limited
Cash Flow Statement for the year ended 31 March 2022

	Year ended 31 March 2022 Rs. in lakhs	Year ended 31 March 2021 Rs. in lakhs
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit/(loss) before tax	(11.58)	(15.16)
Adjustments for:		
Provision		
Finance costs	863.07	1,077.00
	<u>863.07</u>	<u>1,077.00</u>
Operating profit/(loss) before working capital changes	851.48	1061.85
Change in Operating assets and liabilities		
Increase /(decrease) in other financial asset- Non Current	3.55	3.55
Increase / (decrease) in other financial asset- Current		
Increase /(decrease) in other current assets	-	1.76
Increase / (decrease) in trade and other payables	8.04	6.20
	<u>11.58</u>	<u>11.50</u>
Cash generated from/(used in) operations	863.07	1073.35
Direct taxes paid	-	-
Net cash generated from/(used in) operating activities	863.07	1073.35
B. CASH FLOW FROM INVESTING ACTIVITIES		
Addition to intangible assets under development (including movement of capital advance and payable for capital expenditure)	(863.18)	(1,073.57)
Net cash used in investing activities	(863.18)	(1,073.57)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Subordinated debt	-	-
Proceeds from long term borrowings	-	-
Proceeds from short term borrowings	-	-
Interest and other finance charges paid	0	0.00
Net cash generated from financing activities	0	-
Net decrease in cash and cash equivalents (A+B+C)	(0.11)	(0.22)
Cash and cash equivalents at the beginning of the year	0.11	0.34
Cash and cash equivalents at the end of the year (Refer note 6)	<u>0.00</u>	<u>0.11</u>
	<u>(0.11)</u>	<u>(0.22)</u>

Notes 1 to 22 form an integral part of the financial statements

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

For CA Sandesh Deorukhkar
Chartered Accountants

For and on behalf of the Board of Directors

CA Sandesh Deorukhkar
Proprietor
Membership No.: 044397

Vikram Sharma
Director
DIN: 01249904

Shyam Khandelwal
Director
DIN No.: 08912505

Place: Mumbai
Date:

Place: Mumbai
Date:

Supreme Suyog Funnicular Ropeways Private Limited
Statement of Change in Equity for the year ended 31 March 2022

a) Equity share capital

Particulars	Number	Rs. in lakhs
Equity shares of Rs. 10 each issued, subscribed and paid		
As at 1 April 2018	1,00,000	10.00
Issue of equity shares	-	-
As at 31 March 2019	1,00,000	10.00
Issue of equity shares	-	-
As at 31 March 2020	1,00,000	10.00
Issue of equity shares	-	-
As at 31 March 2021	1,00,000	10.00
Issue of equity shares	-	-
As at 31 March 2022	1,00,000	10.00

b) Other equity

Particulars	Capital Contribution from ultimate holding company	Reserves and surplus	Rs. in lakhs Total other equity
		Retained earnings	
As at 1 April 2015	42.81	(31.87)	10.94
Profit for the year	-	(8.13)	(8.13)
As at 1 April 2016	42.81	(39.99)	2.82
Issued during the year			-
Profit for the year	-	(5.47)	(5.47)
As at 31 March 2017	42.81	(45.46)	(2.65)
Profit for the year		(6.03)	(6.03)
As at 31 March 2018	42.81	(51.50)	(8.68)
Profit for the year	-	(10.20)	(10.20)
As at 31 March 2019	42.81	(61.69)	(18.88)
Profit for the year	-	(7.92)	(7.92)
As at 31 March 2020	42.81	(69.61)	(26.80)
Profit for the year	-	(15.16)	(15.16)
As at 31 March 2021	42.81	(84.77)	(41.96)
Profit for the year	-	(11.58)	(11.58)
As at 31 March 2022	42.81	(96.36)	(53.54)

^Subordinated debt

- i) Subordinated debt is the part of Sponsors Equity from the promoters of the Company for the project which is unsecured and interest free as per Common Loan Agreement with the lenders;
ii) Repayment/redemption/interest servicing will be at the discretion of the borrower.

Notes 1 to 27 form an integral part of the financial statements

This is the Statement of Changes in Equity referred to in our audit report of even date

For CA Sandesh Deorukhkar
Chartered Accountants

For and on behalf of the Board of Directors

CA Sandesh Deorukhkar
Partner
Membership No.: 044397

Vikram Sharma
Director
DIN No.: 01249904

Shyam Khandelwal
Director
DIN No.: 08912505

Place: Mumbai
Date:

Place: Mumbai
Date:

Supreme Suyog Funnicular Ropeways Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

Note 1 Corporate Information

Supreme Suyog funnicular Ropeways Private Limited ('the Company') is a private limited company incorporated and domiciled in India on 10th April 2008. The Company has been set up to develop, establish, construct and maintain a project relating to the construction of a Funnicular Ropeway at Hajimalang Gad. The registered office of the Company is located at 8, Bhiwani Services Industrial Estate, 3rd Floor, I.I.T. Main Gate Powai, Mumbai-400076

Note 2.1 Significant Accounting Policies

i Basis of Preparation

The financial statements of the Company have been prepared to comply in all material respects with the Indian Accounting Standards ("Ind AS") notified under the Companies (Accounting Standards) Rules, 2015.

All the assets and liabilities have been classified as current or non-current, wherever applicable, as per the operating cycle of the Company as per the guidance set out in Schedule III to the Act. Operating cycle for the business activities of the Company covers the duration of the project including defect liability period and extends up to the payment of liabilities (including retention monies) within the agreed credit period normally applicable to the project.

The Company's financial statements are reported in Indian Rupees, which is also the Company's functional currency, and all values are rounded to the nearest lakhs (INR 00,000), except when otherwise indicated.

ii Accounting Estimates

The preparation of the financial statements, in conformity with the recognition and measurement principles of Ind AS, requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the results of operation during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates which are recognised in the period in which they are determined.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Unit's (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Deferred tax assets

In assessing the realizability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Company will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

iii Intangible Assets

Under the Concession Agreements, where the Company has received the right to charge users of the public service, such rights are recognised and classified as "Intangible Assets". Such right is not an unconditional right to receive consideration because the amounts are contingent to the extent that the public uses the service and thus are recognised and classified as intangible assets. Intangible asset under development is recognised by the Company at cost (which is the fair value of the consideration received or receivable for the construction services delivered) and is capitalized as Toll Collection Rights (Intangible assets) when the project is complete in all respects and when the companies receives the completion certificate from the authority as specified in the Concession Agreement.

Supreme Suyog Funnicular Ropeways Private Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired is their fair value at the date of On transition to Ind AS, the Company has opted to continue with the carrying values measured under the previous GAAP as at 1 April 2015 of its intangible assets under development and used that carrying value as the deemed cost of the intangible assets under development on the date of transition i.e. 1 April 2015.

iv Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a Financial Assets

Initial Recognition

In the case of financial assets not recorded at fair value through profit or loss (FVPL), financial assets are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

Financial Assets at Amortised Cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate ("EIR") method. Impairment gains or losses arising on these assets are recognised in the Statement of Profit

Financial Assets Measured at Fair Value

Financial assets are measured at fair value through other comprehensive income ("OCI") if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss.

Impairment of Financial Assets

In accordance with Ind AS 109, the Company applies the expected credit loss ("ECL") model for measurement and recognition of impairment loss on financial assets and credit risk exposures.

For recognition of impairment loss on financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Statement of Profit and Loss.

De-recognition of Financial Assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

b Equity Instruments and Financial Liabilities

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments which are issued for cash are recorded at the proceeds received, net of direct issue costs. Equity instruments which are issued for consideration other than cash are recorded at fair value of the equity instrument.

Financial Liabilities

Initial Recognition

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings and payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. However, the company has borrowings at floating rates. Considering that the impact of restatement of effective interest rate, year on year due to reset of interest rate, is not material and hence the company is amortising the transaction cost in straight line basis over the tenure of the loan. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the transaction cost amortisation process. This category generally applies to borrowings.

Financial liabilities at FVPL

Financial liabilities at FVPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the Statement of Profit and Loss.

De-recognition of Financial Liabilities

Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

c Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis to realise the assets and settle the liabilities simultaneously.

v Cash and Cash Equivalents

Cash and cash equivalents in the Balance Sheet comprises of cash at banks and on hand and short-term deposits with an original maturity of three month or less, which are subject to an insignificant risk of changes in value.

vi Borrowing Costs

Supreme Suyog Funnicular Ropeways Private Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Also, the EIR amortisation is included in finance costs.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The specific recognition criteria described below must also be met before revenue is recognised.

a Contract revenue

Contract revenue associated with the construction of road are recognised as revenue by reference to the stage of completion of the projects at the balance sheet date. The stage of completion of project is determined by the proportion that contract cost incurred for work performed up to the balance sheet date bears to the estimated total contract costs. Margin on contract cost has not been considered since the Company has given back to back the contract to its co-venturer i.e Supreme Infrastructure India Limited.

Contract cost includes costs that relate directly to the specific contract and allocated costs that are attributable to the construction of the project. Cost that cannot be attributed to the contract activity such as general administration costs are expensed as incurred and classified as other expenses.

c Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rates applicable. For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the Statement of Profit and Loss.

viii Income Tax

Income tax comprises of current and deferred income tax. Income tax is recognised as an expense or income in the Statement of Profit and Loss, except to the extent it relates to items directly recognised in equity or in OCI.

a Current Income Tax

Current income tax is recognised based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the Income Tax Act, 1961. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

b Deferred Income Tax

Deferred tax is determined by applying the Balance Sheet approach. Deferred tax assets and liabilities are recognised for all deductible temporary differences between the financial statements' carrying amount of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using the enacted tax rates or tax rates that are substantively enacted at the Balance Sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the period that includes the enactment date. Deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Such assets are reviewed at each Balance Sheet date to reassess realisation.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Minimum Alternative Tax ("MAT") credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period.

ix Impairment of Non-Financial Assets

As at each Balance Sheet date, the Company assesses whether there is an indication that a non-financial asset may be impaired and also whether there is an indication of reversal of impairment loss recognised in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, the Company determines the recoverable amount and impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

- In case of an individual assets, at the higher of fair value less cost to sell and value in use; and
- In case of cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of cash generating unit's fair value or less cost to sell and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specified to the asset. In determining fair value less cost to sell, recent market transaction are taken into account. If no such transaction can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations are recognised in the Statement of Profit and Loss, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through the Statement of Profit and Loss.

Supreme Suyog Funnicular Ropeways Private Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

x Earnings Per Share

Basic earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company and weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares).

xi Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of obligation. Provisions are determined based on management's estimate required to settle the obligation at the Balance Sheet date. In case the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A contingent liability also arises, in rare cases, where a liability cannot be recognised because it cannot be measured reliably.

Contingent assets are neither recognised nor disclosed in the financial statements.

xii Segment Information

The Company is engaged in "Road Infrastructure Projects" which in the context of Ind AS 108 "Operating Segment" notified under section 133 of the Act is considered as the only segment. The Company's activities are restricted within India and hence no separate geographical segment disclosure is considered necessary.

Note 2.2 Recent accounting pronouncements

Standard issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows'. These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows'. The amendments are applicable to the Company from 1 April 2017.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A contingent liability also arises, in rare cases, where a liability cannot be recognised because it cannot be measured reliably.

Contingent assets are neither recognised nor disclosed in the financial statements.

xiv Segment information

The Company is engaged in "Road Infrastructure Projects" which in the context of Ind AS 108 "Operating Segment" notified under section 133 of the Act is considered as the only segment. The Company's activities are restricted within India and hence no separate geographical segment disclosure is considered necessary.

Note 2.2 Recent accounting pronouncements

Standards issued but not yet effective

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments : On 30 March 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after 1 April 2019. The Company will adopt the standard on 1 April 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. 1 April 2019 without adjusting comparatives.

The effect on adoption of Ind AS 12 Appendix C would be insignificant in the financial statements.

Ind AS - 116 Leases-

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

Supreme Suyog Funnicular Ropeways Private Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

	As at 31 March 2022 Rs. in lakhs	As at 31 March 2021 Rs. in lakhs
Note 3 Intangible assets under development		
Intangible assets under development	14,525.10	13,443.83
'Add: Addition during the year	863.89	1,081.27
Total Intangible assets under development	15,388.99	14,525.10

Note 3.1

Intangible Assets under Development (IAUD) as at 31 March 2022 represents amounts aggregating 15,388.99 lakhs, substantially being carried from earlier years in respect of a project presently under construction. The commercial operation date (COD) of the project was delayed due to various reasons attributable to the client primarily due to nonavailability of right of way, environmental clearances etc. and having regard to the same the Client has already extended the time for completion of project upto 31st December 2018. The Company has now received the requisite right of way, however, considering the substantial delay caused, the Company has applied for further extension of time upto 28 January 2020 for completion of the project, approval for which is presently awaited and the management is confident of getting the same approved from Client. Considering the contractual tenability and independent valuation, management is confident of realization of the carrying value of the costs incurred without any loss to the company and accordingly believes that no adjustments are required to the carrying value of the IAUD as at 31 March 2022.

Note 4 Other financial assets
Non-current

Security and other deposits	22.52	22.52
Financial guarantees	5.32	8.87
Total non-current financial assets	27.84	31.39

Current

Financial guarantees	3.55	3.55
Total current financial assets	3.55	3.55
Total other financial assets	31.39	34.93

Note 5 'Other assets
Non-current

Capital advances-		
to related parties	-	-
to others	6.19	6.19
Total other non-current assets	6.19	6.19

Current

Advance to vendors	0.05	0.05
Others	-	-
Total other current assets	0.05	0.05
Total other assets	6.24	6.24

Note 6 Cash and cash equivalents

a) Balances with banks	0.00	0.11
b) Cash on hand	-	-
Total cash and cash equivalents	0.00	0.11

Supreme Suyog Funnicular Ropeways Private Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

	As at 31 March 2022 Rs. in lakhs	As at 31 March 2021 Rs. in lakhs
Note 7 Equity share capital		
Authorised share capital		
5,00,000 Equity shares of Rs. 10 each	50.00	50.00
(31 March 2022: 500,000 equity shares of Rs. 10 each)		
Total authorised equity share capital	50.00	50.00
Issued, subscribed and paid-up equity share capital:		
1,00,000 Equity shares of Rs. 10 each fully paid up	10.00	10.00
(31 March 2022: 100,000 equity shares of Rs. 10 each)		
Total issued, subscribed and paid-up equity share capital	10.00	10.00

a. Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting year

	Number	Rs. in lakhs
As at 1 April 2016	1,00,000	10.00
Issued during the year		
As at 31 March 2018	1,00,000	10.00
Issued during the year	-	-
As at 31 March 2019	1,00,000	10.00
Issued during the year		
As at 31 March 2020	1,00,000	10.00
Issued during the year		
As at 31 March 2021	1,00,000	10.00
Issued during the year		
As at 31 March 2022	1,00,000	10.00

b. Terms/rights attached to equity shares:

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the annual General Meeting, except for interim dividend, if any.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Shares held by holding company

Equity shares of ₹10 each held by Supreme Infrastructure BOT Private Limited, the Holding Company holds 98,000 equity shares (31 March 2019: 98,000 equity shares) in the Company.

d. Shareholding of more than 5%:

	As at 31 March 2022	As at 31 March 2021
Name of the Shareholder	% held	% held
Supreme Infrastructure BOT Private Limited	98.00%	98.00%
Shareholding of Promoters:		
Shares held by promoters at the end of the year Promoter's and Promoter Group Name	No. of shares	% of total shares
1. Supreme Infrastructure BOT Private Limited	98,000	98.00%
Total	98,000	98.00%

e. Bonus shares/ buy back/shares for consideration other than cash issued during past five years:

The Company has neither issued any bonus shares, shares issued for consideration other than cash nor has there been any buy back of shares during past five years.

f. Reconciliation of the subordinated debts outstanding at the beginning and at the end of the reporting year

	Rs. in lakhs
As at 1 April 2018	3,900.00
Issued during the year	
As at 31 March 2019	3,900.00
Issued during the year	-
As at 31 March 2020	3,900.00
Issued during the year	-
As at 31 March 2021	3,900.00
Issued during the year	
As at 31 March 2022	3,900.00

g. Details of the holding more than 5% subordinated debt in the Company

	As at 31 March 2022 Rs. in lakhs	As at 31 March 2021 Rs. in lakhs
Name of the Shareholder		
Supreme Infrastructure BOT Holdings Private Limited	3,900.00	3,900.00

Subordinated debt is the part of Sponsors Equity from the promoters of the Company for the project which is unsecured and interest free as per Common Loan Agreement with the lenders

Note 8 Borrowings	As at 31 March 2022 Rs. in lakhs	As at 31 March 2021 Rs. in lakhs
Secured		
Noncurrent portion:		
Term loan from banks (Refer note 8.1)	-	-
Total noncurrent borrowings	-	-
Unsecured		
Compulsory Convertible Debentures		
Subtotal		
Current maturities of long-term borrowings		
Term loan from banks (Refer note 8.1)	5,901.75	5,901.75
Total current maturities of long-term borrowings	5,901.75	5,901.75
Total Long Term Borrowings	5,901.75	5,901.75
Current Borrowings		
I. Unsecured		
- From related parties	666.89	666.89
Total current borrowings	666.89	666.89
Total borrowings	6,568.64	6,568.64

Note 8.1 Details of security and terms of repayment

Repayment

(a) These Term loans carry interest in the range of Base Rate plus 2.75% and were repayable in 121 to 132 monthly installments commencing from the month ending September 2017.

Security

(i) The whole of the Borrower's movable fixed assets present and future including its movable plant and machinery, equipments, machinery spares, tools and accessories, electrical fittings, furniture and fixtures, information technology systems and installations, vehicle, and other movable assets, both present and future,

b. A first charge on all tangible assets of the Borrower including but not limited to the goodwill, undertaking and uncalled capital of the Borrower, both present and future.

c. A first charge of all the cash flows, revenues and receivables of the Borrower of whatever nature and whosoever arising, both present and future.

d. A first charge on Trust and Retention Account/ Escrow Account and other reserves and any other bank accounts required to be maintained / created by the Borrower under any project document or contract and any other bank accounts of the Borrower, wherever mentioned.

e. Assignment or creation of security interest of first ranking in all the rights, title, interest, benefits, claims and demands whatsoever of the company

(i) In the project documents including but not limited to the concession agreement, EPC Contracts etc.;

(ii) Permits, approvals and clearances pertaining to the project.

(iii) Any Letter of Credit, Guarantees, performance bond provided by any party to the project documents;

(iv) All insurance contracts/insurance proceeds pertaining to the project.

Collateral - Pledge of 51% share capital of the Borrower till tenure of debt held by M/s Supreme Infrastructure BOT Private Ltd. Corporate Guarantee- Corporate guarantee is given by Supreme Infrastructure India Limited towards these loans.

Note 8.2 Default Summary

a. Principal amounts :

Particulars	0-60 days	91-180 days	181 & Above	Total
Secured				
From Banks	-	-	5,901.75	5,901.75
Total	-	-	5,901.75	5,901.75

b. Interest amounts :

Particulars	0-60 days	91-180 days	181 & Above	Total
Secured				
From Banks	-	-	3,043.91	3,043.91
Total	-	-	3,043.91	3,043.91

Note 8.3 Net debt reconciliation

An analysis of net debt and the movement in net debt for the year ended 31 March 2022 is as follows:

	As at 31 March 2022 Rs. in lakhs	As at 31 March 2021 Rs. in lakhs
Cash and Cash equivalents	Amount (0.00)	Amount (0.11)
Non-current borrowings (including interest accrued and current maturities of long term borrowings)	9,612.55	8,749.48
Net debt	9,612.55	8,749.37
	Other Assets	Liabilities from financing activities
	Cash and Cash equivalents	Non-current borrowings
Net debt as at 1 April 2021	(0.11)	8,749.48
Cash flow	0.11	-
Interest expense	-	863.07
Interest paid	-	-
Principal paid	-	-
Net debt as at 31 March 2022	(0.00)	9,612.55

	As at 31 March 2022 Rs. in lakhs	As at 31 March 2021 Rs. in lakhs
Note 9 Trade Payable		
- Total outstanding dues of Micro Enterprises and Small Enterprises (Refer note 9.1)		
- Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	169.91	169.93
Total Trade Payable	169.91	169.93

9.1 Trade Payable Aging Schedule:

Particulars	Outstanding for following periods from due date of payment				Total
As at March 31, 2022	Unbilled	Less than 1 Year	1-2 Years	2-4 Years	
(i) MSME					
(ii) Others		1.14	2.00	3.22	163.50
(iii) Disputed dues- MSME					
(iv) Disputed dues- Others					

	As at 31 March 2022 Rs. in Lakhs	As at 31 March 2021 Rs. in Lakhs
5.2 Details of dues to Micro and Small enterprises as defined under the Micro Small and Medium Enterprises Development Act (MSMED) Act, 2006		
There are no Micro and Small Enterprises, to whom the Company owes dues and which are outstanding as at 31 March 2022. This information as required to be disclosed under the MSMED has been determined to the extent such parties have been identified on the basis of information available with the Company. There is no interest paid or payable during the year.		
Note 10 Other current financial liabilities		
Interest accrued and due on borrowings	3,043.91	2,180.84
Employee related payable	17.59	17.59
Due for capital expenditure		
- To related parties	1,682.02	1,681.31
- To others		
Total current financial liabilities	4,743.52	3,879.75
Other financial liabilities carried at amortised cost	4,743.52	3,879.75
Note 11 Other current liabilities		
Statutory dues payable	20.09	21.14
Total other current liabilities	20.09	21.14

Supreme Suyog Funnicular Ropeways Private Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

	Year ended 31 March 2022 Rs. in lakhs	Year ended 31 March 2021 Rs. in lakhs
Note 12 Revenue from operations		
Contract revenue	-	-
Parking Fee	-	-
Total revenue from operations	-	-
Note 13 Cost of construction		
Subcontracting	-	-
Site related		
Utility shifting		
Legal and professional	-	-
Insurance		
Miscellaneous	-	-
Total cost of construction	-	-
Note 14 Employee Cost		
Salaries and Wages	-	-
	-	-
Note 15 Finance costs		
Interest expense on:		
- Borrowings	863.07	1,077.00
- others	6.86	6.84
Other finance cost	3.66	3.77
	873.58	1,087.61
Less: Finance costs capitalised into intangible asset under development (Refer note 3)	(863.18)	(1,077.23)
Total finance costs	10.40	10.39
Note 16 Other expenses		
Auditors' remuneration (including goods and service tax)	1.18	1.18
Legal & professional fees		3.54
Other Expenses	-	0.05
Total other expenses	1.18	4.77
Note Auditor's Remuneration		
Particulars	Year ended 31 March 2022 Rs. in lakhs	Year ended 31 March 2021 Rs. in lakhs
Audit Fees	1.00	1.00
For other Matters	-	-
Total	1.00	1.00
Goods and Service Tax	0.18	0.18
Grant Total	1.18	1.18
Note 17 Earnings per share (EPS)		
Basic and diluted EPS		
A. Profit computation for basic earnings per share of Rs. 10 each		
Net profit as per the Statement of Profit and Loss available for equity shareholders	(Rs. in lakhs) (11.58)	(15.16)
B. Weighted average number of equity shares for EPS computation	(Nos.) 1,00,000	1,00,000
C. EPS - Basic and Diluted EPS	(Rs. in lakhs) (11.58)	(15.16)

Supreme Suyog Funnicular Ropeways Private Limited
Notes to the Financial Statements for the year ended 31st March 2022

Note 18 Related party disclosures :

(a) Names of related parties and description of relationship

(i) Ultimate Holding Company

Supreme Infrastructure India Limited

(ii) Holding Company

Supreme Infrastructure BOT Private Limited

(iii) Fellow Subsidiaries

Supreme Infracorp Pvt Ltd

Supreme Vasai Bhiwandi Tollways Private Limited

Kotkapura Mukstar Tollways Private Limited

Kopergaon Ahmednagar Phase-1 Tollways Private Limited

Mohol Kurul Kamati Mandrup Tollways Private Limited

Supreme Manor Wada Bhiwandi Tollways Private Limited

(iv) Key Management Personnel:

Mr. Vikram Bhavanishankar Sharma

Mr. Vikas Bhawani Sharma

(v) Common Director

BVR Infracorp Private Limited

VSBI Infracorp Private Limited

(b) The transactions with related parties for the year are as follows:

Nature of Transaction	31 March 2022	31 March 2021
Capital Expenditure Incurred		
Supreme Infrastructure India Limited	-	-
Loan Taken		
BVR Infracorp Private Limited	-	-
VSBI Infracorp Private Limited	-	-
Supreme Bungalows Pvt. Ltd.	-	-
Supreme Infrastructure India Limited	-	-
Supreme Infrastructure BOT Private Limited	0.71	7.70
Loan Repaid		
Supreme Infrastructure India Limited	-	-

(c) Balances at the year end :

Particulars	31 March 2022	31 March 2021
Corporate Guarantee for Loan taken by Company		
Supreme Infrastructure India Limited	6,000.00	6,000.00
Compulsorily Convertible Debentures (CCD)		
Supreme Infrastructure BOT Private Limited	3,900.00	3,900.00
Due for Capital Expenditure		
Supreme Infrastructure India Limited	523.45	523.45
Loan		
Supreme Infrastructure India Limited	338.49	338.49
Supreme Infrastructure BOT Private Limited	861.97	861.26
BVR Infracorp Private Limited	245.00	245.00
VSBI Infracorp Private Limited	340.00	340.00
Supreme Bungalows Pvt. Ltd.	40.00	40.00

Note 19 Financial instruments

The fair value of the financial assets are included at amounts at which the instruments could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair value:

(a) Fair value of cash, short term receivables, trade payables, other current financial liabilities, approximate their carrying amounts largely due to the short-term maturities of these instruments

(b) Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

A Financial instruments by category

The carrying value and fair value of financial instruments by categories as at 31 March 2022 were as follows:

The carrying value and fair value of financial instruments by categories as at 31 March 2022 were as follows.								Rs. in lakhs
Particulars	Refer note	Amortised cost	Financial assets/ liabilities at		Financial assets/ liabilities at		Total carrying value	Total fair value
			Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
Assets:								
Others financial assets	4	31.39	-	-	-	-	31.39	31.39
Cash and cash equivalents	6	0.00	-	-	-	-	0.00	0.00
Liabilities:								
Borrowings (non-current)	8	6,568.64	-	-	-	-	6,568.64	6,568.64
Other financial liabilities	10	4,743.52	-	-	-	-	4,743.52	4,743.52

The carrying value and fair value of financial instruments by categories as at 31 March 2021 were as follows:

The carrying value and fair value of financial instruments by categories as at 31 March 2021 were as follows:							Rs. in lakhs	
Particulars	Refer note	Amortised cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/ liabilities at fair value through OCI		Total carrying value	Total fair value
			Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
Assets:								
Others financial assets	4	34.93	-	-	-	-	34.93	34.93
Cash and cash equivalents	6	0.11	-	-	-	-	0.11	0.11
Liabilities:								
Borrowings (non-current)	8	6,568.64	-	-	-	-	6,568.64	6,568.64
Other financial liabilities	10	3,879.75	-	-	-	-	3,879.75	3,879.75

B Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

Supreme Suyog Funnicular Ropeways Private Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

Note 20 Financial risk management objectives and policies

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

i Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk majorly includes interest rate risk. Major financial instruments affected by market risk includes loans and borrowings bearing floating interest rate.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's loss before tax is affected through the impact on floating rate borrowings, as follows:

	Year ended 31 March 2022 Rs. in lakhs	Year ended 31 March 2021 Rs. in lakhs
Increase in interest rate by	1%	1%
Effect on profit before tax	(65.69)	(65.69)
Decrease in interest rate by	1%	1%
Effect on profit before tax	65.69	65.69

ii Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including debt from lenders at an optimised cost.

The table below provides details regarding the contractual maturities of significant financial liabilities:

Particulars	Less than 1 year	1 - 5 years	More than 5 years	Rs. in lakhs Total
As at 31 March 2022				
Borrowings	6,568.64			6,568.64
Other financial liabilities	4,743.52			4,743.52
Total	11,312.16	-	-	11,312.16
As at 31 March 2021				
Borrowings	6,568.64			6,568.64
Other financial liabilities	3,879.75			3,879.75
Total	10,448.39	-	-	10,448.39

At present, the Company does expects to repay all liabilities at their contractual maturity. In order to meet such cash commitments, the operating activity is expected to generate sufficient cash inflows.

Supreme Suyog Funnicular Ropeways Private Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

Note 21 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The Company strives to safeguard its ability to continue as a going concern so that they can maximise returns for the shareholders and benefits for other stake holders. The aim to maintain an optimal capital structure and minimise cost of capital.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may return capital to shareholders, issue new shares or adjust the dividend payment to shareholders (if permitted). Consistent with others in the industry, the Company monitors its capital using the gearing ratio which is total debt divided by total equity plus total debt.

	As at 31 March 2022 Rs. in lakhs	As at 31 March 2021 Rs. in lakhs
Total debt	6,568.64	6,568.64
Total equity	3,856	3,868
Total debt to total equity plus total debt (Gearing ratio %)	63%	63%

In the long run, the Company's strategy is to keep optimum gearing ratio i.e. between 60% to 95%.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define the capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. Subsequent to assignment of borrowings as stated in note 10, there have been no communications from the lenders in this regard which might have a negative impact on the gearing ratio. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2022 and 31 March 2021.

Note 22 Income tax

Current tax

No provision for current tax has been made as there is no taxable income/book profit for the year under the provisions of the Income-tax Act, 1961.

Deferred tax

The Company has not recognised deferred tax assets on timing differences, unabsorbed depreciation and carry forward of tax losses as at 31 March 2021, and 31 March 2022 in the absence of reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

	As at 31 March 2022 Rs. in lakhs	As at 31 March 2021 Rs. in lakhs
Note 23 Capital Commitments		
Estimate amount of Contract remaining to be executed on capital account	1,746.18	1,746.18

Note 24

Particulars	As at 31 March 2022 Rs. in lakhs	As at 31 March 2021 Rs. in lakhs
Claims not acknowledged as debts :		
- Default in TDS return late filing, short payment of TDS, interest on late filing and short payment till date. The mentioned amount is subject to change due to corrections, tagging of unused balances in challans and additional filing in due course.	41.60	41.60

Note 25

In March 2020, the World Health Organisation (WHO) declared COVID-19 a pandemic. The Company has adopted measures to curb the spread of infection in order to protect the health of our employees and ensure business continuity with minimal disruption.

In assessing the recoverability of receivables and other financial assets, the company has considered internal and external information upto the date of approval of these financial results. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial results and the company will continue to closely monitor any material changes to future economic conditions.

Note 26

The Company has incurred net loss of Rs. 11.58 lakhs during the year ended 31 March 2022 and has also suffered losses from operations during the preceding financial years and as of that date, its current liabilities exceeded its current assets by Rs.11,566.56 lakhs. The Company also has external borrowings from banks and financial institutions, principal and interest repayment of which has been delayed/ deviated from the provisions of the financing/ security documents. In comparison to the projected revenue, during the year there is reduction in toll collection due to reduction in traffic and growth of traffic due to economic slowdown, has resulted into the reduction in toll revenue consequentially. Considering the pending tolling tail period, Company's management is in the process of formulating a resolution plan along with the lenders, basis this, the management has prepared the financial statements on a "Going Concern basis".

This is a summary of significant accounting policies and other explanatory information referred to in our report of even date

For CA Sandesh Deorukhkar
Chartered Accountants

For and on behalf of the Board of Directors

CA Sandesh Deorukhkar
Proprietor
Membership No.: 044397

Vikram Sharma
Director
DIN No.: 01249904

Shyam Khandelwal
Director
DIN No.: 08912505

Place: Mumbai
Date:

Place: Mumbai
Date: