# Executive Summary

**Background**

* Supreme Suyog Funicular Ropeways Private Limited (SSFR) is an SPV created in 2008 for construction of funicular ropeway system at Haji Malang Gad in Thane district on Built, Operate and Transfer (BOT) basis.
* Supreme Infrastructure India Limited (SIIL) through its 100% Subsidiary Supreme Infrastructure BOT Pvt. Ltd. (SIBPL) is the majority stakeholder in the SPV with 98% stake, balance being held by Suyog Telematics Pvt. Ltd. (STPL) and Yashita Automotive Engineering Private Limited (Yashita) 1% each.
* SIIL is engaged in construction of roads and related activities and also operates Ready Mix Concrete (RMC), Wet Mix and Asphalt plants.
* Yashita, incorporated in 1991, is a Mumbai based company engaged in turnkey design, manufacturing and commissioning of special purpose machines and process plants.
* STPL is a Mumbai based privately held company engaged in telecommunication and other infrastructure construction.
* Yashita, as a technical partner executing the project, has 1% interest in the SSFR during the implementation stage. Yashita is not contributing any equity into the project and is a 1% partner till it realises its dues for manufacturing, supply, erection and commissioning of the funicular trolley system. On receipt of all payments, it will forgo all claims on their share of profits/ losses for commercial operation of funicular railway during the concession period.
* The LOI was received on 21-6-2008 but the project was delayed due to the environmental clearance not received. The same is now in place and SSFR has submitted its papers for signing the concession agreement with the PWD, Maharashtra. The extension for the project period is expected in due course.
* The project is to be completed in 24 months with a total cost of Rs. 125 crores. SIIL, the majority stakeholder, will fund the design, construction of the trolley system, support structure and erection and commissioning.
* Commissioning of a funicular trolley system for transporting devotees and luggage from foot of the hill of Haji Malang to level of Dargah, and return. Double sided terraced platforms on both sides. There will be 2 Passenger trolleys Each passenger trolley will have a seating capacity of 60 passengers and including 4 wheel chairs. If there is a need 2 goods trolleys can be operated. Each goods trolleys will have capacity of 0.5 Tons. Trolleys can depart in either direction after every 10 minutes, giving a rated capacity of 720 passengers / hour in each direction. The funicular trolley system has long life of 50 years. The funicular trollies system does not pollute the environment or forest. It requires lesser land than any alternate means of transport.
* For transporting tourists, pilgrims and freight / luggage to Malang gad, a funicular trolley system is the best mode of transport as it is:

Safe and reliable

Good carrying capacity

Unaffected by high winds, rain or visibility

Low operating cost

Long service life

Least damage to environment in eco-sensitive zone.

The total cost of the project has been estimated by the Company at Rs. 100 Crore and is proposed to be funded through a mix of Senior Debt & Equity contribution in the ratio of 64:36 accordingly, the Debt requirement of Rs. 60 Crore is proposed to be raised from State Bank of India.

# THE COMPANY

Supreme Suyog Funicular Ropeways Private Limited (SSFR) (“Company”) has been incorporated as the SPV to undertake construction of funicular ropeway system at Haji Malang Gad in Thane district on Built, Operate and Transfer (BOT) basis.

As per the Memorandum of Association of the Company, it is duly authorized to develop and subsequently operate and maintain the Project.

## Brief Particulars of SSFR

|  |  |
| --- | --- |
| Name of the Company | Supreme Suyog Funicular Ropeways Private Limited |
| Date of Incorporation | April 10, 2008 |
| Constitution | Private Limited Company |
| Sector | Infrastructure – Funicular Ropeways |
| Registered Office | 8, Bhawani Services Industrial Estate, 3rd floor, opp. IIT Main Gate, Powai, Mumbai - 400076 |
| Site Location | State- Maharashtra |
| Authorized Share Capital | Rs. 1 lakh divided into 10000 equity shares of Rs.10 each |
| Project Description | funicular ropeway system at Haji Malang Gad in Thane district on Built, Operate and Transfer (BOT) basis |

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## Business Areas of SSFR

As per the Memorandum of Association of SSFR, the main objects of the Company are “To carry on the business in India or abroad, civil contractors, infrastructure development contractors and engineers and civil engineers, electrical engineers, mechanical engineers, architects, interior decorators and as well as a consortium 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 constructions, 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, go downs, warehouses lands, funicular railway systems, 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, go downs and other commercial and educational purposes.

## Existing Operations

SSFR is a special purpose company and has been formed for the purpose of implementation of the proposed Project and as of now, there are no existing operations.

# SPONSOR’S PROFILE

The Company has been promoted by (“Sponsors”),

* Supreme Infrastructure India Limited
* Supreme Infrastructure BOT Private Limited (a 100% subsidiary of Supreme Infrastructure India Limited)

#### **Share holding pattern**

|  |  |  |
| --- | --- | --- |
| **Shareholder** | **No. Of Shares** | **% holding** |
| Supreme Infrastructure BOT Private Limited (a 100% subsidiary of Supreme Infrastructure India Limited) | 98000 | 98% |
| Suyog Telematics Pvt. Ltd | 1000 | 1% |
| Yashita Automotive Engineering Pvt Ltd | 1000 | 1% |
| **Total** | **1,00,000** | **100%** |

## Background of Supreme Infrastructure India Limited

Supreme Infrastructure India Limited (along with its 100% subsidiary Supreme Infrastructure BOT Private Limited) is the main promoter of SSFR holding 98% of the total equity in SSFR.

SIIL was originally incorporated as Supreme Asphalts Private Limited on April 08, 1983. The company changed its name to Supreme Infrastructure India Private Limited in 2002 and was subsequently converted into a public limited company in August, 2005. The company went public in 2007 and was listed on the BSE and NSE on October 18, 2007.

The Company has a strong presence in the state of Maharashtra and is registered as "Class AA" contractor with Brihan Mumbai Municipal Corporation (BMC) and "Class I-A" contractors with Public Works Department (PWD), Maharashtra and Mumbai Port Trust. It is eligible to bid for the tenders of PWD, Maharashtra and BMC without any restriction in terms of value.

The other entities which have engaged SIIL for construction contracts inter alia include City and Industrial Development Corporation of Maharashtra (CIDCO) and Maharashtra State Road Development Corporation (MSRDC).

Mr. Bhawani Shankar Sharma is Chairman of the company and has over 20 years of experience in this line of activity. Mr. Vikram Sharma (Managing Director) manage the day-to-day affairs of SIIL.

## SIIL Construction Facilities

SIIL owns and operates a Ready Mix Concrete (RMC) plant, asphalt plants, a crushing plant, and a wet mix plant for captive consumption. The company also sells the surplus concrete and asphalt in the open market. Ready availability of quarrying facilities and crushing capacities translates into a shorter production cycle, giving SIIL an assured supply of raw material. As a result, the company substantially mitigates the risk arising from fluctuation in input prices. It has also invested substantially in earthmoving and construction equipments like tippers, mixers, pavers, excavators, cranes, rollers etc.

# PROJECT DESCRIPTION

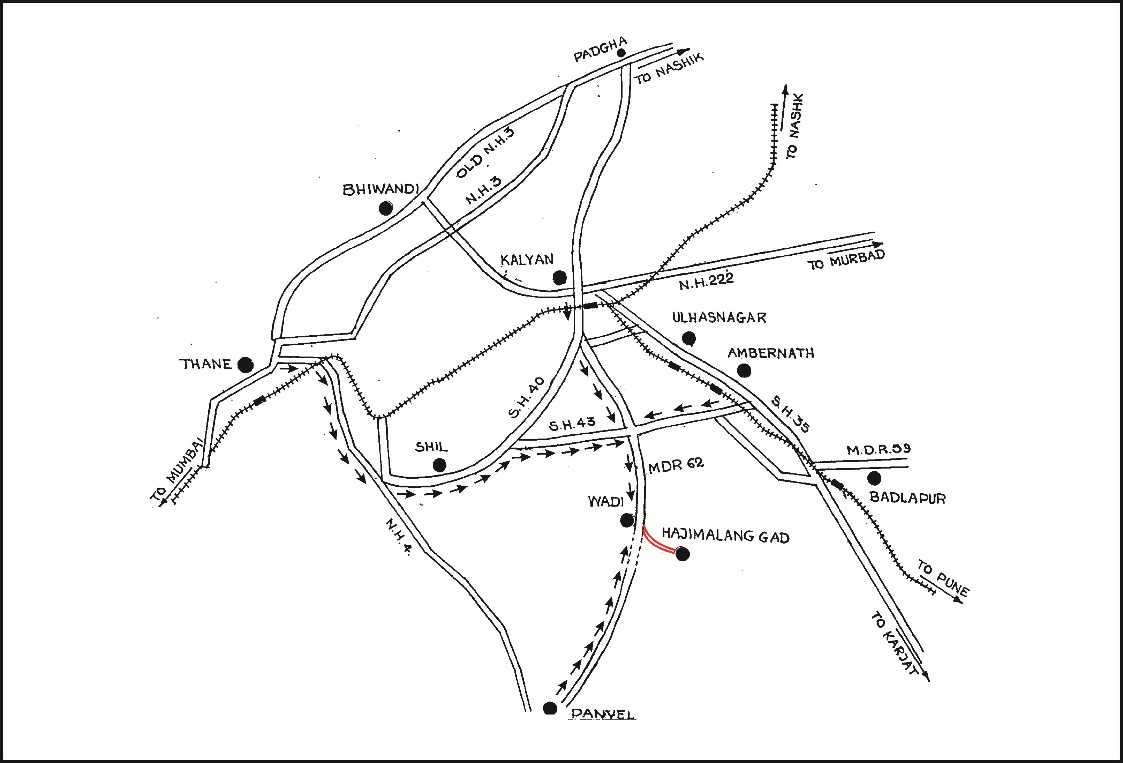
**Background**

Haji Malang is an 800 year old Dargah where Baba Abdur Rehman Malang has been buried. Malang was a Sufi saint who came to India in the 12th century AD from the Middle East. Haji Malang is a famous shrine and devotees from all corners of India so also from abroad visit to pay their obeisance. The state government has included the Haji Malang under category ‘B’ of places of Tourist Importance. At Present the Haji Malang Gad can be approached by a road from Kalyan. The distance between Kalyan and Malangwadi, which is located at the foot of the hills, is about 17.00 Km. The journey to Haji Malang Darga from Malangwadi is a 400 meters climb, which is necessarily undertaken on foot and is very arduous.

Having realized the tourism potential of this shrine, the Public Works Department, Maharashtra had explored the possibility of construction of a motorable Ghat road. However, the proposal was not found to be feasible because of:

* The upper reach of the mountain where Dargah is situated falls under Matheran Eco Sensitive Zone, where vehicles emitting smoke and polluting gases have been totally banned by the Hon. Supreme Court, rendering the very purpose of construction of road irrelevant.
* A large tract of forest land would be required, which goes against the policy of forest conservation.
* The cost of construction including essential protective works was estimated to be prohibitively high.

The funicular railway is an eco-friendly project involving bare minimum forest land. The funicular trolley is similar to a tram and is provided with steel wheels. Unlike tram it has no self propelling device but is pulled by a rope which has a similar trolley at the other end of the rope. The speed of the car is controlled by the driving device which is located at either of the end of the railway. Though such a funicular system is comparatively a new proposition in India, there are about 650 such systems in European Countries especially around Alps Mountains: in Switzerland (99), France (77), Sweden (68) and Italy (61). Some of the systems are in operation for more than 50 years. The standard codes are available like EU Code. Swiss Code, Hong Kong code for construction and operation of the funicular ropeway systems. In view of the merits of this system over the other means of transportation of the devotees, it is proposed to provide this system for Haji Malang Gad under BOT.



*Figure – Location of the project site (Source: SSFR)*

As mentioned earlier in the note, the project is being implemented By SSFR. SIIL with subcontracting to Yashita, as technical person will manufacture, supply, erect and commission the funicular trolley system comprising of tracks and their foundations and its supporting beams and girders, the funicular trolleys, the electrical and mechanical systems relating to the traction communications and controls.

Only brakes, AC drive unit and communication devices will be imported and all other parts of the system would be indigenous and custom designed.