

SEL/Financial Result Reply/NSE/22-23

Date: 25.06.2022

To,
The Manager,
Listing Department
National Stock Exchange of India Ltd.
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (E), Mumbai - 400 051

TRADING SYMBOL: SUPREMEENG
SERIES: EQ

Sub: Reply to observation raised by National Stock Exchange of India Limited ("Exchange") in yearly submission of Financial Result for the year ended March 31, 2022

Ref: E-Mail received on 21st June, 2022

Application No. - 36265

Dear Sir/Madam,

With reference to the above captioned subject, reference No. and application No., we request you to take note of below clarification:

1. Financial results not submitted within 30 minutes from end of board meeting.

Reason: We tried to upload the Outcome by 5.30 but there might have Internet issue and it got delayed due to technical issue

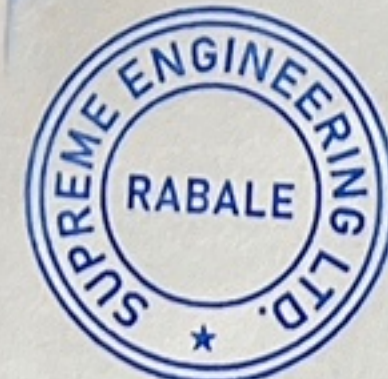
2. Machine Readable Form/ Legible Copy of Financial Result not submitted

Reason: I am attaching herewith the Financial Copy and Outcome again for reference

3. Financial result submitted is not as per format prescribed by SEBI previous qtrs. figures not provided in audited Financial results

Reason: There are previous year figures in the Financial as the financial are for year ended 31st March, 2022. I am attaching financial for your reference.

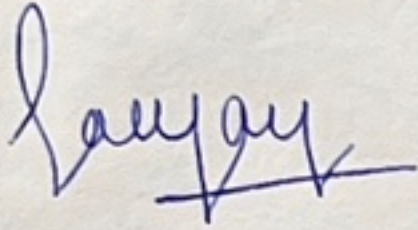
Jayraj



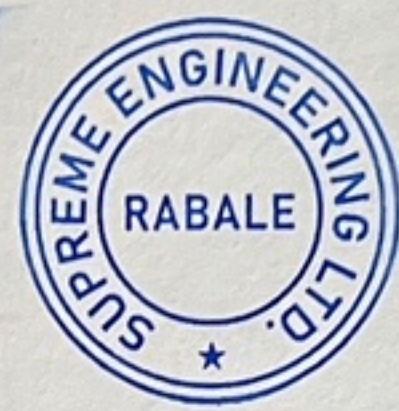
Kindly take the information on your record.

Thanking You,

For Supreme Engineering Limited



Sanjay Chowdhri
Managing Director
DIN: 00095990



(Formerly known as Supreme Heatreaters Pvt. Ltd.)

CIN No. : L99999MH1987PLC043205

Date: 8th June, 2022

To,
The Manager,
National Stock Exchange of India,
Exchange Plaza,
C-1, Block G, BKC
Bandra (E), Mumbai - 400 061

Sub: Outcome of the Board Meeting held on 8th June, 2022

Dear Sir,

This is to inform you that the Company's Board has in its meeting held on 8th June, 2022 transacted following businesses:

1. To Approve the Audited Financials for quarter and year ended 31st March 2022
2. To Approve the Cash Flow Statement for Financial Year Ended 31st March 2022
3. To Approve Auditor Report for the Financial Year 31st March, 2022
4. To Review the Business Operation of the Company
5. Any other matters with the permission of the chair

The Board Meeting Commenced on 4.00 p.m. and Concluded on 5.00 p.m
Kindly take the same on records and acknowledge the receipt.

Thanking you,

For Supreme Engineering Limited



Sanjay Chowdhri
Managing Director
DIN: 00095990

Statement of Audited Financial Results for the Quarter and Year ended 31st March, 2022

(Formerly known as Supreme Heatreaters Pvt. Ltd.)

(Amount in INR lakhs except EPS)

Particulars	Quarter Ended			Previous Year Ended	Year Ended
	31-Mar-22	31-Dec-21	31-Mar-21	31-Mar-21	31-Mar-22
	Audited	Unaudited	Audited	Audited	Audited
REVENUE					
Revenue from Operations	484.43	3,879.97	2,758.98	6,999.08	7,277.79
Other Income	3.36	9.82	219.42	300.78	81.77
Total Revenue (I)	487.80	3,889.79	2,978.40	7,299.85	7,359.56
EXPENSES					
Cost of Material Consumed	516.91	4,611.11	2,342.97	3,938.85	7,177.33
Changes in Stock of Finished Goods, Work-in-Progress	15.66	(847.67)	(343.08)	1,901.91	(348.66)
Employee Benefit Expenses	11.22	58.30	61.19	227.14	184.23
Finance Costs	27.55	24.53	268.90	977.02	392.36
Depreciation Expenses	60.93	60.56	62.48	253.24	241.58
Other Expenses	482.48	90.40	163.09	314.58	820.20
Total Expenses (II)	1,114.74	3,997.23	2,555.55	7,612.73	8,467.03
Profit/ (Loss) Before Exceptional Items and Tax (I-II)	-626.95	(107.44)	422.85	(312.88)	(1,107.48)
Exceptional Items	-	-	-	-	-
Profit/ (Loss) Before Tax	-626.95	(107.44)	422.85	(312.88)	(1,107.48)
Tax Expenses					
Current Tax	-	-	-	-	-
MAT Credit Entitlement/ Adjustment	-	-	-	-	-
Provision/ (Credit) for Deferred Tax	-135.11	(22.56)	(26.36)	(17.44)	(192.87)
Profit/ (Loss) for the Period	-491.83	(84.88)	449.21	(295.44)	(914.60)
OTHER COMPREHENSIVE INCOME					
A. Other Comprehensive income not be reclassified to profit or loss in subsequent periods					
Remeasurement of Gain/ (Losses) on Defined Benefit Plans	-4.66	4.44	0.33	0.98	8.67
Income Tax Effect	1.19	(1.24)	(0.10)	(0.29)	(2.52)
Other Comprehensive Income for the Period, Net of Tax	-3.47	3.20	0.23	0.69	6.15
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	-495.31	(81.68)	449.44	(294.75)	(908.46)
Paid Up Equity Share Capital (Face Value of Rs. 10 each)	2,499.50	2,499.50	2,499.50	2,499.50	2,499.50
Other Equity (Excluding Revaluation Reserve)					
Earning Per Share (in Rs) for Profit Attributable to Equity Shareholders					
Basic and Diluted EPS	(1.98)	(0.33)	0.09	(1.18)	(3.66)

For on behalf of the Board of Directors of
Supreme Engineering Limited

Sanjay

Sanjay chowdhri
Chairman & MD

DN: 00095990

Abhinav

Abhinav chowdhri
Executive Director.

DIN: 07121484



SUPREME ENGINEERING LIMITED
BALANCE SHEET AS AT MARCH 31,2022

Regd. Office: R-223, MIDC Complex, Thane-Belapur Road, Rabale, Navi Mumbai- 400701

Particulars	Notes	As at 31 Mar 2022	As at 31 Mar 2021
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	4	1,938.89	1,872.85
(b) Investment Properties	5	622.49	634.16
(c) Financial Assets			
(i) Investments	6	1.00	1.00
(ii) Other Financial Assets	6	31.21	31.28
(d) Other Non-Current Assets	10	2.32	2.32
		2,595.91	2,541.61
Current assets			
(a) Inventories	7	10,989.43	10,620.93
(b) Financial Assets			
(i) Trade Receivables	8	2,113.63	7,132.75
(ii) Cash and Cash Equivalents	9	191.50	541.04
(iii) Loans	6	-	-
(iv) Other Financial Assets	6	2.95	76.93
(c) Other Current Assets	10	356.62	354.83
		13,654.13	18,726.47
TOTAL		16,250.04	21,268.08
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	12	2,499.50	2,499.50
(b) Other Equity	13	1,371.01	2,273.10
		3,870.51	4,772.60
Liabilities			
Non Current Liabilities			
(a) Financial Liabilities			
Borrowings	15	2,141.95	2,138.96
Lease liabilities		-	-
(b) Provisions	19	26.24	26.29
(c) Deferred Tax liabilities (Net)	11	(187.31)	0.42
		1,980.88	2,165.67
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	7,549.89	7,997.17
(ii) Trade Payables	17		
Micro, Small and Medium Enterprises		5.00	120.65
Others		826.89	4,325.18
(iii) Lease liabilities		239.24	61.51
(iv) Other Financial Liabilities	16	979.42	977.73
(b) Provisions	19	20.80	20.80
(c) Other Current Liabilities	18	434.13	483.49
(d) Current Tax Liabilities (Net)	20	343.28	343.28
		10,398.65	14,329.81
TOTAL		16,250.04	21,268.08

Significant Accounting Policies and Notes on Accounts form an integral part of the financial statements.

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As per our report of even date attached

For S. R. Dhariwal & Co.
Chartered Accountants
Firm Reg. No. 102466W

CA Niral Saboo
Proprietor
M. No. 158054

Place : Mumbai
Date: 07th June 2022

For and on behalf of the Board of Directors of
Supreme Engineering Limited

Sanjay
Sanjay Chowdhri
Chairman and Managing Director
DIN No. : 00095990

Abhinav
Abhinav Chowdhri
Executive Director
DIN No. : 07121484

Pranav
Pranav Chowdhri
Chief Executive Officer

Place : Mumbai
Date: 07th June 2022



SUPREME ENGINEERING LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022
 Regd. Office: R-223, MIDC Complex, Thane-Belapur Road, Rabale, Navi Mumbai- 400701

(Amount in INR Lakhs)

Particulars	For the Year Ended 31 March 2022	For the Year Ended 31 March 2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit/ (Loss) before income tax	(1,107.48)	(312.88)
Adjustments for:		
Depreciation expense	241.58	253.24
Profit on sale of investments Properties	-	(191.83)
Interest income	(3.86)	(20.93)
Finance costs	392.36	977.02
Provision against Expected Credit Loss	661.01	100.59
Sundry Balance Written Back	(65.19)	(72.23)
Change in operating assets and liabilities:		
(Increase)/Decrease in trade receivables	4,358.11	1,984.80
(Increase)/Decrease in inventories	(368.50)	(348.98)
Increase/(decrease) in trade payables	(3,548.75)	(3,110.53)
(Increase)/ Decrease in loans	-	3.00
(Increase)/ Decrease in other current financial assets	73.96	(18.05)
(Increase)/ Decrease in other current assets	(1.79)	(83.99)
(Increase)/ Decrease in other non current financial assets	0.07	(1.39)
Increase/ (Decrease) in other financial liabilities	1.69	504.50
Increase/ (Decrease) in other liabilities	(49.37)	(122.46)
Increase/ (Decrease) in provisions	8.62	4.26
Cash generated from operations	592.46	(455.86)
Less : Income tax paid (net of refund)	0.00	32.61
Net cash inflow from operating activities	592.47	(423.25)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for property, plant and equipment	(13.00)	(3.83)
Proceeds from sale of Investment Investment Properties	-	250.90
Interest received	3.86	20.93
Net cash (Used in)/generated from investing activities	(9.15)	268.00
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	2.99	464.06
Net change in current borrowings	(447.28)	926.81
Interest and finance charges paid	(380.56)	(966.81)
Dividends paid including dividend distribution tax	-	-
Payment Towards Lease Obligation	(108.00)	(108.00)
Net cash inflow (outflow) from financing activities	(932.85)	316.06
Net increase (decrease) in cash and cash equivalents	(349.53)	160.83
Cash and Cash Equivalents at the beginning of the financial year	541.04	380.21
Cash and Cash Equivalents at end of the year	191.50	541.04
Reconciliation of cash and cash equivalents as per the cash flow statement:		
Cash and cash equivalents as per above comprise of the following:		
Balances with banks	158.95	498.51
Cash on hand	32.55	42.53
Balances per statement of cash flows	191.50	541.04

Notes :

a) The above Standalone Cash Flow has been prepared under the "Indirect Method" as set out in the Ind AS 7 "Statement of Cash Flows"

Significant Accounting Policies and Notes on Accounts form an integral part of the financial statements.

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As per our report of even date attached

For S. R. Dhariwal & Co.
Chartered Accountants
Firm Reg. No. 102466W

CA Niral Saboo
Proprietor
M. No. 158054

Place : Mumbai
Date: 07th June 2022

For and on behalf of the Board of Directors of
Supreme Engineering Limited

Sanjay Chowdhri

Chairman and Managing Director

DIN No. : 00095990

Abhinav Chowdhri

Executive Director

DIN No. : 07121484

Pranav Chowdhri
Chief Executive Officer

Place : Mumbai
Date: 07th June 2022



SUPREME ENGINEERING LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

A Equity Share Capital

(Amount in INR Lakhs)

Particulars	Balance at the Beginning of the year	Changes in Equity share capital during the year	Balance at the end of the year
March 31, 2021			
Numbers	2,49,95,000		2,49,95,000
Amount	2,499.50	-	2,499.50
March 31, 2022			
Numbers	2,49,95,000	-	2,49,95,000
Amount	2,499.50	-	2,499.50

B Other Equity

(Amount in INR Lakhs)

Particulars	Reserves and Surplus			
	Securities Premium Reserve	General Reserve	Retained Earnings	Total
As at April 1, 2019	1,035.90	35.04	1,269.46	2,340.40
Profit/(Loss) for the year	-	-	371.40	371.40
Other comprehensive income/(Loss)	-	-	9.70	9.70
Total comprehensive income for the year	-	-	381.10	381.10
Dividends	-	(35.04)	(89.94)	(124.98)
Dividend distribution tax	-	-	(25.44)	(25.44)
Impact of Ind AS 116	-	-	(3.23)	(3.23)
As at March 31, 2020	1,035.90	-	1,531.94	2,567.85
Profit/(Loss) for the year	-	-	(295.44)	(295.44)
Other comprehensive income/(Loss)	-	-	0.69	0.69
Total comprehensive income for the year	-	-	(294.75)	(294.75)
As at March 31, 2021	1,035.90	-	1,237.20	2,273.10
Profit/(Loss) for the year	-	-	(914.60)	(914.60)
Other comprehensive income/(Loss)	-	-	6.15	6.15
Lease adjustment	-	-	6.37	6.37
Total comprehensive income for the year	-	-	(902.09)	(902.09)
Dividends	-	-	-	-
Dividend distribution tax	-	-	-	-
Tax impact of Ind AS 116	-	-	-	-
As at March 31, 2022	1,035.90	-	335.11	1,371.01

Significant Accounting Policies and Notes on Accounts form an integral part of the financial statements.

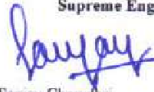
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As per our report of even date attached

For S. R. Dhariwal & Co.
Chartered Accountants
Firm Reg. No. 102466W

CA Niral Saboo
Proprietor
M. No. 158054


For and on behalf of the Board of Directors of
Supreme Engineering Limited


Sanjay Chowdhri

Chairman and Managing Director
DIN No. : 00095990



Abhinav Chowdhri
Executive Director
DIN No. : 07121484


Pranav Chowdhri
Chief Executive Officer

Krupali Thakkar
CS & Compliance Officer

Amol Dhuldhule
Chief Financial Officer

Place : Mumbai
Date: 07th June 2022

Place : Mumbai
Date: 07th June 2022



SUPREME ENGINEERING LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

4. PROPERTY, PLANT AND EQUIPMENT										
Particulars	Land	Buildings	Plant and Machinery	Furniture and Fixtures	Vehicles	Computer	Lease Asset	Total	(Amount in INR Lakhs)	
GROSS CARRYING VALUE										
As at March 31, 2020	215.59	122.81	1,780.88	0.97	4.19	0.59	243.67	2,368.69		
Additions			3.83					3.83		
Disposals/Adjustments during the year								-		
As at March 31, 2021	215.59	122.81	1,784.71	0.97	4.19	0.59	243.67	2,372.52		
Additions			11.43	0.35		1.23	282.95	295.95		
Disposals/Adjustments during the year										
As at March 31, 2022	215.59	122.81	1,796.14	1.32	4.19	1.82	526.61	2,668.47		
ACCUMULATED DEPRECIATION/IMPAIRMENT										
As at March 31, 2020	0.16	12.62	149.17	0.26	1.32	0.15	94.37	258.05		
Depreciation for the year	0.16	11.30	134.67	0.19	0.90	0.28	94.11	241.62		
Deductions/Adjustments during the year								-		
As at March 31, 2021	0.32	23.92	283.84	0.46	2.22	0.42	188.49	499.67		
Depreciation for the year		10.12	124.81	0.21	0.62	0.22	93.94	229.91		
Deductions/Adjustments during the year			0.03	(0.03)						
As at March 31, 2022	0.32	34.04	408.68	0.63	2.84	0.64	282.43	729.58		
Net Carrying value as at March 31, 2022	215.27	88.77	1,387.45	0.69	1.35	1.18	244.19	1,938.89		
Net Carrying value as at March 31, 2021	215.27	98.89	1,500.87	0.51	1.97	0.16	55.18	1,872.85		

Notes:

i. Property, Plant and Equipment pledged as security against borrowings by the company
Refer to Note 38 for information on property, plant and equipment pledged as security by the company.
ii. Impairment Loss
The Company has carried out impairment test on its fixed assets as on the date of Balance Sheet and the Management is of the opinion that there is no asset for which provision for impairment is required to be made as per Ind AS - 36 Impairment of Assets.



SUPREME ENGINEERING LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2022

5. INVESTMENT PROPERTIES			
(Amount in INR Lakhs)			
Particulars	Land	Buildings	Total
GROSS CARRYING VALUE			
As at March 31, 2020	77.48	639.53	717.01
Additions			
Deletions		(59.08)	(59.08)
Acquisition through business combinations			
Transfers to and from inventories and owner-occupied property			
Other Adjustments	(28.99)	28.99	
As at March 31, 2021	48.49	609.44	657.93
Additions			
Deletions			
Acquisition through business combinations			
Transfers to and from inventories and owner-occupied property			
Other Adjustments			
As at March 31, 2022	48.49	609.44	657.93
ACCUMULATED DEPRECIATION AND IMPAIRMENT			
As at March 31, 2020	-	(12.15)	(12.15)
Additions		(11.62)	(11.62)
Impairment			
As at March 31, 2021	-	(23.77)	(23.77)
Additions		(11.67)	(11.67)
Impairment			
As at March 31, 2022	-	(35.44)	(35.44)
Net Carrying value as at March 31, 2022	48.49	574.00	622.49
Net Carrying value as at March 31, 2021	48.49	585.67	634.16

Notes :

i. Amount recognised in the statement of profit and loss for investment properties

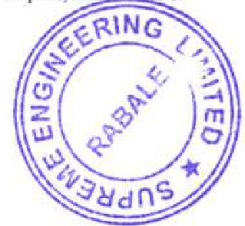
Particulars	March 31, 2022	March 31, 2021
Profit/(Loss) from investment properties before depreciation	-	-
Depreciation	11.67	11.62
Profit/(Loss) from investment properties	(11.67)	(11.62)

ii. Leasing Arrangements

Certain investment properties are leased to tenants under long term operating leases with rentals payable monthly. Minimum Lease payments receivable under non-cancellable operating leases of investment properties are as follows:

(Amount in INR Lakhs)		
Particulars	March 31, 2022	March 31, 2021
Within one year	XXX	XXX
Later than one year but not later than 5 years	XXX	XXX
Later than 5 years	XXX	XXX

Refer to Note 31 for disclosure of contractual obligations to purchase, construct or develop investment property or for its repairs, maintenance or enhancements.



SUPREME ENGINEERING LIMITED**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022**

ii. Fair Value

Reconciliation of Fair Value:		(Amount in INR Lakhs)	
Particulars	March 31, 2022	March 31, 2021	
Opening Balance as at April 1	1,293.00	1,398.00	
Fair Value Difference	-	(105.00)	
Closing balance as at March 31	1,293.00	1,293.00	

Description of Valuation techniques used and key Inputs to valuation on Investment Properties

The Valuation of this property is done by using Sales Comparison Method of Market Approach using composite rate of said assets.

This method is applicable to all properties which are capable of being bought and sold in the market. A comparison is made for the purpose of valuation with similar properties that have recently been sold in the market and thus have a transaction price. The sales comparison approach is the preferred approach when sales data are available.

Sales prices of comparable properties are usually considered the best evidence of Market Value of the property being valued. Sales Comparison Method models the behaviour of the market by comparing the property being appraised with similar properties that have recently been sold or for which offers to purchase have been made. Comparable properties are selected for similarity to the subject property considering attributes like age, size, shape, quality of construction, building features, condition, design, gentry, etc.

Their sale prices are then adjusted for their difference from the subject property. Finally, a Fair Value for the subject property is estimated from the adjusted sales price of the comparable properties.

The Company obtains independent valuations for its investment properties at least annually. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the company consider information from a variety of sources including:

- current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences



SUPREME ENGINEERING LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2022

6. FINANCIAL ASSETS			(Amount in INR Lakhs)
Particulars	As at 31 Mar 2022	As at 31 Mar 2021	
(A) INVESTMENTS			
Non Current			
(1) Investments carried at fair value through Profit and Loss			
Unquoted			
(a) Investments in Equity Instruments			
4000 Equity shares of Bharat Sahakari Bank Ltd Rs.25 each fully paid (March 31, 2020: 4000 shares ,March 31, 2019: 4000 shares)	1.00	1.00	
	1.00	1.00	
Total	1.00	1.00	
Aggregate amount of quoted investments	-	-	
Market value of quoted investments	-	-	
Aggregate amount of unquoted investments	1.00	1.00	
Aggregate amount of impairment in the value of investments	-	-	
Investments carried at fair value through profit and loss	1.00	1.00	
Investments carried at amortised cost	-	-	
(B) LOANS			
Current			
<i>Unsecured, considered good unless otherwise stated</i>			
Other loans and advances	-	-	
Total	-	-	
(C) OTHER FINANCIAL ASSETS			
Non Current			
Financial assets carried at amortised cost			
Security Deposits	31.21	31.28	
Total	31.21	31.28	
Current			
(i) Financial assets carried at amortised cost			
Interest Accrued	2.96	2.66	
Other financial assets	(0.01)	74.27	
Total	2.95	76.93	



SUPREME ENGINEERING LIMITED**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2022**

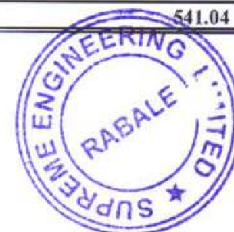
7. INVENTORIES		
(Amount in INR Lakhs)		
Particulars	As at 31 Mar 2022	As at 31 Mar 2021
Raw materials and components (Valued at lower of Cost and Net Realisable value)	7,424.57	7,404.73
Work-in-progress (Valued at cost)	2,491.77	2,554.59
Finished goods	1,073.09	661.61
Stores & Spares	-	-
Total	10,989.43	10,620.93

8. TRADE RECEIVABLES		
Particulars	As at 31 Mar 2022	As at 31 Mar 2021
Current		
<i>Unsecured, considered good unless otherwise stated</i>		
Trade Receivables	2,113.62	7,132.75
	2,113.62	7,132.75
Breakup of Security details		
Trade Receivables considered good - Secured	-	-
Trade Receivables considered good - Unsecured	2,113.62	7,132.75
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - Credit impaired	1,058.91	397.90
	3,172.52	7,530.65
Impairment Allowance (allowance for bad and doubtful debts)		
Unsecured, considered good	-	-
Doubtful	(1,058.91)	(397.90)
	(1,058.91)	(397.90)
Total	2,113.62	7,132.75

For Trade or Other Receivable due from directors or other officers of the company either severally or jointly with any other person, please refer Note 32.

For Trade or Other Receivable due from firms or private companies respectively in which any director is a partner, a director or a member, please refer Note 32.

9. CASH AND CASH EQUIVALENTS		
Particulars	As at 31 Mar 2022	As at 31 Mar 2021
Balances with banks on current accounts	132.71	15.05
- Deposits with original maturity of less than three months	26.24	483.46
Cash on hand	32.55	42.53
	191.50	541.04

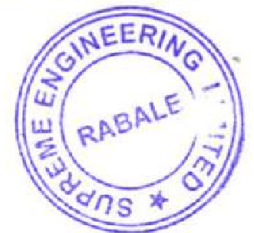


SUPREME ENGINEERING LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2022

10. OTHER ASSETS

(Amount in INR Lakhs)

Particulars	As at 31 Mar 2022	As at 31 Mar 2021
Non Current		
Capital Advances	-	-
Advances other than Capital advances		
- Security Deposits	-	-
- Advances to Related Parties	-	-
- Advances to Supplier	-	-
- Mobilisation Advance	-	-
- Other Advances	-	-
Advances to Directors or other Officers of the Company	-	-
Others		
- Prepaid expenses	-	-
Payment of Taxes (Net of Provisions)	-	-
- MAT Credit entitlement	-	-
Balances with Statutory, Government Authorities	-	-
Gratuity Fund	-	-
Other non current assets	2.32	2.32
Total	2.32	2.32
Current		
Contract Assets		
- Unbilled Revenue	-	-
- Retention Money	-	-
Advances other than Capital advances		
- Security Deposits	-	-
- Advances to Related Parties	7.23	-
- Mobilisation and machinery advances	-	-
- Machinery Advance	-	-
- Advances to Supplier	132.14	103.23
- Other Advances	-	-
Advances to Officers of the Company	31.45	28.68
Loan to Related Party	-	-
Loan to Others	-	-
Others		
- Prepaid expenses	53.68	73.32
- Balances with Statutory and Government Authorities	76.21	139.31
- Other Current Assets	26.84	-
- Advance Tax & TDS	29.08	10.30
Total	356.62	354.83



11. INCOME TAX**Deferred Tax**

(Amount in INR Lakhs)

Particulars	As at 31 Mar 2022	As at 31 Mar 2021
Deferred tax relates to the following:		
Timing differences in the carrying amount of property, plant and equipment	168.33	166.12
Other temporary differences- Gratuity & Leave Encashment	(15.21)	(13.60)
Provision for Doubtful Debt	(308.35)	(115.87)
Lease Obligation Net	1.44	(1.84)
Deferred Borrowing Cost	1.39	2.70
MAT credit entitlement	(34.90)	(37.09)
Net Deferred Tax (Assets) / Liabilities	(187.31)	0.42

Movement in deferred tax liabilities

(Amount in INR Lakhs)

Particulars	As at 31 Mar 2022	As at 31 Mar 2021
Opening balance as of April 1	0.42	17.57
Tax (income)/expense during the year recognised in profit or loss	(192.87)	(17.43)
Tax (income)/expense during the year recognised in OCI	2.52	0.29
Tax (income)/expense during the year recognised in Retain Earning	2.62	-
Other Adjustments	-	-
Closing balance as at March 31	(187.31)	0.42

Unrecognised deferred tax assets

	As at 31 Mar 2022	As at 31 Mar 2021
Unrecognised tax losses	395.01	395.01

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Tax losses which arose in India of INR 395.01 (Previous year INR Nil) that are available for offsetting for eight years against future taxable profits of the company. The tax losses have lapsed since the co. has not file return of income since financial year 2018-2019

Considering the probability of availability of future taxable profits in the period in which tax losses expire, deferred tax assets have not been recognised in respect of tax losses carried forward by the Company

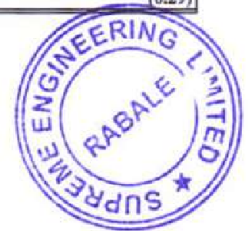
Major Components of income tax expense for the year ended March 31, 2022 and March 31, 2021 are as follows:

i. Income tax recognised in profit or loss

Particulars	As at 31 Mar 2022	As at 31 Mar 2021
Current income tax charge	-	-
Short / (Excess) Provision for Earlier Years	-	-
MAT Tax / (MAT Credit)	-	-
Deferred tax		
Relating to origination and reversal of temporary differences	(192.87)	(17.44)
Income tax expense recognised in profit or loss	(192.87)	(17.44)

ii. Income tax recognised in OCI

Particulars	As at 31 Mar 2022	As at 31 Mar 2021
Net loss/(gain) on remeasurements of defined benefit plans	(2.52)	(0.29)
Income tax expense recognised in OCI	(2.52)	(0.29)

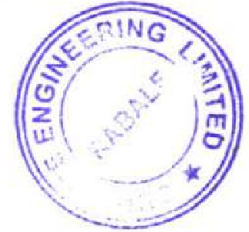


SUPREME ENGINEERING LIMITED**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022**

Reconciliation of tax expense and accounting profit multiplied by income tax rate for March 31, 2022 and March 31, 2021

(Amount in INR Lakhs)

Particulars	For the Year ended	
	31-Mar-22	31-Mar-21
Profit/(Loss) before tax	(1,107.48)	(312.88)
Enacted tax rate in India	29.12%	28.88%
Income tax on accounting profits	-	-
Tax Effect of		
Expenses not allowable or considered separately under Income Tax	-	-
Expenses allowable	-	-
Recognition of deferred tax relating to origination and reversal of temporary differences	(192.87)	(17.44)
Short / (Excess) Provision for Earlier Years	-	-
Other adjustments	-	-
Tax at effective income tax rate	(192.87)	(17.44)



SUPREME ENGINEERING LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2022

12. SHARE CAPITAL

Authorised Equity Share Capital

Particulars	As at 31 Mar 2022		As at 31 Mar 2021	
	No. of Shares	INR in Lakhs	No. of Shares	INR in Lakhs
Authorised:				
Equity shares of INR 10 each (March 31, 2020 INR 10 each)	2,51,00,000	2,510.00	2,51,00,000	2,510.00
Issued:				
Equity shares of INR 10 each (March 31, 2020 INR 10 each)	2,49,95,000	2,499.50	2,49,95,000	2,499.50
Subscribed and paid-up:				
Equity shares of INR 10 each (March 31, 2020 INR 10 each)	2,49,95,000	2,499.50	2,49,95,000	2,499.50

(a) Reconciliation of the number of the shares outstanding at the beginning and at the end of the year:

Authorised share capital	As at 31 Mar 2022		As at 31 Mar 2021	
	No. of Shares	INR in Lakhs	No. of Shares	INR in Lakhs
Balance at the beginning of the year	2,51,00,000.00	2,510.00	2,51,00,000.00	2,510.00
Add/(Less) : changes during the year	-	-	-	-
Balance at the end of the year	2,51,00,000.00	2,510.00	2,51,00,000.00	2,510.00

Issued,Subscribed and Paid up share capital	As at 31 Mar 2022		As at 31 Mar 2021	
	No. of Shares	INR in Lakhs	No. of Shares	INR in Lakhs
Balance at the beginning of the year	2,49,95,000.00	2,499.50	2,49,95,000.00	2,499.50
Add : Shares issued during the year				
Less: shares bought back				
Balance at the end of the year	2,49,95,000.00	2,499.50	2,49,95,000.00	2,499.50

(b) The company has only one class of shares referred to as Equity shares having a face value of INR 10 each (March 31, 2020: INR 10 each). Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees.

(c) The company has not issued any bonus shares during the last five years immediately preceding the balance sheet date.

(d) 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.

(e) Details of shareholders holding more than 5% shares in the company

Name of the shareholder	As at 31 Mar 2022		As at 31 Mar 2021	
	Number	% holding	Number	% holding
Equity shares of INR 10 each fully paid				
Sanjay Ratan Chowdhri	66,59,500	26.64%	66,59,500	26.64%
Sanjay Ratan Chowdhri (HUF)	57,58,561	23.04%	64,40,000	25.77%
Lalita Sanjay Chowdhri	17,12,000	6.85%	17,12,000	6.85%

(f) Aggregate number of equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date: NIL



SUPREME ENGINEERING LIMITED**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2022****13. OTHER EQUITY****i. Reserves and Surplus**

Particulars	As at 31 Mar 2022	As at 31 Mar 2021
Securities Premium Reserve	1,035.90	1,035.90
General Reserve	-	-
Retained Earnings	335.11	1,237.20
	1,371.01	2,273.10

(a) Securities Premium Reserve

(Amount in INR Lakhs)

	As at 31 Mar 2022	As at 31 Mar 2021
Opening balance	1,035.90	1,035.90
Add/(Less): changes during the year	-	-
Closing balance	1,035.90	1,035.90

The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. This is not available for distribution of dividend but can be utilised for issuing bonus shares.

(b) General Reserve

(Amount in INR Lakhs)

	As at 31 Mar 2022	As at 31 Mar 2021
Opening balance	-	-
Add/(Less): changes during the year	-	-
Closing balance	-	-

(c) Retained Earnings

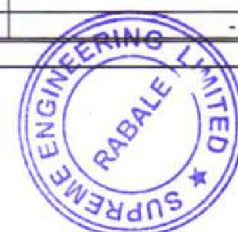
(Amount in INR Lakhs)

	As at 31 Mar 2022	As at 31 Mar 2021
Opening balance	1,237.20	1,531.95
Net Profit/(Loss) for the year	(908.46)	(294.75)
Add/(Less):		
Lease Adjustment net of taxes	6.36	-
Dividend distribution tax (DDT)	-	-
Closing balance	335.11	1,237.20

14. DISTRIBUTION MADE AND PROPOSED**Cash dividends**

(Amount in INR Lakhs)

Particulars	As at 31 Mar 2022	As at 31 Mar 2021
Cash dividends on Equity shares declared and paid:		
Final dividend for the year ended on March 31, 2022: INR Nil per share (March 31 2021: INR Nil per share)	-	-
DDT on final dividend	-	-
	-	-
Proposed dividends on Equity Shares:		
Final dividend for the year ended on March 31, 2022: INR Nil per share (March 31, 2021: INR Nil per share)	-	-
DDT on proposed dividend	-	-
	-	-



SUPREME ENGINEERING LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2022

15. BORROWINGS

(Amount in INR Lakhs)

Particulars	As at 31 Mar 2022	As at 31 Mar 2021
Non Current Borrowings		
Secured		
Term Loan from Bank	1,154.43	1,160.84
Inter-Corporate Loan against Property	287.30	262.80
Unsecured		
From Related Parties	1,008.53	1,034.99
From Others	95.74	95.74
	(A)	2,554.38
Current Maturity of Non Current Borrowings		
(a) Term Loans	404.05	-
	(B)	415.42
	Total (A)-(B)	2,138.96
Current Borrowings		
Secured		
(a) Cash Credit Facility with bank	7,545.28	5,006.24
(b) Bill Payables	-	2,951.23
(h) Others	-	-
Unsecured		
(a) Loans from Banks	4.61	39.70
	Total	7,997.17

Nature of Security	Terms of Repayment
Cash credit limits from Bank of India is secured by hypothecation of Stock and Book Debts	On Demand
Term Loan from Bank of India is secured by Hypothecation of Plant and Machinery	Repayable in 54 monthly installments of Commencing from April 2014
Cash credit limits from Thane Bharat Sahkari Bank Ltd. is secured by hypothecation of Stock and Book Debts	On Demand
Property Loan from Total Holding and Finvest Pvt Ltd is secured against residential flats constructed by the company at Khopoli.	The Loan is repayable within 12 months from the date of loan agreement (28th Jan 2019) or such other date as may be mutually agreed between the parties. Interest on the same is will be charged at the rate of 21% p.a..



SUPREME ENGINEERING LIMITED**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2022**

16. OTHER FINANCIAL LIABILITIES		
(Amount in INR Lakhs)		
Particulars	As at 31 Mar 2022	As at 31 Mar 2021
Current		
Financial Liabilities at amortised cost		
Current maturities of long term debts	404.05	415.42
Outstanding Expenses Payable	503.80	528.62
Unpaid dividend	0.18	0.18
Others		
Employee Dues	32.36	-
Other Payables	39.02	33.51
Total	979.42	977.73

17. TRADE PAYABLES		
(Amount in INR Lakhs)		
Particulars	As at 31 Mar 2022	As at 31 Mar 2021
Current		
Trade Payables to Micro, Small and Medium Enterprises	5.00	120.65
Trade Payables to Related Parties	-	-
Trade Payables to Others	826.89	4,325.18
Total	831.89	4,445.82

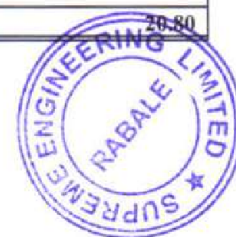
Notes:

For Trade payable to directors or other officers of the company either severally or jointly with any other person, please refer Note 32.

For Trade payable to firms or private companies respectively in which any director is a partner, a director or a member, please refer Note 32.

18. OTHER LIABILITIES		
(Amount in INR Lakhs)		
Particulars	As at 31 Mar 2022	As at 31 Mar 2021
Current		
Advances from customers	350.51	376.62
Statutory Liabilities	83.62	106.88
Capital Advances	-	-
Total	434.13	483.49

19. PROVISIONS		
(Amount in INR Lakhs)		
Particulars	As at 31 Mar 2022	As at 31 Mar 2021
Non Current		
Provision for employee benefits - Gratuity	26.24	26.29
Total	26.24	26.29
Current		
Provision for employee benefits - Gratuity	20.80	20.80
Provision for employee benefits - Leave Encashment	-	-
Total	20.80	20.80



20. CURRENT TAX LIABILITY(NET)

(Amount in INR Lakhs)

Particulars	As at 31 Mar 2022	As at 31 Mar 2021
Current tax liability	343.28	310.68
Add: Current tax payable for the year	-	32.61
Less: Taxes paid	-	
Closing Balance	343.28	343.28

21. REVENUE FROM OPERATIONS

(Amount in INR Lakhs)

Particulars	For the Year Ended 31 Mar 2022	For the Year Ended 31 Mar 2021
Sale of Product		
Sale of Finished Goods	7,090.10	6,875.99
Sale of services		
-Job Work Charges	187.69	123.09
	7,277.79	6,999.08

Note: For disaggregated revenue information, Please refer Note 40



SUPREME ENGINEERING LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2022

22. OTHER INCOME

Particulars	(Amount in INR Lakhs)	
	For the Year Ended 31 Mar 2022	For the Year Ended 31 Mar 2021
Interest income on		
Bank fixed deposits	3.86	20.93
Deposit with MSEB	0.89	0.50
Other Non Operating Income		
Discount received (Net)	-	-
Miscellaneous Income	0.08	-
Profit on sale of Flat	-	191.83
Foreign Exchange Gain	1.99	14.54
Export Benefits (MEIS & Drawback) Received	-	0.76
VAT Refund FY 2016-2017	9.77	-
Dividend Received from TBSB Ltd	0.00	-
Sundry balance Written off	65.19	72.23
	81.77	300.78

23. COST OF MATERIALS CONSUMED

Particulars	(Amount in INR Lakhs)	
	For the Year Ended 31 Mar 2022	For the Year Ended 31 Mar 2021
Stock as at beginning of the year	7,404.73	5,153.84
Add: Purchases	6,760.48	5,786.83
Less : Stock as at end of the year	(7,424.57)	(7,404.73)
Total I	6,740.64	3,535.94
Direct / Operating Expenses		
Job work Charges and Labour charges	97.48	79.57
Repairs & Maintenance	10.06	8.14
Transport & Octroi Charges	16.02	26.10
Consumables - Diesel & Others	9.33	18.55
Water Charges	2.44	3.50
Electricity Charges	230.58	223.16
Factory License Fee	1.40	0.71
Testing & Inspection charges	10.74	0.21
Agency Charges (Import/Export)	7.68	6.54
Clearing & Forwarding Expenses	46.29	11.70
Pollution Control Fee	0.47	1.99
Discount	2.89	6.06
Other Expenses	-	16.62
Packing & Forwarding Expenses	1.31	0.05
Total II	436.69	402.90
Total I + II	7,177.33	3,938.85

24. CHANGES IN STOCK OF FINISHED GOODS, WORK IN PROGRESS

Particulars	(Amount in INR Lakhs)	
	For the Year Ended 31 Mar 2022	For the Year Ended 31 Mar 2021
Inventories as at the beginning of the year		
Work - in - progress	2,554.59	2,807.66
Finished Goods	661.61	2,310.45
Less : Inventories as at the end of the year		
Work - in - progress	(2,491.77)	(2,554.59)
Finished Goods	(1,073.09)	(661.61)
Net decrease / (increase) in inventories	(348.66)	1,901.91

25. EMPLOYEE BENEFITS EXPENSE

Particulars	(Amount in INR Lakhs)	
	For the Year Ended 31 Mar 2022	For the Year Ended 31 Mar 2021
Salaries and Incentives	125.62	118.52
Contribution to PF, ESIC & others	5.31	6.66
Gratuity	8.88	8.98
Staff Welfare Expenses	6.02	8.98
Director Remuneration	38.40	81.54
	184.23	224.68



SUPREME ENGINEERING LIMITED**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022****26. FINANCE COST**

(Amount in INR Lakhs)

Particulars	For the Year Ended 31 Mar 2022	For the Year Ended 31 Mar 2021
Interest expense on debts and borrowings	352.31	862.59
Finance and Other Charges	21.59	47.96
Interest expense on Statutory Dues	3.23	15.89
Bill Discounting charges	14.61	5.28
Interest Others	-	0.18
Inland LC Amendment charges & Issue charges	0.63	45.11
	392.36	977.02

27. DEPRECIATION EXPENSE

(Amount in INR Lakhs)

Particulars	For the Year Ended 31 Mar 2022	For the Year Ended 31 Mar 2021
Depreciation on tangible assets	135.97	147.51
Depreciation on Investment Properties	11.67	11.62
Depreciation on ROU	93.94	94.11
	241.58	253.24

28. OTHER EXPENSES

(Amount in INR Lakhs)

Particulars	For the Year Ended 31 Mar 2022	For the Year Ended 31 Mar 2021
Audit Fees	10.94	6.00
Brokerage & Commission Paid	3.48	18.88
CSR Expenses	-	14.62
Director Sitting Fee	0.60	1.79
Entertainment Expenses	0.14	-
Insurance Charges	1.27	1.36
Late Delivery Charges	0.97	2.79
Late Fee of GST	0.05	0.39
Vehecal Maintenance Expenses	2.16	-
Misc. Expenses	3.23	23.20
Postage & Courier	0.54	0.49
Printing & Stationery	1.19	0.27
Professional and Legal Fees	69.70	54.96
General Expense	5.74	-
Allowance for doubtful debts and advances	661.01	100.59
Rates & Taxes	1.56	32.33
Repairs & Maintenance	15.47	13.67
Membership and Subscription Fees	-	0.42
Sales Promotion expenses	0.55	1.19
Security charges	4.72	6.54
Stamping charges	0.46	-
Listing Fees	6.65	-
Telephone and internet Expenses	1.73	3.14
Travelling Expenses	24.71	31.95
Factory Renewal Charges	0.45	-
Valuation Expense	0.80	-
Hiring Charges	2.09	-
Total	820.20	314.58



SUPREME ENGINEERING LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED March 31,2022

Corporate Information

These statements comprise financial statements of Supreme Engineering Limited (CIN: L99999MH1987PLC043205) ('the company') for the year ended March 31, 2022. The company is a public company domiciled in India and is incorporated on 21/04/1987 under the provisions of the Companies Act applicable in India. Its shares are listed on National Stock Exchange in India. The registered office of the company is located at R.223, MIDC Complex, Thane, Belapur Road, Rabale, Navi Mumbai- 400701.

The Company is engaged in the business of manufacturing of steel products and heavy engineering.

The Financial Statements of the Company for the year ended March 31, 2022 were authorised for issue by the Board of Directors on 7th June 2022.

1 Significant Accounting Policies

1.1 Basis of preparation

(a) Compliance with Ind AS:

The Financial Statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended and Companies (Indian Accounting Standards) Amendment Rules, 2016 (Ind AS). The Financial Statements comply in all material respects with Ind AS. The Company's first Ind AS Financial Statements and Ind AS 101, 'First-time Adoption of Indian Accounting Standards' has been applied for Financial Year ended 31 March 2021. The policies set out below have been consistently applied during the years presented.

These Financial Statements for the year ended 31 March 2022 are Financial Statements of the Company prepared in accordance with Ind AS. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act.

The accounting policies adopted in the preparation of the financial statements are consistent with those of the previous year.

(b) Historical cost convention

The Financial Statements have been prepared on a historical cost basis, except for the following:

- a. certain financial assets and liabilities that are measured at fair value;
- b. defined benefit plans - plan assets measured at fair value;

The Financial Statements are presented in Indian Rupees ('INR') which is the functional and presentational currency and all values are rounded to the nearest Lakh, except otherwise indicated.

Summary of significant accounting policies

1.2 Property, plant and equipment:

All items of property, plant and equipment are stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. The Company follows cost model for subsequent measurement for all classes and items of property, plant and equipment.

Subsequent costs are included in the carrying amount of asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the Statement of Profit and Loss during the period in which they are incurred. Gains or losses arising on retirement or disposal of assets are recognised in the Profit or Loss.



SUPREME ENGINEERING LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED March 31,2022

Spare parts, stand-by equipment and servicing equipment are recognised as property, plant and equipment if they meet the definition of property, plant and equipment.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as 'Capital work-in-progress'.

Depreciation on Tangible Fixed Assets is provided on Written Down Value (WDV) on the basis of useful life of assets specified in Part C of Schedule II of the Companies Act, 2013.

Property, plant and equipment which are added / disposed off during the year, depreciation is provided on pro-rata basis with reference to the day of addition / deletion.

Gains and losses on disposals are determined by comparing the proceeds with the carrying method.

The residual values are not more than 5% of the original cost of the asset, wherever applicable.

The residual values, useful lives and method of depreciation of property, plant and equipment are reviewed at each financial year end and any changes there-in are considered as change in estimate and accounted prospectively.

Depreciation and useful life

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Derecognition

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in Statement of Profit and Loss.

1.3 Investment properties:

Property that is held for long-term rental yields or for capital appreciation or both, and that is not in use by the Company, is classified as investment property. Land held for a currently undetermined future use is also classified as an investment property.

Investment property is measured initially at its acquisition cost, including related transaction costs and where applicable borrowing costs and are carried at cost less accumulated impairment losses.

Investment properties are subsequently measured at cost less depreciation. Investment properties are depreciated using the straight-line method over their estimated useful lives. Investment properties generally have a useful life of 35-50 years. The useful life has been determined based on technical evaluation performed by the management's expert.

1.4 Impairment of fixed 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) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When 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. Impairment losses are recognised in statement of profit and loss.

1.5 Inventories:

Inventories are carried in the balance sheet as follows:

(i) Raw materials, components, stores and spares :

Raw materials, components, stores and spares are valued at lower of cost or net realisable value. Cost is determined on a FIFO basis.

(ii) Work-in-progress and Finished goods:

Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure. Fixed overheads are allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to the individual items in a group of inventories on the basis of First in first out basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.



SUPREME ENGINEERING LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED March 31,2022

1.6 Statement of Cash Flows:

Cash flows are reported using the "indirect method", whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

(i) Cash and cash equivalents:

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

1.7 Foreign currency transactions:

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in statement of profit and loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

1.8 Revenue recognition:

(i) Sale of goods

Revenue is measured at the fair value of the consideration received or receivable. The Company recognises revenues on sale of products, net of Revenue from sales is recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell / consume the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract or the acceptance provisions have lapsed.

(ii) Accounting for Claims

Claims are accounted as income in the period of receipt of arbitration award or acceptance by client or evidence of acceptance received.

(iii) Interest income

Interest income is recognised on a time proportion basis taking into account the amount outstanding using the effective interest rate method.

(iv) Dividend income

Revenue is recognised when the company's right to receive the payment is established.

1.9 Leases

The company has applied Ind AS 116 using the modified retrospective approach. Ind AS 116 is applicable for annual reporting period beginning on or after 1 April 2019. The Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from 1st April, 2020, with a transition date of 1st April, 2019. This lease ended as on 31st October 2021 and later again continued for further 3 years.

The company has applied Ind AS 116 using the further discounted cash flow approach. The company as renewed the lease for further 3 years. The Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from 1st April, 2020, and renewed the lease from 1st November 2021 which ends on 31st October 2024.



SUPREME ENGINEERING LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED March 31,2022

(i) **Company as a lessee:**

The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate. Generally, the company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, or if company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(ii) **Short-term leases and leases of low-value assets Company as a lessee:**

The company has elected not to recognise right-of-use assets and lease liabilities for short term leases of real estate properties that have a lease term of 12 months. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(iii) **Company as a lessor:**

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the company to the lessee. Amounts due from lessees under finance leases are recorded as receivables. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

1.10 Employee Benefits

(i) **Short term employee benefits**

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

(ii) **Post-Employment Benefits**

The company operates the following post-employment schemes:

- (i) defined benefit plans and
- (ii) defined contribution plans

Defined benefit plans - Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit pension and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.



SUPREME ENGINEERING LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED March 31, 2022

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans - Provident fund

The company pays provident fund contributions to publicly administered provident funds as per local regulations. The company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

1.11 Borrowing Costs:

Borrowing costs attributable to the acquisition or construction of qualifying assets. Borrowing costs are capitalized as part of the cost of such asset up to the date when the asset is ready for its intended use. All other borrowing costs are expensed as incurred. Borrowing costs consist of interest and other cost that an entity incurs in connection with the borrowing of funds. Borrowing cost includes exchange differences to the extent regarded as an adjustment to the borrowing costs. The company has not provided for accrued interest, charges, penalty or any other charges from the date of becoming classified as Non Performing Assets and the impact of the same on the financial result and statement remain unaccounted for.

1.12 Earnings Per Share:

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue; bonus element in a rights issue, share split, and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

1.13 Taxes on Income:

Income tax expense comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

(i) Current income tax

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 in the countries where the company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI (Other Comprehensive Income) or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss



SUPREME ENGINEERING LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED March 31,2022

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

1.14 Provisions, Contingent liabilities, Contingent assets and Commitments:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, 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.

Contingent liability is disclosed in the case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation
- a present obligation arising from past events, when no reliable estimate is possible
- a possible obligation arising from past events, unless the probability of outflow of resources is remote. Commitments include the amount of

1.15 Current and Non-current Classification:

The Company's presents assets and liabilities in the balance sheet are based on current/non-current classification.

An asset as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, Or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

- 10% Recovery account is created by bank to recover the borrowings which have become NPA in this financial year. The bank as a process to recover the outstanding dues, debits an amount of 10% of the credit received in the bank account of the company

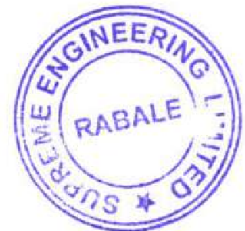
All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, Or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

Deferred tax assets / liabilities are classified as non-current.

All other liabilities are classified as non-current.



SUPREME ENGINEERING LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED March 31,2022

1.16 Fair Value Measurement:

The Company measures financial instruments of certain investments at fair value, at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements 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 (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

1.17 Financial instruments

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.

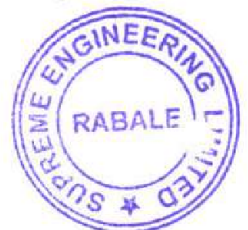
(i) Financial assets:

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

Initial recognition and measurement

Financial assets are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss.



SUPREME ENGINEERING LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED March 31,2022

Subsequent measurement

After initial recognition, financial assets (other than investments in subsidiaries and joint ventures) are measured either at:

- i) fair value (either through other comprehensive income or through profit or loss) or,
- ii) amortized cost

Measured at amortized cost:

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortized cost using the effective interest rate ('EIR') method less impairment, if any, the amortization of EIR and loss arising from impairment, if any is recognized in the Statement of Profit and Loss.

Measured at fair value through other comprehensive income (FVOCI):

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI) net of taxes.

Interest income measured using the EIR method and impairment losses, if any are recognized in Profit and Loss.

In case of investment in equity instruments classified as the FVOCI, the gains or losses on de-recognition are re-classified to retained earnings.

In case of Investments in debt instruments classified as the FVOCI, the gains or losses on de-recognition are reclassified to statement of Profit and Loss.

Measured at fair value through profit or loss (FVTPL):

A financial asset not classified as either amortized cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognized as 'other income' in the Statement of Profit and Loss.

The Company measures all its investments in equity (other than investments in subsidiaries and joint ventures) and mutual funds at FVTPL.

Changes in the fair value of financial assets measured at fair value through profit or loss are recognized in Profit and Loss.

Impairment losses (and reversal of impairment losses) on equity investments measured at FVTPL are recognised in Profit and Loss.

Impairment of financial assets:

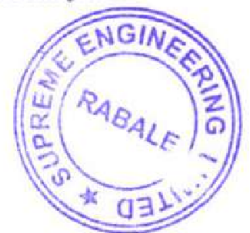
The Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortized cost, FVTPL and FVOCI and debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivable only, the Company applies the simplified approach permitted by Ind AS - 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of such receivables.

- i) The Company has transferred the rights to receive cash flows from the financial asset or
- ii) Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognized.

Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognized.



SUPREME ENGINEERING LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED March 31,2022

1.18 Financial liabilities

Classification as debt or equity

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.

Initial recognition and measurement

Subsequent measurement

Financial liabilities other than those measured at fair value through profit and loss are subsequently measured at amortized cost using the effective interest rate method. The Company measures all debt instruments at amortised.

Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognized in Profit and Loss.

De-recognition.

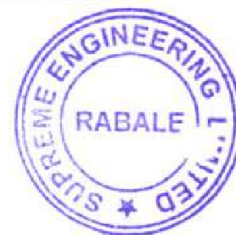
A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires.

Offsetting financial instruments:

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

1.19 Segment Reporting - Identification of Segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's chief operating decision maker to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the chief operating decision maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.



SUPREME ENGINEERING LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED March 31,2022

2 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements, 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 assumptions when they occur.

2.1 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.

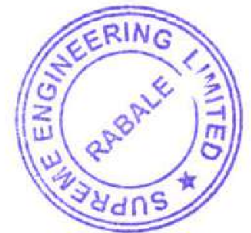
2.1 Estimation of Defined Benefit Obligations / Plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

2.3 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 history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the company and that are believed to be reasonable under the circumstances.



SUPREME ENGINEERING LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED March 31, 2022

3a EMPLOYEE BENEFIT OBLIGATIONS

Particulars	(Amount in INR Lakhs)			
	31/03/2022		31/03/2021	
	Current	Non Current	Current	Non Current
Long obligations				
Share appreciation rights (Refer Note XX)				
Provisions				
Gratuity	20.80	27.80	20.80	27.74
Defined pension benefits				
Employee Benefit Obligations	20.80	27.80	20.80	27.74
Plan Assets				
Gratuity	-	1.54	-	1.45
Employee Benefit Plan Assets	-	1.54	-	1.45

Post Employment obligations

a) Defined benefit plans - Gratuity

The company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of five years are eligible for gratuity. The amount of gratuity payable on retirement is the employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied by number of years of service.

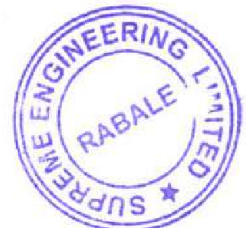
The gratuity plan is a funded plan and the company makes contributions to recognized funds in India. The company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimates of expected gratuity payments.

The amount recognized in the balance sheet and the movement in the net defined benefit obligation over the period are as follows

Particulars	(Amount in INR Lakhs)		
	Present value of obligation	Fair value of plan assets	Net Obligation/(Asset)
As at March 31, 2020	48.45	-1.26	39.99
Current service cost	6.32	-	6.32
Post service cost	-	-	-
Interest expense/(income)	2.75	-0.69	2.66
Adjustment to opening Fair Value of Plan Assets	-	-	-
Total amount recognized in profit or loss	9.07	-0.69	8.98
Remeasurement	-	-	-
Return of plan assets, excluding amount included in interest (income)	-	-	-
(Gain)/Loss from change in demographic assumptions	-	-	-
(Gain)/Loss from change in financial assumptions	-	-	-
Experience (gain)/loss	-0.98	0.00	-0.98
Total amount recognized in other comprehensive income	-0.98	0.00	-0.98
Employer contributions	-	-	-
Benefit payments	-	-	-
As at March 31, 2021	48.54	-1.45	47.89
Current service cost	5.68	-	5.68
Post service cost	-	-	-
Interest expense/(income)	3.50	-0.19	3.20
Adjustment to opening Fair Value of Plan Assets	-	-	-
Total amount recognized in profit or loss	8.99	-0.18	8.88
Remeasurement	-	-	-
Return of plan assets, excluding amount included in interest (income)	-	-	-
(Gain)/Loss from change in demographic assumptions	-	-	-
(Gain)/Loss from change in financial assumptions	-	-	-
Experience (gain)/loss	-0.68	0.00	-0.67
Total amount recognized in other comprehensive income	-0.68	0.00	-0.67
Employer contributions	-	-	-
Benefit payments	-0.25	-	-0.25
As at March 31, 2022	48.60	-1.54	47.95

The major categories of plan assets of the fair value of the total plan assets are as follows

Particulars	(Amount in INR Lakhs)	
	March 31, 2022	March 31, 2021
Equity Instruments		
Sector 1		
Sector 2		
Sector 3		
Debt Instruments		
Government Bonds		
Corporate Bonds		
Asset backed securities		
Real estate investment trusts		
Mutual backed securities		
Investment funds		
Mutual funds		
Derivatives		
Interest rate swaps		
Equity futures		
Gratuity Fund	(1.54)	(1.45)



The significant actuarial assumptions were as follows:

Particulars	March 31, 2022	March 31, 2021
Mortality	Indian Assured lives mortality (2012-14) UB	Indian Assured lives mortality (2012-14) UB
Discount rate	6.80%	6.80%
Rate of increase in compensation	7.00%	7.00%
Expected average remaining service (Years)	30.43	31.55
Employee Attrition Rate (Post Service (PS))	5.00%	5.00%
Expected return on plan assets		
Salary growth rate		
Life expectations for Male		
Female		

A quantitative sensitivity analysis for significant assumptions is shown below:

Assumptions	Discount rate		Salary Escalation Rate	
	1% increase	1% decrease	1% increase	1% decrease
March 31, 2021				
Impact on defined benefit obligation	45.91	51.78	51.74	45.88
% Impact	94.48%	106.67%	106.47%	94.19%
March 31, 2022				
Impact on defined benefit obligation	45.71	51.87	51.83	45.71
% Impact	94.26%	128.21%	106.77%	113.00%

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected contributions to the defined benefit plan in future years:

Particulars	(AMOUNT IN INR Lakhs)	
	March 31, 2022	March 31, 2021
First Year	2.22	22.19
Second Year	0.89	0.89
Third Year	0.86	3.98
Fourth Year	7.67	0.45
Fifth Year	2.84	4.12
Sixth to Tenth Year	6.80	15.34
Total expected payments	31.37	49.17

b) Defined pension benefits
Disclosures would be same as given for Gratuity

b) Defined contribution plans - Provident fund

The company also has defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognized during the period towards defined contribution plan is INR 9.850(March 31, 2020: INR 6.66)



SUPREME ENGINEERING LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED March 31, 2022

31. COMMITMENTS AND CONTINGENCIES

Particulars	(Amount in INR Lakhs)	
	March 31, 2022	March 31, 2021
a) Capital Commitments Towards		
(i) Property, plant and equipment contracts remaining to be executed on capital account not provided for (net of advances)	-	-
(ii) Uncalled amount on investment in shares	-	-
(iii) Financial commitment to provide capital/ loan to subsidiary company	-	-
a) Contingent liabilities		
(i) Claims against the Company not acknowledged as debts	66.08	66.08
(i) Income Tax disputes	1,007.98	995.88
(ii) Indirect Tax disputes	76.68	76.68
(iii) Financial Guarantees		



SUPREME ENGINEERING LIMITED**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31,2022****32. RELATED PARTY TRANSACTIONS**

(i) List of related parties as per the requirements of Ind-AS 24 - Related Party Disclosures

Name of Related Party

Key Managerial Personnel:	Nature of Relationship
Sanjay Chowdhri	Managing Director
Abhinav Chowdhri	Executive Director
Pranav Chowdhri	Chief Executive Officer
Krupali Thakkar	Compliance Officer
Rattan Prakash Chowdhri	Promoter
Amol Dhuldhule	Chief Financial Officer

Enterprises owned or significantly influenced by KMP:	Nature of Relationship	Country of Incorporation
Economic Forge Private Limited	Associate Concern	India
ASC Engineers Private Limited	Associate Concern	India
Sparc Industries	Associate Concern	India
LSC Enterprises Pvt. Ltd.	Associate Concern	India

(ii) Transactions with related parties

The following transactions occurred with related parties

(Amount in INR Lakhs)

Nature of Relationship	Nature of Transaction	2021-22	2020-21
Key Managerial Personnel	Managerial Remuneration	38.40	84.00
	Salary	11.58	28.09
	Rent	101.78	108.00
	Loan Received	82.38	0.80
	Loan Paid	123.37	27.35
	Commission	-	-
	Advance to staff	-	3.00
Enterprises owned or significantly influenced by KMP	Sale of Goods/ Jobwork	170.41	203.23
	Purchase of Goods/ Jobwork	3.10	153.11
	Trade Advance Paid	0.30	
	Advance received from Customers	21.70	191.65
	Advance repaid Customers	27.94	265.11



(iii) Amount due to related parties**(Amount in INR Lakhs)**

Particulars	March 31, 2022	March 31, 2021
Loan Taken		
Key Managerial Personnel	999.05	1,052.41
Trade Receivable		
Enterprises owned or significantly influenced by KMP	16.60	16.60
Trade Payable		
Enterprises owned or significantly influenced by KMP	5.13	2.02
Trade Advance paid		
Enterprises owned or significantly influenced by KMP	(7.23)	23.30
Advance from Customers		
Enterprises owned or significantly influenced by KMP	14.38	444.05
Commission Payable		
Key Managerial Personnel		
Rent Payable		
Key Managerial Personnel	136.41	145.90
Advance to staff		
Key Managerial Personnel	-	8.74
Salary/Remuneration Payable		
Key Managerial Personnel	0.77	76.10

(iv) Key management personnel compensation**(Amount in INR Lakhs)**

Particulars	March 31, 2022	March 31, 2021
Post-employment benefits*	-	-
	-	-

* The amount of post employment benefit are not available seperately in the acturial's report. Composite amount is disclosed in Note No. 30

(v) Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and interest free and settlement occurs by cash flows. There have been no guarantees provided or received for any related party receivables and payables. This assessment is undertaken each financial year through examining the financial position of the related party and market in which the related party operates.

33. SEGMENT REPORTING

The company's operations predominantly consist of manufacturing of steel products and heavy engineering activities. Hence there are no reportable segments under Ind AS - 108 " Operating Segment " during the year under report, the company has engaged in its business only within India and not in any other country. The condition prevailing in India being uniform, no separate geographical disclosures are considered necessary.



SUPREME ENGINEERING LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

34. FAIR VALUE MEASUREMENTS

i. Financial Instruments by Category

(Amount in INR Lakhs)

Particulars	Carrying Amount				Fair Value	
	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2022	March 31, 2021	March 31, 2020
FINANCIAL ASSETS						
Amortised cost						
Trade Receivables	2,113.63	7,132.75	5,982.42	2,113.63	7,132.75	5,982.42
Loans	-	-	-	-	-	-
Cash and Cash Equivalents	191.50	541.04	544.95	191.50	541.04	544.95
Other Financial Assets	34.16	108.21	83.59	34.16	108.21	83.59
FVTPL						
Investment in Equity Instruments	1.00	1.00	1.00	1.00	1.00	1.00
Total	2,340.29	7,782.99	6,611.95	2,340.29	7,782.99	6,611.95
FINANCIAL LIABILITIES						
Amortised cost						
Borrowings	9,691.84	10,136.13	10,136.13	9,691.84	9,691.84	10,136.13
Trade Payables	831.89	4,445.82	4,445.82	831.89	831.89	4,445.82
Lease Liability	239.25	61.51	61.51	239.25	61.51	61.51
Other financial liabilities	979.42	977.73	977.73	979.42	977.73	977.73
Total	11,742.40	15,621.20	15,621.20	11,742.40	11,562.97	15,621.20

The management assessed that the fair value of cash and cash equivalent, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2022

34. FAIR VALUE MEASUREMENTS

ii. Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows underneath the table:

Assets and liabilities measured at fair value - recurring fair value measurement:

Particulars	March 31, 2022				March 31, 2021				Total
	Fair value measurement using				Fair value measurement using				
	Quoted prices in active markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total	Quoted prices in active markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total	
Financial Assets									
Financial Investments at FVTPL									
Unquoted equity shares			1.00	1.00			1.00	1.00	1.00
Total Assets			1.00	1.00			1.00	1.00	1.00
Financial Liabilities									
Borrowings				2,141.95				2,138.96	2,138.96
Lease liabilities									
Total Financial Liabilities				2,141.95				2,138.96	2,138.96

There have been no transfers among Level 1, Level 2 and Level 3 during the year

Level 1 - Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2 - The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

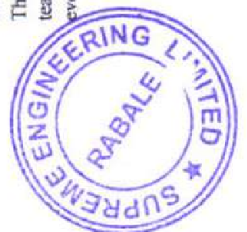
Level 3 - If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3.

iii. Valuation technique used to determine fair value

- Specific Valuation techniques used to value financial instruments include:
- the use of quoted market prices or dealer quotes for similar instruments
 - the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves
 - the fair value of the remaining financial instruments is determined using discounted cash flow analysis

iv. Valuation processes

The finance department of the company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the chief financial officer (CFO) and the audit committee. Discussions of valuation processes and results are held between the CFO, AC and the valuation team at least once every three months, in line with the company's quarterly reporting periods.



SUPREME ENGINEERING LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31,2022

35. FINANCIAL RISK MANAGEMENT

The company's activity expose it to market risk, liquidity risk and credit risk. The company's focus is to foresee the unpredictability of financial risk and to address the issue to minimize the potential adverse effects of its financial performance. In order to minimise any adverse effects on the financial performance of the company, derivative financial instruments, such as interest rate swaps to hedge variable interest rate exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements.

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the company's management.

(A) Credit risk

Credit risk refers to the risk for a counter party default on its contractual obligation resulting a financial loss to the company. The maximum exposure of the financial assets represents trade receivables, work in progress and receivables.

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. Customer credit risk is managed centrally by the Company and subject to established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits defined in accordance with the assessment.

Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

(B) Liquidity risk

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The Company requires funds both for short term operational needs as well as for long term capital expenditure growth projects. The Company generates sufficient cash flow for operations, which together with the available cash and cash equivalents and short term investments provide liquidity in the short-term and longterm.

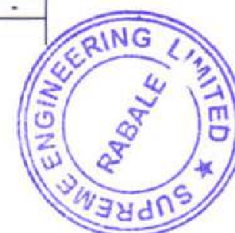
The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods and its non-derivative financial assets. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

Maturities of financial liabilities

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

(Amount in INR Lakhs)

Particulars	Carrying Amount	Contractual cash flows			> 5 Years
		Total	Less than 1 year	1 to 5 years	
March 31, 2022					
Financial Assets					
Non Current Investments	1.00	1.00	-	1.00	
Trade Receivables	2,113.63	2,113.63	2,113.63		
Cash and Cash Equivalents	191.50	191.50	191.50		
Loans	-	-	-		
Other Financial Assets	34.16	34.16	2.95	31.21	
Total Financial Assets	2,340.29	2,340.29	2,308.08	32.21	-
Financial Liabilities					
Borrowings	10,095.89	10,095.89	2,546.00	7,549.89	
Trade payables	831.89	831.89	831.89		
Other financial liabilities	979.42	979.42	979.42		
Total liabilities	11,907.20	11,907.20	4,357.31	7,549.89	-



March 31, 2021				
Financial Assets				
Non Current Investments	1.00	1.00	-	1.00
Trade Receivables	7,132.75	7,132.75	7,132.75	
Cash and Cash Equivalents	541.04	541.04	541.04	
Loans	-	-	-	
Other Financial Assets	108.21	108.21	76.93	31.28
Total Financial Assets	7,782.99	7,782.99	7,750.71	32.28
Financial Liabilities				
Borrowings	10,551.55	10,551.55	2,554.38	7,997.17
Trade payables	4,445.82	4,445.82	4,445.82	
Other financial liabilities	977.73	977.73	977.73	
Total liabilities	15,975.10	15,975.10	7,977.93	7,997.17

(C) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk such as equity price risk and commodity risk.

(i) Foreign currency risk

Foreign currency risk is the risk of impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the foreign receivables.

The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies and standard operating procedures to mitigate the risks.

(a) Foreign currency risk exposure (Amount in INR Lakhs)

Particulars	
March 31, 2022	
Trade Receivables	51.03
Advance	21.27
Net exposure to foreign currency risk	72.30
March 31, 2021	
Trade Receivables	45.49
Advance	34.88
Net exposure to foreign currency risk	80.37

(b) Foreign currency sensitivity

1% increase or decrease in foreign exchange rates will have the following impact on profit/(Loss) before tax:

Particulars	2021-22		2020-21	
	1% Increase	1% Decrease	1% Increase	1% Decrease
Foreign Currency	0.72	-0.72	0.80	-0.80
Net Increase/(decrease) in profit or loss	0.72	-0.72	0.80	-0.80

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Company are principally denominated in rupees with a mix of fixed and floating rates of interest. The Company has exposure to interest rate risk, arising principally on changes in base lending rate. The Company uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day-to-day operations. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.



(a) Interest rate risk exposure

The exposure of the company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	(Amount in INR Lakhs)	
	March 31, 2022	March 31, 2021
Variable rate borrowings		
Working capital loan	7,549.89	7,997.17
Bank Facility		
Fixed rate borrowings	1,441.73	1,423.25
Total borrowings	8,991.62	9,420.42
% of borrowings at variable rate	84%	85%

(b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

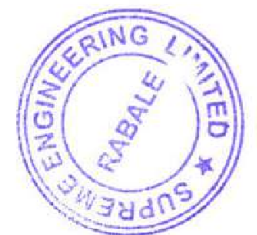
Particulars	Impact on profit before tax	
	March 31, 2022	March 31, 2021
Interest rates - increase by 25 basis points*	18.87	19.99
Interest rates - decrease by 25 basis points*	-18.87	-19.99
Interest rates - increase by 70 basis points*	52.85	52.85
Interest rates - decrease by 70 basis points *	52.85	55.98

* holding all other variables constant

(iii) Price risk

Commodity price risk - The company is affected by the price volatility of certain commodities. Its operating activities require a continuous supply of Steel (goods-RM). Due to the significantly increased volatility of the price of the Steel (goods-RM), the company also entered into various purchase contracts for Steel (goods-RM) for which there is an active market.

The company's board of directors has developed and enacted a risk management strategy regarding commodity price risk and its mitigation. The company mitigates its commodity price risk by ordering as per the price fluctuations which is in the best interest of the company.



SUPREME ENGINEERING LIMITED**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31,2022****36. CAPITAL MANAGEMENT**

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the company. The primary objective of the Company's capital management is to maximise the shareholder value.

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 adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio between 60% and 80%. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

For the purpose of capital management, capital includes issued equity capital, securities premium and all other revenue reserves. Net debt includes all long and short-term borrowings as reduced by cash and cash equivalents and other bank balances.

Particulars	(Amount in INR Lakhs)	
	March 31, 2022	March 31, 2021
Borrowings	9,691.84	10,136.13
Trade payables	831.89	4,445.82
Other financial liabilities		
Less:		
Cash and cash equivalents	-191.50	(541.04)
Other bank balances		
Net Debt	10,332.23	14,040.92
Equity share capital	2,499.50	2,499.50
Other equity	1,371.01	2,273.10
Total Capital	3,870.51	4,772.60
Capital and net debt	14,202.75	18,813.52
Gearing ratio	72.75%	74.63%

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 capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2021 and 31 March 2020.

37. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 (MSMED ACT, 2006)

This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

Particulars	(Amount in INR Lakhs)	
	March 31, 2022	March 31, 2021
Principal amount remaining unpaid to any supplier as at the end of the year.	5.00	120.65
Amount of interest due remaining unpaid to any supplier as at the end of the year.		
Amount of interest paid under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the year.		
Amount of interest due and payable for the period of delay in making payment (where the principal has been paid but interest under the MSMED Act, 2006 not paid).		
Amount of interest accrued and remaining unpaid at the end of year.		
Amount of further interest remaining due and payable even in the succeeding year		



SUPREME ENGINEERING LIMITED**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2022**

(Amount in Level of Rounding)

38. ASSETS PLEDGED AS SECURITY

The carrying amount of assets pledged as security for current and non current borrowings are:

	March 31, 2022	March 31, 2021
CURRENT ASSETS		
i. Financial Assets		
Floating Charge		
Cash and cash equivalents		
Receivables	2,113.63	7,132.75
ii. Non Financial Assets		
First Charge		
Inventories	10,989.43	10,620.93
Total current assets pledge as security	13,103.06	17,753.68
NON CURRENT ASSETS		
First Charge		
Freehold land	88.77	98.89
Freehold building	1,387.45	1,500.87
Plants and equipments	0.69	0.51
Furniture, fittings and equipment acquired under finance lease		
Investment properties		
Total non current assets pledge as security	1,476.91	1,600.27



SUPREME ENGINEERING LIMITED**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31,2022****40. Revenue from Operation****A Disaggregated revenue information**

The table below presents disaggregated revenue from contact with customers for the year ended March 2022 and March 2021. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected by industry, market and other economic factors

Particulars	(Amount in INR Lakhs)	
	For the Year Ended 31 Mar 2022	For the Year Ended 31 Mar 2021
Revenue from contracts with customers disaggregated based on geography		
a. Domestic	7,271.53	6,998.36
b. Exports	6.26	0.72
Total Revenue from Operation	7,277.79	6,999.08

B Reconciliation of Gross Revenue from Contracts With Customers

Gross Revenue	7,277.79	7,277.79
Less: Discount	-	-
Net Revenue recognised from Contracts with Customers	7,277.79	7,277.79

Notes:

B1 The amounts receivable from customers become due after expiry of credit period which on an average is less than 60 to 90 days. There is no significant financing component in any transaction with the customers.

B2 The Company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration. There are no contracts for sale of services wherein, performance obligation is unsatisfied to which transaction price has been allocated.



SUPREME ENGINEERING LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31,2022

39. Leases

The company has applied Ind AS 116 using the prospective cash discounting approach, under which the cumulative effect of initial application is recognized in retained earnings at 1st

Particulars	(Amount in INR Lakhs)	
	Old Lease (Amount)	New Lease (Amount)
Lease commitments as at 31 March 2019/ 31 March 2022	248.22	239.25
Add/(less) contracts reassessed as lease contracts	-	-
Lease liabilities as on 1 April 2019/ 1 April 2022	248.22	239.25
Current Lease Liabilities	-	108.00
Non Current Lease Liabilities	-	131.25

Right of use assets of Rs 248.22 Lakhs and lease liabilities of Rs.243.67 Lakhs have been recognised as on 1 April 2019.

Right of use assets of Rs 282.94 Lakhs and lease liabilities of Rs.273.94 Lakhs have been recognised for the new lease as on 1 November 2021

As a Lessee

A Carrying value of right of use assets at the end of the reporting period by class

Particulars	(Amount in INR Lakhs)	
	Premises	Total
Balance at 1 April 2019	243.67	243.67
Depreciation charge for the year	94.37	94.37
Balance at 31 March 2020	149.29	149.29
Depreciation charge for the year	94.11	94.11
Balance at 31 March 2021	55.18	55.18
Renewal Of Lease as on 01/11/2021	282.95	282.95
Depreciation charge for the year	93.94	93.94
Balance at 31 March 2022	244.19	244.19

B Maturity analysis of lease liabilities

Maturity analysis – contractual undiscounted cash flows	(Amount in INR Lakhs)	
	As on 31st March 2021	As on 31st March 2020
Less than one year	108.00	108.00
One to five years	131.25	63.00
More than five years	-	-
Total undiscounted lease liabilities	239.25	171.00
Lease liabilities included in the statement of financial position	239.25	159.30
Current	108.00	108.00
Non Current	131.25	51.30

C Amounts recognised in profit or loss

Particulars	(Amount in INR Lakhs)	
	As on 31st March 2021	As on 31st March 2021
Interest on lease liabilities	11.80	10.21
Depreciation on ROU	93.94	94.11
Expenses relating to short-term leases	-	-
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	-	-

D Amounts recognised in the statement of cash flows

Particulars	(Amount in INR Lakhs)	
	As on 31st March 2022	As on 31st March 2021
Total cash outflow for leases	108	108.00





S. R. DHARIWAL & CO.



INDEPENDENT AUDITOR'S REPORT

To the Members of

SUPREME ENGINEERING LIMITED

(Formerly Known as Supreme Heatreaters Private Limited)

Report on the Audit of the Ind AS Financial Statement Opinion

We have audited the accompanying Ind AS Financial Statement of **Supreme Engineering Limited** (Formerly known as **Supreme Heatreaters Private Limited**) ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including the Statement of Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended and notes to the Ind AS Financial Statement, including a summary of significant accounting policies and other explanatory information.

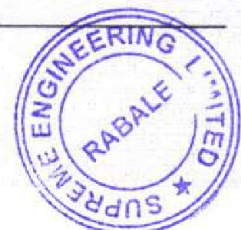
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Financial Statement give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the Ind AS & accounting principles generally accepted in India:

- a) In the case of the balance sheet, of the state of affairs of the Company as at March 31, 2022; and
- b) In the case of the statement of profit and loss, of the loss including other comprehensive income for the year ended on that date.
- c) In the case of the statement of cash flows, of the cash flows for the year ended on that date.
- d) In the case of the statement of changes in equity, of the changes in equity share capital and other equity for the year ended on that date.

Basis for opinion

We have conducted our audit of the Ind AS Financial Statement in accordance with the Standards on Auditing ("SAs") as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statement' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS Financial Statement under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical

Address: 505, Arcadia, 195 NCPA Marg, Nariman Point, Mumbai
Email: info@srhariwalco.in Contact: 022 40133505

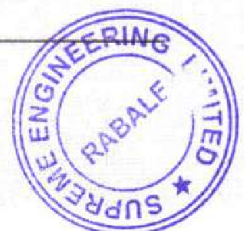


responsibilities in accordance with these requirements and the ICAI Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS Financial Statement.

Emphasis of Matter

We draw attention to the fact that;

- The Corresponding figures are presented, and the prior period's financial statements were audited by a predecessor auditor. The auditor is not prohibited by law or regulation from referring to the predecessor auditor's report on the corresponding figures and has decided to do so.
- The Company is required to get cost audit conducted as per the requirement of section 148 of the Companies Act, 2013 however, the same has not been conducted.
- The Company had Secured Loans account which has turned NPA on 19th August 2021 and has stopped servicing the borrowing repayment and interest from that day. The Company has incurred a net loss of Rs. 908.46 Lakhs during the year ended March 31, 2022 and, as of that date, Net worth has reduced by Rs. 902.09 Lakhs. The Company's current liabilities borrowings have become NPA and Net worth is reduced to Rs. 2834.61 Lakhs from Rs. 3736.70 Lakhs which has resulted in erosion of the net worth of the company. In spite of these events or conditions which may cast a doubt on the ability of the company to continue as a going concern, the management is of the opinion that going concern basis of accounting is appropriate in view of the restructuring in process of the loans and the wide asset base the company carries.
- The company has not provided for accrued interest, charges, penalty or any other charges from the date of becoming classified as Non Performing Assets and the impact of the same on the financial result and statement remain unaccounted for.
- The Company is required to file Audit report under the Income tax Act 1961 and file corresponding Return under the act, however the same has not been done for last 3 financial years.
- The Company is required to file Audit under the Goods and Service Tax Act and file corresponding Annual Return and Audit Report, however the same has not been done for last 3 years.
- The Company has not paid the statutory tax dues like TDS, PF, ESIC and Income tax etc. which has become overdue and remain unpaid. Interest, Penalty in respect of the same has remained unascertained and unaccounted.
- The Company has Trade Receivables including Advances, Trade Payables including Advances to Suppliers and Others, Recoverable Advances in Cash or Kind, Borrowings, Cash Credit account in back etc. includes balances which remain outstanding for a substantial period. The reported Financials may have consequential / subsequent impact which remains unascertained.



- Forensic Audit has been conducted for a period from 01/06/2018 till 30/09/2021 the report of the same for the observations is awaited.

Our opinion is not modified in respect of above matters.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the Board of Directors' Report, but does not include the Ind AS Financial Statement and our Auditor's report thereon.

Our opinion on the Ind AS Financial Statement does not cover the other information and we do not express any form of assurance conclusion thereon.

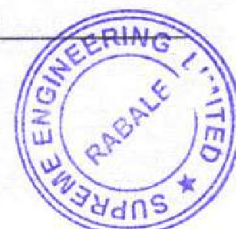
In connection with our audit of the Ind AS Financial Statement, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the Ind AS Financial Statement or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Ind AS Financial Statement

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS Financial Statement that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, i Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS Financial Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS Financial Statement, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the audit of the Ind AS Financial Statement

Our objectives are to obtain reasonable assurance about whether the Ind AS Financial Statement as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS Financial Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS Financial Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS Financial Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



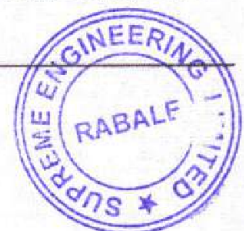
- Evaluate the overall presentation, structure and content of the Ind AS Financial Statement, including the disclosures, and whether the Ind AS Financial Statement represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure A**, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by section 143(3) of the Act, we report that:
 - a) We have reasonably sought and obtained the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The balance sheet, the statement of profit and loss including the statement of other comprehensive income, the statement of cash flows and Statement of Changes in Equity dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Ind AS Financial Statement comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. Since the Company has become NPA, IND AS23 on Borrowing Cost is not applied.
 - e) On the basis of written representations received from the directors as on 31 March, 2021, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2021, from being appointed as a director in terms of Section 164(2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**".



- g) In our opinion, the managerial remuneration for the year ended 31st March, 2022 has been provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V of the Act;
- h) with respect to the other matters to be included in Auditors Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 in our opinion and to the best of our information and according to explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position;
- ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S. R. Dhariwal and Co.,

Chartered Accountants

FRN: 102466W



Niral K Saboo

Proprietor

M. No. 158054

UDIN: 22158054AKKROE6914

Date: 7th June 2022

Place: Mumbai

SUPREME ENGINEERING LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31,2022
 Regd. Office: R-223, MIDC Complex, Thane-Belapur Road, Rabale, Navi Mumbai- 400701

(Amount in INR Lakhs)

Particulars	Notes	For the Year Ended 31 Mar 2022	For the Year Ended 31 Mar 2021
REVENUE			
Revenue from operations (net)	21	7,277.79	6,999.08
Other income	22	81.77	300.78
Total Revenue (I)		7,359.57	7,299.85
EXPENSES			
Cost of materials consumed	23	7,177.33	3,938.85
Changes in stock of finished goods, work in progress	24	(348.66)	1,901.91
Employee benefits expense	25	184.23	227.14
Finance costs	26	392.36	977.02
Depreciation expense	27	241.58	253.24
Other expenses	28	820.20	314.58
Total Expenses (II)		8,467.04	7,612.73
Profit/(Loss) before exceptional items and tax (I-II)		(1,107.48)	(312.88)
Exceptional Items		-	-
Profit/(Loss) before tax		(1,107.48)	(312.88)
Tax expense:			
Current tax	11	-	-
Short / (Excess) Provision for Earlier Years		-	-
MAT Tax / (MAT Credit)		-	-
Deferred tax	11	(192.87)	(17.44)
Profit/(Loss) for the year		(914.60)	(295.44)
OTHER COMPREHENSIVE INCOME			
A. Other Comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Remeasurement of gains (losses) on defined benefit plans	11	8.67	0.98
Income tax effect		(2.52)	(0.29)
Other Comprehensive income for the year, net of tax		6.15	0.69
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		(908.46)	(294.75)
Earnings per share for profit attributable to equity shareholders			
Basic and Diluted EPS	29	(3.66)	(1.18)

Significant Accounting Policies and Notes on Accounts form an integral part of the financial statements.

1-40

As per our report of even date attached

For S. R. Dhariwal & Co.
Chartered Accountants
Firm Reg. No. 102466W

CA Niral Saboo
Proprietor
M. No. 158054

Place : Mumbai
Date: 07th June 2022

For and on behalf of the Board of Directors of
Supreme Engineering Limited

Sanjay
Sanjay Chowdhri
Chairman and Managing Director
DIN No. : 00095990

Abhinav
Abhinav Choudhri
Executive Director
DIN No. : 07121484

Place : Mumbai
Date: 07th June 2022



SUPREME ENGINEERING LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

A Equity Share Capital

(Amount in INR Lakhs)

Particulars	Balance at the Beginning of the year	Changes in Equity share capital during the year	Balance at the end of the year
March 31, 2021			
Numbers	2,49,95,000		2,49,95,000
Amount	2,499.50	-	2,499.50
March 31, 2022			
Numbers	2,49,95,000	-	2,49,95,000
Amount	2,499.50	-	2,499.50

B Other Equity

(Amount in INR Lakhs)

Particulars	Reserves and Surplus			
	Securities Premium Reserve	General Reserve	Retained Earnings	Total
As at April 1, 2019	1,035.90	35.04	1,269.46	2,340.40
Profit/(Loss) for the year	-	-	371.40	371.40
Other comprehensive income/(Loss)	-	-	9.70	9.70
Total comprehensive income for the year	-	-	381.10	381.10
Dividends	-	(35.04)	(89.94)	(124.98)
Dividend distribution tax	-	-	(25.44)	(25.44)
Impact of Ind AS 116	-	-	(3.23)	(3.23)
As at March 31, 2020	1,035.90	-	1,531.94	2,567.85
Profit/(Loss) for the year	-	-	(295.44)	(295.44)
Other comprehensive income/(Loss)	-	-	0.69	0.69
Total comprehensive income for the year	-	-	(294.75)	(294.75)
As at March 31, 2021	1,035.90	-	1,237.20	2,273.10
Profit/(Loss) for the year	-	-	(914.60)	(914.60)
Other comprehensive income/(Loss)	-	-	6.15	6.15
Lease adjustment	-	-	6.37	6.37
Total comprehensive income for the year	-	-	(902.09)	(902.09)
Dividends	-	-	-	-
Dividend distribution tax	-	-	-	-
Tax impact of Ind AS 116	-	-	-	-
As at March 31, 2022	1,035.90	-	335.11	1,371.01

Significant Accounting Policies and Notes on Accounts form an integral part of the financial statements.

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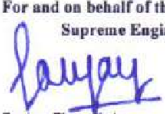
As per our report of even date attached


For S. R. Dhariwal & Co.
Chartered Accountants
Firm Reg. No. 102466W

CA Niral Saboo
Proprietor
M. No. 158054

Place : Mumbai
Date: 07th June 2022

For and on behalf of the Board of Directors of
Supreme Engineering Limited


Sanjay Chowdhri
Chairman and Managing Director
DIN No. : 00095990


Abhinav Chowdhri
Executive Director
DIN No. : 07121484


Pranav Chowdhri
Chief Executive Officer



Place : Mumbai
Date: 07th June 2022