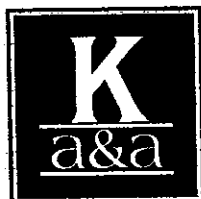


Confidential

**The Supreme Industries Overseas (FZE)
SAIF Zone**

**Post Box 9158
Sharjah (U.A.E.)**

**Financial statements &
Auditor's report: 2014-15**



Kothari
auditors & accountants

Auditors, Accountants & Consultants

Member Firm of :



**The Supreme Industries Overseas (FZE)
SAIF Zone, Sharjah (U.A.E.)**

Financial statements: 2014-15

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The Supreme Industries Overseas FZE

Suite Z # 32, SAIF Zone, P.O. Box 9158, Sharjah, United Arab Emirates
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Page 1

Manager's report

The manager of the company has pleasure in submitting this report along with the financial statements of The Supreme Industries Overseas (FZE) for the year ended 30th June 2015.

Legal status and shareholder:

The Supreme Industries Overseas (FZE) is registered as a free zone establishment with limited liability with Sharjah Airport International Free Zone (SAIF Zone) Authority in the emirate of Sharjah (U.A.E.) under commercial license no. 03490.

M/s The Supreme Industries Limited, a limited company registered under Certificate of Incorporation no. 3554 under the Indian Companies Act of 1956, is the sole shareholder of the company holding 1 share of AED 150,000/-. The registered address of M/s. The Supreme Industries Limited is 612, Raheja Chambers, Nariman Point, Mumbai, India.

Operations of the company:

The company is licensed to carry on the activity of trading in plastics & pipe fittings. During the year under review, it was engaged principally in trading activity and also acted as an agent for supply of pipes & pipe fittings.

The financial highlights of the company are as below:

	Amount in U.A.E. Dhs. (AED)	
	<u>2014-15</u>	<u>2013-14</u>
Revenue	1,763,921/-	1,495,320/-
Gross profit	919,009/-	867,579/-
Net profit	202,779/-	131,551/-
Total liabilities	255,479/-	724,984/-
Equity & shareholder's funds	520,097/-	317,318/-

Results & dividend:

Net profit for the year amounted to AED 202,779/- (previous year earned net profit of AED 131,551/-).

Current year net profit including opening balance of retained earnings is proposed to be carried forward.

Management's responsibilities & acknowledgements:

We confirm that management of the company is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards for Small & Medium-sized Entities (IFRS for SMEs), UAE Commercial Companies Law no. 8 of 1984 (as amended), implementing regulations of Sharjah Airport International Free Zone Authority issued pursuant to Emiri decree no. 2 of 1995 and provisions of the memorandum & articles of association of the company.

This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

The company's management further states that there are no material uncertainties which would make the going concern assumption inappropriate.

Events occurring after the reporting date:

There were no important events occurring after the reporting date that would materially affect the working or the financial statements of the company.

WOS of The Supreme Industries Limited

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The Supreme Industries Overseas FZE

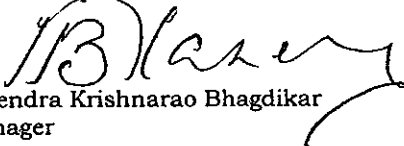
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Auditors:

The company's auditors, M/s Kothari Auditors & Accountants, Sharjah (U.A.E.) are retiring at the end of the annual general meeting of the shareholder and being eligible have expressed their willingness to be re-appointed. A resolution to re-appoint them for the year 2015-16 and to fix their remuneration would be put up before the shareholder at the annual general meeting.

For The Supreme Industries Overseas (FZE)


Narendra Krishnarao Bhagdikar
Manager

July 01, 2015
Sharjah, United Arab Emirates



WOS of **The Supreme Industries Limited**

1161 & 62, Solitaire Corporate Park, Chakala, Andheri (East), Mumbai, INDIA- 400 093
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Independent auditor's report to the shareholder of
The Supreme Industries Overseas (FZE)
SAIF Zone, Sharjah (U.A.E.)

Report on the financial statements:

We have audited the accompanying financial statements of The Supreme Industries Overseas (FZE) ('the company') for the financial year ended on 30th June 2015 comprising of statement of financial position as at 30th June 2015, related statement of comprehensive income, statement of changes in equity & shareholder's funds and statement of cash flows for the year then ended as set out on pages 5 to 8 and read along with notes and schedule to the financial statements on pages 9 to 18.

Management's responsibility for the financial statements:

Management of the company is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards for Small & Medium-sized Entities (IFRS for SMEs), UAE Commercial Companies Law no. 8 of 1984 (as amended), implementing regulations of Sharjah Airport International Free Zone Authority issued pursuant to Emiri decree no. 2 of 1995 and provisions of the memorandum & articles of association of the company. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on auditor's judgment, including the assessment of the risk and material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion:

In our opinion, the financial statements, present fairly, in all material respects, the financial position of The Supreme Industries Overseas (FZE) as at 30th June 2015, its financial performance, changes in shareholder's equity and cash flows for the year then ended and were prepared, in accordance with International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs) applied on consistent basis.

كوتاري لتدقيق الحسابات

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Member Firm of :



Global Support Local Knowledge

Report on other matters:

We confirm that, in our opinion

- we have obtained all the information & explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- proper books of account have been maintained by the company as far as appears from our examination of those books;
- financial statements and the contents of the manager's report are in agreement with the books of account; and
- to the best of our knowledge and belief, that there were no violation of the provisions of the U.A.E. Commercial Companies Law no. 8 of 1984 (as amended), implementing regulations of Sharjah Airport International Free Zone Authority, issued pursuant to Emiri decree no. 2 of 1995 and provisions of the memorandum & articles of association of the company that would affect materially the working or the financial statements of the company.

VR Vipul R.

Kothari Vipul R.
Ministry of Economy Registration No. 159
Kothari Auditors & Accountants



July 01, 2015
Sharjah, United Arab Emirates

The Supreme Industries Overseas (FZE)

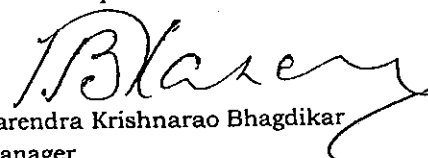
SAIF Zone, Sharjah (U.A.E.)

Statement of financial position as at 30th June 2015

Particulars	Note no.	Amount in U.A.E. Dhs. (AED)	
		30.06.2015	30.06.2014
Assets:			
Current assets			
Cash & bank balances	5	205,782	253,465
Deposits & prepayments	6	58,202	58,201
Amounts due from related parties	7	13,508	1,500
Accounts receivables	8	496,182	722,196
		<u>773,674</u>	<u>1,035,362</u>
Non-current assets			
Property, plant & equipment	Sch-1	1,902	6,940
		<u>1,902</u>	<u>6,940</u>
Total assets employed		<u>775,576</u>	<u>1,042,302</u>
Liabilities, equity & shareholder's funds:			
Current liabilities			
Accounts payable	9	47,999	493,809
Provisions, accruals & other liabilities	10	70,717	105,175
		<u>118,716</u>	<u>598,984</u>
Non-current liabilities			
Employees end of service benefits	11	136,763	126,000
		<u>136,763</u>	<u>126,000</u>
Total liabilities		<u>255,479</u>	<u>724,984</u>
Equity & shareholder's funds			
Share capital	12	150,000	150,000
Reserves & surplus	13	370,097	167,318
Equity & shareholder's funds		<u>520,097</u>	<u>317,318</u>
Total liabilities, equity & shareholder's funds		<u>775,576</u>	<u>1,042,302</u>

The attached note nos. 1 to 22 & schedule no. 1 form an integral part of these financial statements.
Auditor's report is on page nos. 3 & 4. The shareholder has approved and authorised the manager for the issuance of these financial statements on July 01, 2015.

For The Supreme Industries Overseas (FZE)


Narendra Krishnarao Bhagdikar
Manager



The Supreme Industries Overseas (FZE)

SAIF Zone, Sharjah (U.A.E.)

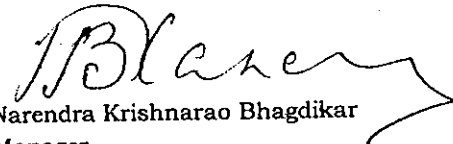
Statement of comprehensive income for the year ended 30th June 2015

Particulars	Note no.	Amount in U.A.E. Dhs. (AED)	
		01.07.2014 to 30.06.2015	01.07.2013 to 30.06.2014
Revenue	14	1,763,921	1,495,320
Direct costs	15	(844,912)	(627,741)
Gross profit		919,009	867,579
Other income	16	9,420	0
Selling & distribution costs	17	(108,405)	(103,113)
Administrative costs	18	(603,494)	(622,497)
Finance costs	19	(7,010)	(2,730)
Other expenses	20	(6,741)	(7,688)
Net profit		202,779	131,551

The attached note nos. 1 to 22 & schedule no. 1 form an integral part of these financial statements.

Auditor's report is on page nos. 3 & 4. The shareholder has approved and authorised the manager for the issuance of these financial statements on July 01, 2015.

For The Supreme Industries Overseas (FZE)


Narendra Krishnarao Bhagdikar
Manager



The Supreme Industries Overseas (FZE)

SAIF Zone, Sharjah (U.A.E.)

Statement of changes in equity & shareholder's funds for the year ended 30th June 2015.

Particulars	Amount in U.A.E. Dhs. (AED)			
	Share capital	General reserve	Retained earnings	Total
As at 30.06.2013	150,000	21,679	14,088	185,767
Net profit	0	0	131,551	131,551
Net movements	0	0	0	0
As at 30.06.2014	150,000	21,679	145,639	317,318
As at 30.06.2014	150,000	21,679	145,639	317,318
Net profit	0	0	202,779	202,779
Net movements	0	0	0	0
As at 30.06.2015	150,000	21,679	348,418	520,097

The attached note nos. 1 to 22 & schedule no. 1 form an integral part of these financial statements.
Auditor's report is on page nos. 3 & 4.

The Supreme Industries Overseas (FZE)

SAIF Zone, Sharjah (U.A.E.)

Statement of cash flows for the year ended 30th June 2015

Particulars	Note no.	Amount in U.A.E. Dhs. (AED)	
		01.07.2014 to 30.06.2015	01.07.2013 to 30.06.2014
Cash flow from operating activities:			
Net profit		202,779	131,551
Adjustments for:			
Depreciation on property, plant & equipment		5,038	5,914
Finance costs		7,010	2,730
Employees end of service benefits provided		31,480	22,800
Cash generated from operations		246,307	162,995
Net changes in operating assets & liabilities:			
(Increase)decrease in deposits & prepayments		(1)	2,768
Decrease(increase) in accounts receivables		226,014	(479,584)
(Decrease) in accounts payable		(445,810)	(99,476)
(Decrease) in provisions, accruals & other liabilities		(34,458)	(19,900)
Employees end of service benefits (paid)		(20,717)	0
Net cash (used in) operations		(28,665)	(433,197)
Cash flow from investing activities:			
(Increase)decrease in amounts due from related parties		(12,008)	10,500
(Addition) to property, plant & equipment		0	(7,499)
Net cash (used in)/generated from investing		(12,008)	3,001
Cash flow from financing activities:			
(Outflow) of finance costs		(7,010)	(2,730)
Net cash (used in) financing		(7,010)	(2,730)
(Deficit) for the year		(47,683)	(432,926)
Cash & cash equivalents at beginning of year		253,465	686,391
Cash & cash equivalents at end of year	5	205,782	253,465

The attached note nos. 1 to 22 & schedule no. 1 form an integral part of these financial statements.
Auditor's report is on page nos. 3 & 4.

The Supreme Industries Overseas (FZE)

SAIF Zone, Sharjah (U.A.E.)

Notes to the financial statements for the year ended 30th June 2015

1. Status and activity:

1.1 The Supreme Industries Overseas (FZE) is registered as a free zone establishment with limited liability with Sharjah Airport International Free Zone (SAIF Zone) Authority in the emirate of Sharjah (U.A.E.) under commercial license no. 03490.

1.2 M/s The Supreme Industries Limited, a limited company registered under Certificate of Incorporation no. 3554 under the Indian Companies Act of 1956, is the sole shareholder of the company holding 1 share of AED 150,000/-. The registered address of M/s The Supreme Industries Limited is 612, Raheja Chambers, Nariman Point, Mumbai, India.

1.3 The principal place of business is located at suite Z-32, SAIF Zone, Sharjah (U.A.E.) and registered address of the company is Post Box No. 9158, SAIF Zone, Sharjah (U.A.E.).

1.4 The company is licensed to carry on the activity of trading in plastics & pipe fittings. During the year under the review, it was engaged principally in trading activity and also acted as an agent for supply of pipes & pipe fittings.

2. Basis of preparation:

2.1 Statement of compliance:

These financial statements have been prepared, in accordance with the International Financial Reporting Standards for Small & Medium-sized Entities (IFRS for SMEs) issued by International Accounting Standards Board (IASB).

2.2 Basis of measurement:

These financial statements have been prepared under going concern assumption and historical cost convention except in respect of those financial instruments, which are presented at their fair values and properly disclosed elsewhere in the report

2.3 Basis of accounting & coverage:

The company follows the accrual basis of accounting, except for statement of cash flows which is presented on cash basis. Under accrual basis, the transactions and events are recognized as and when they occur and are recorded in the financial statements for the period to which they relate to.

The financial statements enclosed covers the period 1st July 2014 to 30th June 2015. Previous year figures are for the period 1st July 2013 to 30th June 2014 and have been regrouped wherever necessary.

2.4 Functional & presentation currency:

The financial statements are presented in United Arab Emirates Dirham (AED) which is also the company's functional currency. All financial information presented in AED has been rounded off to the nearest UAE Dirham.

2.5 Use of estimates & judgments:

The preparation of financial statements in conformity with IFRS for SMEs requires management to make estimates, judgments and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses.

The Supreme Industries Overseas (FZE)

SAIF Zone, Sharjah (U.A.E.)

Notes to the financial statements for the year ended 30th June 2015

Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future period affected & same are mentioned under respective accounting policy note.

The following accounting estimates and management judgments have been considered, which are material in nature, in preparation of financial statements.

- **Useful lives of property, plant & equipment:**

Company's management estimates the useful life of property, plant & equipment & residual value for calculating depreciation. It reviews the estimated life & residual value on annual basis & future depreciation expense would be adjusted where the management believes that useful life differs from the previous estimates.

- **Impairment of accounts receivables:**

Accounts receivables are subjected to recoverability test on a periodical basis when collection of full amount is no longer probable. Accounts receivable balances which are individually significant, are verified for subsequent receipts & balance confirmations. Accounts receivable balances which are individually not material, are assessed collectively & estimated reserve for impairment is created if same is outstanding for beyond normal credit terms & doubtful.

3. Summary of significant accounting policies:

The following accounting policies have been consistently applied by the management in preparation of the financial statements except where stated here under:

3.1 Property, plant & equipment:

Property, plant & equipment are carried at their cost of acquisition including any incidental expenses related to acquisition or installation, less accumulated depreciation and accumulated impairment loss. Depreciation has been provided on straight line method over the estimated useful lives, as determined by the management.

Property, plant & equipment are, at the reporting date, subject to impairment. Where any indication of impairment exists, the carrying amount is written down to its recoverable amount.

The management's estimate of useful life of various assets is as follows:

Furniture & fixtures	5 years
Office equipments	5 years

Gains and losses on disposals are determined by comparing proceeds with the asset's carrying amount. These are recognized under 'other income or expense' in the statement of comprehensive income.

3.2 Financial instruments:

The company recognizes a financial instrument (being a financial asset or financial liability) only when the company becomes a part of the contractual provisions of the instrument.

Accounting policy relevant to each type of financial instrument is as follows:

- **Cash & cash equivalents:**

Cash & cash equivalents comprises of cash on hand & balance with bank in current account.

The Supreme Industries Overseas (FZE)

SAIF Zone, Sharjah (U.A.E.)

Notes to the financial statements for the year ended 30th June 2015

- **Accounts receivables:**
Accounts receivables are amounts due from customers towards sale of goods in the ordinary course of business. Accounts receivables are recognized initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of accounts receivables is recognised when it is probable that the company will not be able to collect all amounts due according to original terms of the accounts receivables.
- **Accounts payable:**
Accounts payable represent obligations towards purchase of goods in the ordinary course of business. Same is free of interest & payable at the end of credit period granted by the suppliers. Accounts payables are recognized initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method.
- **Other financial assets:**
Other financial assets are recognized initially at fair value/transaction value and subsequently measured at amortised cost using the effective interest method less impairment. However, all other financial assets have a value on realization in the ordinary course of the company's business, which is at least equal to the amount at which they are stated in the statement of financial position.
- **Other financial liabilities:**
Other financial liabilities including borrowings, are initially measured at fair value/transaction value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

3.3 Impairment:

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. All impairment losses are recognized in the statement of comprehensive income.

A non-financial asset is assessed for impairment (its recoverable amount being less than its carrying amount) and impairment loss is immediately recognized in the statement of comprehensive income.

3.4 Leases:

Leases are classified as finance lease, when substantially all the risk and reward of ownership are transferred to lessee. All other leases are operating lease.

Operating lease:

Lease payments under an operating lease are recognized as an expense in the statement of comprehensive income on a straight line basis over the lease term. Generally the company's operating leases are for annual duration and hence company is not exposed to any operating lease obligations.

3.5 Employee benefits:

Employee benefits have been provided for in accordance with the contractual terms with the employees, but are however subject to minimum of UAE Labour Law requirements. The accrual relating to annual leave and leave passage is disclosed as a current liability, while the provision relating to end of service benefits is disclosed as a non-current liability.

The Supreme Industries Overseas (FZE)

SAIF Zone, Sharjah (U.A.E.)

Notes to the financial statements for the year ended 30th June 2015

3.6 Provisions & contingencies:

Provisions are recognised when the company has a legal or constructive obligation as a result of past events and it is probable that an outflow of economic benefits would be required to settle these obligations and a reliable estimate of the same can be made.

A disclosure of contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When likelihood of outflow is remote, no provision or disclosure is made.

3.7 General reserve:

General reserve represents amount set aside by the company out of net profits.

General reserve is a free reserve to be utilized at the discretion of the management.

3.8 Revenue recognition:

Revenue is recognized when it is probable that the economic benefit will flow to the company, the significant risk and reward of ownership have transferred to the buyer, the entity loses effective control and ownership over the goods and the revenue can be reliably measured.

Revenue is measured at fair value of consideration received or receivable, excluding discounts, rebates and duties.

Revenue includes income from trading goods supplied during the year & commission income. Commission income is recognised as and when the deal is executed.

Other income is recognised when due or received, whichever is earlier.

3.9 Expenditure:

Expenses are accounted for on the accrual basis and provisions are made for all known losses and liabilities. Expenses are presented in the statement of comprehensive income, classified according to the function of expense.

3.10 Foreign currency transactions:

a. Transactions in foreign currency, if any, are converted into functional currency at prevailing exchange rate on the date such transactions are entered into.

b. Monetary assets and liabilities denominated in foreign currencies are translated into functional currency at the exchange rates prevailing at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies which are stated at historical cost or fair value, are translated into functional currency at the exchange rates prevailing on the date of such transaction or the date of determination of fair value respectively.

c. Resultant loss or gain has been recognized in the statement of comprehensive income, in the year in which such assets are realized or liabilities are discharged.

4. Other significant disclosures:

4.1 Related party transactions:

The company enters into transactions with another company that falls within the definition of a related party as per the International Financial Reporting Standards for Small & Medium-sized Entities (IFRS for SMEs).

The Supreme Industries Overseas (FZE)

SAIF Zone, Sharjah (U.A.E.)

Notes to the financial statements for the year ended 30th June 2015

The terms of trade with such related parties are based on commercial terms & conditions agreed upon with them by the management. Related parties with whom the company has entered into transactions during the year under review comprise of the shareholder and manager as stated hereunder:

<u>Name of related parties</u>	<u>Control</u>	<u>Relation</u>
M/s The Supreme Industries Limited, Mumbai, India	100%	Parent/Holding company
Mr. Narendra Krishnarao Bhagdikar	Manager	Key management personnel

During the year under review following transactions were entered in to with related parties:

<u>Nature of transactions</u>	Amount in U.A.E. Dhs. (AED)	
	<u>2014-15</u>	<u>2013-14</u>
Purchases:		
Purchases from parent company	660,656/-	549,145/-
Compensation to key management personnel:		
Manager's remuneration & benefits	292,563/-	292,000/-
Other transactions:		
Commission income from parent company	763,036/-	738,579/-

Amounts due from related parties:

Amounts due from related parties are free of interest.

4.2 Financial, capital risk management & fair value information:

4.2.1 Credit, liquidity & market rate risk:

Credit risk:

Credit risk is the risk of financial loss to the company if a customer or counter-party to a financial instrument fails to meet its contractual obligations.

The company's cash is placed with banks of repute.

The exposure to credit risk on accounts receivables and amounts due from related parties is monitored on an ongoing basis by the management and these are considered recoverable by the company's management. However 100% of accounts receivables were outstanding from 3 customers including 1 related party (previous year 91.81% of accounts receivables from 3 customers including 1 related party) and hence the company has concentration of accounts receivables and consequent risk to that extent.

Liquidity risk:

Liquidity risk is the risk that the company will not be able to meet its financial obligations as and when it falls due. The company's assets are sufficient to cover its financial obligations.

The table below summarises the maturity profile of the company's financial liabilities on contractual undiscounted payments.

Financial liabilities as on 30th June 2015	Amount in U.A.E. Dhs. (AED)			
	Before 6 months	6 months to 1 year	After 1 year	Total
Accounts payable	47,999	-	-	47,999
Provisions, accruals & other liabilities	70,717	-	-	70,717
Employees end of service benefits	-	-	136,763	136,763
Total	118,716	-	136,763	255,479

The Supreme Industries Overseas (FZE)

SAIF Zone, Sharjah (U.A.E.)

Notes to the financial statements for the year ended 30th June 2015

Market risk:

Market risk is the risk that changes in market prices, such as investment prices, interest rates and currency rates will affect the company's income or the value of its holding of financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

- **Interest rate risk:**

Interest rate risk is the risk of variability in profit due to change in interest rates on interest bearing assets and interest bearing liabilities. The company does not have any interest bearing assets and interest bearing liabilities & consequently no risk on this account.

- **Currency risk**

Currency risk faced by the company is minimal as there are minimal foreign currency transactions. Most of the monetary assets and liabilities are denominated in UAE Dirhams or in United States Dollar (USD), which is pegged to AED.

Other risks:

- **Revenue risk:**

78.77% of revenue was generated from 3 customers including 1 related party (previous year 91.27% from 4 customers including 1 related party) and hence the company has revenue risk to that extent.

- **Purchase/sourcing risk:**

The company has procured material from 2 suppliers including 1 related party which forms 100% of purchases (previous year 87.48% from 1 related party) and discontinuance of supply from them can have a material impact on the sourcing of goods and hence there is procurement risk to that extent.

4.2.2 Capital management:

The company's policy is to maintain a strong capital base so as to maintain lender and creditor confidence and to sustain future development of the business. The company is not subject to externally imposed capital restrictions.

4.2.3 Fair value information:

Fair value represents the amount at which an asset could be exchanged or a liability settled in an arm's length transaction, between willing & knowledgeable parties. In respect of all the company's financial assets viz cash & bank balances, receivables, advances, deposits, accrued income and liabilities viz dues to banks, payables, accruals and other non-current liabilities, in the opinion of the management, the book value approximates to their carrying value.

The Supreme Industries Overseas (FZE)
SAIF Zone, Sharjah (U.A.E.)

Notes to the financial statements for the year ended 30th June 2015

Amount in U.A.E. Dhs. (AED)
30.06.2015 30.06.2014

5	Cash & bank balances/Cash & cash equivalents:		
	Cash on hand	6,136	22,278
	Balance with bank in current account	199,646	231,187
		<u>205,782</u>	<u>253,465</u>
6	Deposits & prepayments:		
	Deposits	12,800	12,800
	Prepayments	45,402	45,401
		<u>58,202</u>	<u>58,201</u>
	Deposits include 5,300/- (previous year 5,300/-) placed with SAIF Zone Authorities against employee visa guarantees issued.		
7	Amounts due from related parties:		
	Due from manager	6,600	1,500
	Due from parent company	6,908	0
		<u>13,508</u>	<u>1,500</u>
	Amounts due from related parties are free of interest.		
8	Accounts receivables:		
	Trade receivables	201,768	349,472
	Receivables from parent company	294,414	372,724
		<u>496,182</u>	<u>722,196</u>
	Age-wise analysis of accounts receivables is as follows:		
	Outstanding for less than 3 months	437,620	657,398
	Outstanding for more than 3 months but less than 6 months	58,562	62,036
	Outstanding for more than 6 months but less than 12 months	0	2,762
		<u>496,182</u>	<u>722,196</u>
	Geographical analysis of accounts receivables is as follows:		
	Due from U.A.E.	66,076	233,851
	Due from India	294,414	372,724
	Due from Ethiopia	0	115,621
	Due from Srilanka	135,692	0
		<u>496,182</u>	<u>722,196</u>
	The company's exposure to credit risk relating to accounts receivables is disclosed in note 4.2.1.		
9	Accounts payable:		
	Payable from parent company	0	470,914
	Commission payable	47,999	22,895
		<u>47,999</u>	<u>493,809</u>

The Supreme Industries Overseas (FZE)
SAIF Zone, Sharjah (U.A.E.)

Notes to the financial statements for the year ended 30th June 2015

		Amount in U.A.E. Dhs. (AED)	
		30.06.2015	30.06.2014
10	Provisions, accruals & other liabilities:		
	Accrued expenses	11,341	13,000
	Advance from customers	9,117	0
	Other liabilities	0	29,175
	Accrued staff salaries & benefits	50,259	63,000
		<u>70,717</u>	<u>105,175</u>
11	Employees end of service benefits:		
	Balance at the beginning of the year	126,000	103,200
	Provided for the year	31,480	22,800
	(Paid) during the year	(20,717)	0
	Balance at the end of the year	<u>136,763</u>	<u>126,000</u>
12	Share capital:		
	Share capital	150,000	150,000
		<u>150,000</u>	<u>150,000</u>
	The authorised and paid up share capital of the company is 150,000/- comprising of 1 share of 150,000/- (previous year 150,000/- comprising of 1 share of 150,000/-).		
13	Reserves & surplus:		
	General reserve	21,679	21,679
	Retained earnings	348,418	145,639
		<u>370,097</u>	<u>167,318</u>
		01.07.2014 to	01.07.2013 to
		30.06.2015	30.06.2014
14	Revenue:		
	Sales income	1,000,885	756,741
	Commission income	763,036	738,579
		<u>1,763,921</u>	<u>1,495,320</u>
15	Direct costs:		
	Purchases	827,944	627,741
	Clearing & forwarding expenses	16,968	0
		<u>844,912</u>	<u>627,741</u>
16	Other income:		
	Other miscellaneous income	9,420	0
		<u>9,420</u>	<u>0</u>

The Supreme Industries Overseas (FZE)

SAIF Zone, Sharjah (U.A.E.)

Notes to the financial statements for the year ended 30th June 2015

Amount in U.A.E. Dhs. (AED)
01.07.2014 to 30.06.2015 01.07.2013 to 30.06.2014

17 Selling & distribution costs:			
Commission on sales		68,591	62,426
Advertisement & business promotion expenses		39,814	40,687
		108,405	103,113
18 Administrative costs:			
Office rent		44,687	44,687
Salaries & other staff related benefits		36,727	54,901
Manager's remuneration & benefits		292,563	292,000
Communication expenses		89,233	102,941
Fees & charges		25,038	16,289
Insurance expenses		1,562	280
Vehicle running & maintenance expenses		20,660	24,132
Travelling & conveyance expenses		48,975	39,816
Office & other expenses		39,011	41,537
Depreciation on property, plant & equipment		5,038	5,914
		603,494	622,497
19 Finance costs:			
Bank charges		7,010	2,730
		7,010	2,730
20 Other expenses:			
Foreign exchange loss - net		6,741	7,688
		6,741	7,688
		30.06.2015	30.06.2014
21 Contingent liabilities:			
Employee visa guarantees		5,300	5,300
Except for the above & other ongoing business commitments against which no loss is expected, there has been no known contingent liability or commitments as on reporting date.			
22 Events occurring after the reporting date:			
There were no significant events occurring after the reporting date which will have any material effect on the working or the financial statements of the company.			

The Supreme Industries Overseas (FZE)

SAIF Zone, Sharjah (U.A.E.)

Schedule to the financial statements for the year ended 30th June 2015

Amount in U.A.E. Dhs. (AED)

Schedule 1 - Property, plant & equipment:

Particulars	Furniture & fixtures	Office equipments	Total
Cost:			
As at 30.06.2014	5,950	28,904	34,854
Additions	0	0	0
As at 30.06.2015	5,950	28,904	34,854
Accumulated depreciation:			
As at 30.06.2014	2,858	25,056	27,914
For the year	1,190	3,848	5,038
As at 30.06.2015	4,048	28,904	32,952
Net value - 30.06.2015	1,902	0	1,902
Net value - 30.06.2014	3,092	3,848	6,940

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