

Independent Auditor's Report
To The Members of The Supreme Industries Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **THE SUPREME INDUSTRIES LTD.** (the "Company"), which comprise the Balance Sheet as at June 30, 2015, and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, in which are incorporated the financial statements audited by the branch auditors of the Company's branches.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the company and for preventing and detecting 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 controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation 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 the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at 30th June, 2015, and its profit and its cash flows for the year ended on that date.



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 (the "Order") issued by the Central Government of India, in exercise of powers conferred by sub-section 11 of section 143 of the Act, we give in the annexure attached hereto our comments on the matters specified in the paragraphs 3 and 4 of the said Order.
2. As required by sub-section 3 of Section 143 of the Act, we report that:
 - (a) We have sought & obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - (c) The reports on the accounts of Branches audited under Section 143(8) of the Companies Act, 2013 by persons other than ourselves, have been forwarded to us and that we have taken due notice of material observations, in our report of the points raised by the said Branch Auditors.
 - (d) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (e) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Account) Rules, 2014.
 - (f) On the basis of the written representations received from the directors as on 30th June, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 30th June, 2015 from being appointed as a director in terms section 164 (2) of the Companies Act, 2013.
 - (g) With respect to the matters to be included in the 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 the explanations given to us:
 1. The Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer note 37 to the financial statements.
 2. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 3. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For CHHOGMAL & CO,
Chartered Accountants
FRN- 101826W

Chintan Shah
Partner
M.No: 107490



Mumbai, 24th July, 2015

Annexure to the Independent Auditor's Report

Annexure referred to in Paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date.

Re: The Supreme Industries Limited ('the Company')

1. a. The Company has maintained proper records, showing full particulars including quantitative details and situation of fixed assets.
b. As explained to us the Company has a phased program for physical verification of the fixed assets of the company to cover all locations. In our opinion, the frequency of verification is reasonable, considering the size of the Company. No material discrepancies were noticed on such verification carried on during the year, as compared with the available records.
2. a. The inventory of finished goods, raw materials, components, stores and spare parts except those lying with third parties, and in transit, has been physically verified by the management at regular intervals, which we consider to be reasonable.
b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
c. The company has maintained proper records of inventory, no material discrepancies were noticed on physical verification of inventories as compared to book records.
3. According to the information and explanation given to us, the Company's has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act 2013.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and also for the sale of goods and services. As per the information given to us, no major weaknesses in internal control system have been identified by the management or the internal auditors of the company during the year. During the course of audit, nothing had come to our notice that may suggest a major weakness in the internal control systems of the company.
5. The company has not accepted any deposits from the public in accordance with the provisions of sections 73 to 76 of the Act and the rules framed there under.
6. The maintenance of cost records has not been prescribed under section 148 of the Act, and accordingly the provisions of the said section are not applicable.
7. a. According to the records of the Company and information and explanations given to us, Provident Fund, Employees State Insurance, Income Tax, Wealth Tax, Sales Tax, Custom Duty, Cess, Excise Duty, Service Tax, Value added tax, and other material statutory dues have been deposited regularly during the year with the appropriate authorities. According to the records of the Company and information and explanations given to us there were no arrears of undisputed outstanding statutory dues as at 30th June, 2015 for a period of more than six months from the date they became payable.



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Chartered Accountants

- b. According to the records of the Company and information and explanations given to us the following are the particulars of disputed amounts payable in respect of, Sales Tax, Custom Duty, Excise Duty and Entry tax and other statutory dues as at the last day of the financial year are as follows.

Name of the statute	Nature of dues	Amount Rs.in lacs	Period to which the amount relates	Forum where dispute is pending
The Central Excise Act, 1944	Excise Duty	640.38	1994 to 2010	CESTAT
		79.04	2002-2010	Commissioner (Appeals), LTU
The Central Sales Tax Act, 1956 and Sales Tax / Vat / Entry Acts of various states	Sales Tax/VAT and Entry Tax	869.77	Various years from 2003-2004 to 2013-2014	Joint/Deputy Commissioner/Commissioner (Appeals)
		31.13	Various Years from 2002-2003 to 2009-10	Sales tax Appellate Tribunal
		16.83	1995-1996	Revisionary Board
		156.80	Various Years from 1999-2000 to 2013-2014	High Court
		188.27	2003-2013	Supreme Court
Local Authority – Asansol Durgapur Development Authority	Development Fee	74.51	2009-2010	Asansol Durgapur Development Authority- Durgapur
Profession Tax Act	Profession Tax	0.78	2009-2010	Deputy Commissioner Profession Tax (DGP) WB
Maharashtra Land Revenue Code 1966	Royalty	21.72	2006-2007	Collector Pune
Bombay Stamp Act, 1958	Differential stamp duty	70.32	2006	Deputy Inspector General of Registration and Deputy Collector of Stamps Pune
The Employees' Provident Funds & Miscellaneous Provisions Act, 1952	Provident Fund	4.88	2002-2005	The Regional Provident Fund Commissioner – Gwalior
Employee State Insurance Act, 1948	ESIC	12.16	2008-2011	Regional Director Indore
Total		2166.60		

- d. According to the records of the company and information and explanations given to us, the amount required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the companies Act 1956(1 of 1956) and rules made there under has been transferred to such fund within time

8. The Company does not have accumulated losses as at the end of the year and the Company has not incurred cash loss during the current and immediately preceding financial year.
9. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to financial institutions and banks. The company did not have any outstanding dues to debenture holders during the year.

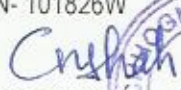


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10. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
11. In our opinion and according to the information and explanations given to us, the term loan have been applied for the purpose for which they were raised other than amounts temporarily invested pending utilization of the funds for stated use.
12. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by management.

For CHHOGMAL & CO,
Chartered Accountants
FRN- 101826W


Chintan Shah
Partner
M.No: 107490



Mumbai, 24th July, 2015