

## SUPREME COMMERCIAL ENTERPRISES LIMITED

Regd. Office : Regd. Office- 394, Hauz Qazi, First Floor, Delhi-110006

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### NOTE 1 & 2 - SIGNIFICANT ACCOUNTING POLICIES (STANDALONE)

#### (A) Basis of Preparation of Financial Statements :

These financial statements are prepared under historical cost convention on accrual basis as a going concern and in accordance with the Generally Accepted Accounting Principles (GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013. Accounting policies not stated explicitly otherwise are consistent with Generally Accepted Accounting Principles.

#### (B) Use of Estimates :

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of balances of assets and liabilities and disclosures relating to contingent liabilities as at the reporting date of the financial statement. Actual results could differ from those estimated. Such differences are recognized in the period in which they are known or materialized.

#### (C) Revenue Recognition :

All other Income are accounted on accrual basis except insurance claim which is accounted on receipt basis.

Claims and refunds due from Government Authorities are recognized in the accounts on receipt basis due to significant uncertainty regarding their realizations.

#### (D) Current and Non Current

All the assets and liabilities have been classified as current and non-current as per company's normal operating cycle.

#### (E) Impairment of Assets :

An asset is treated as impaired when the carrying cost of the same exceeds its recoverable amount. Such impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of the recoverable amount.

#### (F) Investments

Investments are intended to be held for more than 12 months from the date of balance sheet & hence classified as Non - Current Investments.

#### (G) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less as per the AS - 3 "CASH FLOW STATEMENT".

#### (H) Employees Benefits :

##### Short Term Employee Benefits

Short term employee benefits including bonus are recognized as an expense in the Statement of Profit and Loss of the year in which the related services are rendered.

##### Post Employment Benefits

The provisions of various statues like Provident Fund Act, Employees State Insurance Act, Payment of

Gratuity Act, etc are computed at the time of payment on actual basis, based on Company's policies. Thus AS-15 is complied.

#### (I) Taxation :

##### Current Tax

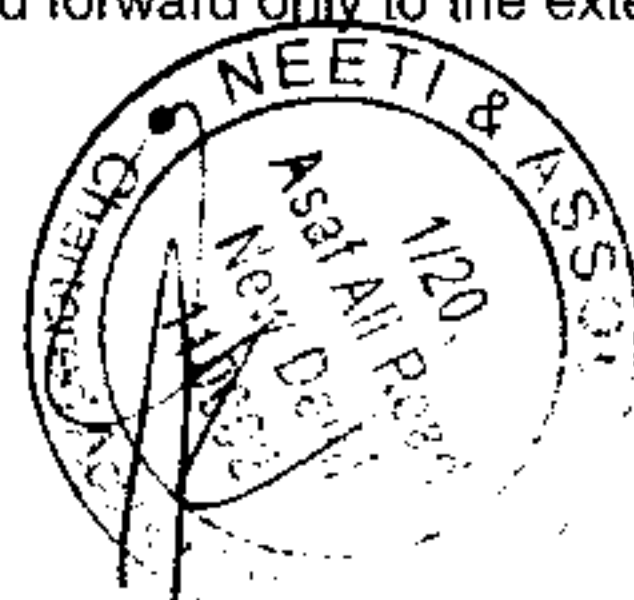
Current tax is determined as the amount of tax payable in respect of taxable income for the year determined in accordance with the provisions of the Income Tax Act, 1961. Minimum Alternative Tax credit available if any under section 115JB of the Income Tax Act, 1961 is accounted in the year in which the credit is claimed.

##### Deferred Tax

Deferred Tax is recognised subject to consideration of prudence on the basis of timing differences being the differences between taxable income and accounting income that originate in one period and is capable of reversal in one or more subsequent periods using the tax rates and laws that have been enacted or substantially enacted as on the balance sheet date.

Deferred Tax Asset is recognised and carried forward only to the extent that there is reasonable certainty that the asset will be realised in future.

#### (J) Provision :



A provision is recognized for a present obligation as a result of past events if it is probable that outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are determined based on best estimate of the amount required to settle the obligation as at the Balance Sheet date. In case actual outcome differs from that estimated, the difference is accounted for at the time the result are known / materialized.

Liabilities which are material and whose future outcome can not be ascertained with reasonable certainty are treated as contingent and are disclosed by way of Notes to Accounts.

**(K) Related Party**

All transactions entered by the Company with related parties were in the ordinary course of business and at arms' length pricing basis. There was no material significant transaction with Related parties in conflict with interest of the Company.

**(L) Dues to Micro & Small Enterprises**

There are no outstanding dues of micro and small enterprises based on information available with company. Previous year figures have been re grouped / re arranged wherever found necessary

**(M) Associates Company**

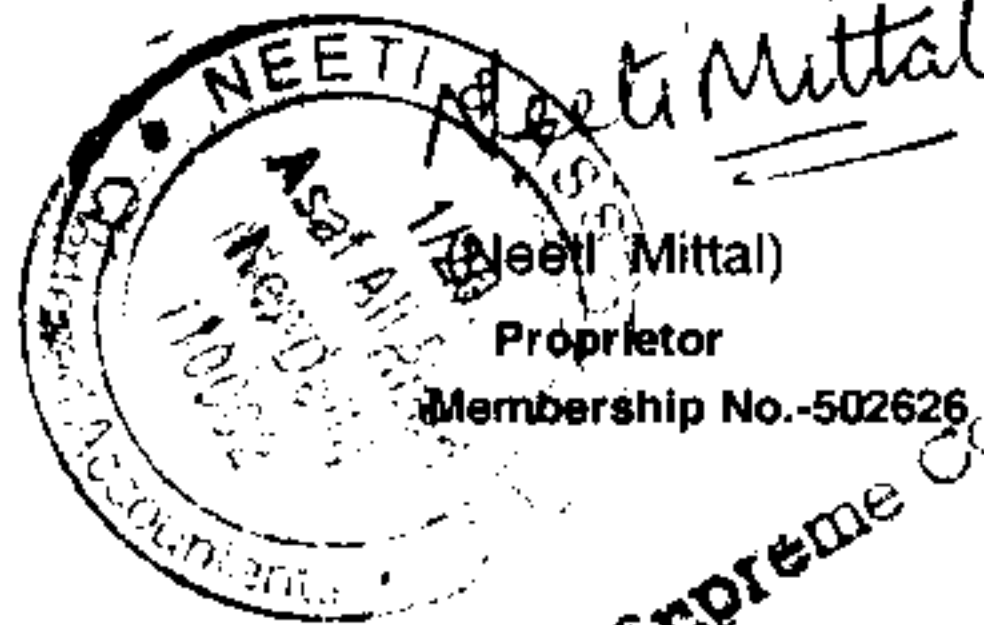
S.no.	Name of the Associates Company	Ownership as on 31st March 2016	% of ownership
1	Star Wire (India) Engineering Limited	480000	24.76%

For Neeti & Associates

Chartered Accountants

Date 27.08.2016

Place: New Delhi



*Supreme Commercial Enterprises LLP*

(Sita Ram Gupta)  
DIRECTOR  
DIN-00053970

(Rekha Gupta)  
DIRECTOR  
DIN-00054073

*Sakshi Gupta*

(Sakshi Gupta)  
Company Secretary  
ACS-033279

*Avantika Gupta*

(Avantika Gupta)  
CFO

Direr