

ARABIAN WATERPROOFING INDUSTRIES COMPANY
(A Saudi Closed Joint Stock Company)

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016
AND INDEPENDENT AUDITORS' REPORT

ARABIAN WATERPROOFING INDUSTRIES COMPANY
(A Saudi Closed Joint Stock Company)
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016

	Page
Independent auditors' report	2
Consolidated balance sheet	3
Consolidated income statement	4
Consolidated cash flow statement	5
Consolidated statement of changes in shareholders' equity	6
Notes to the consolidated financial statements	7 - 22



INDEPENDENT AUDITORS' REPORT

June 5, 2016

To the Shareholders of Arabian Waterproofing Industries Company:
(A Saudi Closed Joint Stock Company)

Scope of audit

We have audited the accompanying consolidated balance sheet of Arabian Waterproofing Industries Company (the "Company") and subsidiaries (collectively referred to as the "Group") as of March 31, 2016 and the consolidated statements of income, cash flows and changes in shareholders' equity for the year then ended, and the notes from (1) to (30) which form an integral part of the consolidated financial statements. These consolidated financial statements, which were prepared by the Company in accordance with Article 123 of the Regulations for Companies and presented to us with all information and explanations which we required, are the responsibility of the Group's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in Saudi Arabia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Unqualified opinion

In our opinion, such consolidated financial statements taken as a whole:

- Present fairly, in all material respects, the financial position of the Group as of March 31, 2016 and the results of its operations and its cash flows for the year then ended in conformity with accounting standards generally accepted in Saudi Arabia appropriate to the circumstances of the Group; and
- Comply, in all material respects, with the requirements of the Regulations for Companies and the Company's By-laws with respect to the preparation and presentation of consolidated financial statements.

PricewaterhouseCoopers

A handwritten signature in blue ink, appearing to be "Khalid A. Mahdhar", written over a horizontal line.

By: _____
Khalid A. Mahdhar
License Number 368

ARABIAN WATERPROOFING INDUSTRIES COMPANY
(A Saudi Closed Joint Stock Company)
Consolidated balance sheet
(All amounts in Saudi Riyals unless otherwise stated)

	Note	As at March 31,	
		2016	2015 (Restated)
Assets			
Current assets			
Cash and cash equivalents	4	129,664,059	119,189,678
Accounts receivable	5	137,369,818	132,340,587
Inventories	6	57,803,540	61,873,580
Prepayments and other assets	7	17,476,097	23,854,282
		<u>342,313,514</u>	<u>337,258,127</u>
Non-current assets			
Available-for-sale Investments	8	24,838	32,058
Investment property	9	33,283,877	-
Property, plant and equipment	10	90,012,845	115,577,847
		<u>123,321,560</u>	<u>115,609,905</u>
Total assets		<u>465,635,074</u>	<u>452,868,032</u>
Liabilities			
Current liabilities			
Accounts payable	11	5,865,810	9,939,159
Accrued expenses and other liabilities	12	24,370,701	17,401,740
Accrued custom duty on imports	13	21,681,786	31,080,602
Zakat payable	14	9,486,390	7,401,895
		<u>61,404,687</u>	<u>65,823,396</u>
Non-current liability			
Employee termination benefits, net	15,28	8,815,444	6,808,358
Total liabilities		<u>70,220,131</u>	<u>72,631,754</u>
Equity			
Equity attributable to shareholders of the Company:			
Share capital	17	272,999,780	181,999,810
Statutory reserve	18,28	8,774,283	66,485,313
Contractual reserve	19,28	67,873,203	75,092,480
Fair value reserve		2,012	9,232
Foreign currency translation reserve		(122,924)	(29,164)
Retained earnings	28	41,347,948	52,467,857
Total shareholders' equity		<u>390,874,302</u>	<u>376,025,528</u>
Minority interest	20	4,540,641	4,210,750
Total equity		<u>395,414,943</u>	<u>380,236,278</u>
Total liabilities and equity		<u>465,635,074</u>	<u>452,868,032</u>
Contingencies	27		

The notes on pages 7 to 22 form an integral part of these consolidated financial statements.

ARABIAN WATERPROOFING INDUSTRIES COMPANY
(A Saudi Closed Joint Stock Company)
Consolidated income statement
(All amounts in Saudi Riyals unless otherwise stated)

	Note 28	Year ended March 31,	
		2016	2015 (Restated)
Sales	16	413,279,664	416,810,483
Cost of sales	16,28	(265,569,009)	(288,542,203)
Gross profit		<u>147,710,655</u>	<u>128,268,280</u>
Operating expenses			
Selling and marketing	21,28	(26,611,972)	(22,108,071)
General and administrative	22,28	(23,615,561)	(19,632,920)
Income from operations		<u>97,483,122</u>	<u>86,527,289</u>
Other income (expenses)			
Other income (expenses), net	23	5,511,591	(10,939,160)
Income before zakat and minority interest		<u>102,994,713</u>	<u>75,588,129</u>
Zakat	14	(9,371,595)	(7,410,000)
Income before minority interest		<u>93,623,118</u>	<u>68,178,129</u>
Minority interest	20	(733,437)	(1,234,362)
Net income for the year	28	<u>92,889,681</u>	<u>66,943,767</u>
Earnings (loss) per share:	24,28		
Income from operations		4.28	3.80
Non-operating income (expenses)		0.24	(0.48)
Net income for the year		<u>4.08</u>	<u>2.94</u>
Weighted average number of shares		<u>22,776,430</u>	<u>22,776,430</u>

The notes on pages 7 to 22 form an integral part of these consolidated financial statements.

ARABIAN WATERPROOFING INDUSTRIES COMPANY
(A Saudi Closed Joint Stock Company)
Consolidated cash flow statement
(All amounts in Saudi Riyals unless otherwise stated)

	Note	Year ended March 31,	
		2016	2015 (Restated)
Cash flows from operating activities			
Net income for the year	28	92,889,681	66,943,767
<u>Adjustments for non-cash items</u>			
Provision for doubtful debts	5	2,493,044	1,782,851
Reversal of provision for inventory obsolescence, net	6	(31,827)	(2,262,891)
Provision for zakat	14	9,371,595	7,410,000
Provision for employee termination benefits	15,28	2,035,867	2,184,840
Depreciation	10	10,579,352	10,229,982
Gain from sale of property, plant and equipment	23	(169,130)	(81,536)
Income attributable to minority interest		733,437	1,234,362
<u>Changes in working capital</u>			
Accounts receivable		(7,522,275)	(1,234,553)
Inventories		4,101,867	(3,172)
Prepayments and other assets		6,378,185	(5,902,631)
Accounts payable		(4,073,349)	2,904,358
Accrued expenses and other liabilities		6,968,961	2,088,303
Accrued custom duty on imports		(9,398,816)	4,347,944
Zakat paid	14	(7,287,100)	(7,523,016)
Employee termination benefits paid	15	(28,781)	(1,315,462)
Net cash generated from operating activities		107,040,711	80,803,146
Cash flow from investing activities			
Purchase of property, plant and equipment	10	(19,186,704)	(33,069,461)
Proceeds from sale of property, plant and equipment		1,038,376	161,525
Net cash utilized in investing activities		(18,148,328)	(32,907,936)
Cash flow from financing activities			
Dividends paid		(76,439,927)	(29,119,968)
Changes in minority interest		(403,546)	1,672,696
Board members' remuneration paid		(1,500,000)	(1,500,000)
Net cash utilized in financing activities		(78,343,473)	(28,947,272)
Net increase in cash and cash equivalents		10,548,910	18,947,938
Effect of exchange rate changes in cash and cash equivalents		(74,529)	(1,013,234)
Cash and cash equivalents at beginning of year		119,189,678	101,254,974
Cash and cash equivalents at end of year	4	129,664,059	119,189,678
Non-cash information			
Change in fair value of available-for-sale investments	8	(7,220)	(1,706)

The notes on pages 7 to 22 form an integral part of these consolidated financial statements.

ARABIAN WATERPROOFING INDUSTRIES COMPANY
(A Saudi Closed Joint Stock Company)

Consolidated statement of changes in shareholders' equity
(All amounts in Saudi Riyals unless otherwise stated)

	Note	Share capital	Statutory reserve	Contractual reserve	Fair value reserve	Foreign currency translation reserve	Retained earnings	Total
April 1, 2014, as previously stated	28	181,999,810	60,283,043	65,789,073	10,938	984,070	36,570,792	345,637,726
Effect of restatement	28	-	(492,106)	(738,158)	-	-	(3,690,793)	(4,921,057)
April 1, 2014, as restated	28	181,999,810	59,790,937	65,050,915	10,938	984,070	32,879,999	340,716,669
Net income for the year (restated)	28	-	-	-	-	-	66,943,767	66,943,767
Transfer to statutory reserve (restated)	18,28	-	6,694,376	-	-	-	(6,694,376)	-
Transfer to contractual reserve (restated)	19,28	-	-	10,041,565	-	-	(10,041,565)	-
Dividends		-	-	-	-	-	(29,119,968)	(29,119,968)
Board members' remuneration		-	-	-	-	-	(1,500,000)	(1,500,000)
Change in fair value	8	-	-	-	(1,706)	-	-	(1,706)
Foreign currency translation		-	-	-	-	(1,013,234)	-	(1,013,234)
March 31, 2015, as restated		181,999,810	66,485,313	75,092,480	9,232	(29,164)	52,467,857	376,025,528
Increase in share capital	17	90,999,970	(67,000,000)	-	-	-	(23,999,970)	-
Net income for the year		-	-	-	-	-	92,889,681	92,889,681
Transfer to statutory reserve	18	-	9,288,970	-	-	-	(9,288,970)	-
Transfer to contractual reserve	19	-	-	10,182,082	-	-	(10,182,082)	-
Transfer from contractual reserve	19	-	-	(17,401,359)	-	-	17,401,359	-
Dividends	26	-	-	-	-	-	(76,439,927)	(76,439,927)
Board members' remuneration		-	-	-	-	-	(1,500,000)	(1,500,000)
Change in fair value	8	-	-	-	(7,220)	-	-	(7,220)
Foreign currency translation		-	-	-	-	(93,760)	-	(93,760)
March 31, 2016		272,999,780	8,774,283	67,873,203	2,012	(122,924)	41,347,948	390,874,302

The notes on pages 7 to 22 form an integral part of these consolidated financial statements.

ARABIAN WATERPROOFING INDUSTRIES COMPANY

(A Saudi Closed Joint Stock Company)

Notes to the consolidated financial statements for the year ended March 31, 2016

(All amounts in Saudi Riyals unless otherwise stated)

1. General information

Arabian Waterproofing Industries Company (the "Company") is a Saudi closed joint stock company which was converted from a limited liability company on 15 Safar 1426H (corresponding to March 25, 2005). The Company initially commenced trading on Sha'aban 14, 1401H (corresponding to June 24, 1981) and still operates under the Commercial Registration No. 1010039827 dated Sha'aban 14, 1401H (corresponding to June 24, 1981) with branches in Jeddah and Dammam under Commercial Registration No. 1010039827/001 and 2050020686, respectively.

Arabian Waterproofing Industries Company and its subsidiaries (collectively the "Group") consist of the Company and its various foreign subsidiaries listed below. The Group is engaged in the manufacture of waterproofing products and heat insulation material and extraction and processing of marble.

The accompanying consolidated financial statements include the accounts of the Company and its following subsidiaries, operating under individual commercial registrations:

Subsidiary	Country of incorporation	Effective ownership at March 31,	
		2016	2015
Awazel International Company, LLC	UAE	99%	99%
Awazel Kuwait Company for Building Materials	Kuwait	99%	99%
Awazel Qatar International Company	Qatar	95%	95%
Awazel Indonesia International Company	Indonesia	95%	95%
Advanced Membrane Company for Industry	Saudi Arabia	90%	90%
Al Sultan Contracting Trading Company Limited	Saudi Arabia	80%	80%
Al Takamal Company for Marble Limited	Saudi Arabia	80%	-

During the quarter ended September 30, 2015, the Company made an investment of Saudi Riyals 2,080,000 for the acquisition of 80% share in Al Takamal Company for Marble Limited at its fair value. Al Takamal Company for Marble Limited was registered in the Kingdom of Saudi Arabia under Commercial Registration 1010272852 dated 25 Rajab, 1430 (corresponding to 16 August 2009). Al Takamal Company for Marble Limited started its operations after its acquisition by the Company.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

2.1 Basis of preparation

The accompanying financial statements have been prepared under the historical cost convention, as modified by revaluation of available-for-sale investments to fair value, on the accrual basis of accounting and in compliance with standards promulgated by Saudi Organization for Certified Public Accountants.

2.2 Critical accounting estimates and judgments

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of certain critical estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a risk of causing an adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

ARABIAN WATERPROOFING INDUSTRIES COMPANY

(A Saudi Closed Joint Stock Company)

Notes to the consolidated financial statements for the year ended March 31, 2016

(All amounts in Saudi Riyals unless otherwise stated)

(a) Provision for doubtful debts

A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the trade receivable is impaired.

(b) Provision for inventory obsolescence

Provision for inventory obsolescence is maintained at a level considered adequate to provide for potential loss on inventory items. The level of allowance is determined and guided by the Company's policy and other factors affecting the obsolescence of inventory items. An evaluation of inventories, designed to identify potential charges to provision, is performed on a continuous basis throughout the year. Management uses judgment based on the best available facts and circumstances, including but not limited to evaluation of individual inventory items' future utilization. The amount and timing of recorded expenses for any period would therefore differ based on the judgments or estimates made. An increase in provision for inventory obsolescence would increase the Company's recorded expenses and decrease current assets.

2.3 Investments

(a) Subsidiaries

Subsidiaries are entities over which the Group has the power to govern the financial and operating policies to obtain economic benefit generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given or liabilities incurred or assumed at the date of acquisition, plus costs directly attributable to the acquisition. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. Goodwill arising from acquisition of subsidiaries, if any, is reported under "intangible assets" in consolidated balance sheets. Goodwill is tested annually for impairment and carried at cost, net of any impairment losses, if any.

Inter-company transactions, balances and unrealized gains on transactions between the Companies are eliminated. Unrealized losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Minority interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the consolidated income statement and consolidated balance sheet.

b) Investment in available-for sale investments

Available-for-sale investments principally consist of investments of less than 20% in the capital of other companies and investments in commission bearing instruments. These investments are included in non-current assets unless management intends to sell such investments within twelve months from the balance sheet date. These investments are initially recognized at cost and are subsequently re-measured at fair value at each reporting date as follows:

- i) Fair values of quoted securities are based on available market prices at the reporting date adjusted for any restriction on the transfer or sale of such investments; and
- ii) Fair values of unquoted securities are based on a reasonable estimate determined by reference to the current market value of other similar quoted investment securities or is based on the expected discounted cash flows.

Cumulative adjustments arising from revaluation of these investments are reported as separate component of equity as fair value reserve until the investment is disposed.

ARABIAN WATERPROOFING INDUSTRIES COMPANY

(A Saudi Closed Joint Stock Company)

Notes to the consolidated financial statements for the year ended March 31, 2016

(All amounts in Saudi Riyals unless otherwise stated)

c) Investment property

Property held to earn rentals or for capital appreciation or both, which is not occupied by the Group is classified as investment property. Investment property is recorded at historical cost, net of accumulated depreciation and impairment loss, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the assets. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset's carrying amount will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance costs are charged to the consolidated income statement during the financial period in which they are incurred. Land is not depreciated. Investment properties are depreciated on a straight line basis over their estimated useful lives.

2.4 Segment reporting

(a) Business segment

A business segment is a group of assets, operations or entities:

- (i) engaged in revenue producing activities;
- (ii) results of its operations are continuously analyzed by management in order to make decisions related to resource allocation and performance assessment; and
- (iii) financial information is separately available.

(b) Geographical segment

A geographical segment is group of assets, operations or entities engaged in revenue producing activities within a particular economic environment that are subject to risks and returns different from those operating in other economic environments.

2.5 Foreign currency translation

(a) Reporting currency

These consolidated financial statements are presented in Saudi Riyals which is the reporting currency of the Company.

(b) Transactions and balances

Transactions in foreign currencies are recorded in Saudi Riyals at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the consolidated income statement.

(c) Subsidiary companies

The results and financial position of all the subsidiaries that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (ii) Items of equity (except retained earnings) are translated at the rate prevailing on the acquisition date;
- (iii) income and expenses for each income statement are translated at average exchange rates; and
- (iv) All resulting exchange differences are recognized as a separate component of equity.

2.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, bank balances and other short term highly liquid investments that are readily convertible into known amounts of cash and have maturities of three months or less from the date of acquisition.

2.7 Short-term deposits

Short-term deposits include placements with banks and other short-term highly liquid investments with original maturities of three months or more but not more than one year from the purchase date.

ARABIAN WATERPROOFING INDUSTRIES COMPANY

(A Saudi Closed Joint Stock Company)

Notes to the consolidated financial statements for the year ended March 31, 2016

(All amounts in Saudi Riyals unless otherwise stated)

2.8 Accounts receivable

Accounts receivable are carried at original invoice amount less provision for doubtful debts. A provision against doubtful debts is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Such provisions are charged to consolidated income statement and reported under "selling and marketing expenses". When an account receivable is uncollectible, it is written-off against the provision for doubtful accounts. Any subsequent recoveries of amounts previously written-off are credited in other income in the consolidated income statement.

2.9 Inventories

Inventories are carried at the lower of cost or net realizable value. Cost is determined as follows:

Raw material	Average cost
Finished Goods	Standard cost
Spare parts	Purchase price

The cost of finished goods include the cost of raw materials, labor and production overheads. Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

2.10 Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation except construction in progress which is carried at cost. Land is not depreciated. Depreciation is charged to the consolidated income statement, using the straight-line method, to allocate the costs of the related assets to their residual values over the following estimated useful lives:

	Number of years
Land improvements	20
Buildings	33
Building improvements	33
Furniture and fixtures	10
Computer and IT equipment	4
Motor vehicles	4
Plant and equipment	4 to 13

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in the consolidated income statement.

Maintenance and normal repairs which do not materially extend the estimated useful life of an asset are charged to consolidated income statement as and when incurred. Major renewals and improvements, if any, are capitalized when it is probable that future economic benefits associated with the items will flow to the entity and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized.

2.11 Impairment of non-current assets

Non-current assets other than goodwill, if any, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Goodwill, if any, is tested for impairment annually. An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount which is the higher of an asset's fair value less cost to sell and value in use. For the purpose of assessing impairment, assets are grouped at lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-current assets other than goodwill, if any, that suffered impairment are reviewed for possible reversal of impairment at each reporting date. Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but the increased carrying amount should not exceed the carrying amount that would have been determined, had no impairment loss been recognized for the assets or cash-generating unit in prior years. A reversal of an impairment loss is recognized as income immediately in the consolidated income statement. Impairment losses recognized on goodwill are not reversible.

ARABIAN WATERPROOFING INDUSTRIES COMPANY
(A Saudi Closed Joint Stock Company)
Notes to the consolidated financial statements for the year ended March 31, 2016
(All amounts in Saudi Riyals unless otherwise stated)

2.12 Accounts payable and accruals

Liabilities are recognized for amounts to be paid for goods and services received, whether or not billed to the Group.

2.13 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated.

2.14 Zakat

The Group is subject to zakat in accordance with the regulations of the Department of Zakat and Income Tax ("DZIT") in the Kingdom of Saudi Arabia. Provision for zakat of the Group, if any, is accrued and zakat is charged to the consolidated income statement. Additional amounts payable, if any, at the finalization of final assessments are accounted for when such amounts are determined.

The Company withholds taxes on certain transactions with non-resident parties in the Kingdom of Saudi Arabia as required under Saudi Arabian Income Tax Law.

Foreign subsidiaries are subject to income taxes in their respective countries of domicile. Such income taxes, if any, are charged to the consolidated income statement.

2.15 Employee termination benefits

Employee termination benefits required by the Saudi Labor and Workman Law are accrued by the Company and its Saudi Arabian subsidiaries and charged to the income statement. The liability is calculated; at the current value of the vested benefits to which the employee is entitled, should the employee leave at the balance sheet date. Termination payments are based on employees' final salaries and allowances and their cumulative years of service, as stated in the laws of Saudi Arabia.

The foreign subsidiaries provide currently for employee termination and other benefits as required under the laws of their respective countries of domicile.

2.16 Revenue recognition

Revenues are recognized upon delivery of products. Revenues are shown net of discounts and after eliminating sales within the Group.

2.17 Selling, marketing and general and administrative expenses

Selling, marketing and general and administrative expenses include direct and indirect costs not specifically part of production costs as required under generally accepted accounting principles. Allocations between selling, marketing and general and administrative expenses and production costs, when required, are made on a consistent basis.

2.18 Dividends

Dividends are recorded in the financial statements in the period in which they are approved by the Board of Directors based on the authority vested by the shareholders of the Company in the general assembly meeting.

ARABIAN WATERPROOFING INDUSTRIES COMPANY

(A Saudi Closed Joint Stock Company)

Notes to the consolidated financial statements for the year ended March 31, 2016

(All amounts in Saudi Riyals unless otherwise stated)

3. Financial instruments and risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value and cash flow interest rate risks and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

Risk management is carried out by senior management. The most important types of risk are summarized below:

Financial instruments carried on the balance sheet include cash and cash equivalents, accounts receivable, accounts payable and accrued expenses and other liabilities. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Financial asset and liability is offset and net amounts reported in the consolidated financial statements, when the Group has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis, or to realize the asset and liability simultaneously.

3.1 Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group's transactions are principally in Saudi Riyals, Kuwaiti Dinars and Emirati Dirhams.

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. The Group has investments in foreign subsidiaries, whose net assets are exposed to currency translation risk. Management monitors such exposures and believes that Group's exposure to currency risk was not significant as of the balance sheet date.

3.2 Fair value and cash flow interest rate risks

Fair value and cash flow interest rate risks are the exposures to various risks associated with the effect of fluctuations in the prevailing interest rates on the Group's financial position and cash flows. Management believes that Group's exposure to commission rate risk is not significant.

3.3 Price risk

Price risk is the risk that the value of financial instrument will fluctuate as a result of changes in market prices, whether these changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. The price risk of the Group mainly arises from its investment in Riyadh Bank which is carried at fair value. Management believes that Group's exposure to price risk is not significant.

3.4 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Management assesses the credit quality of the customer taking into account its financial position, past experience and other factors and accordingly assigns credit limit. Cash is placed with banks with sound credit ratings. Accounts receivable are carried net of provision for doubtful debts.

3.5 Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. Liquidity risk is managed by monitoring on a regular basis that sufficient funds are available through committed credit facilities and other arrangements to meet any future commitments. The Company is currently debt free.

3.6 Fair value

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable willing parties in an arm's length transaction. As the Group's financial instruments are compiled under the historical cost convention except for available-for-sale at fair value, differences can arise between the book values and fair value estimates. Management believes that the fair values of the Group's financial assets and liabilities are not materially different from their carrying values.

ARABIAN WATERPROOFING INDUSTRIES COMPANY

(A Saudi Closed Joint Stock Company)

Notes to the consolidated financial statements for the year ended March 31, 2016

(All amounts in Saudi Riyals unless otherwise stated)

4. Cash and cash equivalents

	2016	2015
Cash at bank	128,661,444	118,378,454
Cash in hand	1,002,615	811,224
	<u>129,664,059</u>	<u>119,189,678</u>

5. Accounts receivable

	Note	2016	2015
Trade receivable		144,033,183	138,137,576
Less: Provision for doubtful debts		(6,953,433)	(6,308,388)
		<u>137,079,750</u>	<u>131,829,188</u>
Related parties	16	290,068	511,399
		<u>137,369,818</u>	<u>132,340,587</u>

Movement in provision for doubtful debts is as follows:

	2016	2015
April 1	6,308,388	4,533,971
Additions	2,493,044	1,782,851
Write-offs	(1,847,999)	(8,434)
	<u>6,953,433</u>	<u>6,308,388</u>
March 31		

6. Inventories

	2016	2015
Raw materials	31,949,268	40,857,230
Finished products	22,876,498	18,884,794
Spare parts	7,126,094	5,904,795
Goods-in-transit	784,298	1,191,206
Provision for inventory obsolescence	(4,932,618)	(4,964,445)
	<u>57,803,540</u>	<u>61,873,580</u>

Movement in provision for inventory obsolescence is as follows:

	2016	2015
April 1	4,964,445	7,227,336
Additions	9,770,857	1,288,614
Reversal	(9,802,684)	(3,551,505)
	<u>4,932,618</u>	<u>4,964,445</u>
March 31		

ARABIAN WATERPROOFING INDUSTRIES COMPANY

(A Saudi Closed Joint Stock Company)

Notes to the consolidated financial statements for the year ended March 31, 2016

(All amounts in Saudi Riyals unless otherwise stated)

7. Prepayments and other current assets

	Note	2016	2015 (Restated)
Staff advances, receivable and others		16,506,215	15,476,343
Advances to suppliers		6,941,706	12,996,413
Prepaid expenses		4,466,991	4,572,152
Receivable on sludge lifting service		456,902	651,820
Margin on bank guarantees		408,910	976,430
Advance for investment in Al Takamal Company		-	2,080,000
Other		2,046,609	452,360
Prepayments and other current assets, gross		30,827,333	37,205,518
Less: Advances to employees	15,28	(13,351,236)	(13,351,236)
		<u>17,476,097</u>	<u>23,854,282</u>

8. Available-for-sale investments

	2016	2015
<u>Quoted securities</u>		
April 1, 2015 and 2014	32,058	33,764
Fair value adjustments	(7,220)	(1,706)
March 31	<u>24,838</u>	<u>32,058</u>

9. Investment property

	Note	2016	2015
Cost			
April 1, 2015 and 2014		-	-
Transfer during the period	10	33,341,907	-
Depreciation			
April 1		-	-
Transfer during the period	10	(58,030)	-
March 31		<u>33,283,877</u>	-

ARABIAN WATERPROOFING INDUSTRIES COMPANY

(A Saudi Closed Joint Stock Company)

Notes to the consolidated financial statements for the year ended March 31, 2016

(All amounts in Saudi Riyals unless otherwise stated)

10. Property, plant and equipment

	April 1, 2015	Additions	Disposals	Currency translation difference	Transfer to investment property (Note 9)	March 31, 2016
Cost						
Land	33,680,507	-	(770,000)	(9,160)	(12,358,875)	20,542,472
Land improvements, buildings and building improvements	58,781,091	6,536,194	-	(17,203)	(2,411,142)	62,888,940
Furniture, fixtures and motor vehicles	47,140,826	1,447,965	(260,579)	(12,063)	-	48,316,149
Computer and IT equipment	10,833,216	597,812	(15,093)	(1,186)	-	11,414,749
Plant and equipment	112,179,249	3,074,825	(75,000)	(195)	-	115,178,879
Capital work-in-progress	11,413,687	7,529,908	-	(6,558)	(18,571,890)	365,147
	<u>274,028,576</u>	<u>19,186,704</u>	<u>(1,120,672)</u>	<u>(46,365)</u>	<u>(33,341,907)</u>	<u>258,706,336</u>
Accumulated Depreciation						
Land improvements, buildings and building improvements	(18,182,138)	(1,920,982)	-	17,003	58,030	(20,028,087)
Furniture, fixtures and motor vehicles	(43,079,159)	(1,563,242)	235,004	9,062	-	(44,398,335)
Computer and IT equipment	(5,130,446)	(1,531,407)	12,516	1,349	-	(6,647,988)
Plant and equipment	(92,058,986)	(5,563,721)	3,906	(280)	-	(97,619,081)
	<u>(158,450,729)</u>	<u>(10,579,352)</u>	<u>251,426</u>	<u>27,134</u>	<u>58,030</u>	<u>(168,693,491)</u>
	<u>115,577,847</u>					<u>90,012,845</u>

Capital work-in-progress represents amounts paid in respect of the construction of building and machinery in Riyadh and Dubai.

The depreciation expense provided during the year has been allocated to the following:

	Note	2016	2015
Cost of sales		7,915,698	9,128,414
Selling and marketing expenses	21	1,026,311	867,752
General and administrative expenses	22	1,610,209	112,900
		<u>10,552,218</u>	<u>10,109,066</u>
Foreign currency exchange loss		27,134	120,916
		<u>10,579,352</u>	<u>10,229,982</u>

ARABIAN WATERPROOFING INDUSTRIES COMPANY

(A Saudi Closed Joint Stock Company)

Notes to the consolidated financial statements for the year ended March 31, 2016

(All amounts in Saudi Riyals unless otherwise stated)

	April 1, 2014	Additions	Disposals	Currency translation difference	March 31, 2015
Cost					
Land	28,686,157	5,000,000	-	(5,650)	33,680,507
Land improvements, buildings and building improvements	58,600,718	538,002	-	(357,629)	58,781,091
Furniture, fixtures and motor vehicles	45,631,047	1,693,985	(116,348)	(67,858)	47,140,826
Computer and IT equipment	5,209,064	5,630,345	-	(6,193)	10,833,216
Plant and equipment	102,797,508	9,382,347	-	(606)	112,179,249
Capital work-in-progress	300,668	10,824,782	-	288,237	11,413,687
	<u>241,225,162</u>	<u>33,069,461</u>	<u>(116,348)</u>	<u>(149,699)</u>	<u>274,028,576</u>
Accumulated Depreciation					
Land improvements, buildings and building improvements	(16,466,174)	(1,785,371)	-	69,407	(18,182,138)
Furniture, fixtures and motor vehicles	(41,900,167)	(1,261,119)	36,359	45,768	(43,079,159)
Computer and IT equipment	(5,055,829)	(79,986)	-	5,369	(5,130,446)
Plant and equipment	(84,955,852)	(7,103,506)	-	372	(92,058,986)
	<u>(148,378,022)</u>	<u>(10,229,982)</u>	<u>36,359</u>	<u>120,916</u>	<u>(158,450,729)</u>
	<u>92,847,140</u>				<u>115,577,847</u>

11. Accounts payable

	Note	2016	2015
Trade		5,865,810	9,883,886
Related party	16	-	55,273
		<u>5,865,810</u>	<u>9,939,159</u>

12. Accrued expenses and other current liabilities

	2016	2015
Salaries and benefits	10,939,446	7,528,522
Accrued material expense	5,373,110	3,153,240
Sales commission	3,431,314	3,255,893
Sales incentive	1,860,601	1,344,424
Accrued transportation charges	1,492,537	1,257,492
Utilities	547,190	305,527
Professional fees	282,774	272,044
Other	443,729	284,598
	<u>24,370,701</u>	<u>17,401,740</u>

13. Accrued custom duty on imports

This balance represents custom duty accrued on import of raw materials subject to custom duty during the last 5 years.

14. Zakat payable

Zakat is payable at 2.5 percent of higher of the approximate zakat base and adjusted net income.

ARABIAN WATERPROOFING INDUSTRIES COMPANY

(A Saudi Closed Joint Stock Company)

Notes to the consolidated financial statements for the year ended March 31, 2016

(All amounts in Saudi Riyals unless otherwise stated)

14.1 Components of zakat base

The significant components of the zakat base of the Company under zakat regulations are as follows:

	Note	2016	2015
Components of zakat base			
Shareholders' equity at beginning of year, as adjusted		349,526,343	315,002,806
Provisions at beginning of year less utilized during the year		11,354,761	8,201,368
Adjusted net income for the year	14.2	107,967,396	80,596,825
Others		20,422,502	(5,849,522)
Property, plant and equipment, as adjusted		(120,773,247)	(106,467,476)
Estimated zakat base		<u>368,497,755</u>	<u>291,484,001</u>

14.2 Adjusted net income for the year

	2016	2015
Income before zakat and minority interest	102,994,713	75,588,129
Adjustment:		
Depreciation differences	61,495	806,294
Provisions	4,528,911	3,248,244
Others	382,277	954,158
Adjusted net income for year	<u>107,967,396</u>	<u>80,596,825</u>

14.3 zakat payable

	2016	2015
April 1, 2015 and 2014	7,401,895	7,514,911
Provisions	9,371,595	7,410,000
Payments	(7,287,100)	(7,523,016)
March 31	<u>9,486,390</u>	<u>7,401,895</u>

14.4 Status of assessments

The Company has received final zakat certificates through the years ended March 31, 2015 from the DZIT.

15. Employee termination benefits

Following is the movement in the employee termination benefits account for the years ended March 31:

	Note	2016	2015 (Restated)
As at April 1, before restatement	28	20,159,594	1,017,923
Restatement	28	-	16,971,825
As at April 1, gross as restated	28	<u>20,159,594</u>	<u>17,989,748</u>
Advances to employees, as restated	28	(13,351,236)	(12,050,768)
As at April 1, net as restated	28	6,808,358	5,938,980
Provisions		2,035,867	1,465,393
Payments		(28,781)	(1,315,462)
Restatement - provision	28	-	719,447
As at March 31, net as restated	28	<u>8,815,444</u>	<u>6,808,358</u>

ARABIAN WATERPROOFING INDUSTRIES COMPANY

(A Saudi Closed Joint Stock Company)

Notes to the consolidated financial statements for the year ended March 31, 2016

(All amounts in Saudi Riyals unless otherwise stated)

Employee termination benefits, net as at March 31, is summarized as follows:

	2016	2015
Employee termination benefits, gross	22,166,680	20,159,594
Less: Advances to employees	(13,351,236)	(13,351,236)
	8,815,444	6,808,358

16. Related party matters

The Group enters into certain transactions with related parties of which the terms and conditions are approved by management of the Group.

16.1 Related party transactions

Significant transactions with related parties in the ordinary course of business included in the financial statements are summarized below:

	2016	2015
Sales	948,155	2,174,129
Royalty expenses	463,813	370,768
Purchases	2,494,585	1,904,313
Repair and maintenance	32,250	-
Training	494,000	-

16.2 Related party balances

Significant year end balances arising from transactions with related parties are as follows:

(i) Due from related parties

	Relationship	2016	2015
Mawana Fast Contracting and Establishment	Affiliate	276,148	69,708
Al-Zamil Company	Affiliate	13,920	441,691
		290,068	511,399

(i) Due to related party

	Relationship	2016	2015
Bitutrade Industries Co. LLC	Affiliate	-	55,273

17. Share capital

The share capital of the Company is divided into 27,299,978 shares and 18,199,981 shares as at March 31, 2016 and March 31, 2015 respectively, of Saudi Riyals 10 each owned by the following shareholders:

Shareholders	2016	2015
Boubyan Petrochemical Company	5,672,036	3,781,357
Mr. Sulaiman Bin Abdul Mohsin Abanmi	-	1,664,359
Mr. Ibrahim Ali Al Sugair	1,837,547	1,425,031
Mr. Hela Abdul Rahman Issa Al Remaiah	1,783,023	1,188,682
Samama Investment Company	1,736,949	1,157,966
Mr. Nasir Ali Al Sugair	1,663,740	1,109,160
Mr. Firas Ali Al Sugair	1,493,919	995,946
Mr. Mansour Ali Al Sugair	1,493,919	995,946
Mr. Sugair Ali Ibrahim Al Sugair	1,386,798	924,532
Other shareholders	10,232,047	4,957,002
	27,299,978	18,199,981

ARABIAN WATERPROOFING INDUSTRIES COMPANY

(A Saudi Closed Joint Stock Company)

Notes to the consolidated financial statements for the year ended March 31, 2016

(All amounts in Saudi Riyals unless otherwise stated)

The shareholders of the Company in their annual general meeting held on September 29, 2015 approved to increase the share capital of the Company from Saudi Riyals 181,999,810 to Saudi Riyals 272,999,780 through the transfer of Saudi Riyals 67,000,000 and Saudi Riyals 23,999,970 from statutory reserve and retained earnings, respectively.

18. Statutory reserve

In accordance with Regulations for Companies in Saudi Arabia and the Company's By-laws, the Company has established a statutory reserve by the appropriation of 10% of annual net income until the reserve equals 50% of the share capital. This reserve is not available for dividend distribution.

19. Contractual reserve

As at March 31, 2015, the Company has established a contractual reserve by appropriation of 10%, 2.5% and 2.5% of net income to dividend, research and development and product liability reserve respectively.

The Shareholders of the Company in the Annual General Assembly meeting held on September 29, 2015 restricted the transfer of accumulated research and development reserve to maximum 5% of the share capital of the Company. Accordingly, the Company transferred net income for the period to research and development reserve only to the extent that is required to reach 5% of its share capital as of September 30, 2015. In addition to above, the Company has transferred 10% of its net income for the year to dividend reserve.

The Shareholders, in the aforementioned Annual General Assembly meeting, also resolved to transfer full amount of product liability reserve to retained earnings. Accordingly, product liability reserve amounting to Saudi Riyals 17,401,359 has been transferred to retained earnings during the year ended March 31, 2016. Further recognition of product liability reserve will seize immediately.

The Contractual reserve will be used as per Board of Directors decision in the manner as stipulated in the Company's By-laws.

20. Minority interest

This balance represents the share of the minority stakeholders in the following consolidated companies:

Name of the entity	2016		2015	
	Total minority interests	Share in net (income) / loss	Total minority interests	Share in net (income) / loss
Al Sultan Company	2,458,788	546,563	2,836,466	1,156,466
Advanced Membrane Company for Industry	941,139	(25,195)	966,334	(18,458)
Al Takamal Company for Marble Limited	629,814	109,814	-	-
Awazel International Company, LLC	204,175	54,782	149,480	28,574
Awazel Kuwait Company for Building Materials	202,412	24,048	179,616	21,995
Awazel Qatar International Company	183,626	50,961	132,793	78,979
Awazel Indonesia International Company	(79,313)	(27,536)	(53,939)	(33,194)
	4,540,641	733,437	4,210,750	1,234,362

ARABIAN WATERPROOFING INDUSTRIES COMPANY

(A Saudi Closed Joint Stock Company)

Notes to the consolidated financial statements for the year ended March 31, 2016

(All amounts in Saudi Riyals unless otherwise stated)

21. Selling and marketing expenses

	Note	2016	2015
Salaries, wages and benefits		11,986,949	9,565,363
Sales commission		3,061,705	2,721,157
Rental		2,646,422	2,530,682
Provision for doubtful debts	5	2,493,044	1,782,851
Advertising and promotion		1,420,234	1,102,253
Depreciation	10	1,026,311	867,752
Insurance		366,076	327,525
Bank charges		340,423	167,146
Communication		302,651	414,244
Travel		255,681	275,626
Other		2,712,476	2,353,472
	28	<u>26,611,972</u>	<u>22,108,071</u>

22. General and administrative expenses

	Note	2016	2015 (Restated)
Salaries, wages and benefits		19,069,688	16,281,089
Depreciation	10	1,610,209	112,900
Professional services		494,570	953,663
Insurance		360,255	344,380
Travel		324,633	693,481
Bank charges		37,406	172,342
Other		1,718,800	1,075,065
	28	<u>23,615,561</u>	<u>19,632,920</u>

23. Other income (expense), net

	2016	2015
Bad debts recovered	1,773,628	-
Income from rental of warehouse and store	1,034,939	212,000
Foreign currency exchange gain / (loss)	571,919	(13,275,198)
Income from lifting of sludge	468,116	76,873
Gain on sale of property, plant and equipment	169,130	81,536
Sale of scrap and raw material	12,840	72,311
Income from deposits	3,470	52,717
Other	1,477,549	1,840,601
	<u>5,511,591</u>	<u>(10,939,160)</u>

24. Earnings (loss) per share

Earnings (loss) per share for the years ended March 31, 2016 and 2015 have been computed by dividing the income from operations, non-operating income(expenses)and net income for each year by the weighted average number of shares outstanding during such years.

ARABIAN WATERPROOFING INDUSTRIES COMPANY**(A Saudi Closed Joint Stock Company)****Notes to the consolidated financial statements for the year ended March 31, 2016**

(All amounts in Saudi Riyals unless otherwise stated)

25. Segment information

The Company's operations are conducted mainly in GCC countries. Selected financial information as of March 31 and for the years then ended summarized by geographical area, was as follows:

	GCC countries	Rest of the world	Total
March 31, 2016			
Total assets	464,762,518	872,556	465,635,074
Total liabilities	70,220,131	-	70,220,131
Sales	412,683,794	595,870	413,279,664
Net income	92,755,752	133,929	92,889,681
Gross profit	147,622,001	88,654	147,710,655
Depreciation	10,579,352	-	10,579,352
Property, plant and equipment	90,012,845	-	90,012,845
March 31, 2015			
Total assets	450,971,357	1,896,675	452,868,032
Total liabilities (restated)	72,531,144	100,610	72,631,754
Sales	413,938,805	2,871,678	416,810,483
Net income (restated)	66,482,548	461,219	66,943,767
Gross profit (restated)	127,760,760	507,520	128,268,280
Depreciation	9,737,796	492,186	10,229,982
Property, plant and equipment	115,536,644	41,203	115,577,847

Operating segment disclosure is not relevant to the Group since the Group is mainly engaged in the manufacture of waterproofing product and heat insulation material.

26. Dividends

The General Assembly of the Company, in its meeting held on September 29, 2015, approved distribution of dividends, at the rate of Saudi Riyals 0.4 per share based on shares outstanding as of March 31, 2015, for the fourth quarter ended March 31, 2015, amounting to Saudi Riyals 7,279,992 which were paid by October 31, 2015. The General Assembly of the Company also approved in its aforementioned meeting distribution of special dividends, at the rate of Saudi Riyals 2 per share based on shares outstanding as of 31 March 2015, amounting to Saudi Riyals 36,399,962 which were paid by October 31, 2015.

The Board of Directors of the Company, in their meeting held on September 29, 2015, approved distribution of dividends, at the rate of Saudi Riyals 0.4 per share, for the first quarter ended June 30, 2015, amounting to Saudi Riyals 10,919,991 which was paid in December 31, 2015.

The Board of Directors of the Company, in their meeting held on January 05, 2016, approved distribution of dividends, at the rate of Saudi Riyals 0.4 per share, for the second quarter ended September 30, 2015, amounting to Saudi Riyals 10,919,991 which was paid in January 2016.

The Board of Directors of the Company, in their meeting held on March 21, 2016, approved distribution of dividends, at the rate of Saudi Riyals 0.4 per share based on the shares outstanding as of March 21, 2016, for third quarter ended December 31, 2015, amounting to Saudi Riyal 10,919,991 which was paid on March 27, 2016.

27. Contingencies

On March 31, 2016, the Group had contingent liabilities arising in the normal course of business, in respect of performance guarantees, amounting to Saudi Riyals 13,720,773, (March 31, 2015: Saudi Riyals 19,684,560).

The above amount includes bank guarantee for Saudi Riyals 6,545,626 (March 31, 2015: Saudi Riyals 14,159,082) issued to Saudi custom department which will be cashed on June 17, 2016.

ARABIAN WATERPROOFING INDUSTRIES COMPANY

(A Saudi Closed Joint Stock Company)

Notes to the consolidated financial statements for the year ended March 31, 2016

(All amounts in Saudi Riyals unless otherwise stated)

28. Restatements

The Company has restated the retained earnings and other related balances as of April 1, 2014 and certain income statement and balance sheet accounts as of and for the year ended March 31, 2015 to correct the errors in recording of provision for employee termination benefits, which was previously made for all employees on a yearly basis and also settled at the end of each year based on contractual arrangements with the employees. Such provision has now been made considering the requirements of the Labor laws in Saudi Arabia based on cumulative period of service of employees with the Company and calculated accordingly. The yearly payments made to the employees for termination benefits in prior years have now been recorded as advances to employees and presented net of the provision for employee termination benefits considering the legal right to set-off available with the Company. The impact of such restatement has been reflected for the comparative information presented in the accompanying consolidated financial statements as follows:

	Before restatement	Restatement	After restatement
Balance sheet as at March 31, 2015:			
Employee termination benefits, gross	1,167,854	18,991,740	20,159,594
Less: Advances to employees	-	(13,351,236)	(13,351,236)
Employee termination benefits, net	1,167,854	5,640,504	6,808,358
Statutory reserve	67,049,364	(564,051)	66,485,313
Contractual reserve	75,938,555	(846,075)	75,092,480
Retained earnings	56,698,235	(4,230,378)	52,467,857
Balances as at April 1, 2014			
Employee termination benefits, gross	1,017,923	16,971,825	17,989,748
Less: Advances to employees	-	(12,050,768)	(12,050,768)
Employee termination benefits, net	1,017,923	4,921,057	5,938,980
Statutory reserve	60,283,043	(492,106)	59,790,937
Contractual reserve	65,789,073	(738,158)	65,050,915
Retained earnings	36,570,792	(3,690,793)	32,879,999
Income statement for the year ended March 31, 2015:			
Cost of sales	288,308,801	233,402	288,542,203
Selling and marketing expenses	22,008,177	99,894	22,108,071
General and administrative expenses	19,246,769	386,151	19,632,920
Net income for the year	67,663,214	(719,447)	66,943,767
Earnings / (loss) per share :			
- Income from operations	4.79	(0.99)	3.80
- Net income for the year	3.72	(0.78)	2.94
Cash flow statement for the year March 31, 2015:			
Provision for employee termination benefit	1,465,393	719,447	2,184,840
Statement of changes in shareholders' equity for the year ended March 31, 2015 :			
Statutory reserve	6,766,321	(71,945)	6,694,376
Contractual reserve	10,149,482	(107,917)	10,041,565

29. Reclassifications

Certain amounts presented in the comparative financial information have been reclassified to conform with the current year presentation.

30. Approval of the financial statements

These consolidated financial statements were approved by the management on June 5, 2016.