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PARTH CONSTRUCTIONS PVT. LTD.

AN ISO 9001:2008 CERTIFIED COMPANY

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS - 1:

(a) Background:

PARTH CONSTRUCTIONS PRIVATE LIMITED ('the Company') was incorporated on 25th of Oct, 2007 under the provisions of the Companies Act, 1956. The Company is engaged in the Business of Construction services.

(b) Basis for preparation of financial statements:

These financial statements have been prepared to comply in all material aspects with applicable accounting principles in India, the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of Companies (Accounts) Rules, 2014, the provision of the Act (to the extent notified) and other accounting principles generally accepted in India, to the extent applicable.

(c) Use of Estimates:

The preparation of financial statements are in conformity with the Generally Accepted Accounting Principles in India ("GAAP") requires, that the management of the Company to make estimates and assumptions in respect of certain items like provision for doubtful debts, provision for product claims, provision for employee benefits, etc., that affect the reported amounts of income and expenses of the year and the reported amounts of assets and liabilities and disclosure of contingent liabilities as of the date of the financial statements. Actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.



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(d) Revenue Recognition:

The Company recognises the revenue when the significant terms of the arrangement are enforceable, services have been delivered and the collectability is reasonably assured. The method of recognising the revenues and costs depends on the nature of the services rendered.

Revenue from sale of goods is recognised when the property in the goods is transferred for a price or all significant risks and rewards of ownership have been transferred to the buyer and the company retains no effective control of the goods transferred to a degree usually associated with ownership and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods.

The Revenue from Services on time and material basis is recognized based on Services rendered to Clients and as per the terms of specific contracts.

(e) Fixed Assets & Depreciation :

The depreciation has been provided based on the basis of useful life prescribed as per Schedule-II of the Companies Act, 2013.

(f) Provisions and contingent liabilities:

A provision is recognized if, as a result of a past event, the Company has a present legal obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure



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is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

(g) Impairment of Assets:

The Company assesses at each Balance Sheet date whether there is any indication that any of the assets may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an Impairment loss and is recognised in the profit and loss account. As on the Balance Sheet date the Company assessed for impairment of assets and found no indication of impairment of assets as per Accounting Standard -28.

(h) Cash and Cash Equivalents:

Cash and cash equivalents comprise cash, bank current accounts, bank deposits is free of encumbrance with a maturity date of three months or less from the date of deposit and highly liquid investments with a maturity date of three months or less from the date of investments.

(i) Employees benefits:

i. Provident Fund & ESI:

The company is not registered under PF and ESI statutes.

ii. Gratuity:

The Company does not have a policy of paying gratuity.



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(j) Related Party Disclosures:

Transactions between related parties are disclosed as per Accounting Standard 18, "Related Party Disclosures". Accordingly disclosures regarding the name of the transacting related party, description of the relationship between the parties, nature of transactions and the amount outstanding as at the end of the accounting year, are made.

(k) Earnings/(Loss) per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes by the average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue.

for on behalf of the Board of Directors

As per our report of even date
for Subramanya & Co.,
Chartered Accountants
Firm Reg No: 015298S

Sanjeet
Director
DIN:02788353

Gopal Pandurang
Director
DIN:00372539

Subramanya
Proprietor
M.No: 233648

Place: Bangalore
Date: 03/09/2016

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Date: 03/09/2016