Notes to the Financial Statements for the year ended March 31, 2016

Note 1: Significant Accounting Policies

1.1 Basis of Preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013 (the 'Act'). All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalent, the Company has ascertained its operating cycle as twelve months for the purpose of current/non-current classification of assets and liabilities.

1.2 Use of Estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles in India requires, the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are The preparation of the financial statements in conformity with the generally accepted accounting principles in India requires, the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates and the differences between the actual and the estimates are recognized in the periods in which the actuals are known/materialise.

1.1 Fixed Assets – Depreciation and Amortization

I. Fixed assets are stated at acquisition cost less accumulated depreciation/amortization and accumulated impairment, if any. All direct costs are capitalized including freight, duties, taxes and expenses incidental to acquisition and installation of fixed assets. Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realisable value and are shown separately in the Financial Statements. Any expected loss is recognised immediately in the Statement of Profit and Loss. Losses arising from the retirement of, and gains and losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

ii. Tangible Assets

Leasehold land is being amortised over the primary period of the lease. The useful lives of the assets are based on technical estimates approved by the Management, and are lower than or same as the useful lives prescribed under Schedule II to the Companies Act, 2013 in order to reflect the period over which depreciable assets are expected to be used by the Company. Depreciation is provided on a prorate basis on the straight line method based on the estimated useful lives of the assets. Since the machineries have not been put to use has not been taken into consideration for the purpose of Deprecation.

i. Assets Useful Life

The assets of the Company are disputed with the banks for which the matter is in dispute and hence the same has not been taken into consideration and the life of the assets has not been estimated for the purpose of depreciation.

ii. Intangible Assets

Intangible Assets comprise of Goodwill, Trademarks, Copyrights and Technical Knowhow. Goodwill and other Intangible Assets are amortised over the useful life of the assets, not exceeding 10 years. All the Intangibles Assets of the Company have been fully amortised as at the Balance Sheet date.

1.1 Investments

There is no investment made by the Company as on the date of the Balance sheet. Therefore, no specific comment has been made as required by the specific Act.

1.4 Inventories

Inventories of trading items and finished goods are valued at lower of cost and net realisable value. Cost is determined using standard cost method that approximates actual cost. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

1.5 Revenue Recognition

Sales are recognized when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract which usually coincide with the delivery of goods and are recorded net of trade discounts, rebates, sales tax/value added tax and excise duty on own manufactured and outsourced products.

1.6 Provisions and Contingent Liabilities

The Company recognizes a provision when there is a present obligation as result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a 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. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure as specified in Accounting Standard 29 - 'Provisions, Contingent Liabilities and Contingent Assets' is made.

1.7 Employee Benefits

Defined Contribution Plans: The Company does not have Defined Contribution Plans for its employees such as Provident Fund, Superannuation Fund, Employee's State Insurance etc. and hence are not charged to the Statement of Profit & Loss. Since there are no permanent employees, the Company does not provide for retirement/ post retirement benefits on the form of gratuity.

Shared Based Compensation: The Company does not provide any equity – based compensation to its employees.

1.8 Foreign Currency Transactions

Transactions in foreign currencies are recognized at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss. Foreign currency denominated monetary assets and liabilities at the year end are translated at the year-end exchange rates, and the resultant exchange difference is recognised in the Statement of Profit and Loss. Non-monetary foreign currency items are carried at cost.

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1.2 Taxation

In view of completion of assessment under MAT provision the MAT Tax shall be adjusted and hence Current tax has not been provided. The current tax is determined as the amount of tax payable in respect of taxable income for the year using the tax rates and tax laws that have been enacted or subsidiary enacted at the Balance sheet date.

1.3 Earnings Per share

Basic earnings per share (EPS) is calculated by dividing the net profit or loss after tax for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

1.4 Cash and Cash Equivalents

In the cash flow statement, cash and cash equivalents include cash in hand, fixed deposits and short-term with banks.

1.5 Contingent liability

As reported by the Company there is no contingent liability against the Company.

1.6 Related Party disclosure

During the year there is no transaction with related party. All purchase and sales have been done in regular course of business and none of the Directors or their relatives are directly or indirectly related with the parties with whom the Company has transacted during the year.

1.1 Earnings per Share as per Accounting Standard 20

		31.03.2016	31.03.2015
Numerator for basic and diluted earnings per share			
Net Profit / Loss after tax for the year	(a)	841258	(4183954)
Denominator for basic and diluted earnings per share			
Weighted Average number of shares	(b)	9988200	9988200
Basic and Diluted Earnings per share	(a/ b)	0.08	(0.41)
Face value of share		10	10